DOWNHOLE COMMINGLE MAMMOTH 1 TB FEDERAL COM 1H

Marathon Oil Permian LLC is requesting to downhole commingle the following pools at the Mammoth 1 TB Federal Com 1H well.

| Pool Name | Pool Code |
|--------------------------|-----------|
| Hardin Tank; Bone Spring | 96661 |
| Harding Tank; Wolfcamp | 96658 |

The downhole commingle will follow regulations stated in 19.15.12.11 NMAC:

- 1. Fluids from each pool are compatible and combining the fluids will not damage the pools.
- 2. Commingling will not jeopardize the efficiency of present or future secondary recovery operations in the pools
- 3. Bottom perforation of lower zone is within 150% of the depth of the top perforation in the upper zone and the lower zone is at or below normal pressure
- 4. The commingling will not result in the permanent loss of reserves due to cross-flow in the well bore.
- 5. Fluid-sensitive formations that may be subject to damage from water or other produced liquids are protected from contact with the liquids produced from other pools in the well.
- 6. If any of the pools being commingled is prorated, or the well's production has been restricted by division order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
- 7. The commingling will not reduce the value of the total remaining production.
- 8. Correlative rights will not be violated.

DOWNHOLE COMMINGLE MAMMOTH 1 TB FEDERAL COM 1H

Attachments:

Admin Checklist C-107A Form C-102 Forms Production and Allocation Calculations Public Data Oil Rates Oil Type Curves Lease Maps

| | | | | 1.0 (1000 1.1.1.0.1 20, 201) |
|---|--|---|----------------------------------|---------------------------------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: | |
| | - Geologi | ABOVE THIS TABLE FOR OCC DIVISI CO OIL CONSERVAT Cal & Engineering I rancis Drive, Santa | TION DIVISION Bureau – | PROFESSION DE MERITARIO |
| TLUC | ADMINIST | | | |
| IHI2 | | EQUIRE PROCESSING AT THE DI | | |
| pplicant: Marathe | | | OGRID | Number: <u>372098</u> |
| Vell Name: Mamm | | | | 025-46127 |
| OOI: Hardin Tank; Bone S | pring & Harding Tank; Wolfcamp | | Pool C | ode: 98285; 96658 |
| B. Check c [1] Com | one only for [I] or [II] 1 mingling – Storage – N | LC PC OL | s 🗌 olm | |
| | WFX PMX S | | | |
| A. Offse B. Roya C. Appli D. Notifi E. Notifi F. Surfa G. For a | N REQUIRED TO: Check t operators or lease hol lty, overriding royalty or cation requires publish cation and/or concurre cation and/or concurre ce owner l of the above, proof o ptice required | lders wners, revenue own ed notice ent approval by SLO ent approval by BLM |) 1 | FOR OCD ONLY Notice Complete |
| | N: I hereby certify that | | | |

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

4/18/2022

Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com e-mail Address

Released to Imaging: 6/3/2022 1:18:23 PM

District I 1625 N. French Drive, Hobbs, NM 88240

District II 811 S. First St., Artesia, NM 88210 District III

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

> **Oil Conservation Division** 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-107A Revised August 1, 2011

APPLICATION TYPE _Single Well Х Establish Pre-Approved Pools EXISTING WELLBORE Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

| Marathon Oil Permia | Marathon Oil Permian LLC 990 Town & Country Blvd., Houston, TX 77024 | | | | | | |
|-----------------------------|--|----------------------|---------------------------------|---------------|---------|--------|-------|
| Operator | | | Address | | | | ounty |
| Mammoth 1 TB Federal Com 1H | | N-Sec 1- T26S - R34E | Lea | | | | |
| Lease | | Well No. | Unit Letter-Section-Townshi | ip-Range | | County | |
| OGRID No. 372098 | Property Co | ode 325751 | API No. ³⁰⁻⁰²⁵⁻⁴⁶¹²⁷ | Lease Type: X | Federal | State | Fee |

