

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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:** Ender Wiggins 14 WA Fed Com 6H; WA Fed Com 19H; WXY Fed Com 20H; TB Fed Com 11H **API:** 30-025-46597; 30-025-47020; 30-025-47026; 30-025-46794  
**Pool:** Pitchfork Ranch; Wolfcamp (South) & Red Hills; Bone Spring (East) **Pool Code:** 96994 & 97369

**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

8/4/2020

Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com

e-mail Address

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

Form C-107-B  
Revised August 1, 2011

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: 990 Town & Country Blvd., Houston TX 77024  
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
Red Hills; Bone Spring (East) 97369	43.0 / 1330	43.0 / 1330			
Pitchfork Ranch; Wolfcamp (South) 96994	43.0 / 1330				

- (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.

#### (E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(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.

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

SIGNATURE: Adrian Covarrubias TITLE: Regulatory Compliance Representative DATE: 8/4/2022

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

E-MAIL ADDRESS: acovarrubias@marathonoil.com

SURFACE COMMINGLING  
ENDER WIGGINS 14 FED COM 6H 11H 19H 20H

Marathon Oil Permian LLC is requesting to surface commingle under 19.15.12.10(C) NMAC for Commingling with Diverse Ownership.

The approval of this commingle will not affect the value of oil and gas.

Marathon Oil Permian LLC will be using the metering method to measure and allocate production. Please see below for Method of Allocation.

**List of Leases and Pools to be commingled:**

WELL NAME	API #	LEASE	POOL (POOL CODE)
Ender Wiggins 14 WA Fed Com 6H	30-025-46597	CA NMNM140082	Pitchfork Ranch; Wolfcamp (South) (96994)
Ender Wiggins 14 WA Fed Com 19H	30-025-47020	CA Pending E2 Sec 11 & NE4 Sec 14	Pitchfork Ranch; Wolfcamp (South) (96994)
Ender Wiggins 14 WXY Fed Com 20H	30-025-47026	CA Pending E2 Sec 11 & NE4 Sec 14	Pitchfork Ranch; Wolfcamp (South) (96994)
Ender Wiggins 14 TB Fed Com 11H	30-025-46794	CA Pending W2E2 Sec 11 & W2NE4 Sec 14	Red Hills; Bone Spring (East) (97369)

The Ender Wiggins 14 WA Fed Com 19H and the Ender Wiggins 14 WXY Fed Com 20H will be located on the pad located on UL. H-Sec.14-T25S-R34E and will be piped to the tank battery where the Ender Wiggins 14 WA Fed Com 6H and the Ender Wiggins 14 TB Fed Com 11H will be located at UL. F-Sec.14-T25S-R34E. Please see attached maps.

**Future additions:**

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) NMAC, Marathon Oil Permian LLC requests option to include additional pools or lessees, and add additional wells contained within the spacing units identified and approved in this application by filing a Subsequent Sundry Report to the Bureau of Land Management and a C-103Z with a C-102 attached to the NMOCD.

**Attachments:**

- Notification Letter to Interest Owners
- Certified Mail Confirmation
- Notification to BLM
- Lease Map
- Facility Diagram
- C-102 Plats



**Adrian Covarrubias**

Regulatory Compliance Representative

**Marathon Oil Company**

990 Town & Country Blvd.

Houston, TX 77024

Telephone 713.296.3368

acovarrubias@marathonoil.com

**DELIVERED VIA:**

Certified Mail

August 4, 2022

Marathon Oil Permian LLC Application for Surface Commingle

Ender Wiggins 14 WA Fed Com 6H (API 30-025-46597)

Ender Wiggins 14 TB Fed Com 11H (API 30-025-46794)

Ender Wiggins 14 WA Fed Com 19H (API 30-025-47020)

Ender Wiggins 14 WXY Fed Com 20H (API 30-025-47026)

Section 14-T25S-R34E

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 to surface commingle according to the provisions of NMAC 19.15.12.10 from the wells listed above, located in the Red Hills; Bone Spring, East Pool (97369) and the Pitchfork Ranch; Wolfcamp South Pool (96994), located in Section 14, T25S-R34E, Lea County, New Mexico.

As an 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 713-296-3368 or by email at acovarrubias@marathonoil.com.

Sincerely,

MARATHON OIL COMPANY

Adrian Covarrubias



Karlene Schuman  
 100 Fourth Street, Suite 1000  
 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
 08/04/2022

Firm Mailing Book ID: 231565

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0098 0057 21	The United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
2	9314 8699 0430 0098 0057 38	EOG Resources, Inc. 5509 Champions Dr. Midland TX 79706	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
3	9314 8699 0430 0098 0057 45	The Allar Company P.O. Box 1567 Graham TX 76450	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
4	9314 8699 0430 0098 0057 52	John Kyle Thoma, Trustee of the Cornerstone Family Trust P.O. Box 17656 Golden CO 80402	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
5	9314 8699 0430 0098 0057 69	CrownRock Minerals, L.P., a Delaware limited partnership P.O. Box 51933 Midland TX 79710	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
6	9314 8699 0430 0098 0057 76	Regen Royalty Corp P.O. Box 210 Artesia NM 88211	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
7	9314 8699 0430 0098 0057 83	Chevron Midcontinent, L.P. 1400 Smith St. Houston TX 77002	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
8	9314 8699 0430 0098 0057 90	Estate of Warren J. Bates P. O. Box 1488 Ada OK 74821	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
9	9314 8699 0430 0098 0058 06	OMJV1 Minerals Sub LP 5300 Memorial Drive, Suite 430 Houston TX 77007	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
10	9314 8699 0430 0098 0058 13	Fortis Minerals II, LLC 2821 West 7th Street, Suite 500 Fort Worth TX 76107	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
11	9314 8699 0430 0098 0058 20	Texas State Bank, Trustee of the Lucille Chism Bates Testamentary Trust P.O. Box 3782 San Angelo TX 76902	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
12	9314 8699 0430 0098 0058 37	John V. McCarthy, II P. O. Box 3688 Bernice OK 74331	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
13	9314 8699 0430 0098 0058 44	Joseph M. Victory 50 Sequoyah Blvd. Shawnee OK 74801	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
14	9314 8699 0430 0098 0058 51	Pegasus Resources II, LLC P.O. Box 470698 Fort Worth TX 76147	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice

Carlene Schuman  
 Goddard Sperling Roehl Harris & Sisk P.A.  
 100 Fourth Street, Suite 1000  
 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
 08/04/2022

Firm Mailing Book ID: 231565

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0098 0058 68	TD Minerals LLC 8111 Westchester Dr., Suite 900 Dallas TX 75225	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
16	9314 8699 0430 0098 0058 75	B.H.C.H. Mineral, Ltd. 5111 Broadway San Antonio TX 78209	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
17	9314 8699 0430 0098 0058 82	Fredericksburg Royalty, Ltd., a Texas limited partnership 5111 Broadway San Antonio TX 78209	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
18	9314 8699 0430 0098 0058 99	P.A.W.N. Enterprises, a limited partnership P. O. Box 729 Ada OK 74820	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
19	9314 8699 0430 0098 0059 05	Daniel F. Freeman, Trustee of Trust A u/w/o Margaret Helen Kalmar P. O. Box 729 Ada OK 74820	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
20	9314 8699 0430 0098 0059 12	Robert F. Fleet, Trustee of the Robert F. Fleet Revocable Trust P. O. Box 729 Ada OK 74820	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
21	9314 8699 0430 0098 0059 29	Arlene Rae Fleet, Trustee of the Arlene Rae Fleet Revocable Trust P. O. Box 729 Ada OK 74820	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
22	9314 8699 0430 0098 0059 36	Rae Ann Fleet Gossett P. O. Box 729 Ada OK 74820	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
23	9314 8699 0430 0098 0059 43	Sugarberry Oil & Gas Corporation, a Texas corporation 5950 Cedar Springs Rd., Lock Box 230 Dallas TX 75235	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
24	9314 8699 0430 0098 0059 50	Katy Pipeline and Production Company P. O. Box 56203 Houston TX 77256	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
25	9314 8699 0430 0098 0059 67	Advent Trust Company, as Trustee of the Fredricka H. Crain Trust 6363 Woodway, Suite 800 Houston TX 77057	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
26	9314 8699 0430 0098 0059 74	OXY Y-I Company 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
27	9314 8699 0430 0098 0059 81	Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland TX 79706	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
08/04/2022

Firm Mailing Book ID: 231565

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

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
28	9314 8699 0430 0098 0059 98	COG Operating LLC 600 West Illinois Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
29	9314 8699 0430 0098 0060 01	Del Reyes Minerals, LLC P.O. Box 470981 Fort Worth TX 76137	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
30	9314 8699 0430 0098 0060 18	Noroma Energy, LLC P.O. Box 5443 Austin TX 78763	\$1.44	\$4.00	\$2.00	\$0.00	81363.0151. Notice
<b>Totals:</b>			<b>\$43.20</b>	<b>\$120.00</b>	<b>\$60.00</b>	<b>\$0.00</b>	
			<b>Grand Total:</b>				<b>\$223.20</b>

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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30

Form 3160-5  
(June 2019)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2021**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an**  
**abandoned well. Use Form 3160-3 (APD) for such proposals.**5. Lease Serial No. **MULTIPLE**6. If Indian, Allottee or Tribe Name  
**MULTIPLE****SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other7. If Unit of CA/Agreement, Name and/or No.  
**MULTIPLE**8. Well Name and No. **MULTIPLE**2. Name of Operator **MARATHON OIL PERMIAN LLC**9. API Well No. **MULTIPLE**3a. Address **990 TOWN & COUNTRY BLVD, HOUSTON, TX** 3b. Phone No. (include area code)  
**(000) 000-0000**10. Field and Pool or Exploratory Area  
**MULTIPLE**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**MULTIPLE**11. Country or Parish, State  
**MULTIPLE****12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Marathon Oil Permian LLC is requesting to surface commingle oil and gas production from the above mentioned wells. Approval of this CAA will not negatively affect the royalty revenue of the federal government. Please see attached.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
**ADRIAN COVARRUBIAS / Ph: (713) 296-3368**

Title **regulatory Compliance Representative**

Signature

Date

**08/03/2022****THE SPACE FOR FEDERAL OR STATE OFFICE 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.

Office

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

### Batch Well Data

ENDER WIGGINS 14 WXY FED COM 6H, US Well Number: 3002546597, Case Number: NMNM113419, Lease Number: NMNM113419,  
Operator:MARATHON OIL PERMIAN LLC

ENDER WIGGINS 14 TB FED COM 11H, US Well Number: 3002546794, Case Number: NMNM113419, Lease Number: NMNM113419,  
Operator:MARATHON OIL PERMIAN LLC

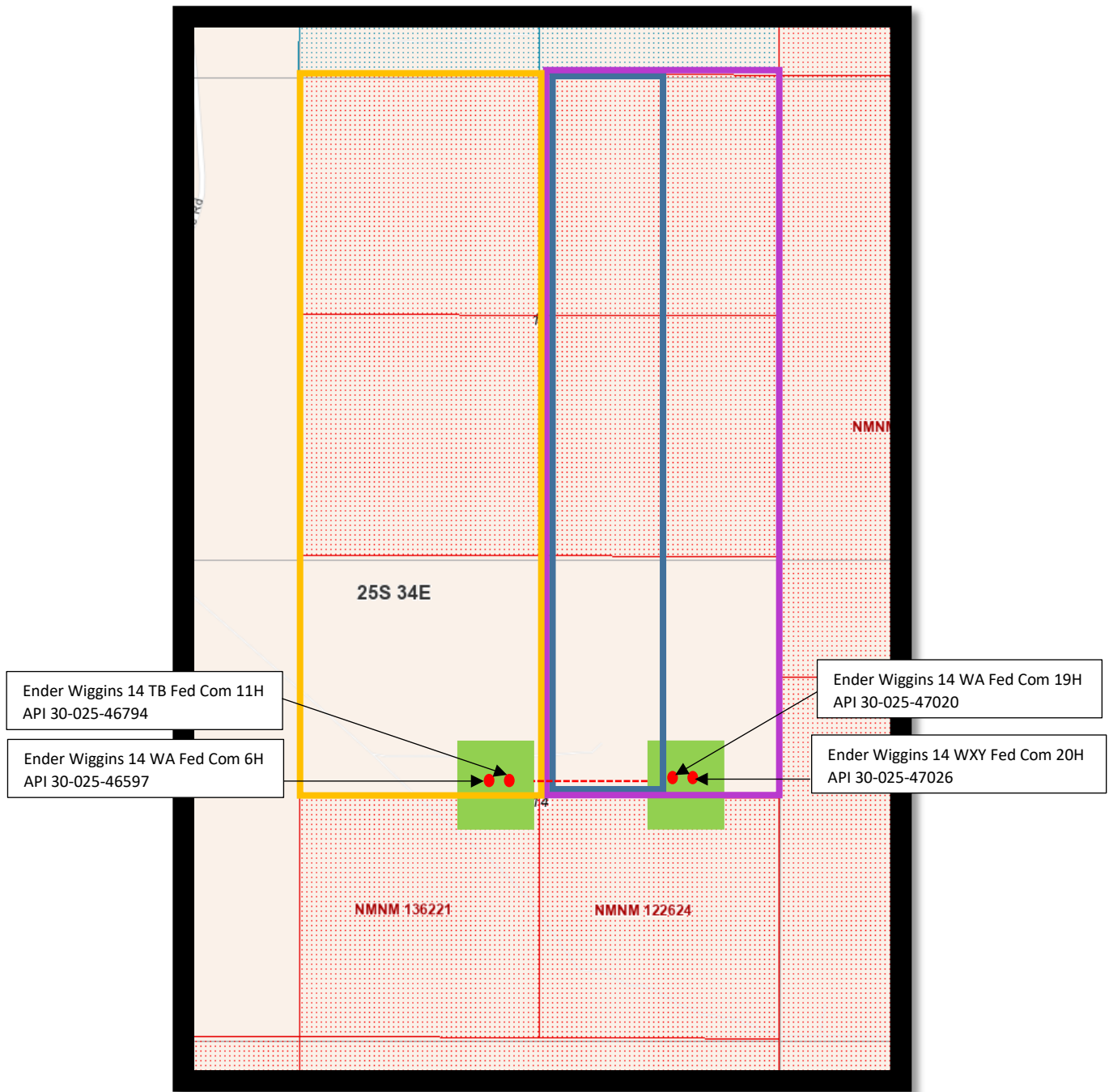
ENDER WIGGINS 14 WA FED COM 19H, US Well Number: 3002547020, Case Number: NMNM113419, Lease Number: NMNM113419,  
Operator:MARATHON OIL PERMIAN LLC






