SON85-200429-C-107A 5084

4/29/20

REVIEWER:

YPE: DHC

APP NO:

pDM2012036725

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 APPLIC	
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE A REGULATIONS WHICH REQUIRE PROCESSING	
Applicant: Marathon Oil Permian LLC	OGRID Number: 372098
Well Name: Charlie Murphy 6 TB Federal Com 14H	API: 30-025-46484 ±
WC-025 G-08 S253534O; Bone Spring & WC-025 G-09 S263504N; Wolfcamp SUBMIT ACCURATE AND COMPLETE INFORMATION RI	
1) TYPE OF APPLICATION: Check those which apply f	or [A]
A. Location – Spacing Unit – Simultaneous Dedic NSL NSP(PROJECT AREA)	NSP _(PRORATION UNIT)
B. Check one only for [1] or [11] [1] Commingling – Storage – Measurement DHC CTB PLC PC [11] Injection – Disposal – Pressure Increase – WFX PMX SWD IPI	□ EOR □ PPR
2) NOTIFICATION REQUIRED TO: Check those which a A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue C. Application requires published notice	e owners Application Content
 D. Notification and/or concurrent approval & E. Notification and/or concurrent approval & F. Surface owner G. For all of the above, proof of notification of H. No notice required 	by BLM Complete
3) CERTIFICATION: I hereby certify that the information administrative approval is accurate and complete understand that no action will be taken on this approval notifications are submitted to the Division.	to the best of my knowledge. I also
Note: Statement must be completed by an individue	al with managerial and/or supervisory capacity.
	4/28/2020 Date
Adrian Covarrubias Print or Type Name	Baic
11.11.	713-296-3368 Phone Number
Signature	acovarrubias@marathonoil.com e-mail Address

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240

<u>District II</u> 811 S. First St., Artesia, NM 88210

District III

Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A Revised August 1, 2011

APPLICATION TYPE

x_Single	Well						
Establ	ish Pre-A	pproved	Pools				
EXISTING WELLBORE							
X	_Yes _	No					

Marathon Oil Permian L	LC	5555 San Feli	5555 San Felipe St, Houston, TX 77056						
Operator		Address							
Charlie Murphy 6 TB Federa	I Com 14H	A-06-26S-35E		Lea					
Lease	Well No.	Unit Letter-Section-Township-	Range		County				
OGRID No. 372098 Propert	_{v Code} 326318	_{API No.} 30-025-46484	Lease Type: X	Federal	State	Fee			

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE	
Pool Name	WC-025 G-08 S253534O, Bone Spring		WC-025 G-09 S263504N; Wolfcamp	
Pool Code	97088		98117	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12480' - 22647' MD		17852' - 18674' MD	
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing	
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	~9600 psi		~10100 psi	
Oil Gravity or Gas BTU (Degree API or Gas BTU)	42 API Gravity		42 API Gravity	
Producing, Shut-In or New Zone	New Zone		New Zone	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Oil: 2106 bbl/d Rates: Water: 3510 bbl/d Gas: 3861 mscf/d	Date: Rates:	Date: Oil: 1989 bbl/d Rates: Water: 3919 bbl/d Gas: 2691 mscl/d	
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 51 % 59 %	Oil Gas %	Oil Gas 49 % 41 %	

ADDITIONAL DATA

ADDITIONAL DATA		
Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes_X Yes	No
Are all produced fluids from all commingled zones compatible with each other?	$_{\mathrm{Yes}}$ X	No
Will commingling decrease the value of production?	Yes	No_X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	Yes_X	No
NMOCD Reference Case No. applicable to this well:		
Attachments: C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula. Notification list of working, royalty and overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling.		

PRE-APPROVED POOLS

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

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

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

I hereby certify that the information above is true and complete to the best of my knowledge and belief.								
	TITLE Regulatory Professional							
SIGNATURE /1/L		DATE						
TYPE OR PRINT NAME Adrian Covarrubias	TELEPHONE NO. (71	3 296-3368						
E-MAIL ADDRESS acovarrubias@marathono	il.com							

Charlie Murphy 6 TB Fed Com 14H | API 30-025-46484 A-6-26S-35E, 272 FNL & 1171 FEL

Application for Downhole Commingling

Marathon Oil Permian is submitting this application to downhole commingle the Charlie Murphy 6 TB Fed Com 14H. The pools to be commingled are WC-025 G-08 S253534O; Bone Spring (Pool Code 97088), and WC-025 G-09 S263504N; Wolfcamp (Pool Code 98117).

