

Revised March 23, 2017

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

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: Marathon Oil Permian LLC**OGRID Number:** 372098**Well Name:** Ripley BS Fed Com 301H; 501H Ripley WC Fed Com 701H; 702H, 801H**API:** 30-015-47621; 30-015-47620;
30-015-47614; 30-015-47613; 30-015-47622**Pool:** Willow Lake; Bone Spring & Purple Sage; Wolfcamp**Pool Code:** 64450 & 98220

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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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.

3/15/2023

Date

Adv. Regulatory Compliance Rep

Print or Type Name

713-296-3368

Phone Number

acovarrubias@marathonoil.com

e-mail Address

Signature

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 |
|----------------------------------|--|---|--|---|---------|
| Willow Lake; Bone Spring (64450) | 51/1280 | 54 / 1280 | | | |
| Purple Sage; Wolfcamp (98220) | 51/1280 | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(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 Rep

DATE: 3/15/2023

TYPE OR PRINT NAME Adrian Covarrubias

TELEPHONE NO.: 713-296-3368

E-MAIL ADDRESS: acovarrubias@marathonoil.com

SURFACE COMMINGLING
Ripley Fed Com

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

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

Please see below for details:

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

List of Wells, Leases, and Pools to be commingled:

| WELL NAME | API # | LEASE | POOL (CODE) |
|------------------------|--------------|--|-------------------------------------|
| Ripley BS Fed Com 301H | 30-015-47621 | CA Pending E2 Sec35-T24S-R28E E2 Sec26-T24S-R28E | Willow Lake; Bone Spring (64450) |
| Ripley BS Fed Com 501H | 30-015-47620 | CA Pending E2 Sec35-T24S-R28E E2 Sec26-T24S-R28E | Willow Lake; Bone Spring (64450) |
| Ripley WC Fed Com 701H | 30-015-47614 | CA Pending E2 Sec18-T26S-R35E E2 Sec19-T26S-R35E | Purple Sage; Wolfcamp (98220) |
| Ripley WC Fed Com 702H | 30-015-47613 | CA Pending E2 Sec18-T26S-R35E E2 Sec19-T26S-R35E | Purple Sage; Wolfcamp (98220) |
| Ripley WC Fed Com 801H | 30-015-47622 | CA Pending E2 Sec18-T26S-R35E E2 Sec19-T26S-R35E | Purple Sage; Wolfcamp (98220) |

The Ripley WC Fed Com CTB will be located at UL O & P Sec.24-T24S-R29E.

Future additions:

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) NMAC, Marathon Oil Permian LLC requests option to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by submitting a Form C-107-B provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.

Furthermore, Marathon Oil Permian LLC request to be able to add wells producing from pools and leases identified in the application by submitting a subsequent sundry C-103 and C-102 to the NMOCD.

SURFACE COMMINGLING

Ripley Fed Com

OIL ALLOCATION METHODOLOGY

Each well has a Coriolis meter at the three-phase separator that measures oil produced by the well. This volume is used to determine the theoretical percentage each well produced and is used to allocate Calculated Production and Total Sales Volumes back to each well.

- A. Theoretical % of production for each well is calculated by dividing each oil meter volume by the sum of the oil meters.
- B. Total Production of the facility is calculated by adding Ending Inventory plus LACT Sales Meter minus Beginning Inventory.
- C. Total Available Sale is calculated by adding Total Production plus Beginning Inventory.
- D. Theoretical % for each well is multiplied by the Total Production and Total Available Sales.
- E. Total Oil Sales is oil measured through the LACT meter. Volumes are verified with the LACT tickets.
- F. Beginning Inventory comes from previous accounting period's Closing Inventory for each well.
- G. Ending Inventory is calculated by measuring the height of oil in the tanks. Ending Inventory for each well is calculated by multiplying the Theoretical % of Production by total of ending inventory.

GAS ALLOCATION METHODOLOGY

Each well has an orifice meter and a gas lift meter. The facility has a Sales meter that measures volume of gas before it leaves the facility.

- A. Net Well Production is base amount of production not used for gas lift and is calculated by subtracting Gas Lift (GL) metered volume from the Orifice meter readings.
- B. Theoretical % used for the allocation is calculated by dividing the Net Well Production Volume for each well into the sum of the total Net Well Production.
- C. Net Facility Gas is volume of gas sold for royalty purposes and is measured with a meter as it leaves the facility. This volume is verified with purchaser statements.
- D. Theoretical % for each well is multiplied by the Net Facility Gas to determine Sales, Lease Fuel for each well.
- E. Lease Use is the volume of gas used by the equipment on the facility.
- F. Gas used to run other equipment is measured via an orifice meter. Total Lease Use gas is allocated to the well based on the wells Theoretical %.
- G. HP Flare is volume of gas flared from the facility, allocated to wells by Theoretical % for each well times the Flare Meter volume.
- H. Individual Compressor usage is based on manufacturer's usage rate applied to compressor run time. Total Compressor Use is calculated by adding Individual Compressor Usage and allocated to wells by Theoretical %.
- I. Allocated Production is all gas produced by the facility and is calculated by adding Net Facility Gas plus HP Flare plus Lease Use.

SURFACE COMMINGLING
Ripley Fed Com

WATER ALLOCATION METHODOLOGY

Each well has a mag meter at the three-phase separator that measures the volume of water produced by the well.

A. Water Production is the volume of water measured at the mag meter.

All meter proving and calibration frequencies will be performed as per 19.15.12.10(C)(2) NMAC.

Attachments:

- Notification Letter to all Interest Owners
- Notification to BLM
- Notification to State Land Office.
- 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

March 15, 2023

Marathon Oil Permian LLC Application for Surface Commingle

Ripley BS Fed Com 301H (API 30-015-47621)

Ripley BS Fed Com 501H (API 30-015-47620)

Ripley WC Fed Com 701H (API 30-015-47614)

Ripley WC Fed Com 702H (API 30-015-47613)

Ripley WC Fed Com 801H (API 30-015-47622)

Section 35-T24S-R28E

Eddy 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 Willow Lake; Bone Spring, Pool (64450) and Purple Sage; Wolfcamp Pool (98220), located in Section 35, T24S-R28E, Eddy 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 713-296-3968 or by email at acovarrubias@marathonoil.com.

Sincerely,

MARATHON OIL COMPANY

A handwritten signature in black ink, appearing to read 'A. Covarrubias', with a stylized flourish at the end.

Adrian Covarrubias

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.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

3a. Address

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

9. API Well No.

10. Field and Pool or Exploratory Area

11. Country or Parish, State

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
|---|---|---|--|---|--|
| <input 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"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity | |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other | |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | | |
| <input type="checkbox"/> Final Abandonment Notice | <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 recompleat 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 recompleat 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 detennined that the site is ready for final inspection.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Title

Signature

Date

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

RIPLEY BS FED COM 501H, US Well Number: 3001547620, Case Number: NMNM25953, Lease Number: NMNM25953,
Operator:MARATHON OIL PERMIAN LLC

RIPLEY BS FED COM 301H, US Well Number: 3001547621, Case Number: NMNM25953, Lease Number: NMNM25953,
Operator:MARATHON OIL PERMIAN LLC

RIPLEY WC FED COM 801H, US Well Number: 3001547622, Case Number: NMNM25953, Lease Number: NMNM25953,
Operator:MARATHON OIL PERMIAN LLC

RIPLEY WC FED COM 702H, US Well Number: 3001547613, Case Number: NMNM25953, Lease Number: NMNM25953,
Operator:MARATHON OIL PERMIAN LLC

Ripley WC Fed Com 701H, US Well Number: 3001547614, Case Number: NMNM25953, Lease Number: NMNM25953,
Operator:MARATHON OIL PERMIAN LLC

CONFIDENTIAL

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



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

Applicant: Marathon Oil Permian LLC
Well Name: Ripley BS Fed Com 301H; 501H
Ripley WC Fed Com 701H; 702H; 801H
Pool: Willow Lake; Bone Spring & Purple Sage; Wolfcamp

OGRID #: 372098
API #: 30-015-47621; 30-015-47620;
30-015-47614; 30-015-47613; 30-015-47622

OPERATOR NAME: Marathon Oil Permian LLC
OPERATOR ADDRESS: 990 Town & Country Blvd., Houston, TX 77024

APPLICATION REQUIREMENTS – SUBMIT:

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

CERTIFICATION: To the best of my knowledge,

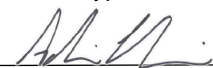
- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed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

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

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

Adrian Covarrubias

Print or Type Name



Signature

713-296-3368

Phone Number

3/15/2023

Date

acovarrubias@marathonoil.com

e-mail Address

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

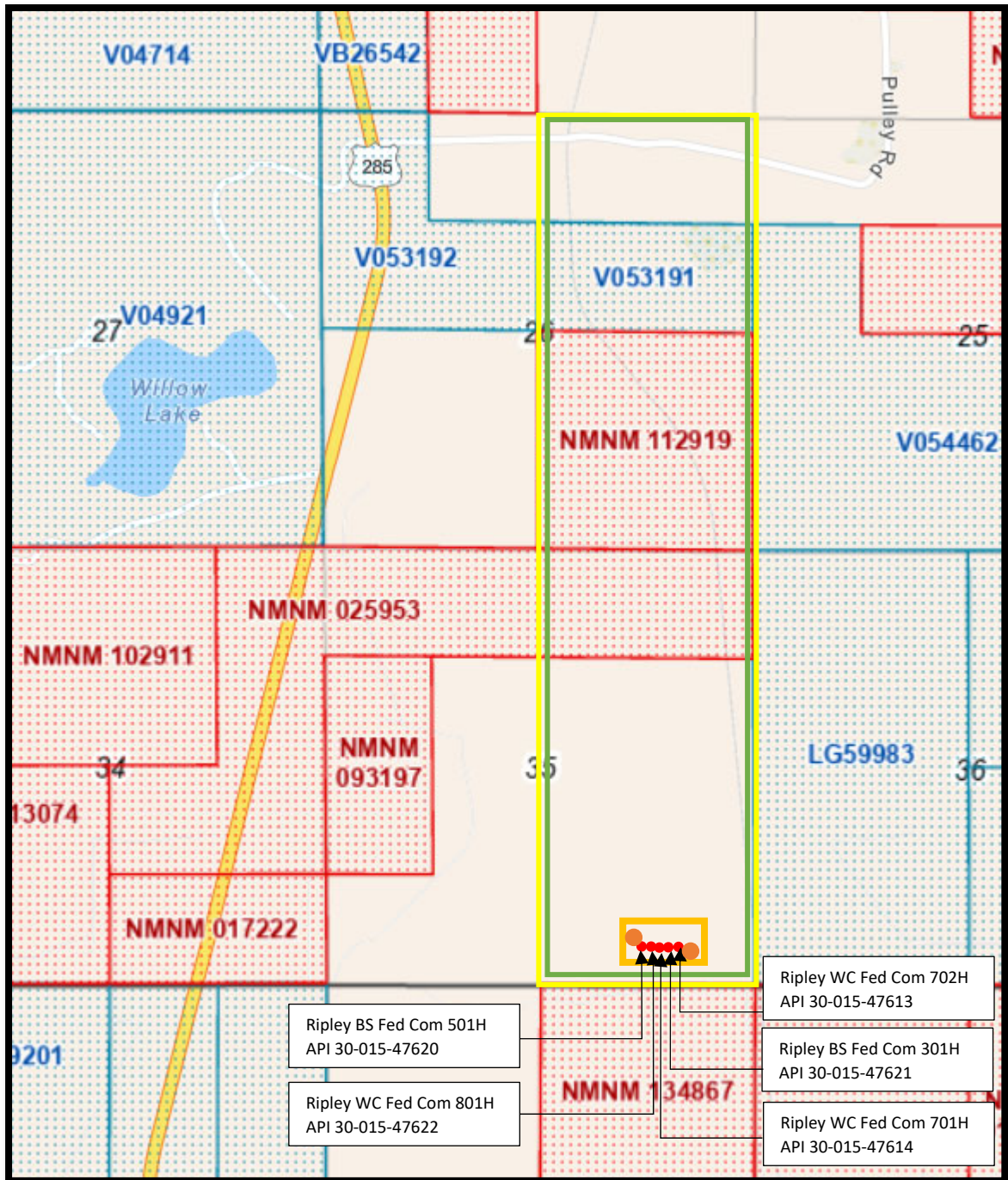
Questions?
 Contact the Commingling Manager:
 505.827.5791