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|--|-------------------|--|
| Pool Name | HARDIN TANK; BONE SPRING | | HARDIN TANK; WOLFCAMP |
| Pool Code | 96661 | | 96658 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 12,166' - 14,912' MD and 15,309' - 22,618' MD | | 14,912' - 15,309' MD |
| Method of Production (Flowing or Artificial Lift) | Flowing | | Flowing |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | 8800 psi | | 8820 psi |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 43 API | | 43 API |
| Producing, Shut-In or New Zone | NEW ZONE | | NEW ZONE |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: Rates: Oil: 2,315 bbl/d Water | Date: Rates: | Date: Rates: Oil: 87 bbl/d Water: 187 |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas 97 % 97 % | Oil Gas % | Oil Gas 3 % 3 % |

ADDITIONAL DATA

| Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? | Yes Yes X | No |
|---|--------------|----|
| Are all produced fluids from all commingled zones compatible with each other? | YesX | No |
| Will commingling decrease the value of production? | Yes | X |
| If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? | Yes | No |
| NMOCD Reference Case No. applicable to this well: | | |

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula. Notification list of working, royalty and overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools List of all

| List of all | operators | within the | proposed | Pre-Ap | proved | Pools |
|-------------|------------|------------|-------------|---------|--------|--------|
| Dessfither | all amonat | and mithin | the mass of | and Dea | A | rad Da |

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

| SIGNATURE | TITLE Regulatory Professional | DATE 4/18/2022 |
|---------------------------------------|-------------------------------|----------------|
| TYPE OR PRINT NAME Adrian Covarrubias | TELEPHONE NO. (7 | 13)296-3368 |

E-MAIL ADDRESS acovarrubias@marathonoil.com

1625 N. French Dr., Hobbs. NM 88240

Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>

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

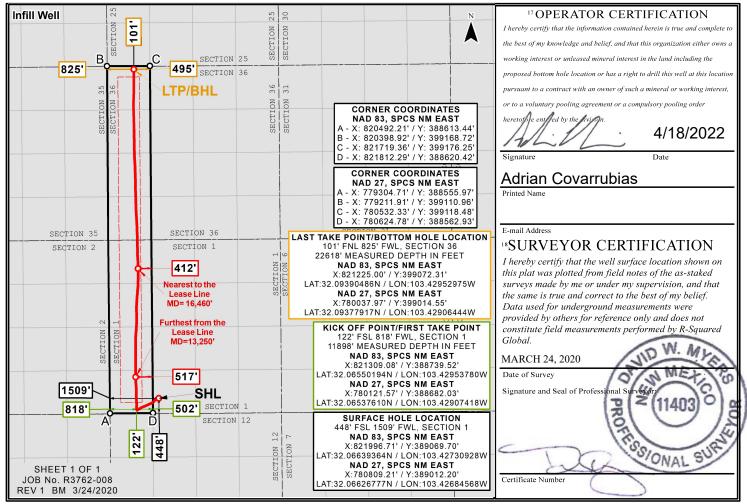
Page 5 of 27 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

| | API Numbe | | | ² Pool Code ³ Pool Name | | | | | | | | |
|-------------------------------|--------------------------------|------------------------|----------------|---|-------------------------|------------------|---------------|---------|--------------------------|------------------------|--|--|
| 30-0 |)25-461 | .27 | | 96661 | | Ha | ardin Tank; I | Bone Sp | oring | | | |
| ⁴ Property C | ode | | | | Property N | | | | ⁶ Well Number | | | |
| 32575 | 1 | | | Ma | mmoth 1 TE | 3 FED COM | | | | 1H | | |
| ⁷ OGRID N | No. | | | | ⁸ Operator N | lame | | | | ⁹ Elevation | | |
| 37209 | 8 | | | MARA | THON OIL | PERMIAN LI | LC | | | 3281' | | |
| | 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 | | |
| N | 1 | 26S | 34E | | 448 | SOUTH | 1509 | WE | ST | LEA | | |
| 11 | | | 11 Bo | ottom Hol | e Location If | Different From S | Surface | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East | /West line | County | | |
| D | 36 | 25S | 34E | | 101 | NORTH | 825 | WE | ST | LEA | | |
| ¹² Dedicated Acres | ¹³ Joint or | Infill ¹⁴ C | onsolidation (| Code ¹⁵ Ord | ler No. | | | | | | | |
| 320.0 | | | | | | | | | | | | |

