Before the Oil Conservation Division Examiner Hearing November 3, 2022

Case No. 23169
Maximus 5 WXY Fed Com 1H
Maximus 5 WXY Fed Com 2H



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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23169

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COMPULSORY POOLING APPLICATION CHECKLIST

Case: 23169	APPLICANT'S RESPONSE
Date: 11/03/2022 (Hearing date)	
Applicant:	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC (OGRID 372098)
	Modrall Sperling
Applicant's Counsel: Case Title:	Application of Marathon Oil Permian LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Maximus
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Purple Sage, Wolfcamp (98220)
Well Location Setback Rules:	Purple Sage, Wolfcamp
Spacing Unit Size:	640 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	E/W
Description: TRS/County	N/2 of Sections 5 and 6, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N
Applicant's Ownership in Each Tract	See Exhibit B-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed EXHIBIT

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Well #1: Maximus 5 WXY Fed Com 1H (API 30-015-49787)	SHL: 1635' FNL & 442' FWL (Lot 5) Section 6, T-23-S R
	28-E FTP. 1980' FNL & 330' FWL Section 6, T-23-S R-28-E BHL: 1980' FNL & 330' FEL (Unit H) Section 5, T-23-S R-28-E Orientation: East to West Completion Target: Wolfcamp Completion Status: Standard TVD: 9,330', MVD: 19,725'
Well #2: Maximus 5 WXY Fed Com 2H (API Pending)	SHL: 1605' FNL & 442' FWL (Lot 5) Section 6, T-23-S R 28-E FTP: 660' FNL & 330' FWL Section 6, T-23-S R-28-E BHL: 660' FNL & 330' FEL (Lot 1) Section 5, T-23-S R-28-E Orientation: East to West Completion Target: Upper Wolfcamp Completion Status: Standard TVD: 9,330', MVD: 19,725'
Horizontal Well First and Last Take Points	See above; see also Exhibit B-2; B-5
Completion Target (Formation, TVD and MD)	See above; see also Exhibit B-2; B-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	See Exhibit B, ¶ 21
Requested Risk Charge	See Exhibit B, ¶ 22.
Notice of Hearing	
Proposed Notice of Hearing	See Exhibit B-7.
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit B-7.
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-7.
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibit B-3.
Tract List (including lease numbers and owners)	See Exhibit B-3.
Pooled Parties (including ownership type)	See Exhibit B-3.
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	See Exhibit B-4. N/A
re = : = : - ;	
Joinder	

Date: 11/1/2022	
Signed Name (Attorney or Party Representative):	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Special Provisions/Stipulations	None
Additional Information	
Cross Section (including Landing Zone)	See Exhibit C-5
Cross Section Location Map (including wells)	See Exhibit C-4
Structure Contour Map - Subsea Depth	See Exhibit C-3
Well Bore Location Map	See Exhibit C-3
General Location Map (including basin)	See Exhibit C-1
Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit B-3
Tracts	See Exhibit B-3
C-102	See Exhibit B-2
Forms, Figures and Tables	
Depth Severance Discussion	N/A
HSU Cross Section	See Exhibit C-5
Target Formation	See Exhibit C-3
Well Orientation (with rationale)	See Exhibit C-7, page 47; Exhibit C, ¶ 13-14.
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-2
Spacing Unit Schematic	See Exhibit C-2
Summary (including special considerations)	See Exhibit C
Geology	
Cost Estimate for Production Facilities	See Exhibit B-6
Cost Estimate to Equip Well	See Exhibit B-6
Cost Estimate to Drill and Complete	See Exhibit B-6
Overhead Rates In Proposal Letter	See Exhibit B-5
Chronology of Contact with Non-Joined Working Interests	See Exhibit B-4
ist of Interest Owners (ie Exhibit A of JOA)	See Exhibit B-3

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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23169

SELF AFFIRMED DECLARATION OF CHASE RICE

Chase Rice hereby states and declares as follows:

- 1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein.
- 2. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.
- 3. My area of responsibility at Marathon includes the area of Eddy County in New Mexico.
- 4. I am familiar with the application filed by Marathon in this case, which is attached as **Exhibit B.1**.
 - 5. I am familiar with the status of the lands that are subject to the application.
- 6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
- 7. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.



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- 8. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.
- 9. In this case, Marathon seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.
- 10. The spacing unit will be dedicated to the Maximus 5 WXY Fed Com 1H and Maximus 5 WXY Fed Com 2H wells to be horizontally drilled.
 - 11. Attached as **Exhibit B.2** are the proposed C-102s for the wells.
- 12. The C-102s identify the proposed surface hole locations, first take point, and bottom hole locations. The C-102s also identify the pool and pool code.
- 13. These wells will be located within the Purple Sage Wolfcamp Gas Pool, which is subject to special pool rules that establish 330-foot setback requirements. The wells will comply with the Purple Sage Wolfcamp pool rules.
 - 14. There are no depth severances within the proposed spacing unit.
- 15. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.
- 16. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed well proposals to all parties entitled to well proposals, including an Authorization for Expenditure.
- 17. In my opinion, Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

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- 18. **Exhibit B.4** is a summary of my contacts with the working interest owners.
- 19. **Exhibit B.5** is a sample of the well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the wells.
- 20. **Exhibit B.6** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.
- 21. Marathon requests overhead and administrative rates of \$8000.00/month for drilling a well and \$800.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Marathon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 22. Marathon requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
 - 23. Marathon requests that it be designated operator of the wells.
- 24. Marathon seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.
 - 25. The parties Marathon is seeking to pool were notified of this hearing.
- 26. **Exhibit B.7** is an affidavit of notice prepared by counsel for Marathon that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Carlsbad Current Argus, confirming that notice of the November 3, 2022 hearing was published on October 18, 2022.

- 27. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.
- 28. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: November 1, 2022

Chase Rice

Chase Rice

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

APPLICATION OF MARATHON
OIL PERMIAN LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby applies to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a standard 640-acre, more or less, standard Wolfcamp horizontal spacing unit comprising the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Marathon states as follows:

- 1. Marathon has an interest in the subject lands and has a right to drill a well thereon.
- 2. Marathon seeks to dedicate the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico to form a standard 640-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Marathon plans to drill the Maximus 5 WXY Fed Com 1H and Maximus 5 WXY Fed Com 2H wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled.
- 4. These wells will be located within the PURPLE SAGE; WOLFCAMP (GAS) pool (Pool Code 98220), which is subject to special pool rules that establish 330 foot setback requirements. *See* Order No. R-14262. The producing interval for the wells is expected to be

EXHIBIT B.1

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orthodox and to comply with the Division's set back requirements set forth in Order No. R-

14262.

5. Marathon sought, but has been unable to obtain, a voluntary agreement from all

interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in

the drilling of the wells or to otherwise commit their interests to the wells.

6. The creation of a standard horizontal spacing unit and the pooling of all interests

in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary

wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an

Examiner of the Oil Conservation Division on November 3, 2022, and after notice and hearing as

required by law, the Division enter its order:

Pooling all uncommitted interests in the Wolfcamp formation underlying a A.

horizontal spacing unit within the N/2 of Sections 5 and 6, Township 23 South, Range 28 East,

NMPM, Eddy County, New Mexico;

B. Designating Marathon as the operator of this unit and the wells to be

drilled thereon;

C. Authorizing Marathon to recover its costs of drilling, equipping and

completing the wells;

D. Approving actual operating charges and costs charged for supervision,

together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the

wells in the event a working interest owner elects not to participate in the wells.

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Respectfully submitted,

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

By:

Deana M. Bennett Bryce H. Smith Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant CASE NO. 23169 : Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the Maximus 5 WXY Fed Com 1H and Maximus 5 WXY Fed Com 2H wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, New Mexico.

<u>District 1</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
<u>District III</u>

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

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

636.84

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

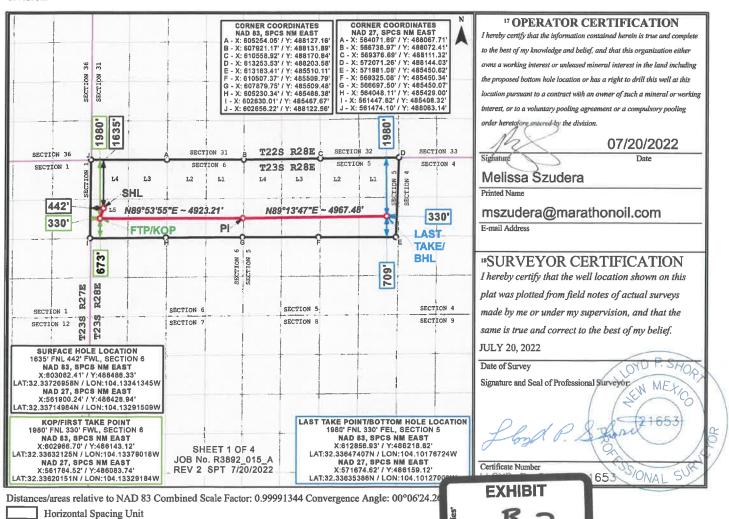
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

-					
	¹ API Numbe	r	² Pool Code	³ Pool Name	
	30-015-49787		98220	PURPLE SAGE; WOLFCAI	MP (GAS)
Г	⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number
	333092		MAXIMUS:	5 WXY FED COM	1H
Г	⁷ OGRID No.		a Oi	perator Name	⁹ Elevation
	372098		MARATHON	OIL PERMIAN LLC	3045'

Surface Location East/West line UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the County L 5 WEST 6 **23S** 28E 1635 NORTH 442 **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 5 23S 28E 1980 NORTH 330 **EAST EDDY** H 12 Dedicated Acres ³ Joint or Infill Consolidation Code ⁵ 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.