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

SURFACE COMMINGLING

Ripley Fed Com

Lease Map (T24S-R28E)



CA Pending (Wolfcamp)



Wells



CA Pending (Bone Spring)



Proposed Sales Point



Ripley Fed Com Pad

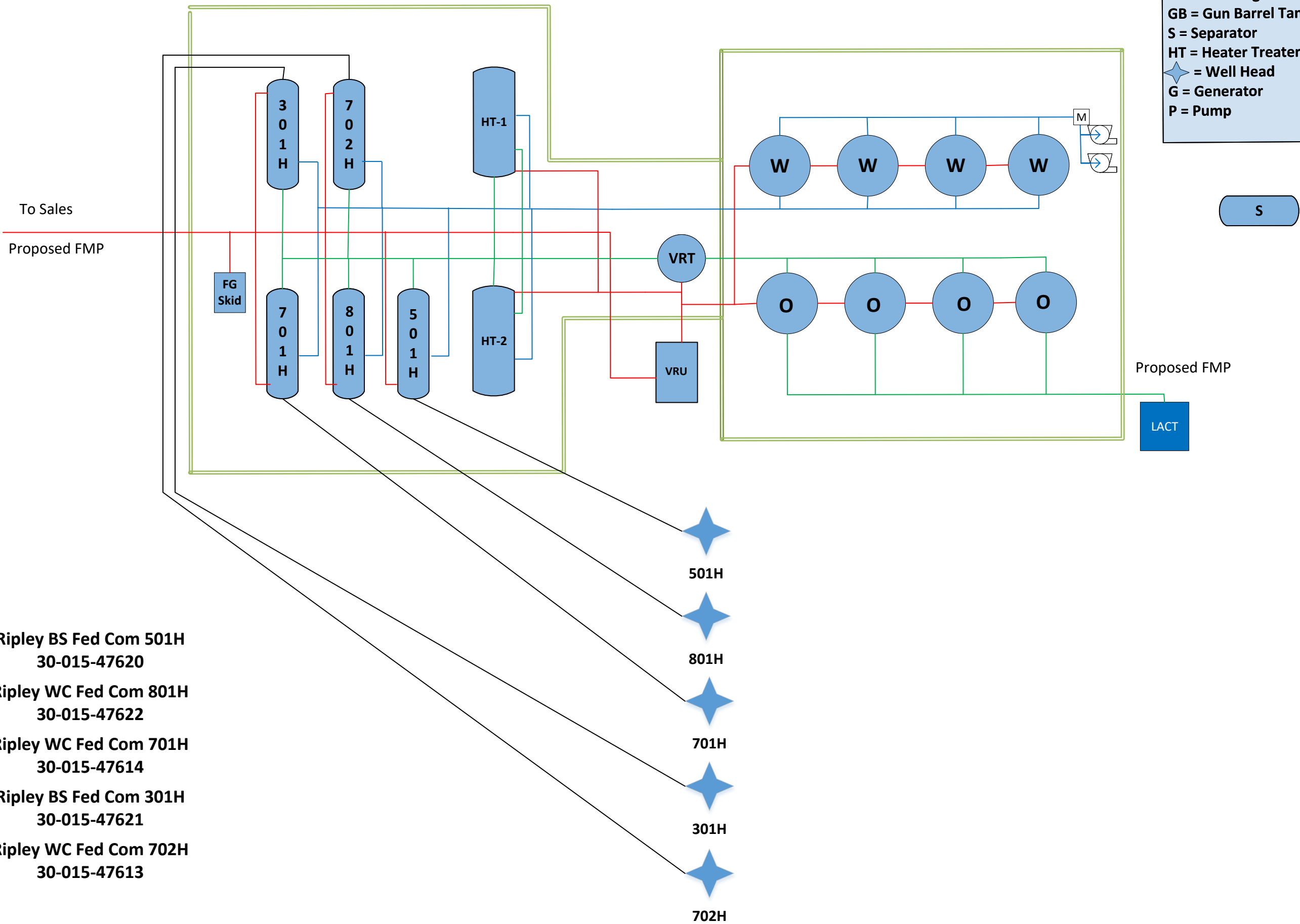
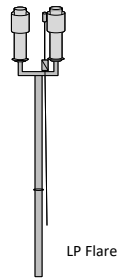




Ripley Fed Com CTB

LEGEND

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



- Ripley BS Fed Com 501H
30-015-47620
- Ripley WC Fed Com 801H
30-015-47622
- Ripley WC Fed Com 701H
30-015-47614
- Ripley BS Fed Com 301H
30-015-47621
- Ripley WC Fed Com 702H
30-015-47613

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

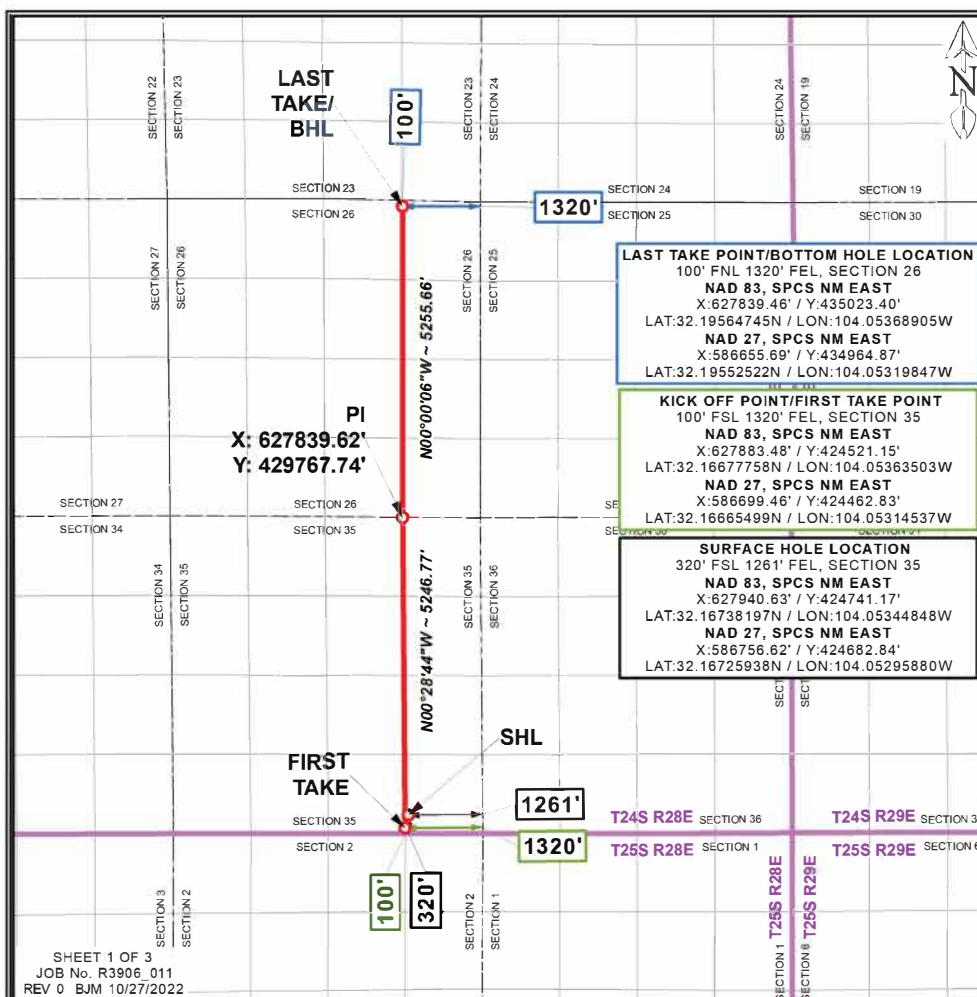
| | | |
|---|---|--|
| ¹ API Number 30-015-47621 | ² Pool Code 64450 | ³ Pool Name BONE SPRING; WILLOW LAKE |
| ⁴ Property Code | ⁵ Property Name RIPLEY BS FED COM | |
| | | ⁶ Well Number 301H |
| ⁷ OGRID No. 372098 | ⁸ Operator Name MARATHON OIL PERMIAN, LLC | |
| | | ⁹ Elevation 2955' |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| P | 35 | 24S | 28E | | 320 | SOUTH | 1261 | EAST | EDDY |

| 11 Bottom Hole Location If Different From Surface | | | | | | | | | |
|---|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| A | 26 | 24S | 28E | | 100 | NORTH | 1320 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 **OPERATOR CERTIFICATION**

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

Terri Stathem 10/28/2022

Signature Date

Terri Stathem

Printed Name

tstathem@marathonoil.com

E-mail Address

18 SURVEYOR CERTIFICATION

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

OCTOBER 27, 2022

Date of Survey

Signature and Seal of Professional Surveyor:

David W. Myers

DAVID W. MYERS 11403

Certificate Number

Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997778 Convergence Angle: 0°08'28.5600"

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

| | | |
|---|---|--|
| ¹ API Number 30-015-47620 | ² Pool Code 64450 | ³ Pool Name BONE SPRING; WILLOW LAKE |
| ⁴ Property Code | ⁵ Property Name RIPLEY BS FED COM | ⁶ Well Number 501H |
| ⁷ OGRID No. 372098 | ⁸ Operator Name MARATHON OIL PERMIAN, LLC | ⁹ Elevation 2955' |

¹⁰ Surface Location

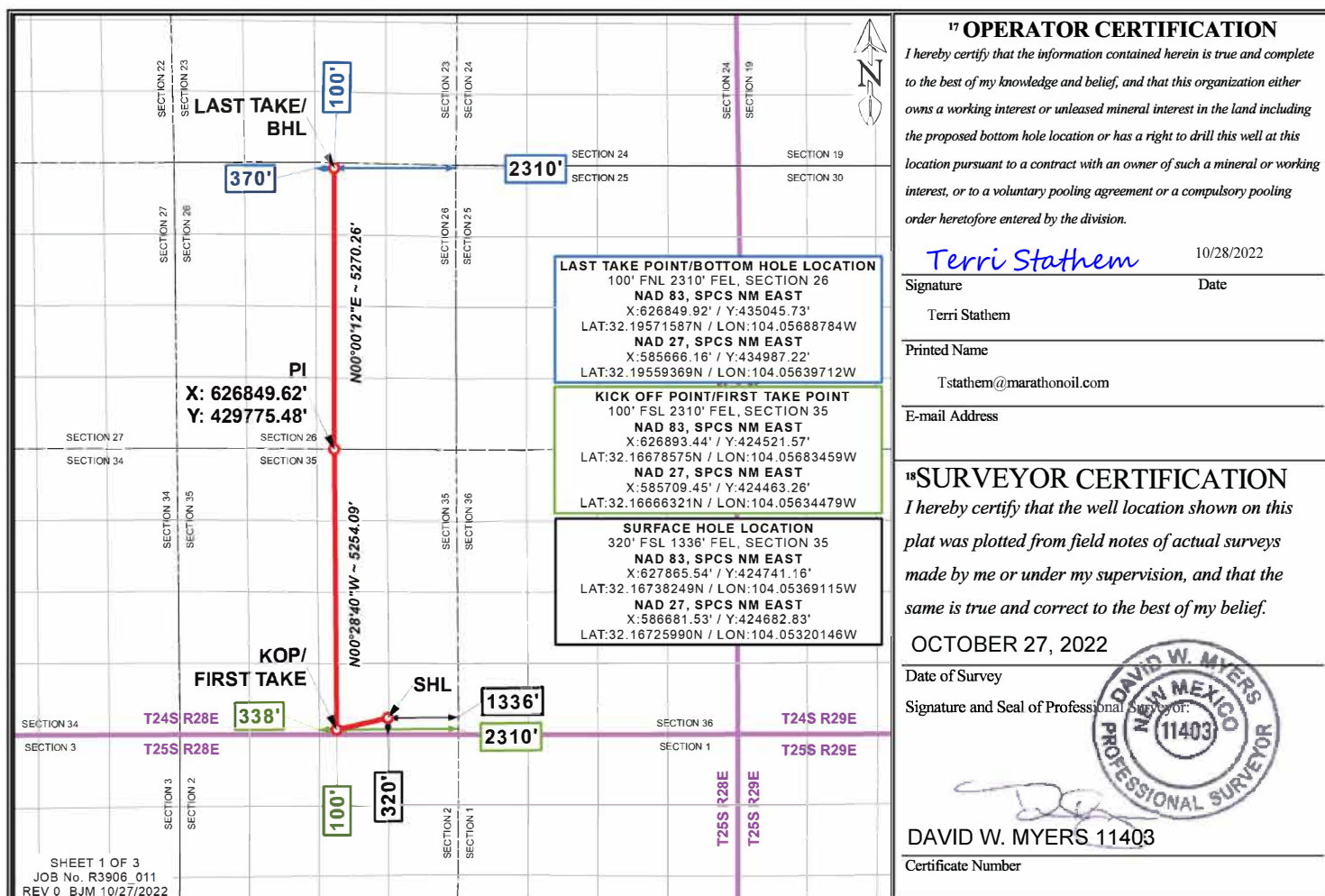
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O | 35 | 24S | 28E | | 320 | SOUTH | 1336 | EAST | EDDY |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 26 | 24S | 28E | | 100 | NORTH | 2310 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997778 Convergence Angle: 0°08'28.5600"