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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985482 Convergence Angle: 00°29'26.29720"

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1625 N. French Dr., Hobbs. NM 88240

Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>

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

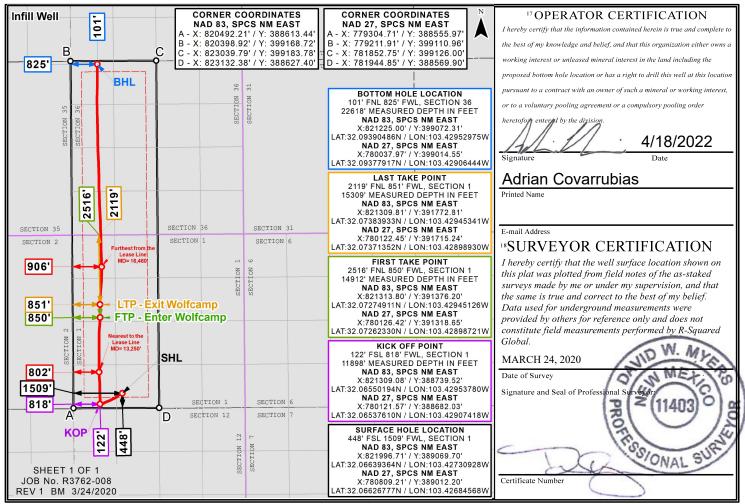
Page 6 of 27 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

| ¹ API Numbe | | er ² Pool Code | | | ³ Pool Name | | | | | ³ Pool Name | | | |
|-------------------------------|--------------------------------|---------------------------|-----------------|-----------------------|-------------------------|------------------|--------------------------|---------|-----------|------------------------|--|--|--|
| 30-0 | 30-025-46127 | | | 96658 | | Н | ardin Tank; ' | Wolfcan | np | | | | |
| | | | | | | | ⁶ Well Number | | | | | | |
| 32575 | 51 | | | Ma | ummoth 1 TB | FED COM | | | | 1H | | | |
| ⁷ OGRID 1 | | | | | ⁸ Operator N | | | | 9 | Elevation | | | |
| 37209 | 98 | | | MARA | THON OIL | PERMIAN LL | LC | | | 3281' | | | |
| | ¹⁰ Surface Location | | | | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/V | Vest line | County | | | |
| Ν | 1 | 26S | 34E | | 448 | SOUTH | 1509 | WES | T | LEA | | | |
| 11 | | | 11 BC | ottom Hol | e Location If I | Different From S | urface | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/V | Vest line | County | | | |
| D | 36 | 25S | 34E | | 101 | NORTH | 825 | WES | ST | LEA | | | |
| ¹² Dedicated Acres | ¹³ Joint or | Infill ¹⁴ C | Consolidation C | Code ¹⁵ Or | der No. | | | | | | | | |
| 640.0 | | | | | | | | | | | | | |

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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985482 Convergence Angle: 00°29'26.29720"

Production and Allocation Calculations:

LTP: 22,618' FTP: 12,166' TOTAL: 22,618' - 12,166' = 10,452' Wolfcamp: 14,912' - 15,309' = 397'

397' / 10,452' = 3.8% IN WOLFCAMP ; 96.2% IN BONESPRING

PREDICTIVE PRODUCTION FROM CURVES

WFMP

OIL BBL/D: 2,291 x 3.8% = 87 bbl/d GAS MSCF/D: 2,978 x 3.8% = 113 mscf/d WATER BBL/D: 4,925 x 3.8% = 187 bbl/d

TBSG

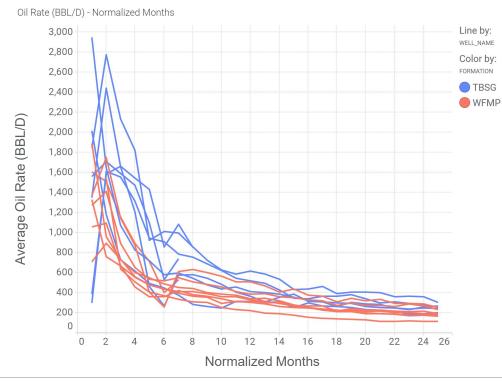
OIL BBL/D: 2,406 x 96.2% = 2,315 bbl/d GAS MSCF/D: 3,849 x 96.2% = 3,703 mscf/d WATER BBL/D: 5,413 x 96.2% = 5,207 bbl/d