OCD Hearing, 11-3-22 Case No. 23169

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Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

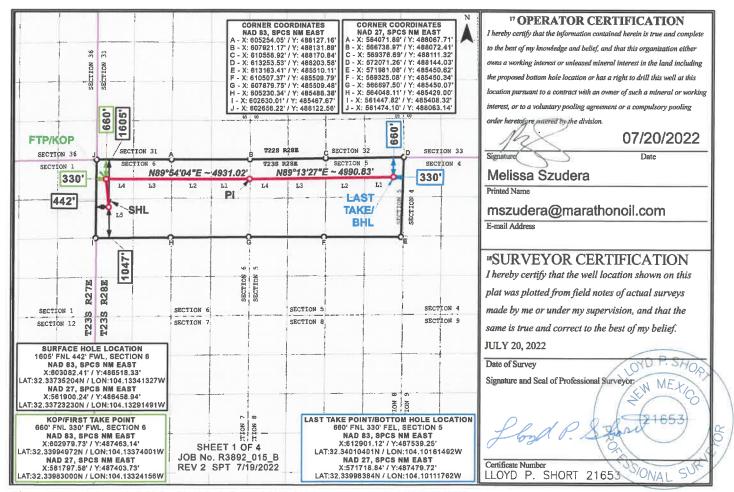
¹ API Numbe	er	² Pool Code	³ Pool Name	
		98220	PURPLE SAGE; WOLFCAI	MP (GAS)
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number
		MAXIMUS:	5 WXY FED COM	2H
7 OGRID No.		8 OI	perator Name	⁹ Elevation
372098		MARATHON	OIL PERMIAN LLC	3045'
		9		

¹⁰ Surface Location

OL OF IOU HO.	Section	1 ownsmb	Range	Tot Inn	reet from the	North/South time	reet from the	East/ west line	County
L 5	6	23S	28E		1605	NORTH	442	WEST	EDDY
			п Во	ttom Hol	e Location If	Different Fron	n Surface		
III. or lot no	Section	Township	Panna	Lot Idn	Feet from the	North/South line	Foot from the	Fact/West line	County

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L1	5	23S	28E		660	NORTH	330	EAST	EDDY
12 Dedicated Acres	13 Joint or	Infill 14 (Consolidation	Code 15 Or	der No.				
636.84									

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.

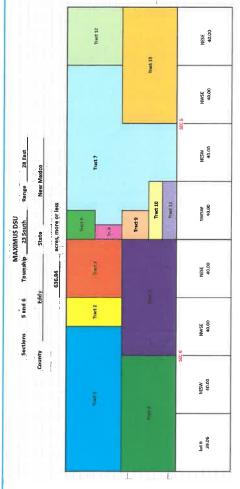


Distances/areas relative to NAD 83 Combined Scale Factor: 0.99991344 Convergence Angle: 00°06'24.26278'

Horizontal Spacing Unit

MarathonOil

Exhibit "B.3" Lease Tract Map Maximus 5 WXY Fed Com 1H & 2H N/2 of Section 5 & Section 6 T23S-R28E: 636.84 acres



Tract 1: Fee (39.65 acres)

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Tract 2: Fee (19.875 acres) Tract 3: Fee (98.705 acres)

Tract 4: Fee (79.03 acres) Tract 5: Fee (80.00 acres)

Tract 6: Fee (80.00 acres)
Tract 6: Fee (9.9175 acres)

Tract 7: Fee (154.58375 acres) Tract 8: Fee (4.95875 acres)

Tract 9: Fee (10.00 acres)
 Tract 10: Fee (5.00 acres)

Tract 11: Fee (5.00 acres)
 Tract 12: Fed NIMINM 32636 (40.12 acres)
 Tract 13: Fee (80.00 acres)

Exhibit "B.3" Summary of Interests Maximus 5 WXY Fed Com 1H & 2H N/2 of Section 5 & Section 6 T23S-R28E: 636.84 acres

Committed Workling Interest: Marathor Off Permian LLC Marathor Off Permian LLC Marathor Off Permian LLC 12.146728% 13.146728% 14.146728% 15.146728% 16.146728% 16.14678			
Filan SP & Opal Barton Revocable Trust Plan S Partnership, Ltd. S Partnership, Ltd. Se of the James Adelson & Family 2015 Trusts	S.	mnitted Working Interest: Marathon Oil Permian LLC	87.853262% 87.853262%
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Thomas M. Beall Gearge M. Koss San H. Joilffe, W. Teresa H. Joilffe, W. Margarel Jones Kemedy Elizabeh Trudeau Overly BPL Fish Pond, LLC Olin Brent Dalton Robert C. Berger Milton R. Fry William B. Harriman Karen C. Lane Mellis Jeffrey Oakes Benjamin Jacobs Gakes Methiew David Oakes Benjamin Jacobs Gakes Methiew David Oakes LLC Pegasus Resources, LLC Charles Randall Hicks Virston Resources, LLC Virston Res		SES Investments. Ltd. 401K Plan	
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Margaret Jones Kennedy Elizabeth Trudeau Overly BPL Fish Pond, LLC Olin Brent Dalton David Trent Dalton Board Trent Dalton Board Trent Dalton Robert C. Berger Milliam B. Harriman Karen C. Lane Milliam B. Harriman Karen C. Lane Milliam Jecobs Oakes Matthew David Oakes Matthew David Oakes Matthew David Oakes Inzabeth Ann Cline McMullen Minerals, LLC Pagasus Resources, LLC Kenneth Jay Reynolds Charles Randall Hicks Vikit, L. Hicks Terri L. Simpson John D. Hamiga Charley L. Charley Norma J. Charley		Teresa H. Jolliffe	
e Elizabeth Trudeau Overly BPL Fish Pond; LLC Olin Bent Dalton Robert C. Berger Miltion R. Fry William B. Harriman William B. Harriman William B. Harriman William B. Harriman William Jacobs Oakes Benjamin Jacobs Oakes Benjamin Jacobs Oline McMullen Minerals, LLC Pregatus Resources, LLC Winston Resources, LLC Nometh Jay Reynolds Charles Randall Hicks Vikit L. Hicks Terri L. Simpson John D. Hamiga Charmar, LLC Norma J. Charley		Margaret Jones Kennedy	
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Mitton R. Fry William B. Harriman Karen C. Lane Mills Jeffrey Oakes Benjamin Jacobs Oakes Matthew David Oakes Elizabeth Ann Cline MoMullen Minerals, LLC Pegasus Resources, LLC Pegasus Resources, LLC Winston Resources, LLC Vernich Hay Reynolds Charles Randall Hicks Vikit. Hicks Terri L. Simpson John D. Hamiga Charmar, LLC Noma J. Chanley		David Trent Dalton	
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Millis Jeffrey Oakes Benjamin Jacobs Oakes Matthew David Oakes Elizabeth Ann Cline McMullen Minerals, LLC Pegasus Resources, LLC Winston Resources, LLC Kenneth Jay Reynolds Charles Randall Hicks Vikki L. Hicks Terri L. Simpson John D. Hamiga Charmar, LLC Noma J. Chanley		Karen C. Lane	
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Matthew David Oakes Elizabeth Ann Cline MCMallen Minerals, LLC Pegasus Resources, LLC Winston Resources, LLC Worki L. Hicks Terri L. Simpson John D. Hamiga Charmar, LLC Normar, LLC		Benjamin Jacobs Oakes	
Minimension LLC Mondallen Minerals, LLC Mondals Resources, LLC Winston Resources, LLC Wins		Matthew David Oakes	
McMullen Minerals, LLC Pagasus Resources, LLC Kenneth Jay Reynolds Charles Randall Hicks Vikit, L. Hicks Terri L. Simpson John D. Hamiga Charmar, LLC Norma J. Chanley		Elizabeth Ann Cline	
Pegasus Resources, LLC Winston Resources, LLC Kenneth Jay Reynolds Charles Randall Hicks Virki L. Hicks Terri L. Simpson John D. Hamiga Charms, LLC Norma J. Chanley		McMullen Minerals, LLC	
Winston Resources, LLC Kenneth Jay Reynolds Charles Randall Hicks Vikki L. Hicks Terri L. Simpson John D. Hamiga Charlmar, LLC Normar, LLC Normar, LLC		Pegasus Resources, LLC	
Kenneth Jay Reynolds Charles Randall Hicks Vikki L. Hicks Terri L. Simpson John D. Hamiga Charmar, LLC Norma J. Chanley		Winston Resources, LLC	
Charles Randall Hicks Vikki L. Hicks Terri L. Simpson John D. Hamiga Charmar, LLC Norma J. Chanley		Kenneth Jay Reynolds	
Vilkki L. Hicks Terri L. Simpson John D. Hamiga Charmar, LLC Norma J. Chanley		Charles Randall Hicks	
Terri L. Simpson John D. Hamiga Charmar, LLC Norma J. Chanley		Vírki L. Hicks	
John D. Hamiga Charmar, LLC Norma J. Chanley		Terri L. Simpson	
Charmar, LLC Norma J. Chanley		John D. Hamiga	
Norma J. Chanley	٠	Charmar, LLC	
		Norma J. Chanley	

Parties to Be Pooled

Uncommitted Working Interest:

Sisbro Oil & Gas, LLC Mizel Resources

C.L.&F Resources, L.P. Norma J. Chanley Roy G. Barton, Jr. Trustee of the Roy G. Barton Sr. & Opal Barton Revocable Trust

ORRI Owners:

Gahr Ranch and Investments Partnership, Ltd. SES Investments, Ltd. 401K Plan Thomas M. Beall George M. Koss

Zunis Energy, LLC Susannah D. Adelson Trustee of the James Adelson & Family 2015 Trusts Sam H. Jolliffe, IV

Teresa H. Jolliffe

Elizabeth Trudeau Overly BPL Fish Pond, LLC Margaret Jones Kennedy David Trent Dalton Olin Brent Dalton

Robert C. Berger Milton R. Fry

Pegasus Resources, LLC Winston Resources, LLC Benjamin Jacobs Oakes McMullen Minerals, LLC Kenneth Jay Reynolds Charles Randall Hicks Matthew David Oakes Elizabeth Ann Cline William B. Harriman Millis Jeffrey Oakes Vikki L. Hicks Terri L. Simpson John D. Hamiga Norma J. Chanley Karen C. Lane Charmar, LLC



N/2 of Section 5 & Section 6 T23S-R28E: 636.84 acres Exhibit "B.4" Summary of Contacts Maximus 5 WXY Fed Com 1H & 2H

Summary of Contacts

Marathon conducted extensive title work to determine the working interest owners and other interest owners.

Marathon searched public records, phone directory, and various types of internet searches.

Marathon sent well proposal letters to the working interest owners on or around June 29, 2022.

Marathon has discussed the general terms of the JOA with the intent of finalizing the JOA with the working interest owners Marathon proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.

Marathon had multiple communications with the uncommitted working interest owners, which I have outlined in the chart below prior to spud (subject to final approvals)

Marathon has acquired several parties' working interest in the spacing through commercial transactions

Marathon filed applications to force pool parties who had not entered into an agreement.