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

| | | |
|---|---|---|
| ¹ API Number 30-015-47614 | ² Pool Code 98220 | ³ Pool Name PURPLE SAGE; Wolfcamp (gas) |
| ⁴ Property Code | ⁵ Property Name RIPLEY WC FED COM | ⁶ Well Number 701H |
| ⁷ OGRID No. 372098 | ⁸ Operator Name MARATHON OIL PERMIAN, LLC | ⁹ Elevation 2955' |

¹⁰ Surface Location

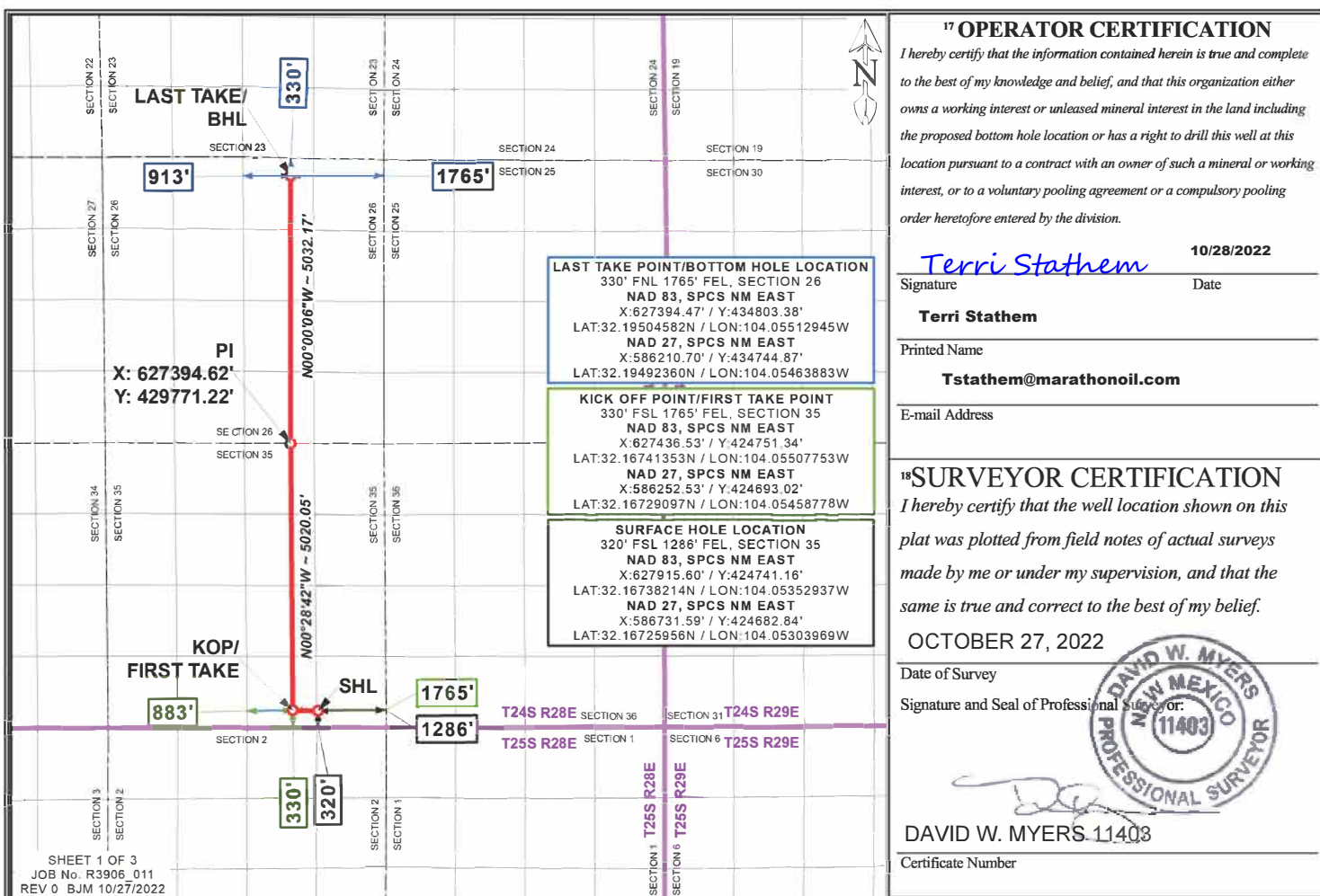
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 35 | 24S | 28E | | 320 | SOUTH | 1286 | EAST | EDDY |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 26 | 24S | 28E | | 330 | NORTH | 1765 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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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

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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-015-47613 | ² Pool Code 98220 | ³ Pool Name PURPLE SAGE; Wolfcamp (gas) |
| ⁴ Property Code | ⁵ Property Name RIPLEY WC FED COM | ⁶ Well Number 702H |
| ⁷ OGRID No. 372098 | ⁸ Operator Name MARATHON OIL PERMIAN, LLC | ⁹ Elevation 2955' |

¹⁰ Surface Location

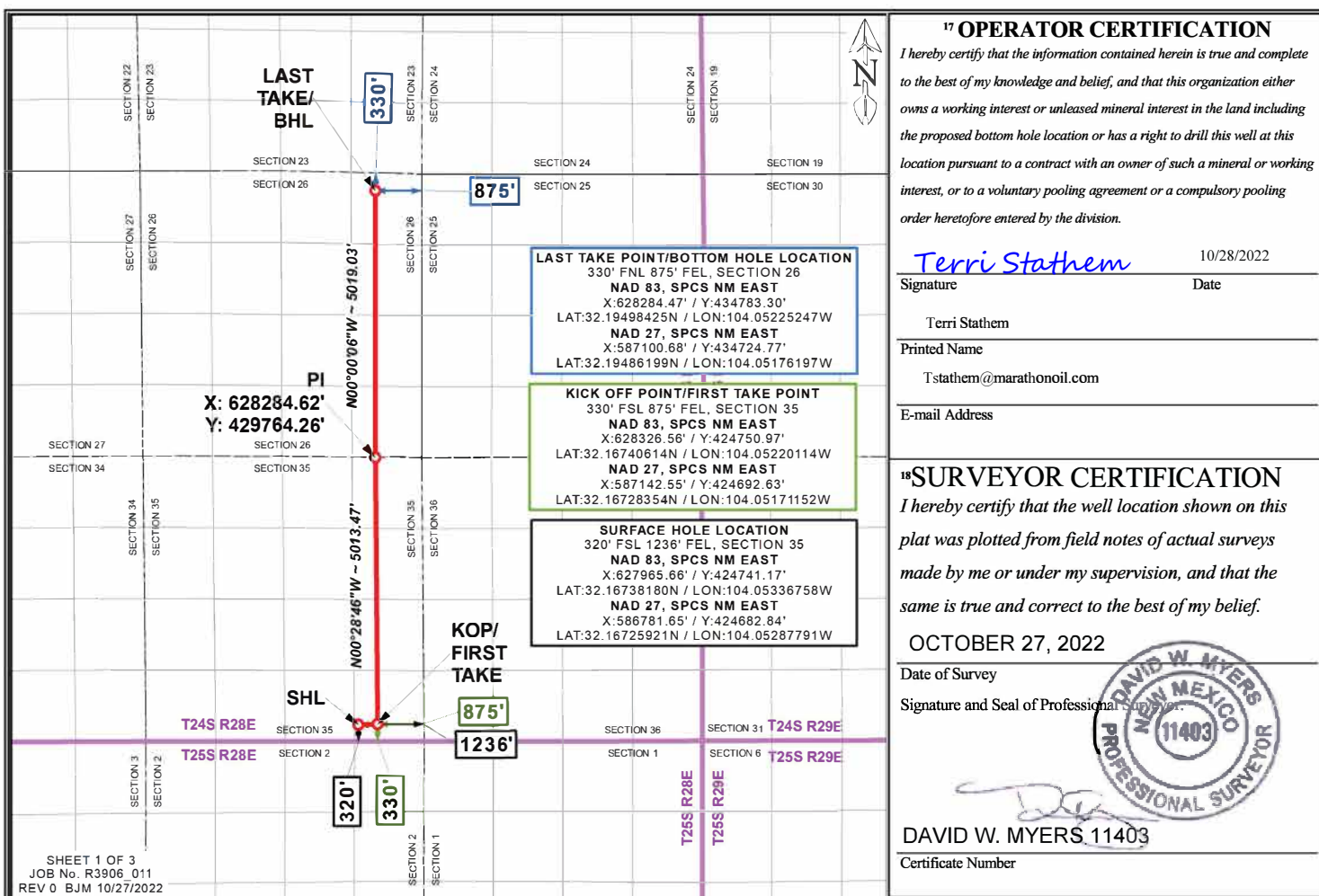
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 35 | 24S | 28E | | 320 | SOUTH | 1236 | EAST | EDDY |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 26 | 24S | 28E | | 330 | NORTH | 875 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁷ OPERATOR CERTIFICATION

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

Signature: Terri Stathem
Date: 10/28/2022
Printed Name: Terri Stathem
E-mail Address: Tstathem@marathonoil.com

¹⁸ SURVEYOR CERTIFICATION

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

OCTOBER 27, 2022

Date of Survey

Signature and Seal of Professional Surveyor

DAVID W. MYERS, 11403

Certificate Number

Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997778 Convergence Angle: 0°08'28.5600"

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-015-47622 | ² Pool Code 98220 | ³ Pool Name PURPLE SAGE; Wolfcamp (gas) |
| ⁴ Property Code | ⁵ Property Name RIPLEY WC FED COM | ⁶ Well Number 801H |
| ⁷ OGRID No. 372098 | ⁸ Operator Name MARATHON OIL PERMIAN, LLC | ⁹ Elevation 2955' |