ENDER WIGGINS 14 WXY FED COM 20H, US Well Number: 3002547026, Case Number: NMNM113419, Lease Number: NMNM113419,  
Operator:MARATHON OIL PERMIAN LLC

CONFIDENTIAL

SURFACE COMMINGLING  
ENDER WIGGINS 14 FED COM 6H 11H 19H 20H

### Lease Map

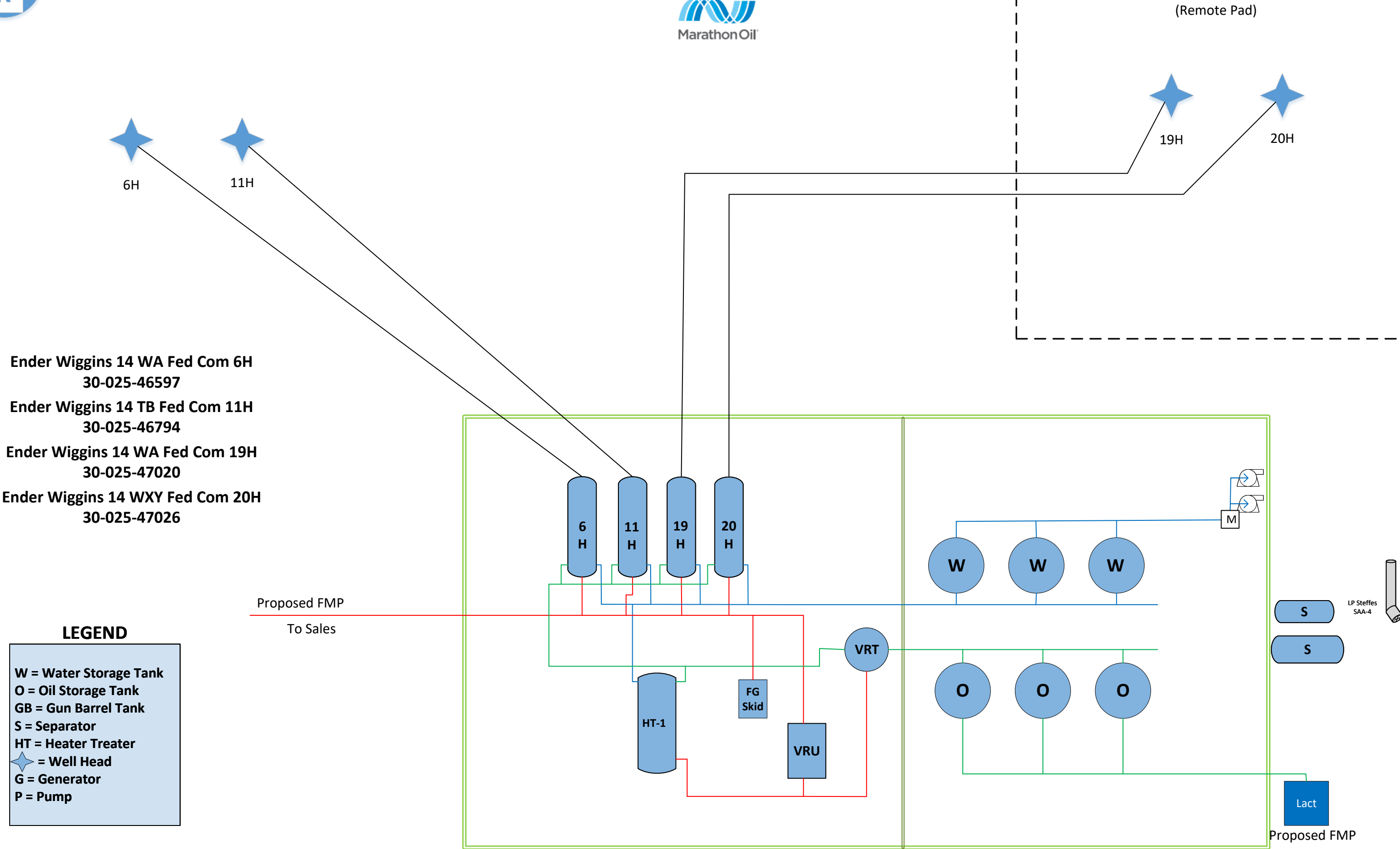


- CA Pending (BoneSpring) 
- CA Pending (Wolfcamp) 
- CA NMNM140082 (Wolfcamp) 
- Wells 
- Pipeline 





# Ender Wiggins 14 Fed Com CTB



Ender Wiggins 14 WA Fed Com 6H  
30-025-46597

Ender Wiggins 14 TB Fed Com 11H  
30-025-46794

Ender Wiggins 14 WA Fed Com 19H  
30-025-47020

Ender Wiggins 14 WXY Fed Com 20H  
30-025-47026

## LEGEND

- W = Water Storage Tank
- O = Oil Storage Tank
- GB = Gun Barrel Tank
- S = Separator
- HT = Heater Treater
- ★ = Well Head
- G = Generator
- P = Pump

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-46794	<sup>2</sup> Pool Code 97369	<sup>3</sup> Pool Name RED HILLS; BONE SPRING (EAST)
<sup>4</sup> Property Code	<sup>5</sup> Property Name ENDER WIGGINS 14 TB FED COM	<sup>6</sup> Well Number 11H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3332'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	14	25S	34E		2451	NORTH	1765	WEST	LEA

<sup>11</sup> 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
B	11	25S	34E		100	NORTH	2178	EAST	LEA

<sup>12</sup> Dedicated Acres 240.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>SHEET 1 OF 4 JOB No. R3816_009 REV 7 DEF 4/8/2021</p>	<p><b>17 OPERATOR CERTIFICATION</b> 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.</p> <p>Signature: <i>[Signature]</i> Date: 05/21/2021 Printed Name: Melissa Szudera E-mail Address: mszudera@marathonoil.com</p>
	<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: MAY 21, 2021 Signature and Seal of Professional Surveyor: <i>[Signature]</i> Certificate Number: DAVID W. MYERS 11403</p>
	<p><b>CORNER COORDINATES NAD 83, SPCS NM EAST</b> A - X: 817618.10' / Y: 414990.73' B - X: 817573.89' / Y: 420269.32' C - X: 818898.52' / Y: 420276.58' D - X: 818941.85' / Y: 414997.86' E - X: 818963.27' / Y: 412358.96' F - X: 817639.91' / Y: 412351.77'</p> <p><b>CORNER COORDINATES NAD 27, SPCS NM EAST</b> A - X: 776431.87' / Y: 414932.96' B - X: 776387.92' / Y: 420211.03' C - X: 777712.53' / Y: 420218.28' D - X: 777755.61' / Y: 414939.70' E - X: 777776.90' / Y: 412300.87' F - X: 776453.56' / Y: 412293.69'</p>
	<p><b>LAST TAKE POINT/BOTTOM HOLE LOCATION</b> 100' FNL 2178' FEL, SECTION 11 NAD 83, SPCS NM EAST X: 818045.99' / Y: 420171.90' LAT: 32.15197234N / LON: 103.43922888W NAD 27, SPCS NM EAST X: 776860.00' / Y: 420113.61' LAT: 32.15184709N / LON: 103.43875971W</p> <p><b>KOP/FIRST TAKE POINT</b> 2539' FNL 2178' FEL, SECTION 14 NAD 83, SPCS NM EAST X: 818107.86' / Y: 412454.31' LAT: 32.13075832N / LON: 103.43923599W NAD 27, SPCS NM EAST X: 776921.51' / Y: 412396.23' LAT: 32.13063294N / LON: 103.43876810W</p> <p><b>SURFACE HOLE LOCATION</b> 2451' FNL 1765' FWL, SECTION 14 NAD 83, SPCS NM EAST X: 816759.43' / Y: 412535.32' LAT: 32.13101166N / LON: 103.44358946W NAD 27, SPCS NM EAST X: 775573.10' / Y: 412477.25' LAT: 32.13088634N / LON: 103.44312137W</p>

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985058 Convergence Angle: 00°28'24.77529"

☐ Horizontal Spacing Unit



## District I

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

## District II

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

## District III

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

## District IV

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

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

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-46597	<sup>2</sup> Pool Code 96994	<sup>3</sup> Pool Name PITCHFORK RANCH; WOLFCAMP (SOUTH)
<sup>4</sup> Property Code	<sup>5</sup> Property Name ENDER WIGGINS 14 WA FED COM	<sup>6</sup> Well Number 6H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3332'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	14	25S	34E		2451	NORTH	1735	WEST	LEA

<sup>11</sup> 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
C	11	25S	34E		100	NORTH	2197	WEST	LEA

<sup>12</sup> Dedicated Acres 480.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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.</p> <p>Signature: <i>[Signature]</i> Date: 05/21/2021</p> <p>Printed Name: Melissa Szudera</p> <p>E-mail Address: mszudera@marathonoil.com</p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: MAY 21, 2021</p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: DAVID W. MYERS 11403</p>
	<p><b>CORNER COORDINATES NAD 83, SPCS NM EAST</b></p> <p>A - X: 814995.84' / Y: 412337.40' B - X: 814970.58' / Y: 414976.46' C - X: 814924.62' / Y: 420254.79' D - X: 817573.89' / Y: 420269.32' E - X: 817618.10' / Y: 414990.73' F - X: 817639.91' / Y: 412351.77'</p> <p><b>CORNER COORDINATES NAD 27, SPCS NM EAST</b></p> <p>A - X: 773809.54' / Y: 412279.35' B - X: 773784.41' / Y: 414918.34' C - X: 773738.70' / Y: 420196.54' D - X: 776387.92' / Y: 420211.03' E - X: 776431.87' / Y: 414932.58' F - X: 776453.56' / Y: 412293.69'</p>
	<p><b>LAST TAKE POINT/BOTTOM HOLE LOCATION</b></p> <p>100' FNL 2197' FWL, SECTION 11 NAD 83, SPCS NM EAST X: 817122.00' / Y: 420166.84' LAT: 32.15197948N / LON: 103.44221431W NAD 27, SPCS NM EAST X: 775936.03' / Y: 420108.56' LAT: 32.15185426N / LON: 103.44174501W</p> <p><b>KOP/FIRST TAKE POINT</b></p> <p>2539' FNL 2189' FWL, SECTION 14 NAD 83, SPCS NM EAST X: 817183.87' / Y: 412449.29' LAT: 32.13076556N / LON: 103.44222073W NAD 27, SPCS NM EAST X: 775997.54' / Y: 412391.22' LAT: 32.13064022N / LON: 103.44175272W</p> <p><b>SURFACE HOLE LOCATION</b></p> <p>2451' FNL 1735' FWL, SECTION 14 NAD 83, SPCS NM EAST X: 816729.43' / Y: 412535.31' LAT: 32.13101232N / LON: 103.44368636W NAD 27, SPCS NM EAST X: 775543.11' / Y: 412477.24' LAT: 32.13088700N / LON: 103.44321827W</p>

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985058 Convergence Angle: 00°28'24.77529"

☐ Horizontal Spacing Unit







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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-47026	<sup>2</sup> Pool Code 96994	<sup>3</sup> Pool Name PITCHFORK RANCH; WOLFCAMP (SOUTH)
<sup>4</sup> Property Code	<sup>5</sup> Property Name ENDER WIGGINS 14 WXY FED COM	<sup>6</sup> Well Number 20H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3358'