Attached are the following items:

C-102 Plats for each Zone

Upper Zone: WC-025 G-08 S2535340; Bone Spring Lower Zone: WC-025 G-09 S263504N; Wolfcamp

Production curves, estimated production rates, and allocation methods

The Charlie Murphy 6 TB Fed Com 14H is a new well and does not have any production history.

The Cave Lion wells are located <0.5 mile to the east of the Charlie Murphy TB 14H, and the Square Bill wells are located heel to heel with the Charlie Murphy TB 14H. Reservoir properties are interpreted to be similar between all 3 pads as they are in close proximity to each other, and target similar prospective zones.

Attached are the production curves for both Cave Lion and Square Bill and estimated production averages. These averages were used to calculate the allocation percentages for the zones.

Working Interest Owners

Letter from Land Supervisor certifies that all working interest are identical and notification is not required.

If you have any questions or comments please feel free to contact me at 713-296-3368 or by email at acovarrubias@marathonoil.com.

Adrian Covarrubias Regulatory Professional 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

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

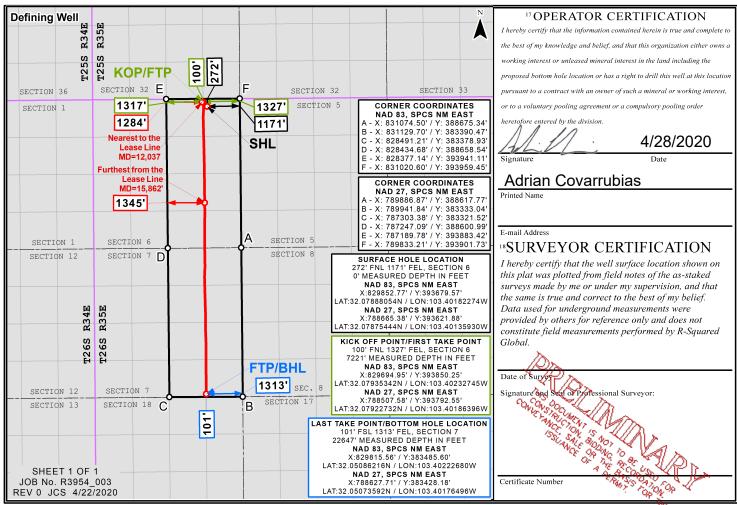
WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

	¹ API Number ² Pool Code 30-025-46484 97088		³ Pool Name WC-025 G-08 S253534O; BONE SPRING		
⁴ Property Code 326318			PHY 6 TB FED COM 6 Well Number		
⁷ OGRID No. 372098		- 1	oerator Name OIL PERMIAN LLC	⁹ Elevation 3270'	

¹⁰ Surface Location

	Surface Education								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	6	26S	35E		272	NORTH	1171	EAST	LEA
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
P	7	26S	35E		101	SOUTH	1313	EAST	LEA
12 Dedicated Acres	13 Joint or	Infill 14 C	onsolidation (Code 15 Or	der No.		-		
640.0									

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



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985058 Convergence Angle: 00°29'34.8000'

Page 5 of 10 Form C-102

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

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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

Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

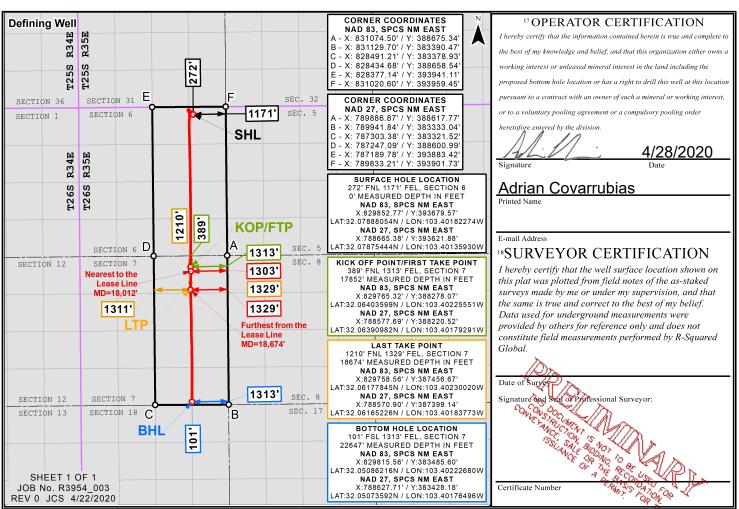
WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

¹ API Number ² Pool Code		² Pool Code	³ Pool Name		
30-025-4648	0-025-46484 98117		WC-025 G-09 S263504N; WOLFCAMP		
⁴ Property Code 326318		⁶ Well Number 14H			
⁷ OGRID No. 372098		⁹ Elevation 3270'			