¹⁰ Surface Location

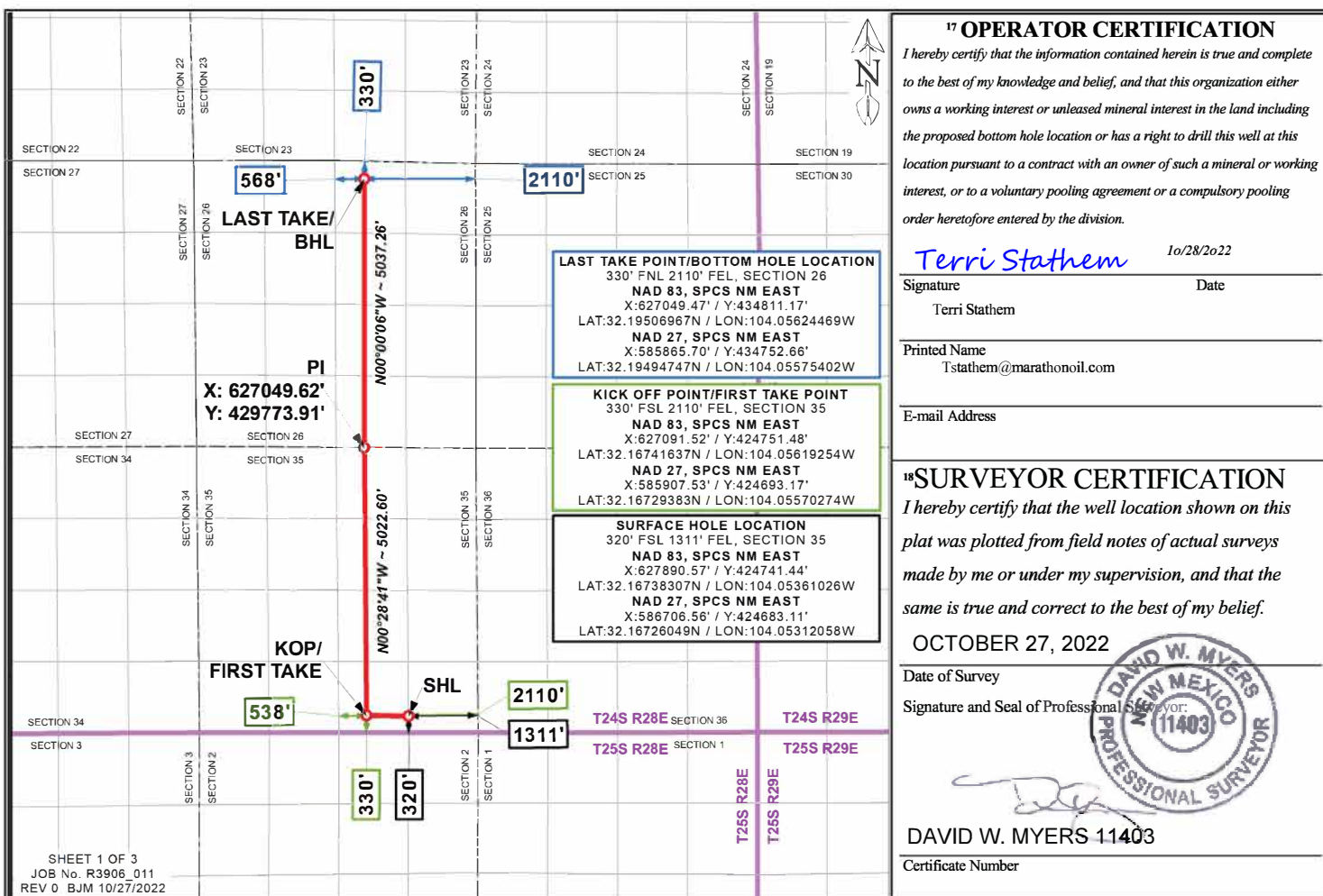
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 35 | 24S | 28E | | 320 | SOUTH | 1311 | EAST | EDDY |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 26 | 24S | 28E | | 330 | NORTH | 2110 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

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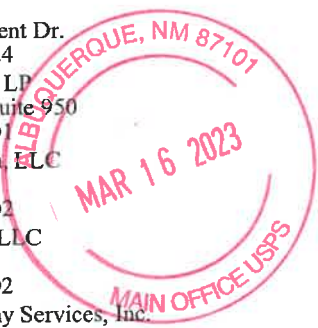
Karlene Schuman
 Modrall Sperling Roehl Harris & Sisk P.A.
 500 Fourth Street, Suite 1000
 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
 03/16/2023

Firm Mailing Book ID: 242929

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|-----------------------|
| 1 | 9314 8699 0430 0105 5951 15 | Trustees of the Conquistador Council Boy Scouts Trust 2603 N. Aspen Ave. Roswell NM 80201 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 2 | 9314 8699 0430 0105 5951 22 | State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 3 | 9314 8699 0430 0105 5951 39 | United States of America Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 4 | 9314 8699 0430 0105 5951 46 | Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City OK 73102 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 5 | 9314 8699 0430 0105 5951 53 | EOG Resources, Inc. 5509 Champions Drive Midland TX 79706 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 6 | 9314 8699 0430 0105 5951 60 | Cavalry Resources LLC P.O. Box 5442 Midland TX 79704 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 7 | 9314 8699 0430 0105 5951 77 | Regions Permian II, LLC P.O. Box 10971 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 8 | 9314 8699 0430 0105 5951 84 | Shadowfeet, LLC 402 Egerton Crecent Dr. Houston TX 77024 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 9 | 9314 8699 0430 0105 5951 91 | Pandora Partners, LP 400 W. Illinois, Suite 950 Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 10 | 9314 8699 0430 0105 5952 07 | OWL Exploration, LLC P.O. Box 1610 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 11 | 9314 8699 0430 0105 5952 14 | Adley Properties LLC P.O. Box 3327 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 12 | 9314 8699 0430 0105 5952 21 | Laughlin Company Services, Inc. 3 Abigail Dr. Andrews TX 79714 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 13 | 9314 8699 0430 0105 5952 38 | Isramco Resources, LLC 2401 Fountain View Dr., Suite 420 Houston TX 77057 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 14 | 9314 8699 0430 0105 5952 45 | OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston TX 77046 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 15 | 9314 8699 0430 0105 5952 52 | RKC, Inc. 1527 Hillside Road Fiarfield CT 06490 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |



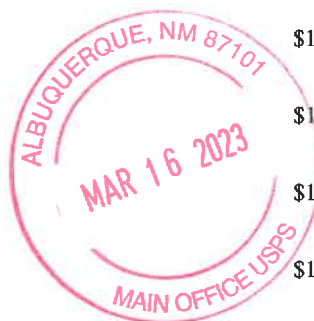
Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

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03/16/2023

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|------|-----------------------------|--|---------|-------------|--------|--------------|-----------------------|
| 16 | 9314 8699 0430 0105 5952 69 | Cuthbert Royalties LLC P.O. Box 50573 Midland TX 79710 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 17 | 9314 8699 0430 0105 5952 76 | William R. Bergman P.O. Box 1799 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 18 | 9314 8699 0430 0105 5952 83 | Curtis Anderson and Edna I. Anderson, Trustees of Edna & Curtis Anderson Rev. Trust 3807 South County Rd. 1135 Midland TX 79706 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 19 | 9314 8699 0430 0105 5952 90 | Patrick Cole Qualls 4801 Rustic Trail Midland TX 79707 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 20 | 9314 8699 0430 0105 5953 06 | Matthew Porter Qualls 1500 South Ave. A Portales NM 88130 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 21 | 9314 8699 0430 0105 5953 13 | John W. Wolf P.O. Box 1799 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 22 | 9314 8699 0430 0105 5953 20 | Gary Green 508 West Wall, Suite 500 Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 23 | 9314 8699 0430 0105 5953 37 | Norma D. Green 5121 King Richards Row Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 24 | 9314 8699 0430 0105 5953 44 | Gene H. Davis 5605 Drexel Court Midland TX 79707 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 25 | 9314 8699 0430 0105 5953 51 | McCombs Energy, Ltd. 5599 San Felipe, Suite 1200 Houston TX 77056 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 26 | 9314 8699 0430 0105 5953 68 | Gene Shumate P.O. Box 2473 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 27 | 9314 8699 0430 0105 5953 75 | Chi Energy, Inc. 212 Main St. Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 28 | 9314 8699 0430 0105 5953 82 | Redbird Royalty, LP. 19837 East Woodhaven Road Owasso OK 74055 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 29 | 9314 8699 0430 0105 5953 99 | Bole Resources, LLC. P.O. Box 1116 Williston ND 58802 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 30 | 9314 8699 0430 0105 5954 05 | Jan Baxter Taylor and Gregory S. Taylor, Trustees of Taylor Mineral Trust P.O. Box 1737 Ada OK 74821 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |



Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
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|------|-----------------------------|--|---------|-------------|--------|--------------|-----------------------|
| 31 | 9314 8699 0430 0105 5954 12 | Stephen C. Baxter and Doris June Baxter, as Joint Tenants P.O. Box 906 Ada OK 74821 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 32 | 9314 8699 0430 0105 5954 29 | Ranchito AD4, LP. 2100 Ross Avenue, Suite 1870, LB-9 Dallas TX 75201 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 33 | 9314 8699 0430 0105 5954 36 | KT Energy, Inc. P.O. Box 727 Spearfish SD 57783 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 34 | 9314 8699 0430 0105 5954 43 | Outdoor Entourage, Inc. 912 Alberta Ave. Bismarck ND 58503 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 35 | 9314 8699 0430 0105 5954 50 | MEL Energy, Inc. 4721 Kites Lane Bismarck ND 58503 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 36 | 9314 8699 0430 0105 5954 67 | Thunderbolt Petroleum, LLC P.O. Box 10523 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 37 | 9314 8699 0430 0105 5954 74 | Jim Ikard P.O. Box 331 Carlsbad NM 88220 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 38 | 9314 8699 0430 0105 5954 81 | Jami Huber Owen 3323 Providence Dr. Midland TX 79707 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 39 | 9314 8699 0430 0105 5954 98 | O.D. Albright III P.O. Box 10981 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 40 | 9314 8699 0430 0105 5955 11 | GK Partners 550 W. Texas, Suite 600 Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 41 | 9314 8699 0430 0105 5955 28 | Sisbro Oil & Gas, LLC 4350 South Monaco St., 5th Floor Denver CO 80237 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 42 | 9314 8699 0430 0105 5955 35 | Mizel Resources, A Trust 4350 South Monaco St., 5th Floor Denver CO 80237 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 43 | 9314 8699 0430 0105 5955 42 | Williamson Oil & Gas, LLC 303 Veteran's Airpark Ln., Suite 1100 Midland TX 79705 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 44 | 9314 8699 0430 0105 5955 59 | Dolores McCall P.O. Box 931 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 45 | 9314 8699 0430 0105 5955 66 | Arlen Edgar 414 West Texas, Suite 208 Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |



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

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03/16/2023

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|----------------|-----------------------------|--|---------------------|-----------------|-----------------|---------------|-----------------------|
| 46 | 9314 8699 0430 0105 5955 73 | Scott T. Peterson P.O. Box 1112 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 47 | 9314 8699 0430 0105 5955 80 | M.D. Abel Co. P.O. Box 949 Lampasas TX 76550 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 48 | 9314 8699 0430 0105 5955 97 | Bishop-Windham Family Ltd. Partnership P.O. Box 2698 Midland TX 79702 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 49 | 9314 8699 0430 0105 5956 03 | Dorothy L. Hockaday Trust 731 Last Arrow Dr. Houston TX 77079 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 50 | 9314 8699 0430 0105 5956 10 | Christa Hinojosa 1443 Scenic Ridge Houston TX 77043 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 51 | 9314 8699 0430 0105 5956 27 | Griffin Petroleum Company 550 W. Texas, Suite 600 Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 52 | 9314 8699 0430 0105 5956 34 | Sempre Energy Production Company 8235 Douglas Ave., Suite 525 Dallas TX 75225 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 53 | 9314 8699 0430 0105 5956 41 | Sanford Starman and Shirley Starman, Co-Trustees Sanford & Shirley Starman Rev. Trust P.O. Box 3606 Westlake Village CA 91360 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 54 | 9314 8699 0430 0105 5956 58 | Rubicon Oil & Gas I, LP 508 W. Wall St., Suite 500 Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| 55 | 9314 8699 0430 0105 5956 65 | Michael D. Hays and Kathryn Hayes, Co-Trustees of Hayes Revocable Trust 500 West Texas, Suite 1020 Midland TX 79701 | \$1.50 | \$4.15 | \$2.10 | \$0.00 | 81363.0204. Notice |
| Totals: | | | \$82.50 | \$228.25 | \$115.50 | \$0.00 | |
| | | | Grand Total: | | \$426.25 | | |

List Number of Pieces
Listed by Sender

55

Total Number of Pieces
Received at Post Office

55

Postmaster:
Name of receiving employee


Dated:



Federal Communitization Agreement**Contract No. _____**

THIS AGREEMENT, entered into as of the 1st day of November 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 24 South, Range 28 East, N.M.P.M.:

Section 26: E/2

Section 35: E/2

Eddy County, New Mexico;

containing 640.000 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 November 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 1 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: _____
Stephen J. Thompson, Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____ by Stephen J. Thompson, as attorney-in-fact on behalf of **Marathon Oil Permian LLC**, a Delaware limited liability company.