Marathon's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also Marathon also published notice in a newspaper of general circulation in the county where the wells will be located. for overriding royalty interest owners.

lers	Follow Up	Discussed Maximus development plans with Allison Johnson (CL&F) (10/12/2022)	Conference call meeting with Sam Niebrugge (representative/Mizel) discussing Maximus development plans (10/25/2022)	Conference call meeting with Sam Niebrugge (representative/Sishro) discussing Maximus development plans (10/25/2022)	Indicated intention to participate via an affirmative election returned July 8, 2022	Currently unable to locate individual; Continuing research.
rking interest Own	Proposal Letter Received	Undelivered via Mail	July 6, 2022	July 6, 2022	July 5, 2022	Undelivered
Summary of Confacts with Working Interest Owners	Date Proposal Letter Sent	June 29, 2022	June 29, 2022	June 29, 2022	June 29, 2022	June 29, 2022
Summary	% Interest	8.25679567%	0.66054444%	0.425539%	0.39256328%	0.19466232%
	Name	CLAR Resources	Mizel Resources	Sisbro Oil & Gas	Roy G. Barton, Jr. Trustee of the Roy G. Barton Sr. & Opal Barton Revocable Trust	Norma J. Chanley





Marathon Oil

Patricia Schoenberger Land Professional

Marathon Oil Company 990 Town & Country Blvd. Houston, Texas 77024 210.643.2671 (c) schoenberg@marathonoil.com

June 29, 2022

Attn: Roy Barton Roy G. Barton, Sr. and Opal Barton Revocable Trust 1919 North Turner Street Hobbs, NM 88240

Re: Maximus 5 WXY Fed Com 1H and 2H (the "Wells")
Participation Proposal
N/2 of Section 5 and the N/2 of Section 6
Township 23 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

Marathon Oil Permian LLC ("Marathon") proposes the drilling, completion, and equipping of the Wells, at a legal location in the N/2 of Section 5 and the N/2 of Section 6, Township 23 South, Range 28 East, Eddy County, New Mexico (the "Subject Lands"), as follows:

1) Maximus 5 WXY Fed Com 1H

SHL: NW/4 of Section 6, 23S-28E

First take point: 330' FWL & 1980' FNL of Section 6, 23S-28E Last take point: 330' FEL & 1980' FNL of Section 5, 23S-28E The Well will be drilled horizontally within the Purple Sage/Wolfcamp formation to an

approximate true vertical depth of 9330' and an approximate measured depth of 19,725'.

2) Maximus 5 WXY Fed Com 2H

SHL: NW/4 of Section 6, 23S-28E

First take point: 330' FWL & 660' FNL of Section 6, 23S-28E Last take point: 330' FEL & 660' FNL of Section 5, 23S-28E

The Well will be drilled horizontally within the Purple Sage/Wolfcamp formation to an approximate true vertical depth of 9330' and an approximate measured depth of 19,725'.



Authority for Expenditure (AFEs)

Enclosed with this letter is an Authority for Expenditure ("AFE") for each of the proposed Wells. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred, and by electing to participate, you shall be responsible for your proportionate share of all actual costs incurred.

Voluntary Agreement of Compulsory Pooling

Marathon will provide, upon request, a proposed Joint Operating Agreement ("JOA") for development of the Subject Lands that will include the following basic terms:

- Marathon Oil Permian LLC to be named as Operator
- Contract Area begin the Subject Lands
- As a charge for the risk involved in drilling the well, 300% of the above costs
- \$8,000 per month drilling overhead rates and \$800 per month producing overhead rates. adjusted annually pursuant to Section III.1.A.3 of COPAS form titled "Accounting Procedure-Joint Operations."

If you would like to discuss a farmout, an assignment of interest, an acreage trade or other form of agreement for your interests in the Subject Lands, please contact the undersigned. If Marathon is unable to reach a voluntary agreement for the development of the Subject Lands with all the interest owners in the proposed spacing unit, Marathon will file an application with the New Mexico Oil Conservation Division for an order pooling the Subject Lands.

Election Instructions

Please use the attached ballot to indicate your desire to participate in each of the proposed wells and return a signed AFE for each well in which you elect to participate. If we do not receive a response form you within thirty (30) days, we will proceed with the necessary proceedings to pool your interests in the proposed spacing unit for the initial wells.

Should you elect to participate, your interest will automatically be covered by the Operator's insurance unless and until you provide written notice to Operator to the contrary, together with a valid, current insurance certificate from your insurance carrier in compliance with Operator's minimum insurance requirements.

Should you have any questions regarding the above, please do not hesitate to contact me at the information provided in the top of this letter.

Best Regards,

Marathon Oil Permian LLC

Patricia Schoenberger

Patricia Schoenberger

Land Professional

PARTICIPATION BALLOT

Roy G. Barton, Sr. and Opal Barton Revocable Trust hereby elects to:

Not to participate in the Maximus 5 WXY Fed Com 1H Well.
Participate in the Maximus 5 WXY Fed Com 1H Well by paying its proportionate share of all actual costs.
Not to participate in the Maximus 5 WXY Fed Com 2H Well.
Participate in the Maximus 5 WXY Fed Com 2H Well by paying its proportionate share of all actual costs.
By:
Print Name:
Title:
Date:

MAINATHON OIL PERMIAN ILC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS	FACILITIES PREP	DATE 9/29/2022 ARED BY COURT NELSON ARED BY INSTEND DRAIN ARED BY HARSHA DISSAMAYAKE ARED BY CRAIG PLANTE
Asset Team	PERMIAN	
Field Lease/Facility	Purple Sage FORMATION: Wolfcamp WILDCAT Mandrus 5 WXY Fed Com 1H DEVELOPMENT	EXPLORATION RECOMPLETION
Location Prespect	MALAGA EXPLOITATION	WORKOVEN
Est Total Depth		
		rion crafts
LOCATION COST - INTANGIBLE		
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access Land Broker Fees and Services	100,500 67,500
		0
	TOTAL LOCATION COST - INTANGIBLE	\$168,000
DRILLING COST - TANGIBLE		
7001270	Conductor Pape	26,442
7012050 7012050	Surface Casing Intermediate Casing 1	27,500 112,115
7012050 7012050	Intermediate Casing 2	
7032050	Production Comme Drig Liner Hanger, Tieback Eq & Cog Accessories	549,999
7012550 7012040	Drilling Wallhoad Equipment Casing & Tubbing Access	25,385 54,173
7290003	Missellaneous MRO Materials	5,280
	TOTAL DRILLING -TANGIBLE	\$804,909
DRILLING COST - INTANGIBLE		
Dutting COST - IN I WARRING		
7290002 7290002	Drilling Rig Moh/Demob Drilling Rig - day work/flootage	105.769 602,884
7019040	Directional Drilling Services	173,981
701.9020 701.9020	Cement and Cementing Serv Surface Cement and Cementing Serv Intermediate 1	15,845 26,442
7019020	Cement and Comenting Serv Intermediate 2	158,854
7019020 7019140	Cement and Committing Serv Production Mud Fulds & Services	70,072
7012810 7012020	Solids Control equipment	45,116 126,923
7019010	Carling Craw and Services	43,308
7016350 7032349	Rael (Mal)	77,872 31,731
7001/460	Water (non potable)	26,442
7012350 7019000	Water (potable) Well Legging Services	5,288
7019150 7019250	Musi Logging-geosteering Stabilizers, Hole Openery, Underreamers (DH rentals)	14,636 37,019
7019110	Cacing inspection/cleaning	15,865
7019110 7016180	Ortil phpe/collar inspection pervices Freight - truck	10,577 26,442
7001480	Water hauling and disposal (includes soft farming)	63,461
7001160 7001460	Contract Services - Disposal/Non-Hazardous Waste Vacuum Trucks	84,415 10,577
7000030 7000010	Contract Labor - general Contract Labor - Operations	31,751 3.173
7001200	Contract Services - Facilities	10,577
7019300 7019350	Well Services - Well Control Services Well Services - Well/Wallhead Services	22,476
7290003	Rental Tools and Equipment (surface rentals)	12,560
7260001 7001110	Telecommunications Services	100,481 5,288
7001120 7003400	Consulting Services Lefety and Environmental	105,505 35,168
7330002	Rental Sulidings (trailers)	22,560
7018310 701101b	Coring (sidewalts & analysis) 8% Countingancy & Taxes	234,051
	TOTAL DRILLING - INTANGRILE	62 254 767
	IN THE LIMITATION - IN CHARGE LEE	\$2,354,787
	TOTAL DRILLING COST	é2 150 60A
	TOTAL DRILLING COST	\$3,159,690
MAJIATHON CHI, PERMIAN LLC AUTHORITY FOR EXPENDITURE		DATE 6/28/2022
DETAIL OF ESTIMATED WELL COSTS		
Asset Team	PERMIAN	
Field Lanse/Facility	Purple Sage FORMATION: Wolfcamp Maximus 5 WKY Ped Corn SH	
COMPLETION - TANGIBLE		
AND RESIDER - SANGERE		
GL COD€	DESCRIPTION	ESTIMATED COST
7012580 7012040	Tubing Accessories (nipple, whaline entry)	-
7012550 7012560	Well-end figure	15,000
1475300	Packers - Completion Equipment	
	TOTAL COMPLETION - TANGIBLE	\$15,000
COMPLETION - INTANGIBLE		
7001270	Location and Access (dress location after rig move, set anchors)	7,800
7290002	Drilling Rig During Completion	
7019140	Mud Fluids & Services Colled Yubing Services (8 runs)	165,000
7019240 7019270	Snubbing Services Putting/Items Units	
7016350	Fue) (from intg)	
7019010 7019020	Casting Crew and Services Cament and Committing Services	
7019080	Well Testing Services (flow hand & equip)	236,880
7390002 7018530	Fractiving Services Performing	3,807,573 175,090
7019360 7002460	Wireline Services Water Hauling & Disposal (frec fluids)	243,353
7016180	Freight - Truck (hauf pipe; drig & compl)	ama,e14
7290003 7290003	BOP Rental & Testing Rental Tools and Equipment (incl drig; lightplant, hydra-walk)	
7290003	CT Downhole Rental Equipment (le. St., SHA)	40,000
7290003 7000030	Contract Labor - personal Telecommunications Services	25,000
7001110 7001400	Saluty and Environmental Consulting Services	78,500
7002120	Zigper Manifold	118,102
7019300 7016180	Frack Stack Rentals Freight (Transportation Services)	85,000 4,800
7260003	Equipment Sental (w/o operator, frec terrio, lightplants)	148,261
7930002 7000030	Rantal Buildings (mailers) Contract Labor - Pumping (pump-down pumps)	25,000
7011010	8% Contingueur & Taxes	-
	TOTAL COMPLETION - INTANGIBLE	\$5,349,459
	TOTAL COMPLETION COST	\$5,364,459