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Public Data Oil Rates per Bench (Monthly)

Ruby (2-26S-34E) and Billiken (6-26S-35E)





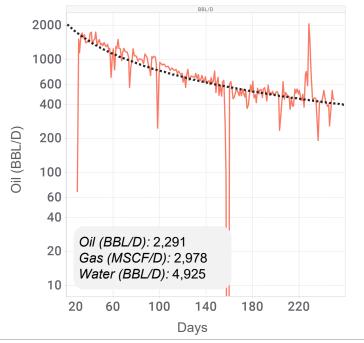
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Oil Type Curve

Based on Ruby and Billiken Offsets

WFMP

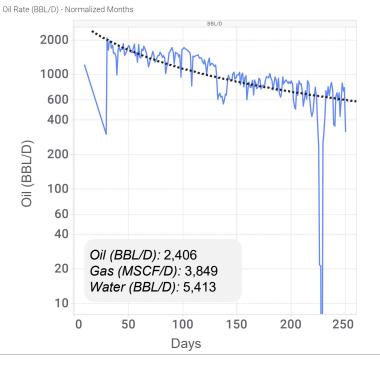
Oil Rate (BBL/D) - Normalized Months



*Normalized to 10,000' lateral length



TBSG



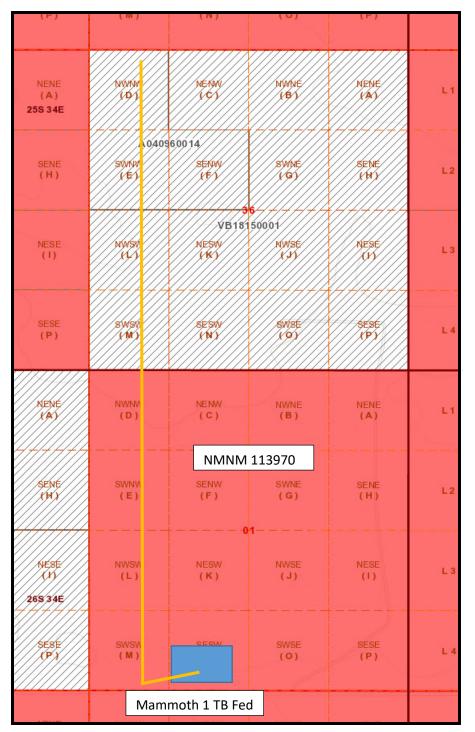
Page 9 of 27

Marathon Oil

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Mammoth 1 TB Federal Com 1H

Sec 1 – T26S-R34E & Sec 36 – T25S-R34E



Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated April 24, 2022 and ending with the issue dated April 24, 2022.

Publisher

Sworn and subscribed to before me this 24th day of April 2022.

Business Manager

My commission expires January 29, 2023 (Seal) GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE April 24, 2022