¹⁰ Surface Location

	Surface Location								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	6	26S	35E		272	NORTH	1171	EAST	LEA
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
P	7	26S	35E		101	SOUTH	1313	EAST	LEA
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.									
640.0									

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



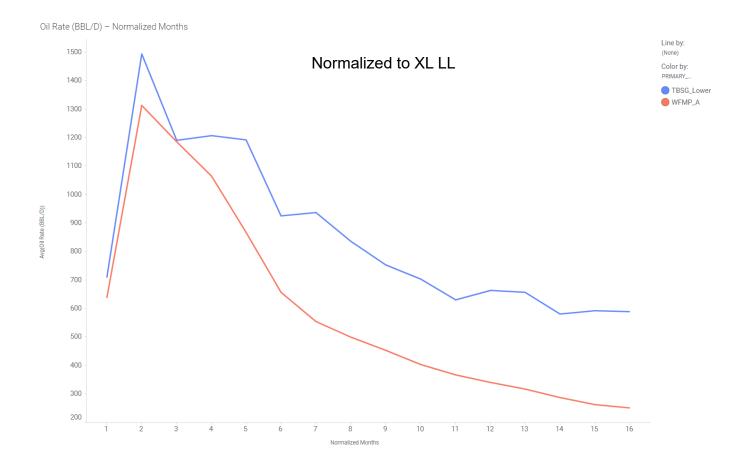
Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985058 Convergence Angle: 00°29'34.8000'

Received by OCD: 4/29/2020 6:12:43 AM

Page 6 of 10

Public Data Oil Rates per Bench (Monthly)

Cave Lion and Square Bill Averages



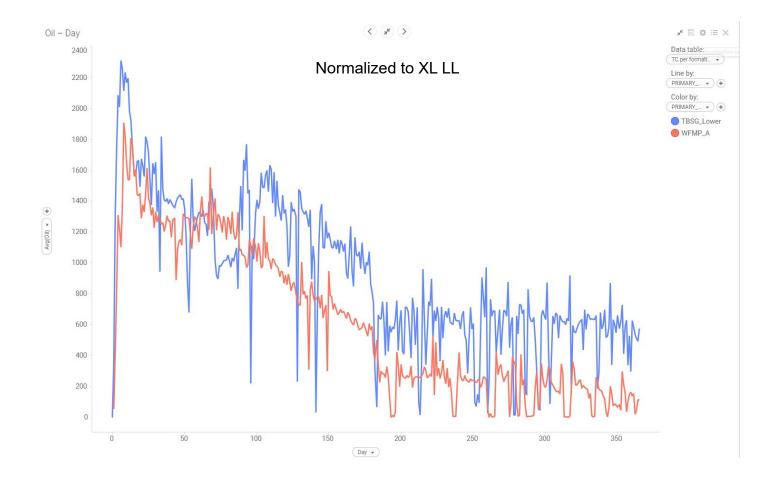


Received by OCD: 4/29/2020 6:12:43 AM

Page 7 of 10

Internal Data Oil Rates per Bench (Daily)

Cave Lion and Square Bill Averages



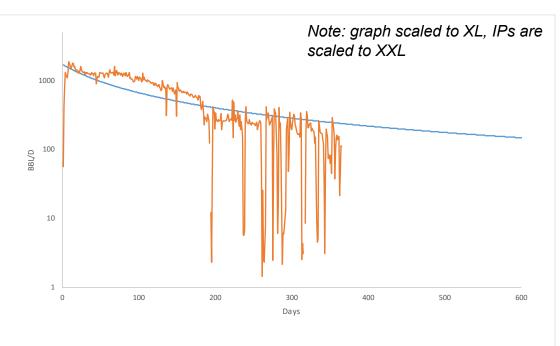


Received by OCD: 4/29/2020 6:12:43 AM

Oil Type Curve

Based on Cave Lion and Square Bill Averages

WCU

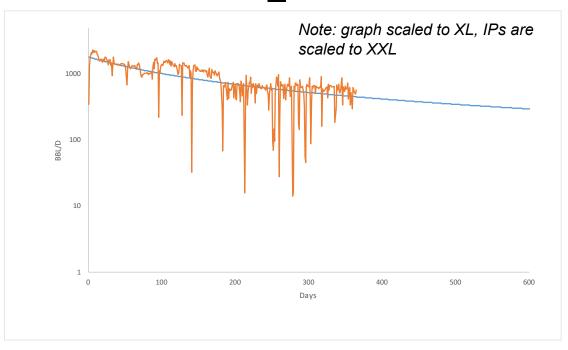


Oil bbl/d: 1989

Water bbl/d: 3919

Gas mscf/d: 2691

TBSG_Lower



Oil bbl/d: 2106

Water bbl/d: 3510

Gas mscf/d: 3861



Ryan Gyllenband

Land Supervisor



Marathon Oil Permian LLC

5555 San Felipe Street Houston, TX 77056 Telephone: 713.296.2453 Mobile: 281.684.7389 Fax: 713.513.4006 mrgyllenband@marathonoil.com