Notary Public's Signature

(SEAL)

Notary's Registration Number

OPERATOR

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: _____
Stephen J. Thompson, Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____ by Stephen J. Thompson, as attorney-in-fact on behalf of **Marathon Oil Permian LLC**, a Delaware limited liability company.

(SEAL)

Notary Public's Signature

Notary's Registration Number

EOG RESOURCES, INC.

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **EOG Resources, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

DEVON ENERGY PRODUCTION COMPANY, L.P.

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Devon Energy Production Company, L.P.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

RECORD TITLE OWNER, WORKING INTEREST OWNER

RKC, INC.

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____, as _____ on behalf of **RKC, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

OXY Y-1 COMPANY

Title: _____

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **OXY Y-1 Company**.

Notary's Registration Number

CAVALRY RESOURCES LLC

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Cavalry Resources LLC**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

REGIONS PERMIAN II, LLC

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Regions Permian II, LLC**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

SHADOWFEET, LLC

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Shadowfeet, LLC**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

PANDORA PARTNERS, LP

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Pandora Partners, LP**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

OWL EXPLORATION, LLC

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **OWL Exploration, LLC**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

ADLEY PROPERTIES LLC

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Adley Properties LLC**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

LAUGHLIN COMPANY SERVICES, INC.

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____, as _____ on behalf of **Laughlin Company
Services, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

ISRAMCO RESOURCES, LLC

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____, as _____ on behalf of **Isramco Resources,**
LLC.

Notary Public's Signature

(SEAL)

Notary's Registration Number

EXHIBIT "A"

Attached to the Communitization Agreement dated November 1, 2022

Plat of communitized area covering the E/2 of Section 26, T24S R28E, and E/2 of Section 35, T24S R28E, NMPM, Eddy County, NM.

Well Name / No.

Ripley BS Fed Com 501H / 30-015-47620

Ripley BS Fed Com 301H / 30-015-47621

Communitized Area:
E/2 of Section 26, T24S-R28E
and
E/2 of Section 35, T24S-R28E

640.00 acres

| | | | |
|----|-----------|---|--|
| 26 | T24S-R28E | <u>Tract No. 1A</u> Fee Lease 168/383 | <u>Tract No. 1B</u> Fee Lease 168/383 |
| | | <u>Tract No. 2</u> State Lease V-5319 | |
| | | <u>Tract No. 3</u> Fed Lease NMNM-112919 | |
| 35 | T24S-R28E | <u>Tract No. 4</u> Fed Lease NMNM-25953 | |
| | | <u>Tract No. 5A</u> Fee Lease 1107/483 | <u>Tract No. 6</u> Unrecorded Fee |
| | | <u>Tract No. 5B</u> Fee Lease 1107/483 | |

EXHIBIT "B"

To the Communitization Agreement dated November 1, 2022, embracing:
 Township 24 South, Range 28 East, N.M.P.M.:
 Section 26: E/2
 Section 35: E/2
 Eddy County, New Mexico

OPERATOR OF COMMUNITIZED AREA: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1A

| | | |
|--------------------------------|--|------------|
| Lease Date: | June 24, 1966 | |
| Recorded: | Book 168, Page 383, Oil and Gas Records of Eddy County, NM | |
| Lease Term: | 5 years | |
| Lessor: | Guy A. Reed | |
| Lessee: | Sun Oil Company | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22384 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: NW/4 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 40.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Cavalry Resources LLC | 39.574095% |
| | Regions Permian II, LLC | 39.574095% |
| | Shadowfeet, LLC | 1.211702% |
| | Pandora Partners, LP | 1.236180% |
| | OWL Exploration, LLC | 6.750000% |
| | Adley Properties LLC | 6.750000% |
| | Laughlin Company Services, Inc | 1.500000% |
| | Isramco Resources, LLC | 3.403928% |
| Name and Percent ORRI Owners: | Cuthbert Royalties LLC | 0.355000% |
| | William R. Bergman | 0.443750% |
| | Curtis Anderson and Edna I. | |
| | Anderson, Trustees of The Edna | |
| | and Curtis Anderson Revocable | |
| | Trust dated 8/31/2021 | 0.177500% |
| | Patrick Cole Qualls | 0.088750% |
| | Matthew Porter Qualls | 0.088750% |
| | John W. Wolf | 0.088750% |
| | Gary Green | 0.066875% |
| | Norma D. Green | 0.066875% |
| | Gene H. Davis | 0.088750% |
| | McCombs Energy, Ltd. | 1.072824% |
| | Gene Shumate | 0.720000% |
| | Chi Energy, Inc. | 3.067177% |

| | |
|---|-----------|
| Redbird Royalty, LP | 0.291667% |
| Bole Resources, LLC | 0.023917% |
| Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust | 0.583333% |
| Stephen C. Baxter and Doris June Baxter, as Joint Tenants | 0.233333% |
| Ranchito AD4, LP | 2.319917% |
| KT Energy, Inc. | 0.023917% |
| Outdoor Entourage, Inc. | 0.011958% |
| MEL Energy, Inc. | 0.011958% |
| Thunderbolt Petroleum, LLC | 0.675000% |
| Jim Ikard | 0.150000% |
| Jami Huber Owen | 0.030000% |
| O.D. Albright III | 0.030000% |
| GK Partners | 0.016572% |
| Sisbro Oil & Gas, LLC | 0.044000% |
| Mizel Resources, A Trust | 0.044000% |
| Williamson Oil & Gas, LLC | 0.029955% |
| Dolores McCall | 0.029955% |
| Arlen Edgar | 0.014977% |
| Scott T. Peterson | 0.013750% |
| M.D. Abel Co. | 0.014976% |
| Bishop-Windham Family Ltd. Partnership | 0.014976% |
| Dorothy L. Hockaday Trust | 0.011233% |
| Christa Hinojosa | 0.011233% |
| Griffin Petroleum Company | 0.164417% |

Tract No. 1B

Lease Date: June 24, 1966
 Recorded: Book 168, Page 383, Oil and Gas Records of Eddy County, NM
 Lease Term: 5 years
 Lessor: Guy A. Reed
 Lessee: Sun Oil Company
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-22384
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 26: NE/4 NE/4
 Eddy County, New Mexico
 Number of Acres: 40.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: EOG Resources, Inc. 100.000000%
 Name and Percent ORRI Owners: Cuthbert Royalties LLC 0.355000%
 William R. Bergman 1.065000%
 Redbird Royalty, LP 0.291667%
 Bole Resources, LLC 0.023917%
 Jan Baxter Taylor and Gregory S.

| | |
|---|-----------|
| Taylor, Trustees of the Taylor Mineral Trust | 0.583333% |
| Stephen C. Baxter and Doris June Baxter, as Joint Tenants | 0.233333% |
| Ranchito AD4, LP | 2.319917% |
| KT Energy, Inc. | 0.023917% |
| Outdoor Entourage, Inc. | 0.011958% |
| MEL Energy, Inc. | 0.011958% |

Tract No. 2

| | | |
|--------------------------------|--|------------|
| Lease Serial No.: | V0-5319-0001 | |
| Lease Date: | June 1, 1998 | |
| Lease Term: | 5 years | |
| Lessor: | State of New Mexico | |
| Original Lessee: | Yates Petroleum Corporation | |
| Present Lessee: | EOG Resources, Inc. | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22384 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: S/2 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 80.00 | |
| Royalty Rate: | 16.666667% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 90.000000% |
| | OXY Y-1 Company | 10.000000% |
| Name and Percent ORRI Owners: | None | |

Tract No. 3

| | | |
|--------------------------------|--|-------------|
| Lease Serial No.: | NMNM 112919 | |
| Lease Date: | December 17, 2004 | |
| Lease Term: | 10 years | |
| Lessor: | United States of America | |
| Original Lessee: | EOG Resources Inc. | |
| Present Lessee: | EOG Resources, Inc. | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22384 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: SE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 160.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 100.000000% |
| Name and Percent ORRI Owners: | None | |

Tract No. 4

| | |
|-------------------|------------|
| Lease Serial No.: | NMNM 25953 |
|-------------------|------------|

Lease Date: April 1, 1971
 Lease Term: 10 years
 Lessor: United States of America
 Original Lessee: Shirley Starman (NMNM 13412)
 Present Lessee: RKC, Inc. and Chevron USA Inc.
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-22384
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 35: N/2 NE/4
 Eddy County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: Marathon Oil Permian LLC 75.000000%
 RKC, Inc. 25.000000%
 Name and Percent ORRI Owners: Semptra Energy Production Company 6.250000%
 Sanford Starman and Shirley Starman,
 Co-Trustees of the Sanford and Shirley
 Starman 1991 Revocable Trust dated
 May 23, 1991 3.000000%
 Rubicon Oil & Gas I, LP 1.000000%
 Michael D. Hayes and Kathryn Hayes,
 Co-Trustees of the Hayes Revocable
 Trust 0.500000%

Tract No. 5A

Lease Date: April 6, 2018
 Recorded: Memo filed Book 1107, Page 483, Eddy County Records, NM
 Lease Term: 5 years
 Lessor: Devon Energy Production, LP
 Lessee: Marathon Oil Permian LLC
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-22384
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 35: SW/4 NE/4
 Eddy County, New Mexico
 Number of Acres: 40.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: Marathon Oil Permian LLC 100.000000%
 Name and Percent ORRI Owners: None

Tract No. 5B

Lease Date: April 6, 2018
 Recorded: Memo filed Book 1107, Page 483, Eddy County Records, NM
 Lease Term: 5 years
 Lessor: Devon Energy Production, LP
 Lessee: Marathon Oil Permian LLC
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-22384
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**

| | | |
|-------------------------------|--------------------------|-------------|
| | Section 35: SE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 160.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 100.000000% |
| Name and Percent ORRI Owners: | None | |

Tract No. 6

| | | |
|--------------------------------|--|-------------|
| Lease Date: | N/A | |
| Recorded: | N/A | |
| Lease Term: | N/A | |
| Lessor: | N/A | |
| Lessee: | N/A | |
| Mineral Owner: | Devon Energy Production Company, L.P. | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22384 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 35: SE/4 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 40.00 | |
| Royalty Rate: | None | |
| Name and Percent WI Owners: | Devon Energy Production Company, L.P. | 100.000000% |
| Name and Percent ORRI Owners: | None | |

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|----------------------|--------------------------------------|--|
| Tract No. 1A | 40.00 | 6.25% |
| Tract No. 1B | 40.00 | 6.25% |
| Tract No. 2 | 80.00 | 12.50% |
| Tract No. 3 | 160.00 | 25.00% |
| Tract No. 4 | 80.00 | 12.50% |
| Tract No. 5A | 40.00 | 6.25% |
| Tract No. 5B | 160.00 | 25.00% |
| Tract No. 6 | 40.00 | 6.25% |
| <hr/> | | |
| Totals | 640.00 | 100.00% |

Federal Communitization Agreement**Contract No. _____**

THIS AGREEMENT, entered into as of the 1st day of November 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 24 South, Range 28 East, N.M.P.M.:

Section 26: E/2

Section 35: E/2

Eddy County, New Mexico;

containing 640.000 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 November 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: _____
Stephen J. Thompson, Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____ by Stephen J. Thompson, as attorney-in-fact on behalf of **Marathon Oil Permian LLC**, a Delaware limited liability company.

Notary Public's Signature

(SEAL)

Notary's Registration Number

OPERATOR

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: _____
Stephen J. Thompson, Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____ by Stephen J. Thompson, as attorney-in-fact on behalf of **Marathon Oil Permian LLC**, a Delaware limited liability company.

(SEAL)

Notary Public's Signature

Notary's Registration Number

EOG RESOURCES, INC.

By: _____

Name: _____

Title:_____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **EOG Resources, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

WORKING INTEREST OWNER

DEVON ENERGY PRODUCTION COMPANY, L.P.

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____, as _____ on behalf of **Devon Energy
Production Company, L.P.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

RECORD TITLE OWNER, WORKING INTEREST OWNER

RKC, INC.