Application of Marathon Oil Permian LLC for downhole commingle: Notice to all affected parties, as well as the heirs and devisees of: the New Mexico State Land Office; EOG Resources, Inc.; OXY USA Inc.; LJA Charitable Investments, LLC; Pennies From Heaven, LLC c/o Bank of America; Franklin Mountain Royalty Investments, LLC; Monticello Minerals LLC; Rheiner Holdings, LLC; Prevail Energy LLC; Cayuga Royalties, LLC; Cyrene L. Inman, Successor Trustee of the Cyrene L. Inman Trust u/t/a dated 1/26/1994; EMG Oil Properties, Trust u/t/a dated 1/26/1994; EMG Oil Properties, Inc.; Oscura Resources, Inc.; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Good News Minerals, LLC; KMF Land, LLC; Zunis Energy, LLC; Mavros Minerals II, LLC; Oak Valley Mineral and Land, LP; Kaleb Smith; Deane Durham; Mike Moylett; Crown Oil Partners, LP; Collins & Jones Investments, LLC; LMC Energy LLC; Gerald G. Vavrek; Jesse A. Faught, Jr.; H. Jason Wacker; David W. Cromwell; of Marathon Oil Permian LLC's Application for Downhole Commingle. Marathon Oil Permian LLC, 990 Town & Country Blvd., Houston, TX 77024 is applying to the New Blvd., Houston, TX 77024 is applying to the New Mexico Oil Conservation Division for administrative approval to downhole commingle according to the provisions of NMAC 19.15.12.11 from the Mammoth 1 TB federal Com 1H well, located in the Hardin Tank; Bone Spring, Pool (96661) and Hardin Tank; Wolfcamp Pool (96658), located in Section 1. T26S-R34E, Lea County, New Mexico. Any objection or requests for a hearing regarding this application must be submitted to the Division's Santa Fe office, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505 in writing within 20 days from the date the Oil Conservation Division receives Marathon's application. Any interested party with questions or comments may contact Jeff Broussard, jbroussard1@marathonoil.com, 713-296-3159. #37592

01104570

00266051

DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168

Page 12 of 27

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

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PS Form 3877

Type of Mailing: CERTIFIED MAIL 04/19/2022

Firm Mailing Book ID: 226447

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|-----------------------|
| 1 | 9314 8699 0430 0094 5099 33 | Marathon Oil Permian LLC 990 Town and Country Boulevard Houston TX 77024 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 2 | 9314 8699 0430 0094 5099 40 | EOG Resources, Inc. P.O. Box 2267 Midland TX 79705 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 3 | 9314 8699 0430 0094 5099 57 | OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 4 | 9314 8699 0430 0094 5099 64 | OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 5 | 9314 8699 0430 0094 5099 71 | LJA Charitable Investments, LLC P.O. Box 331367 Houston TX 77233 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 6 | 9314 8699 0430 0094 5099 88 | Pennies From Heaven, LLC c/o Bank of America P.O. Box 832407 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 7 | 9314 8699 0430 0094 5099 95 | Franklin Mountain Royalty Investments, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 CO 80206 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 8 | 9314 8699 0430 0094 5100 07 | Monticello Minerals LLC 5528 Vickery Boulevard Dallas TX 57206 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 9 | 9314 8699 0430 0094 5100 14 | Rheiner Holdings, LLC P.O. Box 980552 Houston TX 77098 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 10 | 9314 8699 0430 0094 5100 21 | Prevail Energy LLC 521 Dexter Street Denver CO 80220 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 11 | 9314 8699 0430 0094 5100 38 | Cayuga Royalties, LLC P.O. Box 540711 Houston TX 77254 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 12 | 9314 8699 0430 0094 5100 45 | Cyrene L. Inman, Successor Trustee of the Cyrene L. Inman Trust u/t/a 1/26/94 6844 Rio Grande Boulevard NW Albuquerque NM 87107 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 13 | 9314 8699 0430 0094 5100 52 | EMG Oil Properties, Inc. 1000 West Fourth Street Roswell NM 88201 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 14 | 9314 8699 0430 0094 5100 69 | Oscura Resources, Inc. P.O. Box 2292 Roswell NM 88202 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 15 | 9314 8699 0430 0094 5100 76 | Post Oak Crown IV, LLC 5200 San Felipe Houston TX 77056 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