<sup>10</sup> Surface Location

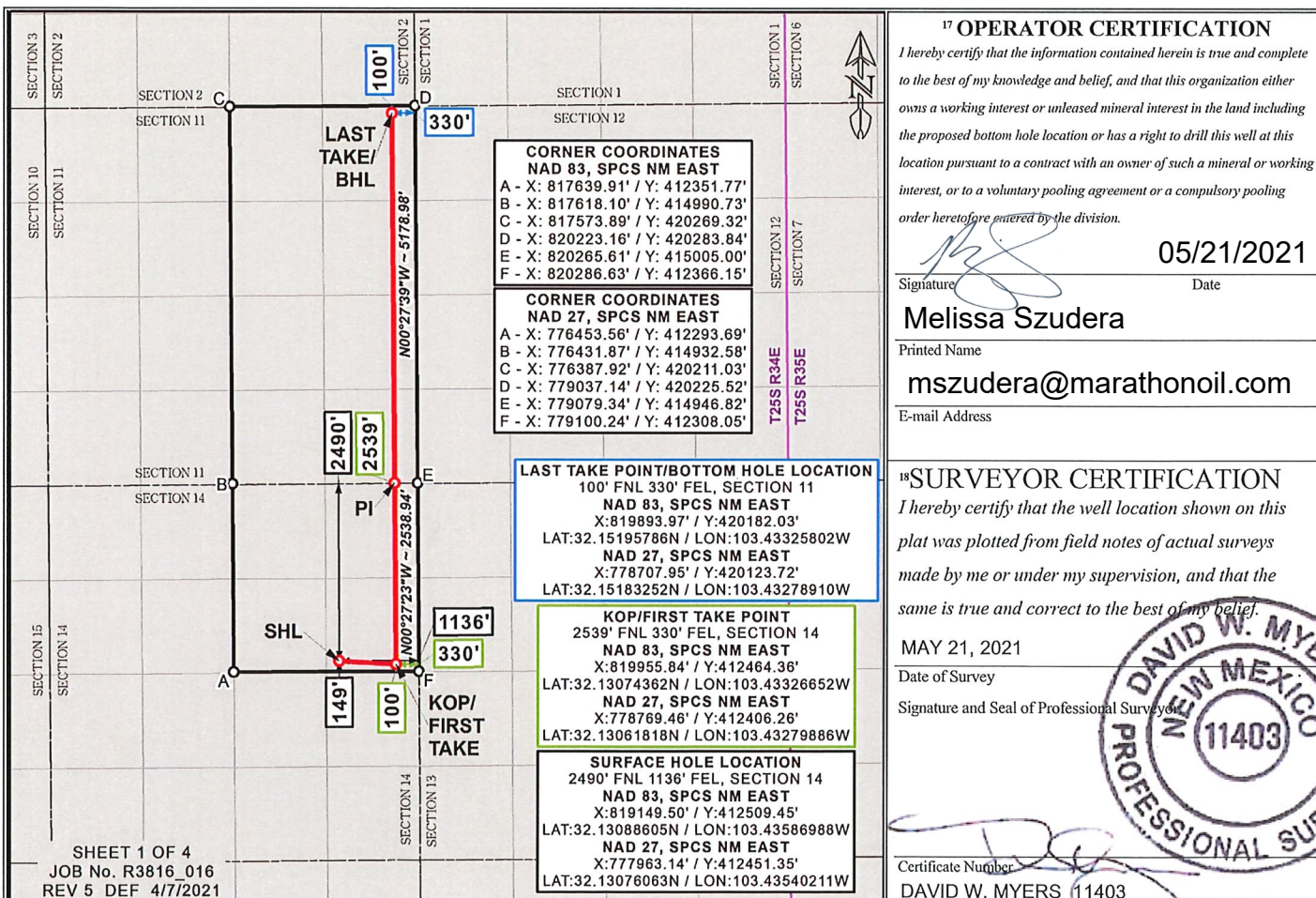
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	25S	34E		2490	NORTH	1136	EAST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	11	25S	34E		100	NORTH	330	EAST	LEA

<sup>12</sup> Dedicated Acres 480.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985058 Convergence Angle: 00°28'24.77529"

☐ Horizontal Spacing Unit



# 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  
August 09, 2022  
and ending with the issue dated  
August 09, 2022.

  
Publisher

Sworn and subscribed to before me this  
9th day of August 2022.

  
Business Manager

My commission expires  
January 29, 2023  
(Seal)

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 August 9, 2022

**Application of Marathon Oil Permian LLC for Surface Commingle, Lea County, New Mexico:** Notice to all affected parties, as well as the heirs and devisees of: The United States of America; EOG Resources, Inc.; The Allar Company; John Kyle Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P., a Delaware limited partnership; Regen Royalty Corp.; Chevron Midcontinent, L.P.; Estate of Warren J. Bates; OMJV1 Minerals Sub LP; Fortis Minerals II, LLC; Texas State Bank, Trustee of the Lucille Chism Bates Testamentary Trust; John V. McCarthy, II; Joseph M. Victory; Pegasus Resources II, LLC; TD Minerals LLC; B.H.C.H. Mineral, Ltd.; Fredericksburg Royalty, Ltd., a Texas limited partnership; P.A.W.N. Enterprises, a limited partnership; Daniel Fleet Freeman, Trustee of Trust A created u/w/o Margaret Helen Kalmar a/k/a the Margaret Helen Kalmar Children's Trust; Robert F. Fleet, Trustee of the Robert F. Fleet Revocable Trust; Arlene Rae Fleet, Trustee of the Arlene Rae Fleet Revocable Trust; Rae Ann Fleet Gossett; Sugarberry Oil & Gas Corporation, a Texas corporation; Katy Pipeline and Production Company; Advent Trust Company, as Trustee of the Fredricka H. Crain Trust; OXY Y-1 Company; Chevron U.S.A. Inc.; COG Operating LLC; Del Reyes Minerals, LLC; Noroma Energy, LLC of **Marathon Oil Permian LLC's Application for Surface Commingle.** Marathon Oil Permian LLC, 990 Town & Country Blvd., Houston, TX 77024 is applying to the New Mexico Oil Conservation Division for administrative approval to surface commingle according to the provisions of NMAC 19.15.12.10 from the wells Ender Wiggins 14 WA Fed Com 6H (API 30-025-46597); Ender Wiggins 14 TB Fed Com 11H (API 30-025-46794); Ender Wiggins 14 WA Fed Com 19H (API 30-025-47020); Ender Wiggins 14 WXY Fed Com 20H (API 30-025-47026) located in the Red Hills; Bone Spring, East Pool (pool code 97369) and the Pitchfork Ranch; Wolfcamp South Pool (pool code 96994), located in Section 14, T25S-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 Adrian Coarrubias, [acovarrubias@marathonoil.com](mailto:acovarrubias@marathonoil.com), 713-296-3368.  
**#37924**

01104570

00269685

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

**Federal Communitization Agreement****Contract No. \_\_\_\_\_**

THIS AGREEMENT, entered into as of the 1st of May 2022, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

**W I T N E S S E T H:**

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 25 South, Range 34 East, N.M.P.M.:

Section 11: W/2E/2

Section 14: W/2NE/4

Lea County, New Mexico;

containing 240.000 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons or oil (hereinafter referred to as "communitized substances,") producible from such formation.

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.



3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 990 Town & Country Blvd., Houston, TX, 77024. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding-or-step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under

applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is May 1, 2022 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Marathon Oil Permian LLC

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Glen J. Hodge, Attorney-in-fact

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Glen J. Hodge, known to me to be the Attorney-in-fact for **Marathon Oil Permian LLC**, a Delaware limited liability company, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**OPERATOR/WORKING INTEREST OWNER**

I, the undersigned, hereby certify, on behalf of **Marathon Oil Permian LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Glen J. Hodge, Attorney-in-fact

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Glen J. Hodge, known to me to be the Attorney-in-fact for **Marathon Oil Permian LLC**, a Delaware limited liability company, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**RECORD TITLE/WORKING INTEREST OWNER**

**OXY Y-1 COMPANY**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF TEXAS       )  
                                  )  
COUNTY OF HARRIS    )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **OXY Y-1 COMPANY**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public in and for the State of Texas

**WORKING INTEREST OWNER**

**Chevron U.S.A. Inc.**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **Chevron U.S.A. Inc.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**WORKING INTEREST OWNER**

**Chevron Midcontinent, L.P.**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **Chevron Midcontinent, L.P.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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



**RECORD TITLE/WORKING INTEREST OWNER**

**COG Operating LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **COG Operating LLC**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**WORKING INTEREST OWNER**

**EOG Resources, Inc.**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **EOG Resources, Inc.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**RECORD TITLE OWNER**

**The Allar Company**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **The Allar Company**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

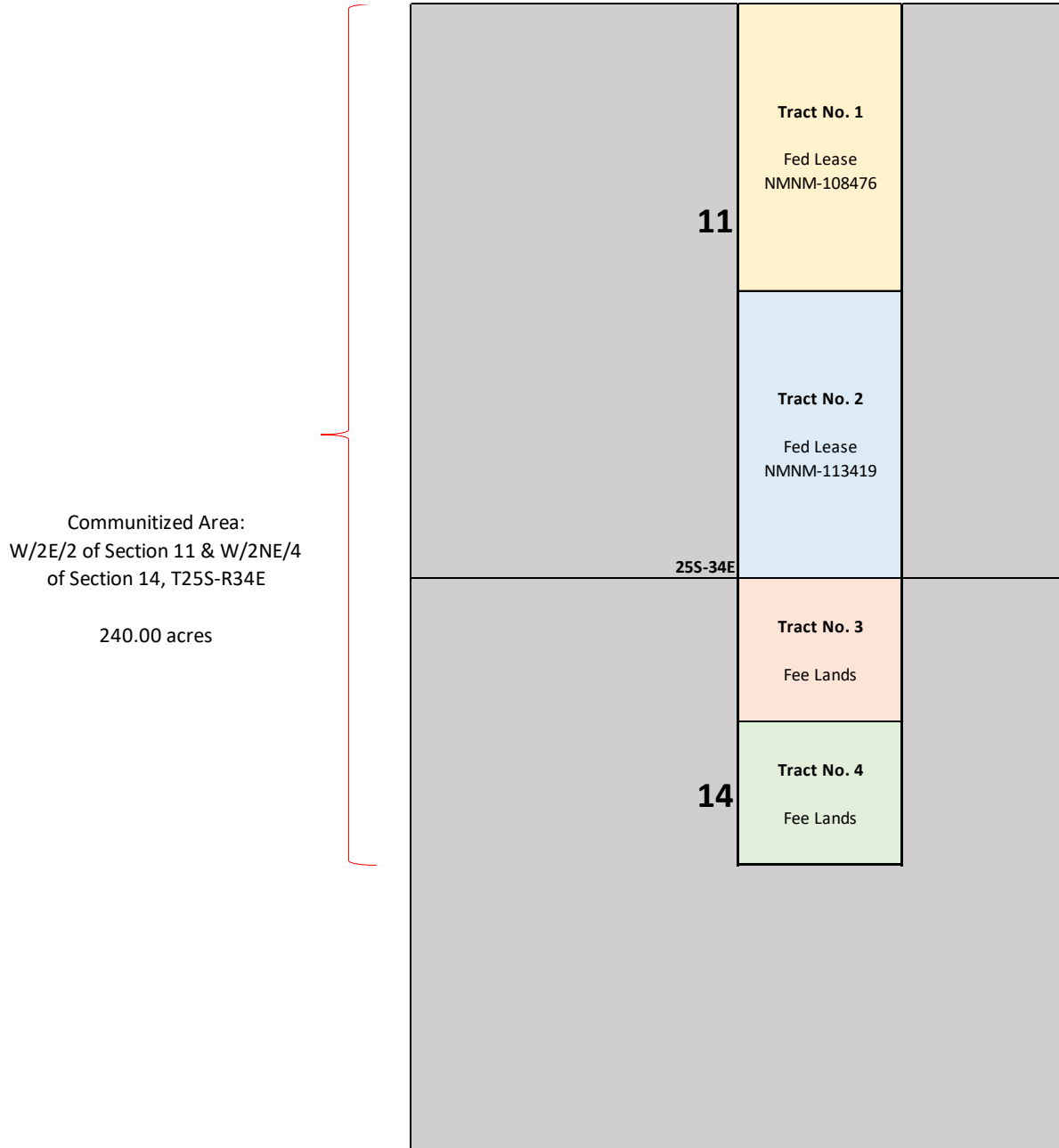
**EXHIBIT A**

To Communitization Agreement dated May 1, 2022

Plat of communitized area covering the:

W/2E/2 of Section 11 T25S, R34E, & W/2NE/4 of Section 14 T25S, R34E, NMPM, Lea County, NM.