April 15, 2020

Mr. Dean McClure Petroleum Specialist New Mexico Energy, Minerals and Natural Resources Department 1220 South Francis Drive Santa Fe, NM 87505

Re: Marathon Oil Permian LLC - Downhole Commingling Application

Charlie Murphy 6 TB Federal Com 14H Well (API# 30-025-46484)

Sections 6 & 7, T26S-R35E Lea County, New Mexico

Mr. McClure,

Marathon Oil Permian LLC ("Marathon") has filed the attached application with the New Mexico Oil Conservation Division ("Division") for administrative approval to downhole commingle production from the WC-025 G-08 S253534O; Bone Spring Pool Code 97088 with the WC-025 G-09 S263504N; Wolfcamp Pool Code 98117 in the Charlie Murphy 6 TB Federal Com 14H Well (API# 30-025-46484) located in Sections 6 & 7, T26S-R35E, Lea County, New Mexico. This letter serves as notice that all interest owners are identical between both pools in the well and therefore no notice is required.

Should you have any questions please do not hesitate to contact me at 713-296-2453 or by email at mrgyllenband@marathonoil.com.

Sincerely,

Ryan Gyllenband Land Supervisor

Lea County, New Mexico

Sin Glid

Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

SUNDRY Do not use thi abandoned we	5. Lease Serial No. NMNM0136476. If Indian, Allottee or	Tribe Name					
SUBMIT IN	7. If Unit or CA/Agree	ment, Name and/or No.					
Type of Well ☐ Gas Well ☐ Oth	ner				8. Well Name and No. CHARLIE MURPH	Y 6 TB FED COM 14H	
Name of Operator MARATHON OIL PERMIAN L	Contact:	ADRIAN COVias@marathonoi	ARRUBIAS I.com		9. API Well No. 30-025-46484		
3a. Address 5555 SAN FELIPE ST HOUSTON, TX 77056		10. Field and Pool or E WC025 G08 S25					
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description	1)			11. County or Parish, S	tate	
Sec 6 T26S R35E Mer NMP N	IENE 272FNL 1171FEL				LEA COUNTY, N	MM	
12. CHECK THE AF	PPROPRIATE BOX(ES)	TO INDICAT	E NATURE O	F NOTICE,	REPORT, OR OTH	ER DATA	
TYPE OF SUBMISSION			TYPE OF	ACTION			
Notice of Intent ■ Notice of Intent Notice of	☐ Acidize☐ Alter Casing	□ Deep	en aulic Fracturing	☐ Product	ion (Start/Resume)	☐ Water Shut-Off ☐ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	_ •	Construction	☐ Recomp		☑ Other	
☐ Final Abandonment Notice	☐ Change Plans	_	and Abandon		arily Abandon	G •	
3	☐ Convert to Injection	_		□ Water I	•		
Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for fi Marathon is submitting the attathe Charlie Murphy 6 TB Fed WC-025 G-08 S253534O, Bor WC-025 G-09 S263504N; Wo	operations. If the operation re andonment Notices must be fil inal inspection. ached permit application Com 14H from the follow the Spring	esults in a multiple led only after all re to the OCD re	completion or reco equirements, includ	mpletion in a i	new interval, a Form 3160 n, have been completed an	0-4 must be filed once	
14. I hereby certify that the foregoing is	Electronic Submission #		by the BLM Wel		n System		
Name(Printed/Typed) ADRIAN C	COVARRUBIAS		Title REGUL	ATORY PR	OFESSIONAL		
Signature (Electronic S	Submission)		Date 04/28/20	020			
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE		
Approved By Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to conductive to the conductive transfer of the applicant to conductive transfer or the applicant transfer	nitable title to those rights in the act operations thereon.	e subject lease	Title Office			Date	
Title 18 U.S.C. Section 1001 and Title 43	U.S.C. Section 1212, make it a	crime for any per	son knowingly and	willfully to ma	ake to any department or a	agency of the United	

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.