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PS Form 3877

Type of Mailing: CERTIFIED MAIL 04/19/2022

Firm Mailing Book ID: 226447

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|-----------------------|
| 16 | 9314 8699 0430 0094 5100 83 | Post Oak Crown IV-B, LLC 5200 San Felipe Houston TX 77056 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 17 | 9314 8699 0430 0094 5100 90 | Good News Minerals, LLC P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 18 | 9314 8699 0430 0094 5101 06 | KMF Land, LLC 1144 15th Street, Suite 2650 Denver CO 80202 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 19 | 9314 8699 0430 0094 5101 13 | Zunis Energy, LLC 15 E. 5th Street, Suite 3300 Tulsa OK 74103 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 20 | 9314 8699 0430 0094 5101 20 | Mavros Minerals II, LLC P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 21 | 9314 8699 0430 0094 5101 37 | Oak Valley Mineral and Land, LP P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 22 | 9314 8699 0430 0094 5101 44 | Kaleb Smith P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 23 | 9314 8699 0430 0094 5101 51 | Deane Durham P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 24 | 9314 8699 0430 0094 5101 68 | Mike Moylett P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 25 | 9314 8699 0430 0094 5101 75 | Crown Oil Partners, LP P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 26 | 9314 8699 0430 0094 5101 82 | Collins & Jones Investments, LLC 508 W. Wall Street, Suite 1200 Midland TX 79701 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 27 | 9314 8699 0430 0094 5101 99 | LMC Energy LLC 550 W. Texas Avenue, Suite 945 Midland TX 79701 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 28 | 9314 8699 0430 0094 5102 05 | Gerald G. Vavrek 1521 2nd Avenue #1604 Seattle WA 98101 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 29 | 9314 8699 0430 0094 5102 12 | Jesse A. Faught, Jr. P.O. Box 52603 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 30 | 9314 8699 0430 0094 5102 29 | H. Jason Wacker 5601 Hillcrest Midland TX 79707 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL 04/19/2022

Firm Mailing Book ID: 226447

| Line | USPS Article Number | Name, Stre | eet, City, State, Zip | | | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|-----------------------------------|-----------------------------|--|---|--------|---------|---------|-------------|---------|--------------|-----------------------|
| 31 | 9314 8699 0430 0094 5102 36 | David W. C 2008 Count Midland TX | ry Club Drive | | | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| 32 | 9314 8699 0430 0094 5102 43 | New Mexic PO Box 114 Santa Fe NI | | | | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.0178. Notice |
| | | | | | Totals: | \$43.52 | \$120.00 | \$59.20 | \$0.00 | |
| | | | | | | | Grand | Total: | \$222.72 | |
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|--|---|--|--|--|--|
| Form 3160-5 (June 2019) | UNITED STAT DEPARTMENT OF THE BUREAU OF LAND MAN | | FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2021 5. Lease Serial No. | | |
| Do not use t | | ORTS ON WELLS to drill or to re-enter an APD) for such proposals | 6. If Indian, Allott | ee or Tribe Name | |
| SUBM | T IN TRIPLICATE - Other insti | ructions on page 2 | 7. If Unit of CA/A | greement, Name and/or No. | |
| 1. Type of Well Oil Well 2. Name of Operator | Gas Well Other | | 8. Well Name and 9. API Well No. | No. | |
| | | | | | |
| 3a. Address | | 3b. Phone No. <i>(include area code)</i> |) 10. Field and Pool | or Exploratory Area | |
| 4. Location of Well (Footage, Sec | c., T.,R.,M., or Survey Description |) | 11. Country or Par | ish, State | |
| 12. | CHECK THE APPROPRIATE E | BOX(ES) TO INDICATE NATURE | OF NOTICE, REPORT OR O | OTHER DATA | |
| TYPE OF SUBMISSION | | TYF | PE OF ACTION | | |
| Notice of Intent | Acidize | Deepen Hydraulic Fracturing | Production (Start/Resun | ne) Water Shut-Off Well Integrity | |
| Subsequent Report | Casing Repair Change Plans | New Construction Plug and Abandon | Recomplete | Other | |
| Final Abandonment Notice | e Convert to Injection | n Plug Back | Water Disposal | | |
| the proposal is to deepen dire the Bond under which the wo completion of the involved op | ctionally or recomplete horizonta rk will be perfonned or provide the perations. If the operation results | lly, give subsurface locations and m ne Bond No. on file with BLM/BIA. in a multiple completion or recompl | easured and true vertical dept Required subsequent reports letion in a new interval, a For | work and approximate duration thereof. If hs of all pertinent markers and zones. Attach must be filed within 30 days following m 3160-4 must be filed once testing has been nd the operator has detennined that the site | |

| 14. I hereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i>) | | | | |
|--|----------------|-----------|------|--|
| Т | Title | | | |
| | | | | |
| Signature D | Date | | | |
| THE SPACE FOR FEDER | RAL OR STATE C | OFICE USE | | |
| Approved by | | | | |
| | Title | | Date | |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | | | |
| 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. | | | | |