Ender Wiggins 14 TB Federal Com #11H: 30-025-46794



Ender Wiggins 14 TB Fed Com #11H  
Fed/Fee Communitization Agreement  
W/2E/2 Bone Spring

**EXHIBIT B**

To Communitization Agreement dated May 1, 2022 embracing:

Township 25 South, Range 34 East, N.M.P.M.:

Section 11: W/2E/2

Section 14: W/2NE/4

Lea County, New Mexico

Operator of Communitized Area: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

**Tract No. 1**

Lease Serial No.:	NMNM-108476
Lease Date:	June 1, 2002
Lease Term:	10 years
Lessor:	The United States of America
Original Lessee:	Yates Drilling Co., Abo Petroleum Corp., and Myco Industries, Inc.
Present Lessee:	OXY Y-1 COMPANY and The Allar Company
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21126-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b> Section 11: W/2NE/4 Lea County, New Mexico
Number of Acres:	80.00
Royalty Rate:	12.50%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 25.000000% OXY Y-1 COMPANY ..... 24.561837% Chevron U.S.A. Inc. .... 50.438163%
Name and Percent of ORRI Owners:	EOG Resources, Inc. .... 5.00% The Allar Company ..... 1.25%

**Tract No. 2**

Lease Serial No.: NMNM-113419  
 Lease Date: March 1, 2005  
 Lease Term: 10 years  
 Lessor: The United States of America  
 Original Lessee: The Allar Company  
 Present Lessee: The Allar Company  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 11: W/2SE/4  
 Lea County, New Mexico  
 Number of Acres: 80.00  
 Royalty Rate: 12.5%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 75.00%  
 Chevron Midcontinent, L.P. .... 25.00%  
 Name and Percent of ORRI Owners: The Allar Company ..... 0.625%  
 John Kyle Thoma, Trustee of the Cornerstone  
 Family Trust ..... 0.3125%  
 CrownRock Minerals, L.P. .... 0.3125%  
 Allar Development LLC ..... 1.25%  
 Regen Royalty Corp. .... 1.875%  
 Chevron Midcontinent, L.P. .... 5.00%

**Tract No. 3**

**Lease No. 1**  
 Lease Date: August 24, 1994  
 Recorded: 506/499, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: Charles D. Unruh and wife, Debra S. Unruh  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: NW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 2**  
 Lease Date: August 24, 1994  
 Recorded: 506/501, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: G. Ross Hale and wife, Luanne P. Hale, as JTROS

Ender Wiggins 14 TB Fed Com #11H  
 Fed/Fee Communitization Agreement  
 W/2E/2 Bone Spring

Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: NW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 3

Lease Date: October 6, 2015  
 Recorded: 1996/246, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: James Ray Bates  
 Lessee: BC Operating, Inc.  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: NW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 4

Lease Date: October 6, 2015  
 Recorded: 1996/244, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: L.J. Barnes, Trustee of the Lucille Chism Bates  
 Testamentary Trust created u/w/o Lucille Chism Bates  
 dated February 18, 1992  
 Lessee: BC Operating, Inc.  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: NW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 5

Lease Date: April 27, 2016  
 Recorded: 2024/893, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: B.H.C.H. Mineral, Ltd and Fredericksburg Royalty, Ltd.  
 Lessee: BC Operating, Inc.



Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
Section 14: NW/4NE/4  
Lea County, New Mexico  
Number of Acres: 40.00  
Royalty Rate: 25.0%  
Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
Name and Percent of ORRI Owners: NONE

**Lease No. 6**

Lease Date: May 6, 2016  
Recorded: 2034/400, Lea County Records, NM  
Lease Term: 3 years  
Lessor: The Nommensen Investment Company  
Lessee: Black Mountain Operating, LLC  
Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
Section 14: NW/4NE/4  
Lea County, New Mexico  
Number of Acres: 40.00  
Royalty Rate: 25.0%  
Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
Name and Percent of ORRI Owners: NONE

**Lease No. 7**

Lease Date: July 15, 2016  
Recorded: 2046/962, Lea County Records, NM  
Lease Term: 3 years  
Lessor: John V. McCarthy, II  
Lessee: Black Mountain Operating, LLC  
Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
Section 14: NW/4NE/4  
Lea County, New Mexico  
Number of Acres: 40.00  
Royalty Rate: 25.0%  
Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
Name and Percent of ORRI Owners: NONE

**Lease No. 8**

Lease Date: July 15, 2016  
Recorded: 2046/951, Lea County Records, NM  
Lease Term: 3 years  
Lessor: Susan Duff  
Lessee: Black Mountain Operating, LLC  
Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
Section 14: NW/4NE/4

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 9

Lease Date: March 4, 2016  
 Recorded: 2019/341, Lea County Records, NM  
 Lease Term: 4 years  
 Lessor: Bates Family Investment Company, LLC, The Trust  
 Company of Oklahoma (TCO), as Agent  
 Lessee: Black Mountain Operating, LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 10

Lease Date: April 22, 2016  
 Recorded: 2027/196, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: P.A.W.N. Enterprises  
 Lessee: Black Mountain Operating, LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 11

Lease Date: April 25, 2016  
 Recorded: 2027/201, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Daniel Fleet Freeman, as Trustee of the Margaret Helen  
 Kalmar Trust A, A/K/A the Margaret Helen Kalmar  
 Children's Trust  
 Lessee: Black Mountain Operating, LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 12

Lease Date: April 25, 2016  
 Recorded: 2027/204, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Frank T. Fleet, Inc.  
 Lessee: Black Mountain Operating, LLC  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: NW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 13

Lease Date: August 23, 2018  
 Recorded: 2141/148, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Sugarberry Oil & Gas Corporation and Katy Pipeline and Production Corporation  
 Lessee: Marathon Oil Permian LLC  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: NW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 14

Lease Date: April 10, 2017  
 Recorded: 2103/628, Lea County Records, NM  
 Lease Term: 4 years  
 Lessor: Duard B. Thomas, as personal Representative of the Estate of Warren J. Bates  
 Lessee: Ozark Royalty Co., LLC  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: NW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: COG Operating LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 15

Lease Date: March 29, 2021  
 Recorded: 2188/527, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Estate of Warren J. Bates, deceased, Charles Mayhue,  
 Personal Representative  
 Lessee: COG Operating LLC  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: NW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: COG Operating LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Tract No. 4**Lease No. 1

Lease Date: August 24, 1994  
 Recorded: 506/499, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: Charles D. Unruh and wife, Debra S. Unruh  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 2

Lease Date: August 24, 1994  
 Recorded: 506/501, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: G. Ross Hale and wife, Luanne P. Hale, as JTROS  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Ender Wiggins 14 TB Fed Com #11H  
 Fed/Fee Communitization Agreement  
 W/2E/2 Bone Spring

Section 14: SW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 3

Lease Date: September 22, 1994  
 Recorded: 507/799, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: The Nommensen Investment Company  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 4

Lease Date: September 22, 1994  
 Recorded: 507/664, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: L.J. Barnes, Trustee of the Lucille Chism Bates  
 Testamentary Trust created u/w/o Lucille Chism Bates  
 dated February 28, 1992

Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 5

Lease Date: September 22, 1994  
 Recorded: 508/512, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: Wilma Chism Lain; Theodocia G. Bates, a widow; Warren  
 J. Bates and wife, Helen H. Bates; and Charles T. Bates, Jr.,  
 and wife, LaVerne Bates

Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B

Ender Wiggins 14 TB Fed Com #11H  
 Fed/Fee Communitization Agreement  
 W/2E/2 Bone Spring

## Description of Land Committed:

**Township 25 South, Range 34 East, N.M.P.M.**

Section 14: SW/4NE/4

Lea County, New Mexico

Number of Acres:

40.00

Royalty Rate:

20.0%

Name of Working Interest Owners:

EOG Resources, Inc. .... 100.00%

Name and Percent of ORRI Owners:

NONE

Lease No. 6

Lease Date:

September 22, 1994

Recorded:

508/796, Oil and Gas Records of Lea County, NM

Lease Term:

3 years

Lessor:

David H. Oldham, Successor Ancillary Personal  
Representative of the Estate of Catherine Dumraese  
Frank G. Nix

Lessee:

Authority to Pool:

NMOCD Compulsory Pooling Order No. R-21126-B

Description of Land Committed:

**Township 25 South, Range 34 East, N.M.P.M.**

Section 14: SW/4NE/4

Lea County, New Mexico

Number of Acres:

40.00

Royalty Rate:

18.75%

Name of Working Interest Owners:

EOG Resources, Inc. .... 100.00%

Name and Percent of ORRI Owners:

NONE

Lease No. 7

Lease Date:

November 8, 1994

Recorded:

510/189, Oil and Gas Records of Lea County, NM

Lease Term:

3 years

Lessor:

Sugarberry Oil & Gas Corporation and Global Natural  
Resources Corporation of Nevada

Lessee:

Frank G. Nix

Authority to Pool:

NMOCD Compulsory Pooling Order No. R-21126-B

Description of Land Committed:

**Township 25 South, Range 34 East, N.M.P.M.**

Section 14: SW/4NE/4

Lea County, New Mexico

Number of Acres:

40.00

Royalty Rate:

20.0%

Name of Working Interest Owners:

EOG Resources, Inc. .... 100.00%

Name and Percent of ORRI Owners:

NONE

Lease No. 8

Lease Date:

November 16, 1994

Recorded:

510/192, Oil and Gas Records of Lea County, NM

Lease Term:

1 year

Lessor:

P.A.W.N. Enterprises

Lessee:

Frank G. Nix

Authority to Pool:

NMOCD Compulsory Pooling Order No. R-21126-B

Description of Land Committed:

**Township 25 South, Range 34 East, N.M.P.M.**Ender Wiggins 14 TB Fed Com #11H  
Fed/Fee Communitization Agreement  
W/2E/2 Bone Spring

Section 14: SW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 9

Lease Date: November 16, 1994  
 Recorded: 510/195, Oil and Gas Records of Lea County, NM  
 Lease Term: 1 year  
 Lessor: Frank T. Fleet, Trustee of Trust A created u/w/o Margaret Helen Kalmar  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: SW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 10

Lease Date: November 16, 1994  
 Recorded: 510/198, Oil and Gas Records of Lea County, NM  
 Lease Term: 1 year  
 Lessor: Frank T. Fleet, Inc.  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21126-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**

Section 14: SW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract No. 1	80.00	33.33%
Tract No. 2	80.00	33.33%
Tract No. 3	40.00	16.67%
Tract No. 4	40.00	16.67%
<b>Totals</b>	<b>240.00</b>	<b>100.00%</b>





## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
<https://www.blm.gov/new-mexico>



In Reply Refer To:  
NMNM140082  
3105.2 (9250)

**MAR 10 2021**

Reference:  
Communitization Agreement  
Ender Wiggins 25 34 14 WA Federal Com No. 1H  
Section 11: W2;  
Section 14: NW.  
T. 25 S., R. 34 E., NMPM  
Lea County, New Mexico

Marathon Oil Permian LLC  
5555 San Felipe Street  
Houston, TX 77056

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM140082 involving 160.00 acres of Federal land in lease NMNM108476, 160.00 acres of Federal land in lease NMNM113419, and 160.00 acres of Fee land in Lea County, New Mexico, which comprises a 480-acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath the W2 of Sec. 11, and NW of Sec. 14, T. 25 S., R. 34 E., NMPM, Lea County, New Mexico, and is effective February 4, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.


Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Lauren Leib at 505-954-2234 or email lleib@blm.gov.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Sheila Mallory  
Deputy State Director  
Division of Minerals

1 Enclosure:

1 – Communitization Agreement

cc:

Office of Natural Resources Revenue  
Via – leases.blm@onrr.gov

New Mexico Oil Conservation Division  
Via – leonard.lowe@state.nm.us

New Mexico Taxation & Revenue Processing Division  
P.O. Box 2308  
Santa Fe, NM 87504

Commissioner of Public Lands  
New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148

NM92200, J. Serrano  
NMP0220, Carlsbad Field Office File Room  
NM92500, Case File

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

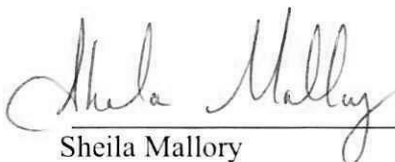
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2 of Sec. 11, and NW of Sec. 14, T. 25 S., R. 34 E., NMPM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM) Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

MAR 10 2021



Sheila Mallory  
Deputy State Director  
Division of Minerals

Effective: February 4, 2019  
Contract No.: Com. Agr. NMNM140082



RECEIVED

MAY 06 2019

BLM, NMSO  
SANTA FEFederal Communitization AgreementContract No. NmNm140082

THIS AGREEMENT entered into as of the 4th day of February, 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

## WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico  
Section 11: W/2  
Section 14: NW/4

Containing 480.00 acres, and this agreement shall include only the Wolfcamp Formation(s) underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 5555 San Felipe, Houston, TX, 77056. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,



such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February 4, 2019, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Marathon Oil Permian LLC  
(Operator and WI Owner)

5/1/2019  
Date

By: Matthew D. Brown  
Matthew D. Brown, Attorney-In-Fact mrg

STATE OF TEXAS                             )  
                                                      ) ss.  
COUNTY OF HARRIS                    )

(SEAL)

1/23/2023  
My Commission Expires

*Janice Girma*  
Notary Public





Chevron U.S.A. Inc.  
(WI Owner)

2/20/19

Date

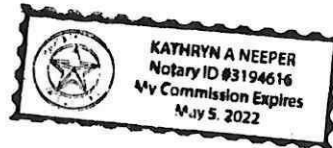
By: Nick Brook  
Title: Attorney in Fact

### ACKNOWLEDGEMENT

STATE OF Texas )  
COUNTY OF Midland ) ss.

On this 20<sup>th</sup> day of February, 2019, before me, a Notary Public for the State of Texas, personally appeared Nick Brook, known to me to be the Attorney in Fact of Chevron U.S.A. Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5-5-22  
My Commission Expires

[Signature]  
Notary Public

Chevron Midcontinent L.P.

(WI Owner)

2/20/19

Date

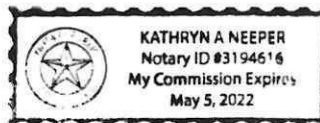
By: Nick Brock  
Title: Attorney in Fact

### ACKNOWLEDGEMENT

STATE OF Texas )  
COUNTY OF Midland ) ss.