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____, as _____ on behalf of **RKC, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

OXY Y-1 COMPANY

By: _____

Name: _____

Title:_____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **OXY Y-1 COMPANY**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

EXHIBIT "A"

Attached to the Communitization Agreement dated November 1, 2022

Plat of communitized area covering the E/2 of Section 26, T24S R28E, and E/2 of Section 35, T24S R28E, NMPM, Eddy County, NM.

Well Name / No.

Ripley WC Fed Com 701H / 30-015-47614

Ripley WC Fed Com 702H / 30-015-47613

Ripley WC Fed Com 801H / 30-015-47622

Communitized Area:
E/2 of Section 26, T24S-R28E
and
E/2 of Section 35, T24S-R28E

640.00 acres

| | | |
|----|--|---|
| 26 | Tract No. 1A Fee Lease 168/383 | Tract No. 1B Fee Lease 168/383 |
| | Tract No. 2 State Lease V-5319 | |
| | Tract No. 3 Fed Lease NMNM-112919 | |
| 35 | Tract No. 4 Fed Lease NMNM-25953 | |
| | Tract No. 5A Fee Lease 1107/483 | Tract No. 6 Unrecorded Fee |
| | Tract No. 5B Fee Lease 1107/483 | |

EXHIBIT "B"

To the Communitization Agreement dated November 1, 2022, embracing:
 Township 24 South, Range 28 East, N.M.P.M.:
 Section 26: E/2
 Section 35: E/2
 Eddy County, New Mexico

OPERATOR OF COMMUNITIZED AREA: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1A

| | | |
|--------------------------------|---|-------------|
| Lease Date: | June 24, 1966 | |
| Recorded: | Book 168, Page 383, Oil and Gas Records of Eddy County, NM | |
| Lease Term: | 5 years | |
| Lessor: | Guy A. Reed | |
| Lessee: | Sun Oil Company | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: NW/4 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 40.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 100.000000% |
| Name and Percent ORRI Owners: | Chi Energy, Inc. | 9.000000% |
| | Redbird Royalty, LP | 0.291667% |
| | Bole Resources, LLC | 0.023917% |
| | Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust | 0.583333% |
| | Stephen C. Baxter and Doris June Baxter, as Joint Tenants | 0.233333% |
| | Ranchito AD4, LP | 2.319917% |
| | KT Energy, Inc. | 0.023917% |
| | Outdoor Entourage, Inc. | 0.011958% |
| | MEL Energy, Inc. | 0.011958% |

Tract No. 1B

| | | |
|--------------------------------|--|--|
| Lease Date: | June 24, 1966 | |
| Recorded: | Book 168, Page 383, Oil and Gas Records of Eddy County, NM | |
| Lease Term: | 5 years | |
| Lessor: | Guy A. Reed | |
| Lessee: | Sun Oil Company | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: NE/4 NE/4 | |

| | | |
|-------------------------------|---|-------------|
| | Eddy County, New Mexico | |
| Number of Acres: | 40.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 100.000000% |
| Name and Percent ORRI Owners: | Chi Energy, Inc. | 9.000000% |
| | Redbird Royalty, LP | 0.291667% |
| | Bole Resources, LLC | 0.023917% |
| | Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust | 0.583333% |
| | Stephen C. Baxter and Doris June Baxter, as Joint Tenants | 0.233333% |
| | Ranchito AD4, LP | 2.319917% |
| | KT Energy, Inc. | 0.023917% |
| | Outdoor Entourage, Inc. | 0.011958% |
| | MEL Energy, Inc. | 0.011958% |

Tract No. 2

| | | |
|--------------------------------|--|------------|
| Lease Serial No.: | V0-5319-0001 | |
| Lease Date: | June 1, 1998 | |
| Lease Term: | 5 years | |
| Lessor: | State of New Mexico | |
| Original Lessee: | Yates Petroleum Corporation | |
| Present Lessee: | EOG Resources, Inc. | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: S/2 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 80.00 | |
| Royalty Rate: | 16.666667% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 90.000000% |
| | OXY Y-1 Company | 10.000000% |
| Name and Percent ORRI Owners: | None | |

Tract No. 3

| | | |
|--------------------------------|--|--|
| Lease Serial No.: | NMNM 112919 | |
| Lease Date: | December 17, 2004 | |
| Lease Term: | 10 years | |
| Lessor: | United States of America | |
| Original Lessee: | Daniel E. Gonzalez | |
| Present Lessee: | EOG Resources, Inc. | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: SE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 160.00 | |
| Royalty Rate: | 12.50% | |

Name and Percent WI Owners: Marathon Oil Permian LLC 100.000000%
 Name and Percent ORRI Owners: None

Tract No. 4

Lease Serial No.: NMNM 25953
 Lease Date: April 1, 1971
 Lease Term: 10 years
 Lessor: United States of America
 Original Lessee: Shirley Starman (NMNM 13412)
 Present Lessee: RKC, Inc. and Marathon Oil Permian LLC
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-22383
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 35: N/2 NE/4
 Eddy County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: Marathon Oil Permian LLC 75.000000%
 RKC, Inc. 25.000000%
 Name and Percent ORRI Owners: Sempra Energy Production Company 6.250000%
 Sanford Starman and Shirley Starman,
 Co-Trustees of the Sanford and Shirley
 Starman 1991 Revocable Trust dated
 May 23, 1991 3.000000%
 Rubicon Oil & Gas I, LP 1.000000%
 Michael D. Hayes and Kathryn Hayes,
 Co-Trustees of the Hayes Revocable
 Trust 0.500000%

Tract No. 5A

Lease Date: April 6, 2018
 Recorded: Memo filed Book 1107, Page 483, Eddy County Records, NM
 Lease Term: 5 years
 Lessor: Devon Energy Production, LP
 Lessee: Marathon Oil Permian LLC
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-22383
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 35: SW/4 NE/4
 Eddy County, New Mexico
 Number of Acres: 40.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: Marathon Oil Permian LLC 100.000000%
 Name and Percent ORRI Owners: None

Tract No. 5B

Lease Date: April 6, 2018
 Recorded: Memo filed Book 1107, Page 483, Eddy County Records, NM

| | | | |
|--------------------------------|--|--|-------------|
| Lease Term: | 5 years | | |
| Lessor: | Devon Energy Production, LP | | |
| Lessee: | Marathon Oil Permian LLC | | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | | |
| | Section 35: SE/4 | | |
| | Eddy County, New Mexico | | |
| Number of Acres: | 160.00 | | |
| Royalty Rate: | 12.50% | | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | | 100.000000% |
| Name and Percent ORRI Owners: | None | | |

Tract No. 6

| | | | |
|--------------------------------|--|--|-------------|
| Lease Date: | N/A | | |
| Recorded: | N/A | | |
| Lease Term: | N/A | | |
| Lessor: | N/A | | |
| Lessee: | N/A | | |
| Mineral Owner: | Devon Energy Production Company, L.P. | | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | | |
| | Section 35: SE/4 NE/4 | | |
| | Eddy County, New Mexico | | |
| Number of Acres: | 40.00 | | |
| Royalty Rate: | None | | |
| Name and Percent WI Owners: | Devon Energy Production Company, L.P. | | 100.000000% |
| Name and Percent ORRI Owners: | None | | |

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|----------------------|--------------------------------------|--|
| Tract No. 1A | 40.00 | 6.25% |
| Tract No. 1B | 40.00 | 6.25% |
| Tract No. 2 | 80.00 | 12.50% |
| Tract No. 3 | 160.00 | 25.00% |
| Tract No. 4 | 80.00 | 12.50% |
| Tract No. 5A | 40.00 | 6.25% |
| Tract No. 5B | 160.00 | 25.00% |
| Tract No. 6 | 40.00 | 6.25% |
| Totals | 640.00 | 100.00% |

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**
Revised August, 2021

COMMUNITIZATION AGREEMENT

API Initial Well: 30-015-47620

API Initial Well: 30-015-47621

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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 24 South, Range 28 East, N.M.P.M.:

Section 26: E/2

Section 35: E/2

Eddy County, New Mexico;

containing 640.000 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 "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. 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 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.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is November 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 of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

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, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The 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

(Operator, Record Title Owner, Working Interest Owner)

DATE: _____

By: _____
Stephen J. Thompson, Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____ by Stephen J. Thompson, as attorney-in-fact on behalf of **Marathon Oil Permian LLC**, a Delaware limited liability company.

Notary Public's Signature

(SEAL)

Notary's Registration Number

Date

Name: _____

Title:_____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **EOG Resources, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

Date _____

Title: _____

STATE OF _____) ss.
COUNTY OF _____)

(SEAL)

Notary's Registration Number

Date

Name: _____

Title:_____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **OXY Y-1 COMPANY**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

Date _____

Name: _____

Title:_____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **RKC, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

Date

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

Notary Public's Signature

Notary's Registration Number

Date

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

Notary Public's Signature

Notary's Registration Number

Date

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Shadowfeet, LLC**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

PANDORA PARTNERS, LP
(Working Interest Owner)

Date

By: _____

Name: _____

Title:

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Pandora Partners, LP**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

OWL EXPLORATION, LLC
(Working Interest Owner)

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **OWL Exploration, LLC**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

ADLEY PROPERTIES LLC
(Working Interest Owner)

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Adley Properties LLC**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

Date

Name: _____

Title:_____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **Laughlin Company Services, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

Date _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

Notary Public's Signature

Notary's Registration Number

EXHIBIT "A"

Attached to the Communitization Agreement dated November 1, 2022

Plat of communitized area covering the:

E/2 of Section 26, T24S R28E, and E/2 of Section 35, T24S R28E, NMPM, Eddy County, NM.

Communitized Area:
E/2 of Section 26, T24S-R28E
and
E/2 of Section 35, T24S-R28E

640.00 acres

| | | | |
|----|-----------|---|--|
| 26 | T24S-R28E | <u>Tract No. 1A</u> Fee Lease 168/383 | <u>Tract No. 1B</u> Fee Lease 168/383 |
| | | <u>Tract No. 2</u> State Lease V-5319 | |
| | | <u>Tract No. 3</u> Fed Lease NMNM-112919 | |
| 35 | T24S-R28E | <u>Tract No. 4</u> Fed Lease NMNM-25953 | |
| | | <u>Tract No. 5A</u> Fee Lease 1107/483 | <u>Tract No. 6</u> Unrecorded Fee |
| | | <u>Tract No. 5B</u> Fee Lease 1107/483 | |

EXHIBIT "B"

To the Communitization Agreement dated November 1, 2022, embracing:
 Township 24 South, Range 28 East, N.M.P.M.:
 Section 26: E/2
 Section 35: E/2
 Eddy County, New Mexico

OPERATOR OF COMMUNITIZED AREA: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1A

| | | |
|--------------------------------|--|------------|
| Lease Date: | June 24, 1966 | |
| Recorded: | Book 168, Page 383, Oil and Gas Records of Eddy County, NM | |
| Lease Term: | 5 years | |
| Lessor: | Guy A. Reed | |
| Lessee: | Sun Oil Company | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22384 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: NW/4 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 40.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Cavalry Resources LLC | 39.574095% |
| | Regions Permian II, LLC | 39.574095% |
| | Shadowfeet, LLC | 1.211702% |
| | Pandora Partners, LP | 1.236180% |
| | OWL Exploration, LLC | 6.750000% |
| | Adley Properties LLC | 6.750000% |
| | Laughlin Company Services, Inc | 1.500000% |
| | Isramco Resources, LLC | 3.403928% |
| Name and Percent ORRI Owners: | Cuthbert Royalties LLC | 0.355000% |
| | William R. Bergman | 0.443750% |
| | Curtis Anderson and Edna I. | |
| | Anderson, Trustees of The Edna | |
| | and Curtis Anderson Revocable | |
| | Trust dated 8/31/2021 | 0.177500% |
| | Patrick Cole Qualls | 0.088750% |
| | Matthew Porter Qualls | 0.088750% |
| | John W. Wolf | 0.088750% |
| | Gary Green | 0.066875% |
| | Norma D. Green | 0.066875% |
| | Gene H. Davis | 0.088750% |
| | McCombs Energy, Ltd. | 1.072824% |
| | Gene Shumate | 0.720000% |
| | Chi Energy, Inc. | 3.067177% |

| | |
|---|-----------|
| Redbird Royalty, LP | 0.291667% |
| Bole Resources, LLC | 0.023917% |
| Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust | 0.583333% |
| Stephen C. Baxter and Doris June Baxter, as Joint Tenants | 0.233333% |
| Ranchito AD4, LP | 2.319917% |
| KT Energy, Inc. | 0.023917% |
| Outdoor Entourage, Inc. | 0.011958% |
| MEL Energy, Inc. | 0.011958% |
| Thunderbolt Petroleum, LLC | 0.675000% |
| Jim Ikard | 0.150000% |
| Jami Huber Owen | 0.030000% |
| O.D. Albright III | 0.030000% |
| GK Partners | 0.016572% |
| Sisbro Oil & Gas, LLC | 0.044000% |
| Mizel Resources, A Trust | 0.044000% |
| Williamson Oil & Gas, LLC | 0.029955% |
| Dolores McCall | 0.029955% |
| Arlen Edgar | 0.014977% |
| Scott T. Peterson | 0.013750% |
| M.D. Abel Co. | 0.014976% |
| Bishop-Windham Family Ltd. Partnership | 0.014976% |
| Dorothy L. Hockaday Trust | 0.011233% |
| Christa Hinojosa | 0.011233% |
| Griffin Petroleum Company | 0.164417% |