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SESW / 448 FSL / 1479 FWL / TWSP: 26S / RANGE: 34E / SECTION: 1 / LAT: 32.0663942 / LONG: -103.4274059 (TVD: 0 feet, MD: 0 feet) PPP: SWSW / 0 FSL / 330 FWL / TWSP: 25S / RANGE: 34E / SECTION: 36 / LAT: 32.079703 / LONG: -103.4311241 (TVD: 12453 feet, MD: 17525 feet) PPP: SWSW / 150 FSL / 330 FWL / TWSP: 26S / RANGE: 34E / SECTION: 1 / LAT: 32.0655837 / LONG: -103.4311137 (TVD: 12022 feet, MD: 12162 feet) BHL: NWNW / 150 FNL / 330 FWL / TWSP: 25S / RANGE: 34E / SECTION: 36 / LAT: 32.0937741 / LONG: -103.4311294 (TVD: 12408 feet, MD: 22644 feet)

NEW MEXICO STATE LAND OFFICE Guidelines for Requesting Commingling Approval

- 1. A commingling agreement from the New Mexico State Land Office is not required if the commingling operation does not contain New Mexico State Trust acreage.
- 2. If State Trust acreage will be part of a proposed commingling operation:
 - a. Commingling of production of all wells from the same pool within a single lease, communitized area, or unit area is permitted without additional Land Commissioner approval.
 - b. Surface commingling (including off-lease storage) from more than one pool, and/or from more than one lease, communitized area, unit area, or a combination of leases/communitized areas/unit areas, requires additional Land Commissioner approval.
 - c. Downhole commingling of multiple producing pools in a single well bore requires Land Commissioner approval unless the pools or the area in which the well is located are listed as pre-approved in NMAC 19.15.12.11(E).

The attached application form describes the process for submitting a commingling application to the New Mexico State Land Office.

APPLICATION FOR

NEW MEXICO STATE LAND OFFICE

COMMINGLING AND OFF-LEASE STORAGE

ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

| Applicant: Marath | on Oil LLC | OGRID #: ³⁷²⁰⁹⁸ |
|--|--------------------------|----------------------------|
| Well Name: Mam | moth 1 TB Federal Com 1H | API #: |
| Pool: Hardin Tank; Bone Spring & Hardin Tank; Wolfcamp | | |
| OPERATOR NAME: | Marathon Oil LLC | |

OPERATOR ADDRESS: 990 Town & Country Blvd., Houston, TX 77024

APPLICATION REQUIREMENTS – SUBMIT:

- 1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
- 2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is accurate and complete, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Adrian Covarrubias

Print or Type Name

Signature

4/18/2022

Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com

e-mail Address

Submit application to: Commissioner of Public Lands Attn: Commingling Manager PO Box 1148 Santa Fe, NM 87504-1148

Questions? Contact the Commingling Manager: 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

| From: | Engineer, OCD, 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 O; Walls, Christopher; Dawson, Scott |
| Subject: | Approved Administrative Order DHC-5217 |
| Date: | Friday, June 3, 2022 11:21:29 AM |
| Attachments: | DHC5217 Order.pdf |

NMOCD has issued Administrative Order DHC-5217 which authorizes Marathon Oil Permian, LLC (372098) to downhole commingle production within the following well:

Well Name: Mammoth 1 TB Federal Com #1H Well API: 30-025-46127

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

| From: | Covarrubias, Adrian (MRO) |
|--------------|---|
| То: | McClure, Dean, EMNRD |
| Subject: | RE: [EXTERNAL] Marathon Oil Permian - Mammoth 1H Downhole Commingle |
| Date: | Wednesday, June 1, 2022 7:28:23 AM |
| Attachments: | image001.png |

Good morning Dean,

Thank you for following back with me on this. Yes, our intent is to use the HSU established by the Mammoth 1 WA Federal Com 7H. Let me know if there are any further questions.