On this \_\_\_\_ day of \_\_\_\_\_, 2019, before me, a Notary Public for the State of Texas, personally appeared Nick Brock known to me to be the Attorney in Fact of Chevron Midcontinent L.P., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5-5-22  
My Commission Expires

[Signature]  
Notary Public

10/30/2019  
Date

Oxy Y-1 Company  
(Lessee of Record and WI Owner)

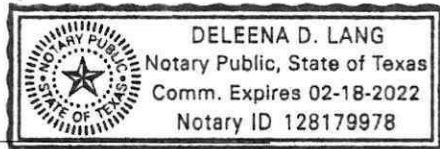
By: Bradley S. Dusek  
Title: Attorney-in-fact

Attorney-in-fact

### ACKNOWLEDGEMENT

STATE OF Texas )  
 ) ss.  
COUNTY OF Harris )

On this 30<sup>th</sup> day of October, 2019, before me, a Notary Public for the State of Texas, personally appeared Bradley S. Dusek, known to me to be the Attorney-in-Fact of OXY Y-1 Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same, being a New Mexico Corporation.  
(SEAL)



My Commission Expires

Deleena D. Lang  
Notary Public

BLM-NMSO  
NOV:8:2019 11:23:33  
RECEIVED

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Notary Public

EOG Resources, Inc. (successor by  
merger to EOG Y, Resources, Inc., EOG A  
Resources, Inc. and EOG M Resources, Inc.)  
(Lessee of Record)

4-8-19  
Date

By: Wendy Dalton  
Wendy Dalton

Title: Agent & Attorney-In-Fact

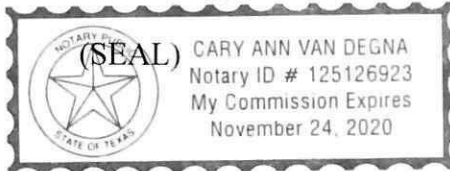
### ACKNOWLEDGEMENT

STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

On this 4<sup>th</sup> day of ~~March~~ April, 2019, before me, a Notary Public for the State of Texas, personally appeared Wendy Dalton, known to me to be the Agent & Attorney-In-Fact of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



11-24-2020  
My Commission Expires

Cary Ann Van Degna  
Notary Public

2/19/19  
Date

The Allar Company  
(Lessee of Record)

By: [Signature]  
Title: President

**ACKNOWLEDGEMENT**

STATE OF Texas )  
 ) ss.  
COUNTY OF Young )

On this 19<sup>th</sup> day of February, 2019, before me, a Notary Public for the State of Texas, personally appeared John Chiles Graham, known to me to be the President of The Allar Company, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



11-2-21  
My Commission Expires

Melanie Barrett  
Notary Public

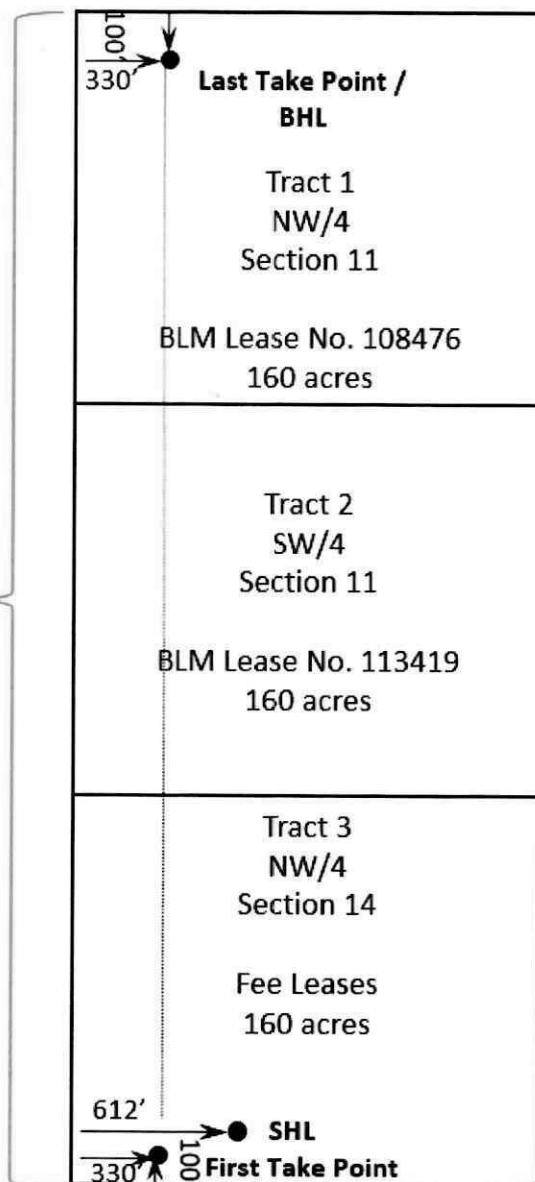
**EXHIBIT "A"**

Plat of communitized area covering 480.00 acres in NW/4 and SW/4 Section 11 and NW/4 Section 14, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Well Name/No.

Ender Wiggins Federal 25 34 14 WA 1H

Communitized Area  
NW/4 Section 11  
&  
SW/4 Section 11  
&  
NW/4 Section 14  
T25S-R34E – 480 acres





**EXHIBIT "B"**

To Communitization Agreement Dated February 4, 2019 embracing the following described land in W/2 Section 11 and NW/4 Section 14, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Operator of Communitized Area: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTEDTract No. 1

Lease Serial Number:	NMNM 108476
Description of Land Committed:	Township 25 South, Range 34 East, Section 11: NW/4
Number of Acres:	160 acres
Name of Lessees of Record:	OXY Y-1 Co .....33.34% EOG Resources, Inc.....66.66%
Name of Working Interest Owners:	Marathon Oil Permian LLC....25.00% OXY Y-1 Co.....33.33% Chevron U.S.A. Inc.....41.67%
Overriding Royalty Interest Owners:	EOG Resources, Inc.....5.00% The Allar Company.....1.25%

Tract No. 2

Lease Serial Number:	NMNM 113419
Description of Land Committed:	Township 25 South, Range 34 East, Section 11: SW/4
Number of Net Acres:	160 acres
Name of Lessees of Record:	The Allar Company.....100.00%
Name of Working Interest Owners:	Marathon Oil Permian LLC.....75.00% Chevron Midcontinent LP.....25.00%



Overriding Royalty Interest Owners:	The Allar Company.....0.625% John Kyle Thoma, Trustee of the Cornerstone Family Trust.....0.3125% CrownRock Minerals, L.P.,.....0.3125% Allar Development LLC.....1.2500% Regen Royalty Corp.....1.8750% Chevron Midcontinent, L.P.....5.0000%
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Tract No. 3

Lease Serial Number:	Fee leases
Description of Land Committed:	Township 25 South, Range 34 East, Section 14: NW/4
Number of Net Acres:	160 acres
Name of Lessees of Record:	Marathon Oil Permian LLC.....100.00%
Name of Working Interest Owners:	Marathon Oil Permian LLC...92.962966% COG Operating LLC.....7.037034%
Name of Lessors:	Lucille Chism Bates Testamentary Trust John V. McCarthy II Susan McCarthy Duff Bates Family Investment Company, LLC Duard B. Thomas, personal rep of the Estate of Warren J. Bates James R. Bates G. Ross Hale and wife, Luanna P. Hale Charles D. Unruh and Debra S. Unruh The Nommensen Investment Company Frank T. Fleet, Inc. Margaret Fleet Kalmar Children's Trust P.A.W.N. B.H.C.H. Mineral Ltd. & Fredericksburg Royalty Sugarberry Oil & Gas Corporation and Katy Pipeline and Production Company
Pooling Clause:	All fee leases have pool language that allows for the formation of this unit

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	33.3333%
2	160.00	33.3333%
3	<u>160.00</u>	<u>33.3334%</u>
Total	480.00	100.0000%

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

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION TO CONSIDER:**

**CASE NO. 16147  
ORDER NO. R-20031**

**AMENDED APPLICATION OF MARATHON OIL PERMIAN, LLC FOR A  
SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW  
MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on June 14, 2018 and the amended case came on November 15, 2018, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 8<sup>th</sup> day of February 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) The Applicant, Marathon Oil Permian LLC, seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit ("the Unit") described as follows:

A Horizontal Spacing Unit comprising 480 acres (more or less) within the Pitchfork Ranch; Wolfcamp, South Pool (Pool code 96994) and all other pools hereafter defined within the Wolfcamp formation comprising the W/2 of Section 11 and the NW/4 of Section 14, all in Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) Applicant also seeks approval of the above described lands as a Spacing Unit.

(4) The Unit will be dedicated to the following well(s):

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Order No. R-20031  
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**Ender Wiggins 25 34 14 WA Federal Com Well No. 1H, API No. 30-025-45187**

SHL: 2449 feet from the North line and 612 feet from the West line,  
Unit E of Section 14, Township 25 South, Range 34 East, NMPM.  
BHL: 330 feet from the North line and 330 feet from the West line  
Unit D of Section 11, Township 25 South, Range 34 East, NMPM.

**Ender Wiggins 25 34 14 WXY Federal Com Well No. 6H, API Pending**

SHL: 2451 feet from the North line and 1735 feet from the West line,  
Unit F of Section 14, Township 25 South, Range 34 East, NMPM.  
BHL: 100 feet from the South line and 1160 feet from the West line  
Unit D of Section 11, Township 25 South, Range 34 East, NMPM.

**Ender Wiggins 25 34 14 WA Federal Com Well No. 10H, API Pending**

SHL: 2451 feet from the North line and 1835 feet from the West line,  
Unit F of Section 14, Township 25 South, Range 34 East, NMPM.  
BHL: 100 feet from the North line and 1870 feet from the West line  
Unit C of Section 11, Township 25 South, Range 34 East, NMPM.

(5) The Well(s) are within the Pitchfork Ranch; Wolfcamp, South Pool (Pool Code 96994) and subject to Division Rule 19.15.15.9(A) NMAC, which provides for 330-foot setbacks from the unit boundaries and standard 40-acre units each comprising a governmental quarter-quarter section. This oil pool extends vertically within the Upper Wolfcamp formation.

(6) Regeneration Energy Corporation entered an appearance but did not appear at hearing. No other party appeared or otherwise opposed this application.

(7) Applicant appeared through counsel and presented the following land and technical evidence by affidavit:

- (a) The Wolfcamp formation contains an upper oil reservoir and a lower gas reservoir in this area of Lea County. The Division in Order No. R-20032, issued in Case No. 16148 on October 15, 2018, approved compulsory pooling within a 480-acre horizontal gas spacing unit for the W/2 of Section 11 and NW/4 of Section 14 in the Fairview Mills; Wolfcamp (Gas) Pool (Pool Code 76560). Applicant did not provide a depth at which the pools switched from oil to gas in either of those cases.
- (b) The Upper Wolfcamp formation in this area is suitable for development by horizontal drilling. The proposed orientation of the Unit and the horizontal wells is optimum for recovery of oil and gas from the Unit.
- (c) Applicant stated that the Bureau of Land Management will not approve a communitization of different spacing units with the vertical limits of the same formation. Therefore, Applicant is matching this 480-acre horizontal



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Order No. R-20031  
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oil spacing unit in size and configuration with the 480-acre horizontal gas spacing unit which was the subject of Case No. 16148.

- (d) The Well No. 6H is located closer than 330 feet from the center of the proposed 480-acre Horizontal Spacing Unit and is therefore the well that defines the Unit using proximity tracts. The first take point will be located 2539 feet from the North line and 1157 feet from the West line (Unit K) of Section 14, and the last take point will be located 100 feet from the North line and 1160 feet from the West line. The completed interval of this well will allow for participating tracts in the E/2 W/2 of Section 11, and E/2 NW/4 of Section 14 to be included in the Unit. This results in a 480-acre Unit comprised of the W/2 of Section 11 and NW/4 of Section 14;
- (e) The location near the center of the unit of Well No. 6H will allow for future development in the Unit.
- (f) Applicant amended the application to expand the proposed unit by adding proximity tracts.
- (g) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.
- (h) Those potentially affected parties whose whereabouts could not be ascertained were noticed by publication as provided in Rule 19.15.4.12.B NMAC.

The Division Concludes That

(8) The application in this case was filed, and the Well(s) were permitted, on or after the June 26, 2018 date on which amendments to 19.15.16.7 and 19.15.16.15 NMAC (prescribing new spacing rules for horizontal wells) became effective (see Order No. R-14689). Hence the Well(s) must be spaced, permitted and drilled pursuant 19.15.16.15 NMAC, as amended effective June 26, 2018.

(9) Provided that the Unit constitutes a standard horizontal spacing unit for each of the Well(s) under now effective rules, no non-standard spacing unit approval is needed. If, however, the Unit is not a standard horizontal spacing unit for any of the Well(s), the operator must obtain approval of a non-standard horizontal spacing unit pursuant to 19.15.16.15.B(5) prior to producing such well.

(10) The portion of the case asking for a Spacing Unit is no longer needed and should be dismissed.

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Order No. R-20031  
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(11) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(12) Marathon Oil Permian LLC (OGRID 372098) should be designated the operator of the Well(s) and of the Unit.

(13) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(14) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(15) There are interest owners in the Unit that have not agreed to pool their interests.

(16) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the Wolfbone formation within the Unit.

(17) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(18) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(19) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(20) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7500 per month, per well, while drilling and \$750 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations."



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**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the following described spacing unit ("the Unit") are hereby pooled:

A Horizontal Spacing Unit comprising 480 acres (more or less) within the Pitchfork Ranch; Wolfcamp, South Pool (Pool code 96994) and all other pools hereafter defined within the Upper Wolfcamp formation (Oil Reservoir) in the W/2 of Section 11 and the NW/4 of Section 14, all in Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) The portion of the application asking for approval of a Spacing Unit is dismissed.