Tract No. 1B

Lease Date: June 24, 1966
 Recorded: Book 168, Page 383, Oil and Gas Records of Eddy County, NM
 Lease Term: 5 years
 Lessor: Guy A. Reed
 Lessee: Sun Oil Company
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-22384
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 26: NE/4 NE/4
 Eddy County, New Mexico
 Number of Acres: 40.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: EOG Resources, Inc. 100.000000%
 Name and Percent ORRI Owners: Cuthbert Royalties LLC 0.355000%
 William R. Bergman 1.065000%
 Redbird Royalty, LP 0.291667%
 Bole Resources, LLC 0.023917%
 Jan Baxter Taylor and Gregory S.

| | |
|---|-----------|
| Taylor, Trustees of the Taylor Mineral Trust | 0.583333% |
| Stephen C. Baxter and Doris June Baxter, as Joint Tenants | 0.233333% |
| Ranchito AD4, LP | 2.319917% |
| KT Energy, Inc. | 0.023917% |
| Outdoor Entourage, Inc. | 0.011958% |
| MEL Energy, Inc. | 0.011958% |

Tract No. 2

| | | |
|--------------------------------|--|------------|
| Lease Serial No.: | V0-5319-0001 | |
| Lease Date: | June 1, 1998 | |
| Lease Term: | 5 years | |
| Lessor: | State of New Mexico | |
| Original Lessee: | Yates Petroleum Corporation | |
| Present Lessee: | EOG Resources, Inc. | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22384 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: S/2 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 80.00 | |
| Royalty Rate: | 16.666667% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 90.000000% |
| | OXY Y-1 Company | 10.000000% |
| Name and Percent ORRI Owners: | None | |

Tract No. 3

| | | |
|--------------------------------|--|-------------|
| Lease Serial No.: | NMNM 112919 | |
| Lease Date: | December 17, 2004 | |
| Lease Term: | 10 years | |
| Lessor: | United States of America | |
| Original Lessee: | EOG Resources Inc. | |
| Present Lessee: | EOG Resources, Inc. | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22384 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: SE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 160.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 100.000000% |
| Name and Percent ORRI Owners: | None | |

Tract No. 4

| | |
|-------------------|------------|
| Lease Serial No.: | NMNM 25953 |
|-------------------|------------|

Lease Date: April 1, 1971
 Lease Term: 10 years
 Lessor: United States of America
 Original Lessee: Shirley Starman (NMNM 13412)
 Present Lessee: RKC, Inc. and Chevron USA Inc.
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-22384
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 35: N/2 NE/4
 Eddy County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: Marathon Oil Permian LLC 75.000000%
 RKC, Inc. 25.000000%
 Name and Percent ORRI Owners: Sempra Energy Production Company 6.250000%
 Sanford Starman and Shirley Starman,
 Co-Trustees of the Sanford and Shirley
 Starman 1991 Revocable Trust dated
 May 23, 1991 3.000000%
 Rubicon Oil & Gas I, LP 1.000000%
 Michael D. Hayes and Kathryn Hayes,
 Co-Trustees of the Hayes Revocable
 Trust 0.500000%

Tract No. 5A

Lease Date: April 6, 2018
 Recorded: Memo filed Book 1107, Page 483, Eddy County Records, NM
 Lease Term: 5 years
 Lessor: Devon Energy Production, LP
 Lessee: Marathon Oil Permian LLC
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-22384
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 35: SW/4 NE/4
 Eddy County, New Mexico
 Number of Acres: 40.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: Marathon Oil Permian LLC 100.000000%
 Name and Percent ORRI Owners: None

Tract No. 5B

Lease Date: April 6, 2018
 Recorded: Memo filed Book 1107, Page 483, Eddy County Records, NM
 Lease Term: 5 years
 Lessor: Devon Energy Production, LP
 Lessee: Marathon Oil Permian LLC
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-22384
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**

Section 35: SE/4
Eddy County, New Mexico
Number of Acres: 160.00
Royalty Rate: 12.50%
Name and Percent WI Owners: Marathon Oil Permian LLC 100.000000%
Name and Percent ORRI Owners: None

Tract No. 6

Lease Date: N/A
Recorded: N/A
Lease Term: N/A
Lessor: N/A
Lessee: N/A
Mineral Owner: Devon Energy Production Company, L.P.
Authority to Pool: NMOCD Compulsory Pooling Order No. R-22384
Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
Section 35: SE/4 NE/4
Eddy County, New Mexico
Number of Acres: 40.00
Royalty Rate: None
Name and Percent WI Owners: Devon Energy Production Company, L.P. 100.000000%
Name and Percent ORRI Owners: None

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|----------------------|--------------------------------------|--|
| Tract No. 1A | 40.00 | 6.25% |
| Tract No. 1B | 40.00 | 6.25% |
| Tract No. 2 | 80.00 | 12.50% |
| Tract No. 3 | 160.00 | 25.00% |
| Tract No. 4 | 80.00 | 12.50% |
| Tract No. 5A | 40.00 | 6.25% |
| Tract No. 5B | 160.00 | 25.00% |
| Tract No. 6 | 40.00 | 6.25% |
| Totals | 640.00 | 100.00% |

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR
STATE/FEDERAL/FEE**
Revised August, 2021

COMMUNITIZATION AGREEMENT

API Initial Well: 30-015-47613

API Initial Well: 30-015-47614

API Initial Well: 30-015-47622

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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 24 South, Range 28 East, N.M.P.M.:

Section 26: E/2

Section 35: E/2

Eddy County, New Mexico;

containing 640.000 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 "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. 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, 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 and the State of New Mexico, 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 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.
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 is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is November 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 of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his/her duly authorized representative, and by the Commissioner or his/her duly authorized representative, and shall remain in force and effect for a period of one (1) year and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-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; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

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, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The 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
(Operator, Record Title Owner, Working Interest Owner)

DATE: _____

By: _____
Stephen J. Thompson, Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____ by Stephen J. Thompson, as attorney-in-fact on behalf of **Marathon Oil Permian LLC**, a Delaware limited liability company.

Notary Public's Signature

(SEAL)

Notary's Registration Number

EOG RESOURCES, INC.
(Lessee of Record)

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____, as _____ on behalf of **EOG Resources, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

DEVON ENERGY PRODUCTION COMPANY, L.P.
(Working Interest Owner)

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by
_____, as _____ on behalf of **Devon Energy**
Production Company, L.P.

Notary Public's Signature

(SEAL)

Notary's Registration Number

OXY Y-1 COMPANY
(Working Interest Owner)

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **OXY Y-1 COMPANY**.

Notary Public's Signature

(SEAL)

Notary's Registration Number

Date _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ by _____, as _____ on behalf of **RKC, Inc.**

Notary Public's Signature

(SEAL)

Notary's Registration Number

EXHIBIT "A"

Attached to the Communitization Agreement dated November 1, 2022

Plat of communitized area covering the:

E/2 of Section 26, T24S R28E, and E/2 of Section 35, T24S R28E, NMPM, Eddy County, NM.

Communitized Area:
E/2 of Section 26, T24S-R28E
and
E/2 of Section 35, T24S-R28E

640.00 acres

| | | | |
|----|---------------------|--|---------------------|
| 26 | <u>Tract No. 1A</u> | | <u>Tract No. 1B</u> |
| | Fee Lease | | Fee Lease |
| | 168/383 | | 168/383 |
| 26 | <u>Tract No. 2</u> | | |
| | State Lease V-5319 | | |
| | | | |
| 26 | <u>Tract No. 3</u> | | |
| | Fed Lease | | |
| | NMNM-112919 | | |
| 35 | <u>Tract No. 4</u> | | |
| | Fed Lease | | |
| | NMNM-25953 | | |
| 35 | <u>Tract No. 5A</u> | | <u>Tract No. 6</u> |
| | Fee Lease | | Unrecorded Fee |
| | 1107/483 | | |
| 35 | <u>Tract No. 5B</u> | | |
| | Fee Lease | | |
| | 1107/483 | | |

EXHIBIT "B"

To the Communitization Agreement dated November 1, 2022, embracing:
 Township 24 South, Range 28 East, N.M.P.M.:
 Section 26: E/2
 Section 35: E/2
 Eddy County, New Mexico

OPERATOR OF COMMUNITIZED AREA: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1A

| | | |
|--------------------------------|---|-------------|
| Lease Date: | June 24, 1966 | |
| Recorded: | Book 168, Page 383, Oil and Gas Records of Eddy County, NM | |
| Lease Term: | 5 years | |
| Lessor: | Guy A. Reed | |
| Lessee: | Sun Oil Company | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: NW/4 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 40.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 100.000000% |
| Name and Percent ORRI Owners: | Chi Energy, Inc. | 9.000000% |
| | Redbird Royalty, LP | 0.291667% |
| | Bole Resources, LLC | 0.023917% |
| | Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust | 0.583333% |
| | Stephen C. Baxter and Doris June Baxter, as Joint Tenants | 0.233333% |
| | Ranchito AD4, LP | 2.319917% |
| | KT Energy, Inc. | 0.023917% |
| | Outdoor Entourage, Inc. | 0.011958% |
| | MEL Energy, Inc. | 0.011958% |

Tract No. 1B

| | | |
|--------------------------------|--|--|
| Lease Date: | June 24, 1966 | |
| Recorded: | Book 168, Page 383, Oil and Gas Records of Eddy County, NM | |
| Lease Term: | 5 years | |
| Lessor: | Guy A. Reed | |
| Lessee: | Sun Oil Company | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 26: NE/4 NE/4 | |

| | | |
|-------------------------------|---|-------------|
| | Eddy County, New Mexico | |
| Number of Acres: | 40.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 100.000000% |
| Name and Percent ORRI Owners: | Chi Energy, Inc. | 9.000000% |
| | Redbird Royalty, LP | 0.291667% |
| | Bole Resources, LLC | 0.023917% |
| | Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust | 0.583333% |
| | Stephen C. Baxter and Doris June Baxter, as Joint Tenants | 0.233333% |
| | Ranchito AD4, LP | 2.319917% |
| | KT Energy, Inc. | 0.023917% |
| | Outdoor Entourage, Inc. | 0.011958% |
| | MEL Energy, Inc. | 0.011958% |

Tract No. 2

| | |
|--------------------------------|--|
| Lease Serial No.: | V0-5319-0001 |
| Lease Date: | June 1, 1998 |
| Lease Term: | 5 years |
| Lessor: | State of New Mexico |
| Original Lessee: | Yates Petroleum Corporation |
| Present Lessee: | EOG Resources, Inc. |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> |
| | Section 26: S/2 NE/4 |
| | Eddy County, New Mexico |
| Number of Acres: | 80.00 |
| Royalty Rate: | 16.666667% |
| Name and Percent WI Owners: | Marathon Oil Permian LLC 90.000000% |
| | OXY Y-1 Company 10.000000% |
| Name and Percent ORRI Owners: | None |