70066	50	Miss. Maine, Fittings & Valves	116,484
		Community Labor & Burden	210.00
71000		Contract Liber - General	126,500
70011		Telecommunication equip (Telemetry)	
70124	10	Line Pipe & Accessories	11,723
70122	70	Missellarmous Materials (containment mutum)	35,127
70080		SCADA	11,113
70161	20	Freight - truck	11,517
70011		Contract Engineering	7,197
70122	90	Absturing and Instrumentation	197,123
70122	90	I&E Materials	115,627
70122	00	Gas Treating	
70122		Dehydration	- 4
70120	10	Compressor	19,376
70121		Powett	
70126		Vapor Recuvery Unit	
70124	40	Separator & other pressure vessels	1.86,907
70125		Tanks	11,900
70121		Heater Truster	97,237
70126		Flare & Accessories	34,124
70000		Electrical Labor	63,890
70000		Mechanical Labor	138,162
70124		Rod Pumping unit & Pad	
70131		Pumping Unit Engine	
70128	50	Electrical Power (electrical cooperative construction costs)	25,882
	TOTA	AL SURFACE EQUIPMENT - TANGRILE	\$1,227,000
	тот	TAL SURFACE EQUIPMENT COST	\$ 1,227,000
FICIAL LIFT			- 2
70000			
70000		Contract Labor	5,000
70011		Consultant Time Writing/Overhead	5,000
70121		Artificial Lift Equipment	262,000
70123		Antition by marine	2,000
70125		Materials & Supplies	
		Production Tree	5,000
70125	80	Tubing	105,000
70163		freight	5,000
70181		Rentals Kill Fluid	6,000
70191			2,000
70192	20	Well Services & Mir	24,000
	TOTA	AL ARTIFICIAL DET	425,000
	TO	FAL ARTIFICIAL LIFT COST	\$ 425,000
		SUMMARY OF ESTIMATED DRILLING WELL COS	TS TOTAL COST
		TOTAL LOCATION COST	\$ 168,000
		TOTAL LOCATION COST TOTAL DRILLING COST	\$ 168,000 \$ 3,159,690
		TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$ 168,000 \$ 3,159,690 \$ 5,364,459
		TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 168,000 \$ 3,159,690 \$ 5,364,459 \$ 1,227,000
		TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$ 168,000 \$ 3,159,690 \$ 5,364,459
		TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 168,000 \$ 3,159,690 \$ 5,364,459 \$ 1,227,000
		TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST	\$ 168,000 \$ 3,159,690 \$ 5,664,459 \$ 1,227,000 \$ 425,000
v endence inconso		TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST	\$ 168,000 \$ 3,159,690 \$ 5,664,459 \$ 1,227,000 \$ 425,000
A BYPOISÉ INSUIÁ	NCE J elect to be covered. J objection has secured in	TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURRACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST d by Operator's Extra Expense Insurance and pay my proportional that Expense Insurance covering costs of well control, deen up and restiting a state Expense Insurance covering costs of well control, deen up and restiting a	\$ 158,000 \$ 3,159,690 \$ 5,364,459 \$ 1,227,000 \$ 425,000 \$10,344,148
A BEPERKE HISURA	NCE J elect to be covered to operation has secured to	TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURRACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST d by Operator's Extra Expense Insurance and pay my proportional that Expense Insurance covering costs of well control, deen up and restiting a state Expense Insurance covering costs of well control, deen up and restiting a	\$ 158,000 \$ 3,159,690 \$ 5,364,459 \$ 1,227,000 \$ 425,000 \$10,344,148
	NCE J elect to be covered of the secured in the item. I elect to purchase of elect to purchase of the secured in the item.	TOTAL LOCATION COST TOTAL DRIFLING COST TOTAL SUPFACE EQUIPMENT COST TOTAL SUPFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST	\$ 158,000 \$ 3,159,690 \$ 5,364,459 \$ 1,227,000 \$ 425,000 \$10,344,148
	NCE J elect to be covered of the secured in the item. I elect to purchase of elect to purchase of the secured in the item.	TOTAL LOCATION COST TOTAL CRIMING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST Of hy Operator's Extra Expense Insurance and pay my proportional data Expense hoursect covering costs of well control, dean up and redfilling a notabolists. Interpretable control focusions a policy.	\$ 158,000 \$ 3,159,690 \$ 5,364,459 \$ 1,227,000 \$ 425,000 \$10,344,148
cher box is chedied	NCE J elect to be covered of the secured in the item. I elect to purchase of elect to purchase of the secured in the item.	TOTAL LOCATION COST TOTAL DAMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST Of hy Operator's Entre Expense Insurance and say my proportional data Expense Insurance covering costs of well control, clean up and radditing a cost of well control of the up and radditing a cost of well control of the up and radditing a cost of well control of the up and radditing a cost of well control of the up and radditing a cost of well control of the up and radditing a cost of well control insurance. Date:	\$ 158,000 \$ 3,159,690 \$ 5,364,459 \$ 1,227,000 \$ 425,000 \$10,344,148
Cher book is chedied	NCE J elect to be covered to be covered to be covered to the item to estimated in the item to depth to purchase to elect to e	TOTAL LOCATION COST TOTAL DAMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST Of hy Operator's Extra Expense Insurance and pay my proportional data Expense Insurance covering costs of well control, down up and raddfiling a cost of well control of the control insurance covering costs of well control of the control insurance covered by Operator's well control insurance.	\$ 158,000 \$ 3,159,690 \$ 5,364,459 \$ 1,227,000 \$ 425,000 \$10,344,148