(3) The Unit shall be dedicated to the following "Well(s)":

**Ender Wiggins 25 34 14 WA Federal Com Well No. 1H, API No. 30-025-45187**

SHL: 2449 feet from the North line and 612 feet from the West line,  
Unit E of Section 14, Township 25 South, Range 34 East, NMPM.

BHL: 330 feet from the North line and 330 feet from the West line  
Unit D of Section 11, Township 25 South, Range 34 East, NMPM.

**Ender Wiggins 25 34 14 WXY Federal Com Well No. 6H, API Pending**

SHL: 2451 feet from the North line and 1735 feet from the West line,  
Unit F of Section 14, Township 25 South, Range 34 East, NMPM.

BHL: 100 feet from the South line and 1160 feet from the West line  
Unit D of Section 11, Township 25 South, Range 34 East, NMPM.

**Ender Wiggins 25 34 14 WA Federal Com Well No. 10H, API Pending**

SHL: 2451 feet from the North line and 1835 feet from the West line,  
Unit F of Section 14, Township 25 South, Range 34 East, NMPM.

BHL: 100 feet from the North line and 1870 feet from the West line  
Unit C of Section 11, Township 25 South, Range 34 East, NMPM

(4) The Well(s) shall be drilled horizontally and target the Upper Wolfcamp formation at the proposed true vertical and measured depths.

(5) Marathon Oil Permian LLC (OGRID 372098) is hereby designated the operator of the Well(s) and of the Unit.

(6) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

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Order No. R-20031  
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(7) The operator of the Unit shall commence drilling the Well(s) on or before February 29, 2020 and shall thereafter continue drilling the Well(s) with due diligence to test the Wolfbone formation at or about the proposed true vertical and measured depths.

(8) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(9) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(10) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(11) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(12) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(13) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(14) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs,

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Order No. R-20031  
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or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(15) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(16) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(17) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(18) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(19) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.



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(20) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7500 per month, per well, while drilling and \$750 per month, per well, while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(21) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

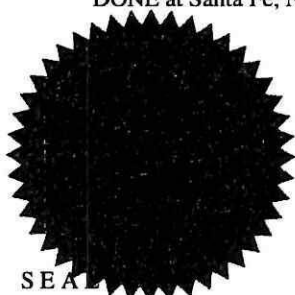
(22) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(23) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(24) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(25) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
GABRIEL WADE  
Acting Director

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

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION TO CONSIDER:**

**CASE NO. 16148  
ORDER NO. R-20032**

**APPLICATION OF MARATHON OIL PERMIAN LLC FOR A NON-STANDARD  
SPACING AND PRORATION UNIT, NON-STANDARD LOCATION, AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on June 14, 2018 at Santa Fe, New Mexico, before Examiner Michael A McMillan.

NOW, on this 15<sup>th</sup> day of October 2018, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT:**

- (1) Due public notice has been given, and the Division has jurisdiction of this case and of the subject matter.
- (2) Cases No. 16147, 16148, and 16149 were consolidated at the hearing for the purpose of testimony, and a single order is being issued for each case.
- (3) Marathon Oil Permian LLC ("Marathon" or "Applicant"), seeks approval of a non-standard 480-acre gas spacing unit and project area ("the Unit") in the Wolfcamp formation, Fairview Mills; Wolfcamp (Gas) Pool (Pool Code 76560) underlying the W/2 of Section 11 and the NW/4 of Section 14, all in Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant further seeks an order pooling all uncommitted interests within the Unit in the Wolfcamp formation.
- (4) The Unit will be dedicated to the Ender Wiggins Federal 25 34 14 WD Well No. 2H (API No. 30-025-45189), a horizontal well to be drilled from a surface location, 2449 feet from the North line and 582 feet from the West line (Unit E) of Section 14, to a terminus 330 feet from the North line and 330 feet from the West line (Unit D) of Section

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11, all in Township 25 South, Range 34 East. The completed interval of the proposed well will be at unorthodox location.

(5) The proposed gas well will be within the Fairview Mills; Wolfcamp (Gas) Pool (pool code 76750) and is subject to Division Rule 19.15.15.9(B) NMAC, which provides for 660-foot setbacks from the unit boundaries and standard 320-acre units each comprising a governmental half section. The proposed Unit and project area consists of three adjacent quarter sections oriented south to north.

(6) Applicant appeared at the hearing through counsel and presented evidence to the effect that:

- (a) the Wolfcamp formation in this area is suitable for development by horizontal drilling;
- (b) the proposed orientation of the horizontal well from south to north is appropriate for the Unit;
- (c) all quarter sections to be included in the Unit are expected to be productive in the Wolfcamp formation, so that the Unit as requested will not impair correlative rights;
- (d) Applicant requested a non-standard location (NSL) for the proposed well. The first perforation will be located 2310 feet from the North line and 330 feet from the West line (Unit E) of Section 14, and the final perforation will be located 330 feet from the North line and 330 feet from the West line (Unit D) of Section 11, all in Township 25 South, Range 34 East. Applicant requested the NSL for well placement, and spacing of future wells. This will allow for increased reserves and prevent waste of oil and gas reserves.
- (e) Applicant notified all affected parties in the mineral interest estate in the SW/4 of Section 14 whose interest was left out in the Proposed Unit;
- (f) Applicant had requested 250 days between drilling and completing of the first well; versus the standard Division practice of granting only 120 days after the commencement of the first well and completion. Normally if the first well is not completed 120 days after spud the order is terminated. Applicant requested the extra time because all wells subject to Hearing Cases 16147, 16148, and 16149 will be drilled from a single pad, next all wells will be drilled back to back. Applicant also stated that it has proposed wells from a different pad which will be drilled to the south of the Unit. Lastly, all wells will be completed simultaneously;



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- (g) notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments; and
- (h) out of abundance of caution, those potentially affected parties whose whereabouts could not be ascertained were noticed by publication as provided in Rule 19.15.4.12.B NMAC.

(7) COG Operating LLC entered an appearance. No other party appeared or otherwise opposed the granting of this application.

The Division concludes that:

(8) The proposed non-standard unit should be approved to enable Applicant to drill a horizontal well that will efficiently produce the reserves underlying the Unit, thereby preventing waste, and will not impair correlative rights.

(9) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(10) Applicant is an owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the proposed well to a common source of supply within the Unit at the proposed location.

(11) There are interest owners in the Unit that have not agreed to pool their interests.

(12) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense its just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the Wolfcamp formation within the Unit.

(13) The request for 250 days versus the 120 days in most hearing orders would be extremely difficult to enforce and difficult for the Division and the Applicant to determine the exact day the Order expires. The Division should allow for 365 days between spud and completion of the first well along with completion in all quarter-quarter sections for oil wells and quarter section for gas wells in proposed wells in Hearings Cases 16147, 16148, and 16149 with the following provision. Next, the Applicant should have the flexibility to complete either a gas well or oil well subject to these cases in any order, as long as the preceding requirement is met. Finally, Applicant should supply to the Engineering Bureau and Hobbs District Office a Sundry notice signed by an engineer stating that each quarter-quarter section for oil wells or quarter section for gas wells of the

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Unit has been penetrated and may be capable of producing oil and gas.

(14) Marathon Oil Permian LLC should be designated the operator of the proposed well and of the Unit.

(15) The request for a non-standard location should be approved. Applicant provided a reasonable explanation for the requirement of a non-standard location. Further, other operators in the Wolfcamp formation gas pools either have requested or are subject to special pool rules which allow for 330-foot set-backs.

(16) Applicant properly notified the affected parties for the non-standard spacing unit pursuant to Division Rule 19.15.15.11 B (3) NMAC and corresponding Division Rule 19.15.4.12 A (3) NMAC.

(17) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC and to the terms and conditions of this order.

(18) Any pooled working interest owner who does not pay its share of estimated well costs for any well in advance should have withheld from production its share of reasonable well costs of such well plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the well.

(19) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7,500 per month, per well, while drilling and \$750 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations."

**IT IS THEREFORE ORDERED THAT:**

(1) A non-standard 480-acre gas spacing unit and project area ("the Unit") is hereby established for oil and gas production from the Wolfcamp formation, Fairview Mills; Wolfcamp (Gas) Pool (Pool Code 76560) underlying the W/2 of Section 11 and the NW/4 of Section 14, all in Township 25 South, Range 34 East, NMPM, in Lea County, New Mexico.

(2) Pursuant to the application of Marathon Oil Permian LLC, all uncommitted interests, whatever they may be, in the oil and gas in the Wolfcamp formation underlying the Unit, are hereby pooled.

(3) The Unit shall be dedicated to the Proposed Ender Wiggins Federal 25 34 14 WD Well No. 2H (API No. 30-025-45189, "Proposed Well").

(4) The surface location of the Proposed well shall be located 2449 feet from the North line and 582 feet from the West line (Unit E) of Section 14, and the bottom hole location shall be located 330 feet from the North line and 330 feet from the West line (Unit D) of Section 11, all in Township 25 South, Range 34 East.

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(5) The non-standard location portion of the application shall be approved. The first perforation shall be located no closer than 2310 feet from the North line and 330 feet from the West line (Unit E) of Section 14, and the last perforation shall be located 330 feet from the North line and 330 feet from the West line (Unit D) of Section 11, all in Township 25 South, Range 34 East.

(6) The operator of the Unit shall commence drilling the proposed well on or before October 31, 2019 and shall thereafter continue drilling the well with due diligence to test the Wolfcamp formation.

(7) In the event the operator does not commence drilling the proposed well on or before October 31, 2019 Ordering Paragraphs (1) and (2) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence.

(8) Unless at least one of the proposed wells is drilled and completed within 365 days after commencement of the first such well, then Ordering Paragraphs (1) and (2) shall be of no further effect, and the unit and project area created by this order shall terminate, unless operator appears before the Division Director and obtains an extension of the time for completion of the proposed wells for good cause shown by satisfactory evidence. If neither of the proposed wells is completed in all quarter sections included in the Unit within 365 days after commencement of drilling, then the operator shall apply to the Division for an amendment to this Order to contract the Unit so that it includes only those quarter sections in which at least one well is completed.

(9) The preceding paragraph shall only be permitted if the Applicant meets the requirements of Findings Paragraph (13). If the requirements are not satisfactorily met, the Order shall be terminated.

(10) Upon final plugging and abandonment of the proposed well and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled Unit created by this order shall terminate, unless this Order has been amended to authorize further operations.

(11) Marathon Oil Permian LLC (OGRID 372098) is hereby designated the operator of the well and the Unit.

(12) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit an itemized schedule of estimated costs of drilling, completing and equipping the proposed well ("well costs").



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(13) Within 30 days from the date the schedule of estimated well costs is furnished, any pooled working interest owner shall have the right to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided, and any such owner who pays its share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges. Pooled working interest owners who elect not to pay their share of estimated well costs as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(14) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs within 90 days following completion of the proposed well. If no objection to the actual well costs is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs after public notice and hearing.

(15) Within 60 days following determination of reasonable well costs, any pooled working interest owner who has paid its share of estimated costs in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid exceed its share of reasonable well costs.

(16) The operator is hereby authorized to withhold the following costs and charges from production attributable to each non-consenting working interest owner from each well:

- (a) the proportionate share of reasonable well costs attributable to each such owner; and
- (b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(17) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs.

(18) Reasonable charges for supervision (combined fixed rates) for the well are hereby fixed at \$7,500 per month while drilling and \$750 per month while producing, provided that these rates shall be adjusted annually pursuant to the overhead provisions of the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well, not more than what are reasonable, attributable to pooled working interest owners.

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(19) Except as provided above, all proceeds from production from the proposed well that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(20) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under this Order. Any well costs or charges that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(21) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(22) The operator of the well and the Unit shall notify the Division in writing of the subsequent voluntary agreement of all parties subject to the compulsory pooling provisions of this order.

(23) If the applicant proposes infill wells within the Unit, the proposed infill wells shall be subject to Division Rule 19.15.13 NMAC.

(24) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

HEATHER RILEY  
Director



**Federal Communitization Agreement****Contract No. \_\_\_\_\_**

THIS AGREEMENT, entered into as of the 1st of May 2022, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

**W I T N E S S E T H:**

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 25 South, Range 34 East, N.M.P.M.:

Section 11: E/2

Section 14: NE/4

Lea County, New Mexico;

containing 480.000 acres, more or less, and this agreement shall include only the Wolfcamp Formation underlying said lands and the natural gas and associated liquid hydrocarbons or oil (hereinafter referred to as "communitized substances,") producible from such formation.