Thank you,

Adrian Covarrubias

Regulatory Professional | Permian Asset Marathon Oil Company | 990 Town & Country Blvd. Houston, TX 77024 O: 713.296.3368 | M: 713.962.7591



From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, May 31, 2022 4:40 PM
To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Subject: RE: [EXTERNAL] Marathon Oil Permian - Mammoth 1H Downhole Commingle

Hello Adrian,

I touched base with our District Geologist, Paul, regarding the HSU for the wolfcamp pool for this well. The spacing unit will need to reflect the lateral which is completed within the pool. However, the exception to this is that a HSU which is already established by a defining well may be used. In this case, I presume that Marathon's intent will be to use the HSU which was established by the Mammoth 1 WA Federal Com #7H (30-025-46133). Please confirm that this is Marathon's intent here, or diversly please submit a new C-102 with spacing reflective of the completed lateral length within the wolfcamp.

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

From: Covarrubias, Adrian (MRO) <<u>acovarrubias@marathonoil.com</u>>
Sent: Tuesday, May 31, 2022 12:58 PM
To: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>>

Subject: [EXTERNAL] Marathon Oil Permian - Mammoth 1H Downhole Commingle

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

Here are the public notice items for you.

Let me know if we need to make changes to the spacing units.

Thank you,

Adrian Covarrubias Regulatory Professional | Permian Asset Marathon Oil Company | 990 Town & Country Blvd. Houston, TX 77024 O: 713.296.3368 | M: 713.962.7591



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

APPLICATION FOR DOWNHOLE COMMINGLINGSUBMITTED BY MARATHON OIL PERMIAN, LLCORDER NO. DHC-5217

<u>ORDER</u>

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 ("Application") to downhole commingle the pools described in Exhibit A ("the Pools") within the well bore of the well identified in Exhibit A ("the Well").
- 2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
- 3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
- 4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
- 5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
- 6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
- 7. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

- 8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
- 9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
- 10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

Order No. DHC-5217

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
- 12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

- 1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
- 2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
- 3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.
- 4. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
- 5. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
- 6. If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new downhole commingling application to OCD to amend this Order to remove the pool that caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

Order No. DHC-5217

- 8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 9. 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



DATE: 6/03/2022

ADRIENNE E. SANDOVAL DIRECTOR

Order No. DHC-5217

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| En | ergy, Minerals and Natural Resourc | ces Department | |
|-------------------|------------------------------------|--------------------|----------------|
| | Exhibit A | | |
| | Order: DHC-5217 | | |
| | Operator: Marathon Oil Perr | nian, LLC (372098) | |
| | Well Name: Mammoth 1 TB Fe | deral Com #1H | |
| | Well API: 30-025-46127 | | |
| | Pool Name: HARDIN TANK;BO | NE SPRING | |
| Linnar Zona | Pool ID: 96661 | Current: | New: X |
| Upper Zone | Allocation: Fixed Percent | Oil: 97% | Gas: 97% |
| | Interval: Perforations | Top: 12,166 | Bottom: 14,912 |
| | Interval: Perforations | Top: 15,309 | Bottom: 22,618 |
| | Pool Name: | | |
| Intermediate Zone | Pool ID: | Current: | New: |
| intermediate zone | Allocation: | Oil: | Gas: |
| | Interval: | Тор: | Bottom: |
| Bottom of Interv | val within 150% of Upper Zone's To | p of Interval: | |
| | Pool Name: HARDIN TANK;WC | DLFCAMP | |
| Lower Zone | Pool ID: 96658 | Current: | New: X |
| | Allocation: Fixed Percent | Oil: 3% | Gas: 3% |
| | Interval: Perforations | Top: 14,912 | Bottom: 15,309 |
| Bottom of Interv | val within 150% of Upper Zone's To | p of Interval: YES | |

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 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

| Operator: | OGRID: |
|--------------------------|--------------------------------------|
| MARATHON OIL PERMIAN LLC | 372098 |
| 990 Town & Country Blvd. | Action Number: |
| Houston, TX 77024 | 99266 |
| | Action Type: |
| | [C-107] Down Hole Commingle (C-107A) |

| CONDITIONS | | | | |
|------------|--|-------------------|--|--|
| Created By | | 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. | 6/3/2022 | | |

CONDITIONS

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Action 99266