IMABATHON OIL PERMIAN ILC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS		COMPLETION PIE FACILITIES PRE	DATE 6/29/2022 EPARED BY COURT RELSON PPARED BY KRISTER DRAIN EPARED BY CRAIG PLANTE
Asset Yearn	PERMIAN POPULATION MAIN	WILDCAT	EXPLORATION
Field Lause/Facility	Purple Sage PORMATION: Wolfcamp Maximus 5 WXY Fed Com 2H	DEVELOPMENT	RECOMPLETION
Location Protects	MALAGA	X EXPLOSTATION	WORKOVER
Est Total Deoth	19,725 Est Drilling Days	21.25 Est Comple	ntion Dans
	13,723 CX Disting Days	ZJ.45 EX COMPA	Minu naka
LOCATION COST - INTANGIBLE			
GL CODE	DESCRIP	TION	ESTIMATED COST
7001270 7001250	Location and Access		100,500
HALLES	Land Broker Fees and Services		67,500
	TOTAL LOCATION COST - INTANGIBLE		\$168,000
DRILLING COST - TANGIBLE			
7001270	Conductor Fue		26,442
7012050	Surface Castru		27,500
7012050 7012050	Intermediate Casing 1 Intermediate Casing 2		312,115
7012050	Production Castra		540,995
7012050 7012550	Orig Liner Hunger, Tleback Eq & Cog Orilling Wellhead Equipment	Accessors	25,885
7012040 7290003	Casing & Tubing Access		58,173 5,288
125001	Miscellaneous MRO Materials		
	TOTAL DRILLING - TANGIBLE		\$804,903
DRILLING COST - INTANGIBLE 7290002	Drilling Rig Mob/Demob		105,769
7290002	Delifing Rig - day work/footage		502,884 171,881
7019040 7019020	Directional Drilling Services Coment and Comenting Serv Surface	79	15,885
7019020 7019020	Coment and Committing Serv Intern Coment and Comenting Serv Intern	nediate 1	26,442
7019020	Cornect and Committing Serv Produ	ction	158,654
7019140 7012910	Mud Fluids & Services Solids Control equipment		70,072
7013020	Bits		126,923
7019010 7016350	Casing Crew and Services Fuel (Ng)		42,308 77,872
7019140 7001460	Fuel (Mud) Water (non putable)		31,731 26,442
7012356	Water (potable)		5,258
7019000 7019150	Well Lagging Services Mud Logging+geosteering		14,636
7019250 7019110	Stabilizers, Hole Openers, Underree	mers (DH rentals)	37,819 15,965
7019110	Drill pipe/collar inspection services		10,577
7016180 7001460	Freight - truck Water hauling and disposal (Include	es soli farmina)	26,442 63,461
7001160	Contract Services - Disposal/Non-Ha	szardous Waste	84,615
7001440 7000030	Vacuum Trucks Contract Labor - general		30,577 31,731
70000010	Contract Labor - Operations Contract Services - Paclities		3,173 10,577
7019300	We'll Services - We'll Control Service		22,476
781 8850 7290003	Well Services - well/wellheat Servi Rental Tools and Equipment (surface		10,577 12,560
7260001 7001110	ftig Equipment and Misc.		100,481 5,280
7001120	Telecommunications Services Committing Services		105,505
7001400 7330002	Sental Buildings (trailers)		#5,168 12,560
7019310	Coring (sidewalls & analysis)		
7011010	8% Contingency & Taxos		234,051
	TOTAL DRILLING - INTANGBILE		\$1,354,787
	TOTAL DRILLING COST		\$3,159,690
MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAR. OF ESTIMATED WELL COSTS Asset Team	PERMIAN		DATE 6/29/2022
Field Lease/Facility	Purple Sage FORMATION: Wolfcamp Waximus 5 WXY Fed Com 2H		
COMPLETION - TANGIBLE GL CODE	DESCRIP	mou	
201200		THOR	ESTIMATED COST
7012580 7012040	Tubing Accessories (nipple, wireline		
7012040 7012550	Tubing Accessories (ntppte, wireline Wellhauf Equite		ESTIMATED COST
7012040	Tubing Accessories Integle, wireline Wellman Equite Packers - Completion Equipment		15.000
7012040 7012550	Tubing Accessories (ntppte, wireline Wellhauf Equite		-
9012040 9012550 7012560	Tubine Tubine Accessories Inlegile, wirefine Weithward Ragib Perchara - Completion Equipment TOTAL COMPLETION - TAMOBILE Location and Access (dress location	entry]	15.000
701250 7012550 7012560 COMPLETION - INTANGIBLE 7001270 7280002	Jubine Tubine Accessories-folippile, wireline Weitheast Bapile Pedalers - Compeletion Egylpment . TOTAL COMPLETION - TANGELE . Location and Access (dress location brilling Rip During Completion .	entry]	15.000 \$15,000
701,0040 701,3550 703,2560 COMPLETION - INTANGIBLE 780,1370 720,0002 703,3140 781,0000	Tubles Tubing Accessories (highle, wireline Weitherd Eagle Packers - Completion Equipment TOTAL COMPLETION - TAMGBLE TOTAL COMPLETION - TAMGBLE Description and Access from location Deffine Big During Completion Multi-Studies Benefices Collect Tubing Services (James)	entry]	13,800 525,000
701,0040 701,3550 703,2560 COMPLETION - INTANGIBLE 780,1270 720,0002 703,3140 P81,0000 703,9270	Tubles Tubing Accessories Integrits, wheeling Meeting and Engine Meeting Engine Packers - Completion Equipment TOTAL COMPLETION - TAMOBILE Location and Access from location Define Big During Completion Section 1 Tubing Services In read Section Integrity Integrity Integrity Section Integrity Integrity Section Integrity Integrity Section Integrity Secti	entry]	\$15,000 \$15,000
703,0040 703,550 703,550 703,550 COMPLETION - INTANGIBLE 700,1270 703,9240 703,9240 703,9270 703,9270 703,9350	Tubing Tubing Accessories_(n)spile, wireline Meillheam Eaging Packers - Completion Equipment ToTAL COMPLETION - TAMORIS - Location and Access (dress location Drilling Big During Completion Must Enable S. Bernfors - Collect Tubing Services I rurns) Southern Services Purilling Flesh Units (Parilling Flesh Units Fine) From drip (Parilling Flesh Units Fine) (Parilli	entry]	\$15,000 \$15,000
703,0040 703,550 703,550 703,550 COMPLETION - INTANGIBLE 700,1370 726,0030 703,550 703,550 703,550 703,550 703,550 703,550 703,550 703,550 703,550 703,550 703,550	Tubing Tubing Accessories_(eloppis, wireline Melihean Eaging Packers - Completion Equipment	entny]	15,000 \$15,000 7,000 165,000
701,0040 701,0550 703,2560 COMPLETION - INTANGIBLE 780,1370 730,0002 703,3140 710,0000 703,3240 703,3260 703,3260 703,3270 703,3360 703,3360	Tubles Tubing Accessories (highla wireline Weithward Espais Packers - Completion Equipment TOTAL COMPLETION - TANGGIBLE Location and Access (dress location Defiling Eta During Completion Med Espais A Services Coffee Labels Services Event Services Coffee Labels Services Event	entny]	15,000 \$15,000 7,000 165,000 305,000 305,000
781,0040 781,550 781,550 781,550 781,550 781,550 781,550 781,570 781,5	Tubles Tubing Accessories (hights, wireline Meethwell Equip Packers - Completion Equipment TOTAL COMPLETION - TANKGRE Location and Access (Green Incation Drilling Rig During Completion Med Enables, Services Collect Tubing Services ID rural Another Services Dyffing Tubing Location Drilling Rights, Services Collect Tubing Services ID rural Another Services Dyffing Tubing Location Drilling	entny]	15,000 \$15,000 7,000 165,000
703.0040 703.550 703.550 703.550 703.550 COMPLETION - INTANGIBLE 703.1370 73.00002 73.00002 73.00002 73.00002 73.00000 73.00000 73.00000 73.00000 73.00000 73.00000 73.00000 73.00000 73.000000 73.000000 73.000000 73.0000000000	Tubles. Tubles, Tubers, Accessories, Inlaptis, wireline Metithers Engine Peches: Completion Equipment. TOTAL COMPLETION - TANGGISE. Location and Access (Gress Incation Drilling Ris During Completion Most England, Services. Collect Tubles, Services. Collect Tubles, Services. Location of the Completion Most England, Services. Location of the Completion Services. Location of the Completion Services. Location of the Completion Location of the Completion Medit Trades; Services (Sour Incation Medit Trades) Services (Sour Incation Location of the Completion Medit Trades) Services (Sour Incation Location of the Completion Medit Trades) Services (Sour Incation Location of the Completion Medit Trades) Services (Sour Incation Medit Trades) Services Medit Practing (Source) (Trace Ende	entinj	15,000 \$15,000 7,000 165,000 305,000 305,000
PRILEGE PRILEG	Tubles Tubles Tubing Accessories (nispite, wireline Weithers Espite Packers - Completion Equipment TOTAL COMPLETION - TAMOBILE Location and Access from including Duffing Bis During Completion Billing Bis	entinj	\$15,000 \$15,000 7,000 165,000 325,600 325,600 325,600 375,000
701,0040 701,0550 701	Tubles Tubing Accessories (highly wireline Methward Eagus Packers - Completion Equipment) TOTAL COMPLETION - TANGGRE Location and Access (diress location Defiling Rip During Completion Med English & Sanders College Burner (Sanders Burner) Solid Home State (Sanders Burner) Solid Home State (Sanders Burner) Defiling Rip During Completion Med English & Sanders College Burner (Sanders Burner) Solid Home State (Sanders Burner) Defiling Ripe Burner (Sanders Burner) Med Tester (Sanders Burner) Med Ripe Burner (Sanders Burner) Med Ripe Burner (Sanders Burner) Defiling Ripe Burner (Sanders Burner) Defil	entiny] after rig moves, set anothers] esselb] as] meil] fig. lightsyland_merks-easili)	15,000 \$15,000 7,000 2,655,000 8,955,950 2,875,572 3,755,000 243,253
PRILEGE PRILEG	Tubles Tubing Accessories (highle, wireline Weithward Espain Packers - Completion Equipment TOTAL COMPLETION - TANGGRE Location and Access (dress location Defiling Espaining Completion Med Espain & Security Completion Med Espaining Completion Josephin Completion Control Library Location Comment and Commenting Security Location Comment and Commenting Security Med Tespain M	entiny] after rig moves, set anothers] esselb] as] meil] fig. lightsyland_merks-easili)	15,000 \$15,000 7,000 265,000 355,000 3,000,000 240,253 40,000
PRILEGED PRI	Tubles Tubles Tubles Tubles Tubles Tubles Tubles Peckers - Completion Equipment Tubles Peckers - Completion Equipment Tubles Tub	entiny] after rig moves, set anothers] esselb] as] meil] fig. lightsyland_merks-easili)	15,000 \$15,000 7,000 2,655,000 8,955,950 2,875,572 3,755,000 243,253
PRILEGED PRI	Tubles Tubles Tubles (1998) Tubles (1998) Weithweit lissels Packers - Completion Equipment TOTAL COMPLETION - TAMGBLE Description and Access from location Defiling Big During Completion Maint Shalfs - Section Maint Shalfs - Section Shalf Shalfs - Section Sociolom Shalfs - Section Sociolom Section Section Sociolom Section Sociolom Section Sectio	entiny] after rig moves, set anothers] esselb] as] meil] fig. lightsyland_merks-easili)	15,000 \$15,000 7,000 165,000 165,000 175,000 243,253 46,000 45,000 775,000
PRILEGED PRILESSO PRI	Tubles Tubles Tubles (1998) Tubles (1998) Weithward Eagus Packers - Completion Equipment TOTAL COMPLETION - TAMOBILE Location and Excess (frees location Delline Big During Completion Medication and Excess (frees location Delline Big During Completion Medication Medication Medication Medication Secretary (1998) Secretary (1998) Location Communication Delline Big Completion Secretary (1998) Location Communication Delline Big Completion Location Communication Delline Big Completion Delline Big Completi	entiny] after rig moves, set anothers] esselb] as] meil] fig. lightsyland_merks-easili)	15,000 \$15,000 7,000 368,000 388,000 388,000 27,000 243,233 40,000 184,102 55,000 184,102
PRILEGED PRI	Tubles Tubing Accessories (highes, wireline Meethwest Eagus Packers - Completion Equipment) TOTAL COMPLETION - TANGGRE Location and Access (dress location Orilling Rig. During Completion Most Estables, Services Collect Tubing Services 12 years Southern Services Collect Tubing Services 12 years Southern Services Pulling Services Pulling Services Description Services Meet Treatment Services Treatment Services	arter rig moves, set anchors] alter rig moves, set anchors]	15,000 \$15,000 7,000 165,000 265,000 265,000 265,000 265,000 315,000 775,000 181,000
PRILEGED PRI	Tubles. Tubles, Tubles, average and tuber and	anternig moves, set anchors) alternig moves, set anchors) alsolob as description of the second of	15,000 515,000 7,000 165,000 165,000 265,000 245,2572 245,253 440,000 775,500 184,602 184,602 48,000 48,000 48,000 48,000 48,000 48,000 48,000
PRILEGED PRI	Tubles Tubing Accessories (highly wireline Methods Taylor Wethhead Taylor Packers - Completion Equipment TOTAL COMPLETION - TANGGISS Location and Excess (frees location Define Ris During Completion Med Tubing Access (frees location Define Ris During Completion Med Tubing Access (frees location Define Ris During Completion Med Tubing Service Southern Excess (frees location Define Ris Completion Define Ris Completio	anternig moves, set anchors) alternig moves, set anchors) alsolob as description of the second of	15,000 \$15,000 7,000 165,000 265,000 265,000 265,000 265,000 184,000 184,000 46,000
PRILEGED PRI	Tubles Tubles Tubles, Consensive Chipple, wireline Weithward Eaguin Packers - Completion Equipment TOTAL COMPLETION - TANGGRE Location and Access (dress location Defiling Eta During Completion Med Equile, S. Burdies Collect Library Enrolled Med Equile, S. Burdies Collect Library Enroles During Med Equile, S. Burdies Collect Library Enroles During Med Equile, S. Burdies Collect Carbon Services During Med Equile, S. Burdies Collect Collect Services (from the Services During) College College Services (from the Services During Med Tenders Services (from the Services Med Tenders Med Tenders Services (from hand & Frentwirts Services Med Tenders Med Tenders Services Med Tenders Med Tenders Services Med Tenders Tenders Services Med Te	anternig moves, set anchors) alternig moves, set anchors) alsolob as description of the second of	15,000 \$15,000 7,000 265,000 355,800 365,800 367,572 375,000 245,000 275,000 276,000 184,000 46,000 276,000
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SURFACE EQUIPMENT - YANGIBLE