Tract No. 3

| | |
|--------------------------------|--|
| Lease Serial No.: | NMNM 112919 |
| Lease Date: | December 17, 2004 |
| Lease Term: | 10 years |
| Lessor: | United States of America |
| Original Lessee: | Daniel E Gonzalez |
| Present Lessee: | EOG Resources, Inc. |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> |
| | Section 26: SE/4 |
| | Eddy County, New Mexico |
| Number of Acres: | 160.00 |
| Royalty Rate: | 12.50% |

Name and Percent WI Owners: Marathon Oil Permian LLC 100.000000%
 Name and Percent ORRI Owners: None

Tract No. 4

Lease Serial No.: NMNM 25953
 Lease Date: April 1, 1971
 Lease Term: 10 years
 Lessor: United States of America
 Original Lessee: Shirley Starman (NMNM 13412)
 Present Lessee: RKC, Inc. and Chevron USA Inc.
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-22383
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 35: N/2 NE/4
 Eddy County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: Marathon Oil Permian LLC 75.000000%
 RKC, Inc. 25.000000%
 Name and Percent ORRI Owners: Sempra Energy Production Company 6.250000%
 Sanford Starman and Shirley Starman,
 Co-Trustees of the Sanford and Shirley
 Starman 1991 Revocable Trust dated
 May 23, 1991 3.000000%
 Rubicon Oil & Gas I, LP 1.000000%
 Michael D. Hayes and Kathryn Hayes,
 Co-Trustees of the Hayes Revocable
 Trust 0.500000%

Tract No. 5A

Lease Date: April 6, 2018
 Recorded: Memo filed Book 1107, Page 483, Eddy County Records, NM
 Lease Term: 5 years
 Lessor: Devon Energy Production, LP
 Lessee: Marathon Oil Permian LLC
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-22383
 Description of Land Committed: **Township 24 South, Range 28 East, N.M.P.M.**
 Section 35: SW/4 NE/4
 Eddy County, New Mexico
 Number of Acres: 40.00
 Royalty Rate: 12.50%
 Name and Percent WI Owners: Marathon Oil Permian LLC 100.000000%
 Name and Percent ORRI Owners: None

Tract No. 5B

Lease Date: April 6, 2018
 Recorded: Memo filed Book 1107, Page 483, Eddy County Records, NM

| | | |
|--------------------------------|--|-------------|
| Lease Term: | 5 years | |
| Lessor: | Devon Energy Production, LP | |
| Lessee: | Marathon Oil Permian LLC | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 35: SE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 160.00 | |
| Royalty Rate: | 12.50% | |
| Name and Percent WI Owners: | Marathon Oil Permian LLC | 100.000000% |
| Name and Percent ORRI Owners: | None | |

Tract No. 6

| | | |
|--------------------------------|--|-------------|
| Lease Date: | N/A | |
| Recorded: | N/A | |
| Lease Term: | N/A | |
| Lessor: | N/A | |
| Lessee: | N/A | |
| Mineral Owner: | Devon Energy Production Company, L.P. | |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-22383 | |
| Description of Land Committed: | <u>Township 24 South, Range 28 East, N.M.P.M.</u> | |
| | Section 35: SE/4 NE/4 | |
| | Eddy County, New Mexico | |
| Number of Acres: | 40.00 | |
| Royalty Rate: | None | |
| Name and Percent WI Owners: | Devon Energy Production Company, L.P. | 100.000000% |
| Name and Percent ORRI Owners: | None | |

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|----------------------|--------------------------------------|--|
| Tract No. 1A | 40.00 | 6.25% |
| Tract No. 1B | 40.00 | 6.25% |
| Tract No. 2 | 80.00 | 12.50% |
| Tract No. 3 | 160.00 | 25.00% |
| Tract No. 4 | 80.00 | 12.50% |
| Tract No. 5A | 40.00 | 6.25% |
| Tract No. 5B | 160.00 | 25.00% |
| Tract No. 6 | 40.00 | 6.25% |
| Totals | 640.00 | 100.00% |

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005634425

This is not an invoice

MODRALL SPERLING

POBOX 2168

ALBUQUERQUE, NM 87103

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

03/21/2023

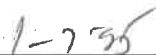


Legal Clerk

Subscribed and sworn before me this March 21, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005634425

PO #: 0005634425

of Affidavits 1

This is not an invoice

Application of Marathon Oil Permian LLC for Surface Commingle, Eddy County, New Mexico: Notice to all affected parties, as well as the heirs and devisees of: The Trustees of the Conquistador Council Boy Scouts Trust Fund; The State of New Mexico; The United States of America Bureau of Land Management; Devon Energy Production Company, L.P.; EOG Resources, Inc.; Calvary Resources LLC; Regions Permian II, LLC; Shadowfeet, LLC; Pandora Partners, LP; OWL Exploration, LLC; Adley Properties LLC; Laughlin Company Services, Inc.; Isramco Resources, LLC; OXY Y-1 Company; RKC, Inc.; Cuthbert Royalties LLC; William R. Bergman; Curtis Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated 8/31/21; Patrick Cole Qualls; Matthew Porter Qualls; John W. Wolf; Gary Green; Norma D. Green; Gene H. Davis; McCombs Energy, Ltd.; Gene Shumate; Chi Energy, Inc.; Redbird Royalty, LP; Bole Resources, LLC; Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust; Stephen C. Baxter and Doris June Baxter, as Joint Tenants; Ranchito AD4, LP; KT Energy, Inc.; Outdoor Entourage, Inc.; Mel Energy, Inc.; Thunderbolt Petroleum, LLC; Jim Ikard; Jami Huber Owen; O.D. Albright III; GK Partners; Sisbro Oil & Gas LLC; Mizel Resources, A Trust; Williamson Oil & Gas, LLC; Dolores McCall; Arlen Edgar; Scott T. Peterson; M.D. Abel Co.; Bishop-Windham Family Ltd Partnership; Dorothy L. Hockaday Trust; Christa Hinojosa; Griffin Petroleum Company; Semptra Energy Production Company; Sanford Starman and Shirley Starman, Co-Trustees of the Sanford and Shirley Starman 1991 Revocable Trust dated May 23, 1991; Rubicon Oil & Gas I, LP; Michael D. Hayes and Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust, 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 Ripley BS Fed Com 301H (API 30-015-47621); Ripley BS Fed Com 501H (API 30-015-47620); Ripley WC Fed Com 701H (API 30-015-47614); Ripley WC Fed Com 702H (API 30-015-47613); Ripley WC Fed Com 801H (API 30-015-47622) wells; located in the Willow Lake; Bone Spring, Pool (64450) and Purple Sage; Wolfcamp Pool (98220), located in Section 35, T24S-R28E, Eddy County, New Mexico.. Any objection 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 Covarrubias, acovarrubias@marathonoil.com, 713-296-3368. #5634425, Current Argus, March 21, 2023

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Covarrubias, Adrian \(MRO\)](#)
Cc: [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Walls, Christopher](#); [Dawson, Scott](#); [Lamkin, Baylen L.](#)
Subject: Approved Administrative Order PLC-891
Date: Friday, May 19, 2023 8:25:27 AM
Attachments: [PLC891 Order.pdf](#)

NMOCD has issued Administrative Order PLC-891 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 |
|--------------|-----------------------------|-----------|------------|-------|
| 30-015-47621 | Ripley BS Federal Com #301H | E/2 | 26-24S-28E | 64450 |
| | | E/2 | 35-24S-28E | |
| 30-015-47620 | Ripley BS Federal Com #501H | E/2 | 26-24S-28E | 64450 |
| | | E/2 | 35-24S-28E | |
| 30-015-47614 | Ripley WC Federal Com #701H | E/2 | 26-24S-28E | 98220 |
| | | E/2 | 35-24S-28E | |
| 30-015-47613 | Ripley WC Federal Com #702H | E/2 | 26-24S-28E | 98220 |
| | | E/2 | 35-24S-28E | |
| 30-015-47622 | Ripley WC Federal Com #801H | E/2 | 26-24S-28E | 98220 |
| | | E/2 | 35-24S-28E | |

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-891

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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. 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.
6. 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.
7. 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.
8. 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

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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**



DYLAN M. FUGE
DIRECTOR

DATE: 5/14/2023

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-891**

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

Central Tank Battery: **Ripley Federal Com Central Tank Battery**

Central Tank Battery Location: **UL O P, Section 24, Township 24 South, Range 29 East**

Gas Title Transfer Meter Location: **UL O P, Section 24, Township 24 South, Range 29 East**

Pools

| Pool Name | Pool Code |
|----------------------------|-----------|
| WILLOW LAKE;BONE SPRING | 64450 |
| PURPLE SAGE;WOLFCAMP (GAS) | 98220 |

Leases as defined in 19.15.12.7(C) NMAC

| Lease | UL or Q/Q | S-T-R |
|-------------------------|-----------|------------|
| Fee | NE/4 NE/4 | 26-24S-28E |
| Fee | NW/4 NE/4 | 26-24S-28E |
| V0 5319 0001 | S/2 NE/4 | 26-24S-28E |
| NMNM 105397311 (112919) | SE/4 | 26-24S-28E |
| NMNM 105463731 (025953) | N/2 NE/4 | 35-24S-28E |
| Fee | SW/4 NE/4 | 35-24S-28E |
| Fee | SE/4 NE/4 | 35-24S-28E |
| Fee | SE/4 | 35-24S-28E |

Wells

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|--------------|-----------------------------|-----------|------------|-------|
| 30-015-47621 | Ripley BS Federal Com #301H | E/2 | 26-24S-28E | 64450 |
| | | E/2 | 35-24S-28E | |
| 30-015-47620 | Ripley BS Federal Com #501H | E/2 | 26-24S-28E | 64450 |
| | | E/2 | 35-24S-28E | |
| 30-015-47614 | Ripley WC Federal Com #701H | E/2 | 26-24S-28E | 98220 |
| | | E/2 | 35-24S-28E | |
| 30-015-47613 | Ripley WC Federal Com #702H | E/2 | 26-24S-28E | 98220 |
| | | E/2 | 35-24S-28E | |
| 30-015-47622 | Ripley WC Federal Com #801H | E/2 | 26-24S-28E | 98220 |
| | | E/2 | 35-24S-28E | |

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-891**
Operator: **Marathon Oil Permian, LLC (372098)**

Pooled Areas

| Pooled Area | UL or Q/Q | S-T-R | Acres | Pooled Area ID |
|-------------------------------|-----------|------------|-------|----------------|
| CA Bone Spring NMNM 105826903 | E/2 | 26-24S-28E | 640 | A |
| | E/2 | 35-24S-28E | | |
| CA Wolfcamp NMNM 105826904 | E/2 | 26-24S-28E | 640 | B |
| | E/2 | 35-24S-28E | | |

Leases Comprising Pooled Areas

| Lease | UL or Q/Q | S-T-R | Acres | Pooled Area ID |
|-------------------------|-----------|------------|-------|----------------|
| Fee | NE/4 NE/4 | 26-24S-28E | 40 | A |
| Fee | NW/4 NE/4 | 26-24S-28E | 40 | A |
| V0 5319 0001 | S/2 NE/4 | 26-24S-28E | 80 | A |
| NMNM 105397311 (112919) | SE/4 | 26-24S-28E | 160 | A |
| NMNM 105463731 (025953) | N/2 NE/4 | 35-24S-28E | 80 | A |
| Fee | SW/4 NE/4 | 35-24S-28E | 40 | A |
| Fee | SE/4 NE/4 | 35-24S-28E | 40 | A |
| Fee | SE/4 | 35-24S-28E | 160 | A |
| Fee | NE/4 NE/4 | 26-24S-28E | 40 | B |
| Fee | NW/4 NE/4 | 26-24S-28E | 40 | B |
| V0 5319 0001 | S/2 NE/4 | 26-24S-28E | 80 | B |
| NMNM 105397311 (112919) | SE/4 | 26-24S-28E | 160 | B |
| NMNM 105463731 (025953) | N/2 NE/4 | 35-24S-28E | 80 | B |
| Fee | SW/4 NE/4 | 35-24S-28E | 40 | B |
| Fee | SE/4 NE/4 | 35-24S-28E | 40 | B |
| Fee | SE/4 | 35-24S-28E | 160 | 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 197570

CONDITIONS

| | |
|--|---|
| Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024 | OGRID: 372098 |
| | Action Number: 197570 |
| | 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. | 5/19/2023 |