

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

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

CASE NO. _____

APPLICATION

Pursuant to NMSA 1978, Section 70-2-17, Marathon Oil Permian LLC (OGRID No. 372098) ("Marathon" or "Applicant") applies for an order pooling all uncommitted interests in Bone Spring formation underlying a 1,920-acre, more or less, overlapping, non-standard horizontal spacing unit comprised of Sections 11, 14, and 23, Township 25 South, Range 34 East, Lea County, New Mexico ("Unit"). In support of this application, Marathon states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following wells ("Wells"):
 - a. **Million Dollar Man Federal Com 301H and Million Dollar Man Federal Com 501H** wells, which will produce from first take points located in the NW/4 NW/4 (Unit D) of Section 11 to last take points in the SW/4 SW/4 (Unit M) of Section 23;
 - b. **Million Dollar Man Federal Com 302H and Million Dollar Man Federal Com 502H** wells, which will produce from first take points located in the NE/4 NW/4 (Unit C) of Section 11 to last take points in the SE/4 SW/4 (Unit N) of Section 23;
 - c. **Million Dollar Man Federal Com 303H and Million Dollar Man Federal Com 503H** wells, which will produce from first take points located in the NW/4 NE/4 (Unit B) of Section 11 to last take points in the SW/4 SE/4 (Unit O) of Section 23;

and

- d. **Million Dollar Man Federal Com 304H and Million Dollar Man Federal Com 504H** wells, which will produce from first take points located in the NE/4 NE/4 (Unit A) of Section 11 to last take points in the SE/4 SE/4 (Unit P) of Section 23.
 3. The completed intervals of the Wells will be orthodox.
 4. The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Red Hills; Bone Spring East Pool (Code 97369):

 - a. Ender Wiggins 14 TB Federal Com #011 (API 30-025-46794) located in the W/2 E/2 of Section 11, Township 25 South, Range 34 East, and the W/2 NE/4 of Section 14, Township 25 South, Range 34 East; and
 - b. Ender Wiggins 14 TB Federal Com #003 (API 30-025-45188) located in the W/2 W/2 of Section 11, Township 25 South, Range 34 East, and the W/2 NW/4 of Section 14, Township 25 South, Range 34 East.
 5. The spacing unit for the Wells will also partially overlap with the spacing unit for the following wells, which produce from the Fairview Mills; Bone Spring Pool (Code 96340):

 - a. Dogie Draw 14 AV Federal Com #024H (API 30-025-45091) located in the W/2 W/2 of Section 23, Township 25 South, Range 34 East, and the W/2 SW/4 of Section 14, Township 25 South, Range 34 East; and
 - b. Dogie Draw 14 TB Federal Com #001H (API 30-025-45092) located in the W/2 W/2 of Section 23, Township 25 South, Range 34 East, and the W/2 SW/4 of Section 14, Township 25 South, Range 34 East.
 6. Further, Applicant requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste,

and protect correlative rights.

7. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

8. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

9. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 5, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Approving the non-standard spacing Unit;
- D. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

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