7012350	Miss. Fiping, Fittings & Valves	116,484
7006640	Company Labor & Burden	
7000030	Contract Labor - General	126,508
7001110	Telecommunication equip [Telemetry]	
7012410	Line Pipe & Accessories	33,723
7012270	Miscellaneous Materials containment	35,127
7009060	SCADA	21,123
7016180	freight-truck	31,617
7001190	Contract Engineering	7,197
7012290	Metering and Instrumentation	197,121
7052290	the Materials	115,627
7012200	Gas Transling	
7012200	Delrydration	
2012010	Comprission	13,178
7012350	Power	-
7012610	Name & State	
7012440	Vapor Recovery Unit	186,907
	Separator & other pressure vessels Tenks	32,500
7032500		
7012100	Heater Treater	87,237
7012640	Flare & Accessories	14,124
7000010	Electrical Lateor	63,890
7000010	Mechanical Labor	188,152
701.2480	Rod Pumping unit & Pad	
7012180	Pumping Unit Engine	•
7012350	Electrical Power (electrical cooperative construction costs)	25,882
	TOTAL SURFACE EQUIPMENT - TANGIBLE	\$1,327,000
	10 tour south ber seriots (BBH) - Experience	- JAPAN PARA
	TOTAL SURFACE EQUIPMENT COST	\$ 1,227,000
FICIAL LIFY		
7000000	Contract Labor	5,000
7001120	Consultant	4.000
7008236		
7008236	Time Writing/Overhead	\$,000 262,000
	Artificial Life Equipment	
7012350	Materials & Supplies	2,000
7012550	Production Tree	5,000
7012580	Tubing	105,000
7016190	Prejaht	5,000
7018150	Rentals	6,000
7019130	(Oli Fluid	2,000
7019220	Well Services & Ma	24,000
	TOTAL ARTIFICIAL LIFT	
	TO THE MISSISSAN LIFE	425,000
	TOTAL ARTIFICIAL LIFT COST	\$ 425,000
	SUMMARY OF ESTIMATED DRILLING WELL CO	STS TOTAL COST
	TOTAL LOCATION COST	\$ 168,000
	TOTAL DRILLING COST	\$ 3,159,690
	TOTAL COMPLETIONS COST	\$ 5,364,459
	TOTAL SURFACE EQUIPMENT COST	\$ 1,227,000
	TOTAL ARTIFICIAL LIFT COST	\$ 425,000
	GRAND TOTAL COST	\$10,344,148
A EXPENSE INSURANCE		
Operator has	e covered by Operator's Extra Expense Insurance and pay my proportions secured Extra Expense Insurance covering costs of well control, dean up and reskilling	
	line nem 0180-0185. Irchase any own well control insurance policy.	
her box is checked above. non-com	ming working interest owner elects to be covered by Operator's well control insurance	
Prepared by.	Date:	
ompany Approval:	Date:	
surbent Witheover		
olat Owner Interest:	Amount. Signature	

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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPUSLORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23169 (Maximus)

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was sent under a notice letter mailed October 14, 2022, attached, and that proof of receipt is attached hereto. I also state that notice of hearing was published in the Carlsbad Current Argus on October 18, 2022, as reflected in the attached Affidavit of Publication.

Deana M. Bennett

SUBSCRIBED AND SWORN to before me this <u>ST</u> day of November, 2022 by Deana M.

Bennett.

STATE OF NEW MEXICO NOTARY PUBLIC Karlene Schuman Commission No. 1101248

February 27, 2025

My commission expires: 02 -27-24

Notary Public



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QUENT	8711 V 2002 1 1 200	01	Firm Mailing Book ID: 235237	Reference Contents	81363.0218.	Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	81363.0218. Notice	Page 1 2022 Walz CertifiedPro.net
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				RR Fee	\$2.00		\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	
		. 7		Service Fee	\$4.00		\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	° \$4.00	b
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	PS Form 3877	Type of Mailing: CERTIFIED MAIL 10/14/2022			Sisbro Oil & Gas, LLC	4350 S. Monaco St. 5th Floor Denver CO 80237	Mizel Resources, a Trust 4350 South Monaco Street Denver CO 80237	C.L.&F., Resources, L.P. 4 Greenspoint Plaza 16945 Northchase Drive, Suite 1500 Houston TX 77060	Norma J. Chanley PO Box 729 Hobbs NM 88240	Accelerate Resources Operating, LLC 5949 Sherry Lane, Suite 1060 Dallas TX 75225	Roy Barton, Trustee of Roy G. Barton & Opal Barton Rev. Trust 1919 North Turner St. Hobbs NM 88240	SES Investments, Ltd. 401K Plan 508 West Wall, Suite 1250 Midland TX 79701	Thomas M. Beall 1414 Country Club Drive Midland TX 79701	Gahr Ranch and Investments P.O. Box 1889 Midland TX 79702	George M. Koss 610 Ventura Avenue Midland TX 79705	Zunis Energy, LLC 15 East 5th Street, Suite 3300 Tulsa OK 74103	Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust 15 East 5th Street, Suite 3300 Tulsa OK 74103	Sam H. Jolliffe, IV 3150 McMasters Road Billings MT 59101	Teresa H. Jolliffe 408 Kenniston Austin TX 78752	
	man ding Rochl Harris & Sisk P.A.	treet, Suite 1000 NM 87102	maging	USPS Article Number	9314 8699 0430 0100 5940 76		9314 8699 0430 0100 5940 83	9314 8699 0430 0100 5940 90	9314 8699 0430 0100 5941 06	9314 8699 0430 0100 5941 13	9314 8699 0430 0100 5941 20	9314 8699 0430 0100 5941 37	9314 8699 0430 0100 5941 44	9314 8699 0430 0100 5941 51	9314 8699 0430 0100 5941 68	9314 8699 0430 0100 5941 75	9314 8699 0430 0100 5941 82	9314 8699 0430 0100 5941 99	9314 8699 0430 0100 5942 05	
Rel	Axarlene Schü Modrall Sper	200 Fourth S Albuquerque	maging	g: 11/	/2/20		co3:52	۳ AM	4		Hearing, 1 lise No. 231 27		00	6	10	11	12	13	14	

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RR Fee	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	
Service Fee	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	
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Type of Name, Street, City, State, Zip	Realeza Del Spear LP P.O. Box 1684 Midland TX 79702	Margaret Jones Kennedy P.O. Drawer 432 Midland TX 79702	Elizabeth Trudeau Overly 11410 Shadow Way Houston TX 77024	BPL Fish Pond, LLC PO Box 92032 Southlake TX 76092	Olin Brent Dalton 335 Granite Row Marble Falls TX 78654	David Trent Dalton 1025 Bald Eagle Drive Nolanville TX 76559	Robert C. Berger 3523 Point Clear Drive Missouri City TX 77459	Milton R. Fry 11014 Hidden Bend Drive Houston TX 77064	William B. Harriman, Jr. 10842 Briar Forest Houston TX 77042	Karen C. Lane 1701 Hermann Drive, #2403 Houston TX 77004	Millis Jeffrey Oakes 21302 Castlemont Lane Spring TX 77388	Stephen William Oakes 4700 Spanish Moss McKinney TX 75070	Benjamin Jacob Oakes 3214 Hickory Grove Lanc Pearland TX 77584	Matthew David Oakes 116 North Johnson Avenue San Marcos TX 78666	Elizabeth Ann Cline 154 Whistling Straits Drive Austin TX 78717	
A Line USPS Article Number	9314 8699 0430 0100 5942 12	9314 8699 0430 0100 5942 29	9314 8699 0430 0100 5942 36	9314 8699 0430 0100 5942 43	9314 8699 0430 0100 5942 50	9314 8699 0430 0100 5942 67	9314 8699 0430 0100 5942 74	9314 8699 0430 0100 5942 81	9314 8699 0430 0100 5942 98	9314 8699 0430 0100 5943 04	9314 8699 0430 0100 5943 11	9314 8699 0430 0100 5943 28	9314 8699 0430 0100 5943 35	9314 8699 0430 0100 5943 42	9314 8699 0430 0100 5943 59	
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	RR Fee	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$80.00
	Service Fee	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$160.00
3877 RTIFIED MAII 922	Postage	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$57.60
		McMullen Minerals, LLC PO Box 470698 Fort Worth TX 76147	Pegasus Resources, LLC PO Box 470857 Fort Worth TX 76147	Winston Resources, LLC 1520 West Canal Court, Suite 250 Littleton CO 80120	Kenneth Jay Reynolds 300 North Marienfeld, Suite 320 Midland TX 79701	Charles Randall Hicks 10509 Chilmark Way Tampa FL 33626	Vikki L. Hicks 1601 Penn N.E. I-11 Albuquerque NM 87110	Terri L. Simpson 14437 Rios Canyon Road El Cajon CA 92021	John D. Hamiga PO Box 14144 San Francisco CA 94110	Charmar, LLC 6212 Osuna Rd NE Albuquerque NM 87109	Charmar LLC 4815 Vista Del Oso NE Albuquerque NM 87109	New Mexico Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	Totals:
	USFS Article Number	9314 8699 0430 0100 5943 66	9314 8699 0430 0100 5943 73	9314 8699 0430 0100 5943 80	9314 8699 0430 0100 5943 97	9314 8699 0430 0100 5944 03	9314 8699 0430 0100 5944 10	9314 8699 0430 0100 5944 27	9314 8699 0430 0100 5944 34	9314 8699 0430 0100 5944 41	9314 8699 0430 0100 5944 58	9314 8699 0430 0100 5944 65	
Selection of the Relationship of the Relations	11/	0£ /2/2022	E 8:03:5	52 AM	33	34	OCD He	earing, 1 No. 231 29	1 -3-22 69	38	39	40	

List Number of Pieces Listed by Sender

Total Number of Pieces Received at Post Office

Postmaster: Name of regeiving employee

Dated:

\$297.60

Grand Total:

4

			Tra	Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 235237 Generated: 11/1/2022 7:56:09 AM	o.net					
USPS Article Number	Date Created	Reference Number		Name 2	City	State	- ;	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
93148699904300100594465	2022-10-14 11:04 AM	81363.0218.	New Mexico Bureau of Land Management		Santa Fe	MM	87508	Delivered	Return Bereint - Electronic Continued Asset	Mail Delivery Date
9314869904300100594441	2022-10-14 11:04 AM	81363.0218.	Charmar LLC		Albuquerque	ΣN	87109	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 2:32 PM
9314869904300100594434	2022-10-14 11:04 AM	91263.0218.	Charmar, LLC		Albuquerque	ΣN	87109	Delivered	Return Receipt - Electronic Certified Mail	2022-10-17 2:15 PIM
9314869904300100594427	2022-10-14 11:04 AM	81363.0218	John D. Hamiga		San Francisco	ð	94110	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 2.15 FIN
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Carlsbad Current Argus.