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 990 Town & Country Blvd., Houston, TX, 77024. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding-or-step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is May 1, 2022 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the

Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Marathon Oil Permian LLC

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Glen J. Hodge, Attorney-in-fact

### ACKNOWLEDGEMENT

STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Glen J. Hodge, known to me to be the Attorney-in-fact for **Marathon Oil Permian LLC**, a Delaware limited liability company, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**OPERATOR/WORKING INTEREST OWNER**

I, the undersigned, hereby certify, on behalf of **Marathon Oil Permian LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Glen J. Hodge, Attorney-in-fact

**ACKNOWLEDGEMENT**

STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared Glen J. Hodge, known to me to be the Attorney-in-fact for **Marathon Oil Permian LLC**, a Delaware limited liability company, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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



**RECORD TITLE/WORKING INTEREST OWNER**

**OXY Y-1 COMPANY**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF TEXAS       )  
                                  )  
COUNTY OF HARRIS    )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **OXY Y-1 COMPANY**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public in and for the State of Texas

**WORKING INTEREST OWNER**

**Chevron U.S.A. Inc.**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **Chevron U.S.A. Inc.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**WORKING INTEREST OWNER**

**Chevron Midcontinent, L.P.**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **Chevron Midcontinent, L.P.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**RECORD TITLE/WORKING INTEREST OWNER**

**COG Operating LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **COG Operating LLC**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**WORKING INTEREST OWNER**

**EOG Resources, Inc.**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **EOG Resources, Inc.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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



**LESSEE OF RECORD**

**The Allar Company**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **The Allar Company**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**WORKING INTEREST OWNER**

**Del Rey Minerals, LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **Del Rey Minerals, LLC**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**WORKING INTEREST OWNER**

**Noroma Energy, LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **Estate of Warren J. Bates**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**UNLEASED MINERAL OWNER**

**TD Minerals LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, before me, a Notary Public for the State of Texas, personally appeared \_\_\_\_\_, known to me to be \_\_\_\_\_ for **TD Minerals LLC**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

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

**EXHIBIT A**

To Communitization Agreement dated May 1, 2022

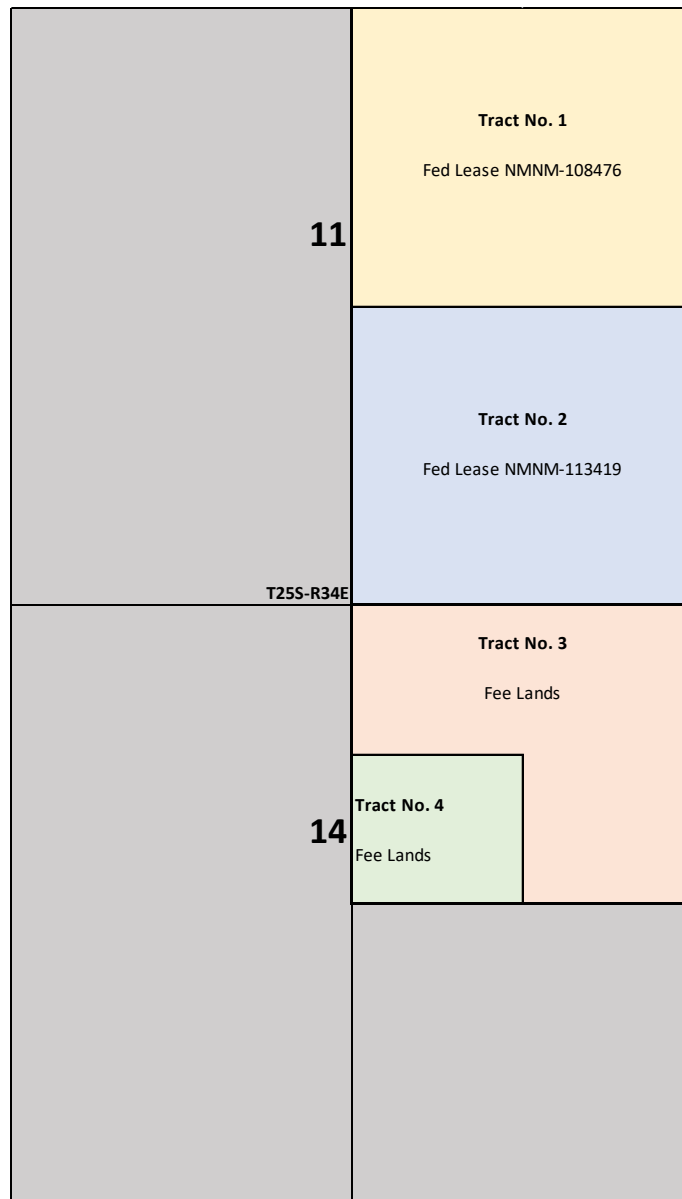
Plat of communitized area covering the:

E/2 of Section 11 T25S, R34E, and NE/4 of Section 14 T25S, R34E, NMPM, Lea County, NM.

Ender Wiggins 14 WA Federal Com #19H: 30-025-47020

Ender Wiggins 14 WXY Federal Com #20H: 30-025-47026

Communitized Area:  
E/2 of Section 11 & NE/4 of  
Section 14, T25S-R34E  
  
480.00 acres



Ender Wiggins 14 WA Fed Com 19H  
Ender Wiggins 14 WXY Fed Com 20H  
Fed/Fee Communitization Agreement  
E/2 Wolfcamp



**EXHIBIT B**

To Communitization Agreement dated May 1, 2022 embracing:

Township 25 South, Range 34 East, N.M.P.M.:

Section 11: E/2

Section 14: NE/4

Lea County, New Mexico

Operator of Communitized Area: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

**Tract No. 1**

Lease Serial No.:	NMNM-108476
Lease Date:	June 1, 2002
Lease Term:	10 years
Lessor:	The United States of America
Original Lessee:	Yates Drilling Co., Abo Petroleum Corp., and Myco Industries, Inc.
Present Lessee:	OXY Y-1 COMPANY and COG Operating LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b> Section 11: NE/4 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.50%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 25.000000% OXY Y-1 COMPANY ..... 24.561837% Chevron U.S.A. Inc. .... 50.438163%
Name and Percent of ORRI Owners:	EOG Resources, Inc. .... 5.00% The Allar Company ..... 1.25%

**Tract No. 2**

Lease Serial No.: NMNM-113419  
 Lease Date: March 1, 2005  
 Lease Term: 10 years  
 Lessor: The United States of America  
 Original Lessee: The Allar Company  
 Present Lessee: The Allar Company  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 11: SE/4  
 Lea County, New Mexico  
 Number of Acres: 160.00  
 Royalty Rate: 12.5%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 75.00%  
 Chevron Midcontinent, L.P. .... 25.00%  
 Name and Percent of ORRI Owners: The Allar Company ..... 0.625%  
 John Kyle Thoma, Trustee of the Cornerstone Family  
 Trust ..... 0.3125%  
 CrownRock Minerals, L.P. .... 0.3125%  
 Allar Development LLC ..... 1.25%  
 Regen Royalty Corp. .... 1.875%  
 Chevron Midcontinent, L.P. .... 5.00%

**Tract No. 3**

Lease No. 1  
 Lease Date: August 24, 1994  
 Recorded: 506/499, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: Charles D. Unruh and wife, Debra S. Unruh  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 2  
 Lease Date: August 24, 1994  
 Recorded: 506/501, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: G. Ross Hale and wife, Luanne P. Hale, as JTROS  
 Ender Wiggins 14 WA Fed Com 19H  
 Ender Wiggins 14 WXY Fed Com 20H  
 Fed/Fee Communitization Agreement  
 E/2 Wolfcamp

Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 3**

Lease Date: October 6, 2015  
 Recorded: 1996/246, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: James Ray Bates  
 Lessee: BC Operating, Inc.  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 4**

Lease Date: October 6, 2015  
 Recorded: 1996/244, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: L.J. Barnes, Trustee of the Lucille Chism Bates  
 Testamentary Trust created u/w/o Lucille Chism Bates  
 dated February 18, 1992  
 Lessee: BC Operating, Inc.  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 5**

Lease Date: April 27, 2016  
 Recorded: 2024/893, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: B.H.C.H. Mineral, Ltd and Fredericksburg Royalty, Ltd.

Ender Wiggins 14 WA Fed Com 19H  
 Ender Wiggins 14 WXY Fed Com 20H  
 Fed/Fee Communitization Agreement  
 E/2 Wolfcamp

Lessee: BC Operating, Inc.  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 6

Lease Date: May 6, 2016  
 Recorded: 2034/400, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: The Nommensen Investment Company  
 Lessee: Black Mountain Operating, LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 7

Lease Date: July 15, 2016  
 Recorded: 2046/962, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: John V. McCarthy, II  
 Lessee: Black Mountain Operating, LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 8

Lease Date: July 15, 2016  
 Recorded: 2046/951, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Susan Duff  
 Lessee: Black Mountain Operating, LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B

Ender Wiggins 14 WA Fed Com 19H  
 Ender Wiggins 14 WXY Fed Com 20H  
 Fed/Fee Communitization Agreement  
 E/2 Wolfcamp

## Description of Land Committed:

**Township 25 South, Range 34 East, N.M.P.M.**

Section 14: N/2NE/4, SE/4NE/4

Lea County, New Mexico

Number of Acres:

120.00

Royalty Rate:

25.0%

Name of Working Interest Owners:

Marathon Oil Permian LLC ..... 100.00%

Name and Percent of ORRI Owners:

NONE

**Lease No. 9**

Lease Date:

March 4, 2016

Recorded:

2019/341, Lea County Records, NM

Lease Term:

4 years

Lessor:

Bates Family Investment Company, LLC, The Trust  
Company of Oklahoma (TCO), as Agent

Lessee:

Black Mountain Operating, LLC

Authority to Pool:

NMOCD Compulsory Pooling Order No. R-21165-B

Description of Land Committed:

**Township 25 South, Range 34 East, N.M.P.M.**

Section 14: N/2NE/4, SE/4NE/4

Lea County, New Mexico

Number of Acres:

120.00

Royalty Rate:

25.0%

Name of Working Interest Owners:

Marathon Oil Permian LLC ..... 100.00%

Name and Percent of ORRI Owners:

NONE

**Lease No. 10**

Lease Date:

April 22, 2016

Recorded:

2027/196, Lea County Records, NM

Lease Term:

3 years

Lessor:

P.A.W.N. Enterprises

Lessee:

Black Mountain Operating, LLC

Authority to Pool:

NMOCD Compulsory Pooling Order No. R-21165-B

Description of Land Committed:

**Township 25 South, Range 34 East, N.M.P.M.**

Section 14: N/2NE/4, SE/4NE/4

Lea County, New Mexico

Number of Acres:

120.00

Royalty Rate:

25.0%

Name of Working Interest Owners:

Marathon Oil Permian LLC ..... 100.00%

Name and Percent of ORRI Owners:

NONE

**Lease No. 11**

Lease Date:

April 25, 2016

Recorded:

2027/201, Lea County Records, NM

Lease Term:

3 years

Lessor:

Daniel Fleet Freeman, as Trustee of the Margaret Helen  
Kalmar Trust A, A/K/A the Margaret Helen Kalmar  
Children's Trust

Lessee:

Black Mountain Operating, LLC

Ender Wiggins 14 WA Fed Com 19H  
Ender Wiggins 14 WXY Fed Com 20H  
Fed/Fee Communitization Agreement  
E/2 Wolfcamp



Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 12**

Lease Date: April 25, 2016  
 Recorded: 2027/204, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Frank T. Fleet, Inc.  
 Lessee: Black Mountain Operating, LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 13**

Lease Date: August 23, 2018  
 Recorded: 2141/148, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Sugarberry Oil & Gas Corporation and Katy Pipeline and  
 Production Corporation  
 Lessee: Marathon Oil Permian LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: N/2NE/4, SE/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 120.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 14**

Lease Date: April 10, 2017  
 Recorded: 2103/628, Lea County Records, NM  
 Lease Term: 4 years  
 Lessor: Duard B. Thomas, as personal Representative of the Estate  
 of Warren J. Bates  
 Lessee: Ozark Royalty Co., LLC

Authority to Pool:  
Description of Land Committed:

NMOCD Compulsory Pooling Order No. R-21165-B  
**Township 25 South, Range 34 East, N.M.P.M.**  
Section 14: N/2NE/4, SE/4NE/4

Number of Acres:  
Royalty Rate:  
Name of Working Interest Owners:  
Name and Percent of ORRI Owners:

Lea County, New Mexico  
120.00  
25.0%  
COG Operating LLC ..... 100.00%  
NONE

**Lease No. 15**

Lease Date:  
Recorded:  
Lease Term:  
Lessor:  
  
Lessee:  
Authority to Pool:  
Description of Land Committed:

March 29, 2021  
2188/527, Lea County Records, NM  
3 years  
Estate of Warren J. Bates, deceased, Charles Mayhue,  
Personal Representative  
COG Operating LLC  
NMOCD Compulsory Pooling Order No. R-21165-B  
**Township 25 South, Range 34 East, N.M.P.M.**  
Section 14: N/2NE/4, SE/4NE/4

Number of Acres:  
Royalty Rate:  
Name of Working Interest Owners:  
Name and Percent of ORRI Owners:

Lea County, New Mexico  
120.00  
25.0%  
COG Operating LLC ..... 100.00%  
NONE

**Tract No. 4**

**Lease No. 1**

Lease Date:  
Recorded:  
Lease Term:  
Lessor:  
Lessee:  
Authority to Pool:  
Description of Land Committed:

August 24, 1994  
506/499, Oil and Gas Records of Lea County, NM  
3 years  
Charles D. Unruh and wife, Debra S. Unruh  
Frank G. Nix  
NMOCD Compulsory Pooling Order No. R-21165-B  
**Township 25 South, Range 34 East, N.M.P.M.**  
Section 14: SW/4NE/4  
Lea County, New Mexico

Number of Acres:  
Royalty Rate:  
Name of Working Interest Owners:  
Name and Percent of ORRI Owners:

40.00  
20.0%  
EOG Resources, Inc. .... 100.00%  
NONE

**Lease No. 2**

Lease Date:  
Recorded:  
Lease Term:  
Ender Wiggins 14 WA Fed Com 19H  
Ender Wiggins 14 WXY Fed Com 20H  
Fed/Fee Communitization Agreement  
E/2 Wolfcamp