Affidavit of Publication Ad # 0005452644 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:

10/18/2022

Legal Clerk

Subscribed and sworn before me this October 18,

2022:

State of WI, County of Brown

NOTARY PUBLIC

8.65.26

My commission expires

Ad # 0005452644 PO #: Marathon Maximus No. 23169 # of Affidavits1

This is not an invoice

MARIAH VERHAGEN Notary Public State of Wisconsin

CASE NO. 23169: Notice to all affected parties, as well as heirs and devisees of Sisbro Oil & Gas, LLC; Mizel Resources, a Trust; CL&F Resources LP; Norma J. sources LP; Norma J. Chanley; Accelerate Resources Operating LLC; Roy G. Barton, Jr. Trustee of the Roy G. Barton Sr. and Opal Barton Revocable Trust; SES Investments, Ltd. 401K Plan; Thomas M. Beall; Gahr Ranch and Investments; George M. Koss; Zunis Energy, LLC; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust; Sam H. Jolliffe, Ny; Teresa H. Jolliffe; Realeza Del Spear LP; Margaret Jones Kennedy; garet Jones Kennedy; Elizabeth Trudeau Overly; BPL Fish Pond, LLC; Olin Brent Dalton; David Trent Dalton; Robert C. Berger; Milton R. Fry; William B. Harriman, Jr.; Karen C. Lane; Millis Leffrey Oakes: Sta-Millis Jeffrey Oakes; Ste-phen William Oakes; Benjamin Jacob Oakes; Matthew min Jacob Oakes; Mattnew
David Oakes; Elizabeth Ann
Cline; McMullen Minerals,
LLC; Pegasus Resources, LLC;
Winston Resources, LLC;
Kenneth Jay Reynolds;
Charles Randall Hicks; Vikki L. Hicks; Terri L. Simpson; John D. Hamiga; Charmar LLC; New Mexico Bureau of Land Managment of Marathon Oil Permian LLC's application for compulsory pooling, Eddy County, New Mexico. The State of New Mexico through its Oil Conservation. Division, bereby servation Division hereby gives notice that the Divi-sion will conduct a public hearing at 8:15 a.m. on No-vember 3, 2022 to consider this application. Information about accessing the elec-tronic hearing is posted at "OCD NOTICES" at http://w ww.emnrd.state.nm.us/OCD/ hearings.html. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the Maximus 5 WXY Fed Com 1H and Maximus 5 WXY Fed Com 2H wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will seeks an order from the Di-Also to be considered will Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for super-vision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, New Mexico. #5452644, Current Argus, October 18, 2022



October 14, 2022

Deana M. Bennett 505.848.1834 dmb@modrall.com

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Re: APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23169

TO: AFFECTED PARTIES

This letter is to advise you that Marathon Oil Permian LLC ("Marathon") has filed the enclosed application.

Case No. 23169, Marathon seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Maximus 5 WXY Fed Com 1H** and **Maximus 5 WXY Fed Com 2H** wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, New Mexico.

The hearing will be conducted remotely on November 3, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com Page 2

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

Sincerely,

Deana M. Bennett

Attorney for Applicant

Deena 4. Bennett

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

APPLICATION OF MARATHON
OIL PERMIAN LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23169

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby applies to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a standard 640-acre, more or less, standard Wolfcamp horizontal spacing unit comprising the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Marathon states as follows:

- 1. Marathon has an interest in the subject lands and has a right to drill a well thereon.
- 2. Marathon seeks to dedicate the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico to form a standard 640-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Marathon plans to drill the Maximus 5 WXY Fed Com 1H and Maximus 5 WXY Fed Com 2H wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled.
- 4. These wells will be located within the PURPLE SAGE; WOLFCAMP (GAS) pool (Pool Code 98220), which is subject to special pool rules that establish 330 foot setback requirements. *See* Order No. R-14262. The producing interval for the wells is expected to be

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orthodox and to comply with the Division's set back requirements set forth in Order No. R-

14262.

5. Marathon sought, but has been unable to obtain, a voluntary agreement from all

interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in

the drilling of the wells or to otherwise commit their interests to the wells.

6. The creation of a standard horizontal spacing unit and the pooling of all interests

in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary

wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an

Examiner of the Oil Conservation Division on November 3, 2022, and after notice and hearing as

required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a

horizontal spacing unit within the N/2 of Sections 5 and 6, Township 23 South, Range 28 East,

NMPM, Eddy County, New Mexico;

B. Designating Marathon as the operator of this unit and the wells to be

drilled thereon;

C. Authorizing Marathon to recover its costs of drilling, equipping and

completing the wells;

D. Approving actual operating charges and costs charged for supervision,

together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the

wells in the event a working interest owner elects not to participate in the wells.

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Respectfully submitted,

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

By:___ Deana M. Bennet

Deana M. Bennett Bryce H. Smith Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant

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Page 4 of 4

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CASE NO. 23169 : Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the Maximus 5 WXY Fed Com 1H and Maximus 5 WXY Fed Com 2H wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, New Mexico.

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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23169

SELF AFFIRMED DECLARATION OF MATT BAKER

Matt Baker hereby states and declares as follows:

- 1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC, and have personal knowledge of the matters stated herein.
- 2. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
- 3. My area of responsibility at Marathon includes the area of Eddy County in New Mexico.
 - 4. I am familiar with the application filed by Marathon in this case.
- 5. I conducted a geological study of the area embracing Marathon's Maximus Development Area.
- 6. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
- 7. **Exhibit C.2** is a wellbore schematic showing Marathon's Maximus development plan.
- 8. **Exhibit C.3** is structure map of the top of the Wolfcamp formation. The proposed project area is identified by a black-dashed box, and the proposed wells are identified by red lines.



The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips to the east.

- 9. **Exhibit C.4** is a cross section reference map that identifies three wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.
- 10. **Exhibit C.5** is a stratigraphic cross section hung on the top of the Wolfcamp formation. The well logs on the cross-section give a representative sample of the Wolfcamp XY formation in the area. The target zone is identified by green shading and a red arrow. In my opinion, the gross interval thickness is near consistant across the unit.
- 11. Exhibit C.6 is a Gross Interval Isochore of the top of the Wolfcamp to WolfcampB. This zone is near consistent thickness across the unit.
 - 12. I conclude from the maps that:
 - a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter section in the proposed unit will contribute more or less equally to production.
- 13. **Exhibit C.7** provides an overview of the stress orientation in the area based on the 2020 Snee-Zoback paper.
- 14. The preferred well orientation in this area is either north/south or east/west. This is because the S_{Hmax} is at approximately 45 degrees in mid-Eddy County. Marathon is proposing east/west orientation to maximize the lateral length given Marathon's acreage.
- 15. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

16. In my opinion, the granting of Marathon's application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: October 31, 2022

Matt Baker

MarathonOil

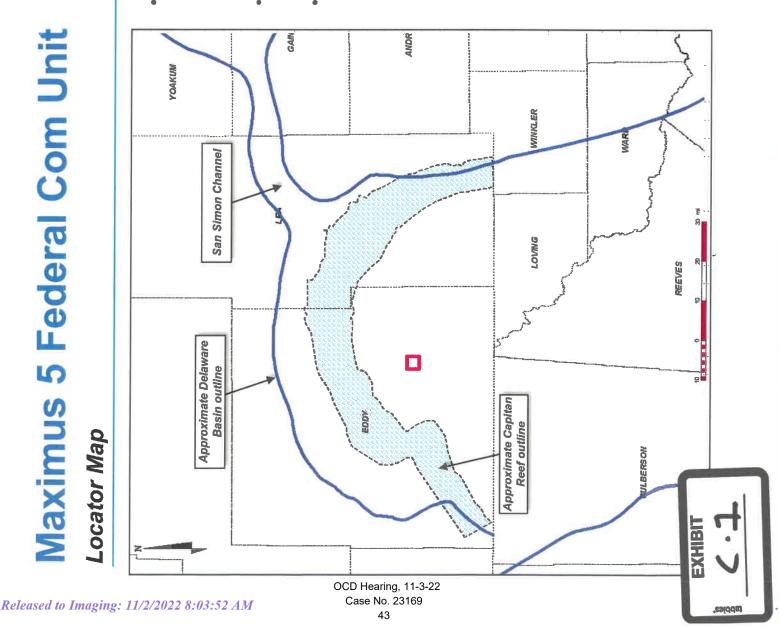
Maximus 5 Federal Com Unit

Locator Map

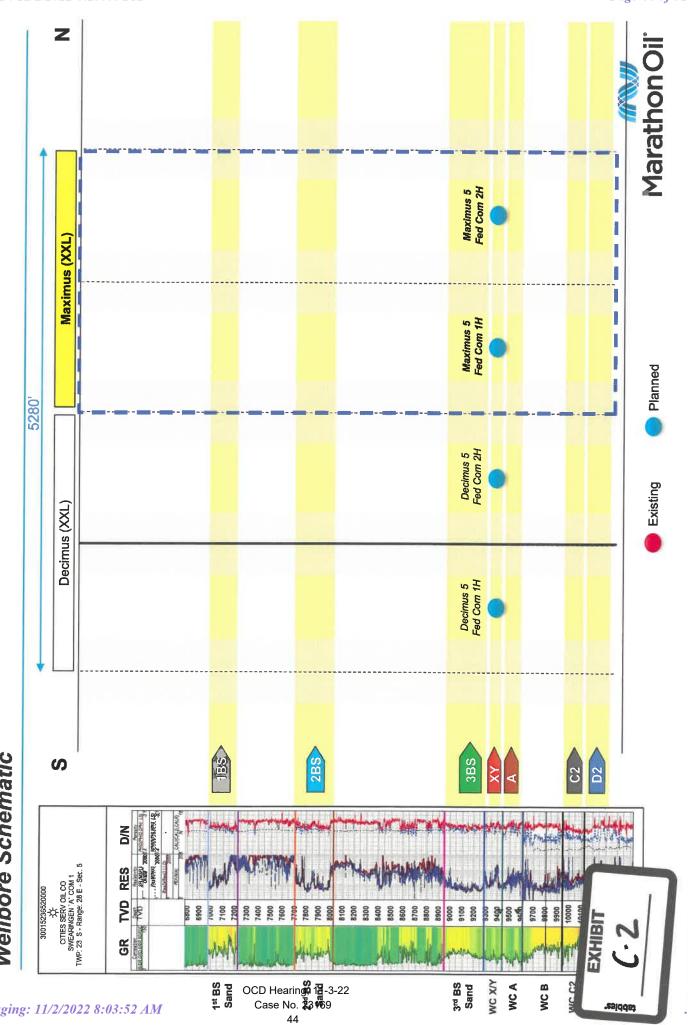
Maximus 5 Federal Com well locations Approximate location of proposed shown with red box

Located outside of the Capitan Reef

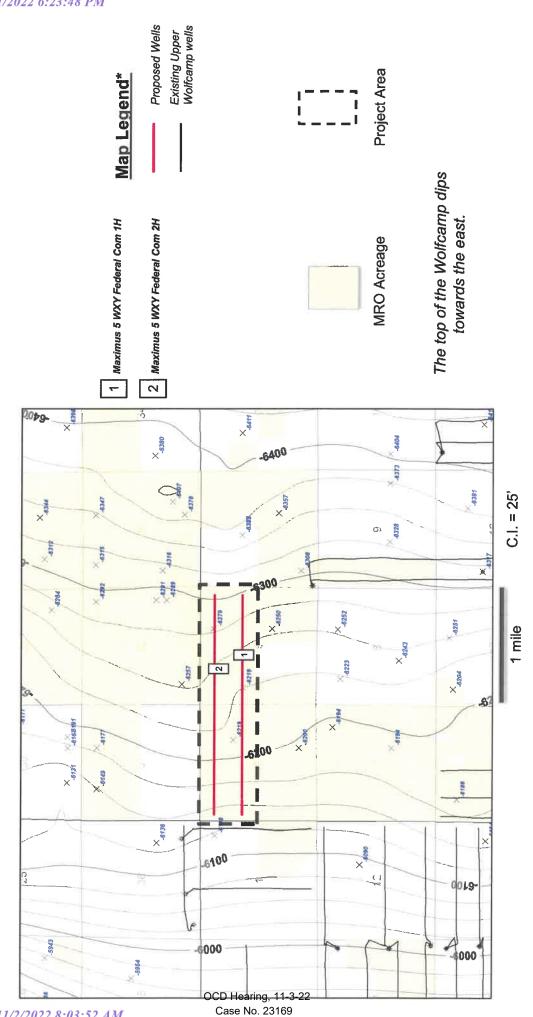
Mid-eastern Eddy County







Structure Map - Top of Wolfcamp (TVDSS)



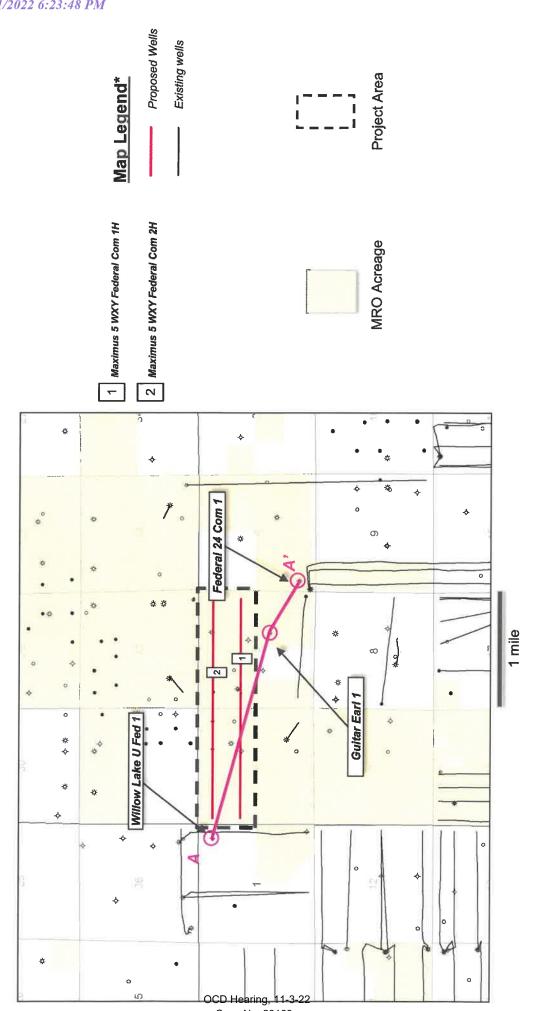


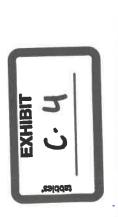


MarathonOil

Maximus 5 Federal Com Unit

Reference Map for Cross Section

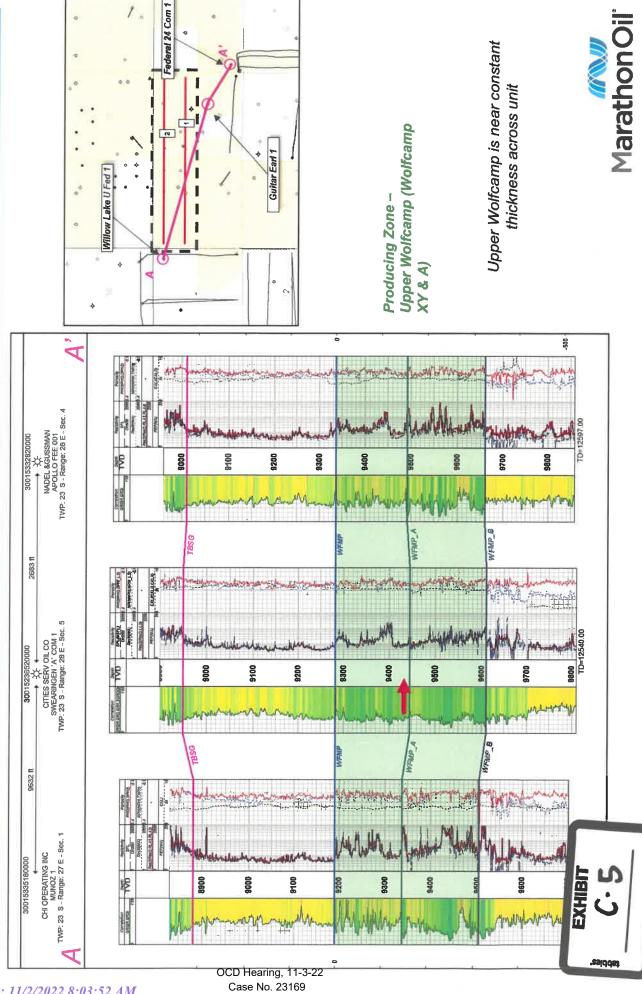




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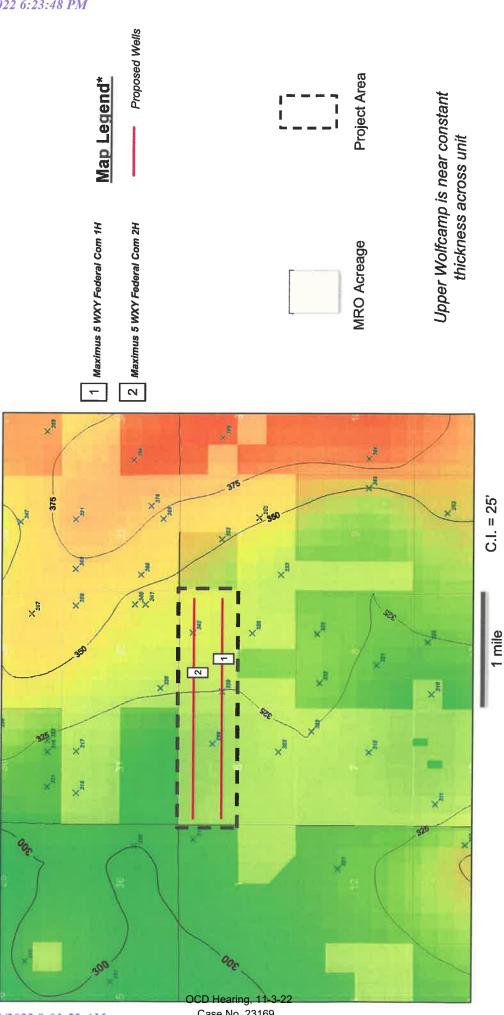
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Stratigraphic Cross Section (Top Wolfcamp Datum)



47

Gross Interval Isochore - Top Wolfcamp to Top Wolfcamp B

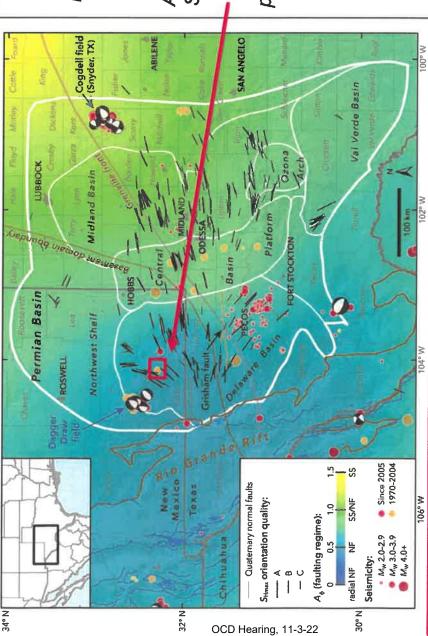




EXHIBIT

SPPICE.

Preferred Well Orientation - SHmax



Preferred well orientation is either N/S or E/W

propagate outwards at 45° regardless SHmax is at approximately 45° in this As outlined in Snee & Zoback (2018), if wells are oriented N/S or E/W. part of Eddy Count. As a result, hydraulic fractures will prefer to

Source:

are from the Texas Bureau of Economic Geology Permian Basin Geological Synthesis Project. Earthquakes are from the USGS National Earthquake Information Center, the

leablet Seismic Monitoring Program, and Can and Frohlich (2013). Focal mechanisms are from Saint Louis University (Hermann et al., 2011).

Quaternary Faults and Folds Database (Crone and Wheeler, 2000). The boundary between the Sbawnee and Mazatzal basement domains is from Lund et al. (2015), and the Precambrian Grenville Front is from Thomas (2006). The Permian Basin boundary is from the U.S. Energy Information Administration, and the subbasin boundaries

parameter (see text for detaits) of Simpson (1997). Blue lines are fault traces known to have experienced normal-sense offset within the past 1,6 Ma, from the USGS engui scaieu dy data quanny. The coloreu dagaground is an theppolaton of theasureu feranye principal suess magmadasy taubinig reginnep expresseu using the A

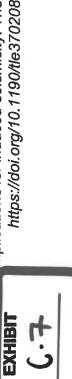
Figure 1. State of stress in the Permian Basin, Texas and New Mexico, Black lines are the measured orientations of the maximum horizontal stress (S,

rith line

Snee, J.L. & M.D. Zoback, 2018, State of stress in the Permian Basin, Texas and Implications for induced seismicity: The Leading Edge, 810-819,

https://doi.org/10.1190/tle37020810.1





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