August 24, 1994  
506/501, Oil and Gas Records of Lea County, NM  
3 years

Lessor: G. Ross Hale and wife, Luanne P. Hale, as JTROS  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 3**

Lease Date: September 22, 1994  
 Recorded: 507/799, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: The Nommensen Investment Company  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 4**

Lease Date: September 22, 1994  
 Recorded: 507/664, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: L.J. Barnes, Trustee of the Lucille Chism Bates  
 Testamentary Trust created u/w/o Lucille Chism Bates  
 dated February 28, 1992

Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 5**

Lease Date: September 22, 1994  
 Recorded: 508/512, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: Wilma Chism Lain; Theodocia G. Bates, a widow; Warren

Ender Wiggins 14 WA Fed Com 19H  
 Ender Wiggins 14 WXY Fed Com 20H  
 Fed/Fee Communitization Agreement  
 E/2 Wolfcamp

Lessee: J. Bates and wife, Helen H. Bates; and Charles T. Bates, Jr.,  
 Authority to Pool: and wife, LaVerne Bates  
 Description of Land Committed: Frank G. Nix  
 NMOCD Compulsory Pooling Order No. R-21165-B  
**Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 6

Lease Date: September 22, 1994  
 Recorded: 508/796, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: David H. Oldham, Successor Ancillary Personal  
 Representative of the Estate of Catherine Dumraese  
 Frank G. Nix  
 Lessee: NMOCD Compulsory Pooling Order No. R-21165-B  
 Authority to Pool: **Township 25 South, Range 34 East, N.M.P.M.**  
 Description of Land Committed: Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 18.75%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 7

Lease Date: November 8, 1994  
 Recorded: 510/189, Oil and Gas Records of Lea County, NM  
 Lease Term: 3 years  
 Lessor: Sugarberry Oil & Gas Corporation and Global Natural  
 Resources Corporation of Nevada  
 Frank G. Nix  
 Lessee: NMOCD Compulsory Pooling Order No. R-21165-B  
 Authority to Pool: **Township 25 South, Range 34 East, N.M.P.M.**  
 Description of Land Committed: Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 20.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 8

Lease Date: November 16, 1994  
 Recorded: 510/192, Oil and Gas Records of Lea County, NM

Lease Term: 1 year  
 Lessor: P.A.W.N. Enterprises  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 9

Lease Date: November 16, 1994  
 Recorded: 510/195, Oil and Gas Records of Lea County, NM  
 Lease Term: 1 year  
 Lessor: Frank T. Fleet, Trustee of Trust A created u/w/o Margaret Helen Kalmar  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 10

Lease Date: November 16, 1994  
 Recorded: 510/198, Oil and Gas Records of Lea County, NM  
 Lease Term: 1 year  
 Lessor: Frank T. Fleet, Inc.  
 Lessee: Frank G. Nix  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4NE/4  
 Lea County, New Mexico

Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: EOG Resources, Inc. .... 100.00%  
 Name and Percent of ORRI Owners: NONE

Lease No. 11

Lease Date: August 23, 2018  
 Recorded: 2141/148, Lea County Records, NM  
 Lease Term: 3 years



Lessor: Sugarberry Oil & Gas Corporation and Katy Pipeline and  
 Production Corporation  
 Lessee: Marathon Oil Permian LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4 NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 12**

Lease Date: June 1, 2020  
 Recorded: 2171/881, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: John V. McCarthy, II  
 Lessee: Marathon Oil Permian LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4 NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 13**

Lease Date: June 1, 2020  
 Recorded: 2171/884, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Joseph M. Victory  
 Lessee: Marathon Oil Permian LLC  
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-21165-B  
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**  
 Section 14: SW/4 NE/4  
 Lea County, New Mexico  
 Number of Acres: 40.00  
 Royalty Rate: 25.0%  
 Name of Working Interest Owners: Marathon Oil Permian LLC ..... 100.00%  
 Name and Percent of ORRI Owners: NONE

**Lease No. 14**

Lease Date: September 20, 2019  
 Recorded: 2158/108, Lea County Records, NM  
 Lease Term: 3 years  
 Lessor: Robert F. Fleet, Trustee of the Robert F. Fleet Revocable

Lessee:	Trust
Authority to Pool:	Marathon Oil Permian LLC
Description of Land Committed:	NMOCD Compulsory Pooling Order No. R-21165-B <b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4
	Lea County, New Mexico
Number of Acres:	40.00
Royalty Rate:	25.0%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 100.00%
Name and Percent of ORRI Owners:	NONE

**Lease No. 15**

Lease Date:	September 20, 2019
Recorded:	2158/109, Lea County Records, NM
Lease Term:	3 years
Lessor:	Margaret H. Kalmar Children's Trust A, Daniel Fleet Freeman, Trustee
Lessee:	Marathon Oil Permian LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4
	Lea County, New Mexico
Number of Acres:	40.00
Royalty Rate:	25.0%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 100.00%
Name and Percent of ORRI Owners:	NONE

**Lease No. 16**

Lease Date:	September 20, 2019
Recorded:	2158/110, Lea County Records, NM
Lease Term:	3 years
Lessor:	Arlene Rae Fleet, Trustee of the Arlene Rae Fleet Revocable Trust
Lessee:	Marathon Oil Permian LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4
	Lea County, New Mexico
Number of Acres:	40.00
Royalty Rate:	25.0%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 100.00%
Name and Percent of ORRI Owners:	NONE

**Lease No. 16**

Lease Date:	September 20, 2019
Recorded:	2158/236, Lea County Records, NM
Lease Term:	3 years

Ender Wiggins 14 WA Fed Com 19H  
Ender Wiggins 14 WXY Fed Com 20H  
Fed/Fee Communitization Agreement  
E/2 Wolfcamp

Lessor:	P.A.W.N. Enterprises
Lessee:	Marathon Oil Permian LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4
	Lea County, New Mexico
Number of Acres:	40.00
Royalty Rate:	25.0%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 100.00%
Name and Percent of ORRI Owners:	NONE

Lease No. 17

Lease Date:	September 20, 2019
Recorded:	2158/237, Lea County Records, NM
Lease Term:	3 years
Lessor:	Rae Ann Fleet Gossett
Lessee:	Marathon Oil Permian LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4
	Lea County, New Mexico
Number of Acres:	40.00
Royalty Rate:	25.0%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 100.00%
Name and Percent of ORRI Owners:	NONE

Lease No. 18

Lease Date:	February 10, 2022
Recorded:	2191/750, Lea County Records, NM
Lease Term:	3 years
Lessor:	OMJV1 Minerals Sub, L.P.
Lessee:	Del Rey Minerals, LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4
	Lea County, New Mexico
Number of Acres:	40.00
Royalty Rate:	25.0%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 100.00%
Name and Percent of ORRI Owners:	NONE

Lease No. 19

Lease Date:	February 24, 2022
Recorded:	Unrecorded
Lease Term:	2 years
Lessor:	Texas State Bank, Successor Trustee of the Lucille Chism Bates Testamentary Trust

Lessee:	Marathon Oil Permian LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4
	Lea County, New Mexico
Number of Acres:	40.00
Royalty Rate:	25.0%
Name of Working Interest Owners:	Marathon Oil Permian LLC ..... 100.00%
Name and Percent of ORRI Owners:	NONE

**Unleased Mineral Owner No. 1**

Mineral Owner:	Estate of Warren J. Bates
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4, 100' below the base of the Bone Spring formation
	Lea County, New Mexico
Number of Acres:	40.00
Name of Working Interest Owners:	Estate of Warren J. Bates ..... 100.00%

**Unleased Mineral Owner No. 2**

Mineral Owner:	Fortis Minerals II, LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4, 100' below the base of the Bone Spring formation
	Lea County, New Mexico
Number of Acres:	40.00
Name of Working Interest Owners:	Fortis Minerals II, LLC ..... 100.00%

**Unleased Mineral Owner No. 3**

Mineral Owner:	Pegasus Resources II, LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4, 100' below the base of the Bone Spring formation
	Lea County, New Mexico
Number of Acres:	40.00
Name of Working Interest Owners:	Pegasus Resources II, LLC ..... 100.00%

**Unleased Mineral Owner No. 4**

Mineral Owner:	TD Minerals LLC
Authority to Pool:	NMOCD Compulsory Pooling Order No. R-21165-B
Description of Land Committed:	<b><u>Township 25 South, Range 34 East, N.M.P.M.</u></b>
	Section 14: SW/4 NE/4, 100' below the base of the Bone Spring formation
	Lea County, New Mexico
Number of Acres:	40.00
Name of Working Interest Owners:	TD Minerals LLC ..... 100.00%

Ender Wiggins 14 WA Fed Com 19H  
 Ender Wiggins 14 WXY Fed Com 20H  
 Fed/Fee Communitization Agreement  
 E/2 Wolfcamp

**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract No. 1	160.00	33.33%
Tract No. 2	160.00	33.33%
Tract No. 3	120.00	25.00%
Tract No. 4	40.00	8.34%
<hr/>		
<b>Totals</b>	<b>480.00</b>	<b>100.00%</b>



**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Covarrubias, Adrian \(MRO\)](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order PLC-858  
**Date:** Wednesday, October 5, 2022 10:16:43 AM  
**Attachments:** [PLC858 Order.pdf](#)

NMOCD has issued Administrative Order PLC-858 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
30-025-46597	Ender Wiggins 14 WA Federal Com #6H	W/2 NW/4	11-25S-34E 14-25S-34E	96994
30-025-47020	Ender Wiggins 14 WA Federal Com #19H	E/2 NE/4	11-25S-34E 14-25S-34E	96994
30-025-47026	Ender Wiggins 14 WXY Federal Com #20H	E/2 NE/4	11-25S-34E 14-25S-34E	96994
30-025-46794	Ender Wiggins 14 TB Federal Com #11H	W/2 E/2 W/2 NE/4	11-25S-34E 14-25S-34E	97369

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 SURFACE COMMINGLING  
SUBMITTED BY MARATHON OIL PERMIAN, LLC**

**ORDER NO. PLC-858**

**ORDER**

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

**FINDINGS OF FACT**

1. Marathon Oil Permian, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
8. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
9. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying

the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

### **CONCLUSIONS OF LAW**

10. 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, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
12. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
13. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
14. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
15. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
16. 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 surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

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 or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If

Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. 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.
6. Applicant shall measure and market the commingled gas at a well pad, 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.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.

8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled 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 surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production 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.
9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
10. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. 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).
13. 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:** 10/4/22



State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **PLC-858**

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

Central Tank Battery: **Ender Wiggins 14 Federal Com Central Tank Battery**

Central Tank Battery Location: **UL F, Section 14, Township 25 South, Range 34 East**

Gas Title Transfer Meter Location: **UL F, Section 14, Township 25 South, Range 34 East**

### Pools

Pool Name	Pool Code
<b>PITCHFORK RANCH; WOLFCAMP, SOUTH</b>	<b>96994</b>
<b>RED HILLS; BONE SPRING, EAST</b>	<b>97369</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
<b>CA Wolfcamp NMNM 105689561</b>	<b>W/2</b>	<b>11-25S-34E</b>
	<b>NW/4</b>	<b>14-25S-34E</b>
<b>NMNM 108476</b>	<b>NE/4</b>	<b>11-25S-34E</b>
<b>NMNM 113419</b>	<b>SE/4</b>	<b>11-25S-34E</b>
<b>Fee</b>	<b>A B H</b>	<b>14-25S-34E</b>
<b>Fee</b>	<b>G</b>	<b>14-25S-34E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-025-46597</b>	<b>Ender Wiggins 14 WA Federal Com #6H</b>	<b>W/2</b>	<b>11-25S-34E</b>	<b>96994</b>
		<b>NW/4</b>	<b>14-25S-34E</b>	
<b>30-025-47020</b>	<b>Ender Wiggins 14 WA Federal Com #19H</b>	<b>E/2</b>	<b>11-25S-34E</b>	<b>96994</b>
		<b>NE/4</b>	<b>14-25S-34E</b>	
<b>30-025-47026</b>	<b>Ender Wiggins 14 WXY Federal Com #20H</b>	<b>E/2</b>	<b>11-25S-34E</b>	<b>96994</b>
		<b>NE/4</b>	<b>14-25S-34E</b>	
<b>30-025-46794</b>	<b>Ender Wiggins 14 TB Federal Com #11H</b>	<b>W/2 E/2</b>	<b>11-25S-34E</b>	<b>97369</b>
		<b>W/2 NE/4</b>	<b>14-25S-34E</b>	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: **PLC-858**  
Operator: **Marathon Oil Permian, LLC (372098)**

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp BLM	E/2	11-25S-34E	480	A
	NE/4	14-25S-34E		
CA Bone Spring BLM	W/2 E/2	11-25S-34E	240	B
	W/2 NE/4	14-25S-34E		

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 108476	NE/4	11-25S-34E	160	A
NMNM 113419	SE/4	11-25S-34E	160	A
Fee	A B H	14-25S-34E	120	A
Fee	G	14-25S-34E	40	A
NMNM 108476	W/2 NE/4	11-25S-34E	80	B
NMNM 113419	W/2 SE/4	11-25S-34E	80	B
Fee	B	14-25S-34E	40	B
Fee	G	14-25S-34E	40	B

**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

Action 131747

CONDITIONS

Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024	OGRID: 372098
	Action Number: 131747
	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.	10/5/2022