APPLICATION OF MARATHON
OIL PERMIAN, LLC TO RE-OPEN CASE NO.
15594 FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

**RE: SOUTHERN COMFORT** 

### **Hearing Notebook**

November 29, 2017

DESCRIPTION
Application
C-102
Lease Tract Map
Summary of Interests
Well Proposals / AFE's
Notice
Structure Map
Cross Section
Isopach
Wellbore Diagram

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

APPLICATION OF MARATHON
OIL PERMIAN, LLC TO RE-OPEN CASE NO
15594 FOR A NON-STANDARD
OIL SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 15594 (Re-opened)

### <u>APPLICATION</u>

Marathon Oil Permian, LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division to re-open Case No. 15594 and seeks and amended order (1) creating a 480-acre non-standard spacing and proration unit which covers the SE/4 of Section 25 and E/2 of Section 36, both located within Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit. In support of this application, Marathon states as follows:

- 1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
- 2. Division Order R-14348, entered on May 15, 2017, created a 480-acre spacing and proration unit, consisting of the SE/4 of Section 25 and E/2 of Section 36, both located within Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This order further pooled the uncommitted interests in the Wolfcamp formation, Purple Sage Wolfcamp (Gas) Pool (Pool Code 98220) (the "Unit") and dedicated the Unit to the Southern Comfort 25-



36 State X Well No. 2H well. Marathon is drilling and completing the Southern Comfort 25-36 State X 2H well to a depth sufficient to test the Wolfcamp formation. This well is a horizontal well with a surface location 2404 feet from the South line, 1236 feet from the East line of Section 25, and a terminus 240 feet from the South line, 330 feet from the East line of Section 36. The producing interval that Marathon seeks to drill will comply with setback requirements established under Order R-14262, creating the Purple Sage Wolfcamp (Gas) Pool.

- Order R-14348 designated BC Operating Inc. as operator of the well and the Unit.
   Marathon subsequently acquired BC Operating Inc.'s interests in the Unit.
- 4. Since taking over operations of the Unit, Marathon has discovered additional parties that own interests which need to be force pooled and additional parties entitled to notice of this application. Marathon has in good faith sought, but has been unable to obtain, voluntary joinder of all mineral interest owners in the Unit for purposes set forth herein.
- 5. Marathon further seeks to drill its Southern Comfort 25-36 State X 1H well within the Unit, to a depth sufficient to test the Wolfcamp formation. This well is a horizontal well with a surface location 2490 feet from the South line, 2310 feet from the East line of Section 25, and a terminus 240 feet from the South line, 2323 feet from the East line of Section 36. The producing interval that Marathon seeks to drill will comply with setback requirements established under Order R-14262, creating the Purple Sage Wolfcamp (Gas) Pool.
- 6. Certain interest owners executed a wellbore specific JOA for the development of the Southern Comfort 25-36 State X 2H well. Marathon has in good faith sought, but has been unable to obtain, voluntary joinder of all mineral interest owners in the Unit for purposes of developing the Southern Comfort 25-36 State X 1H within the Unit area and seeks to pool these interests.

- 7. Approval of the non-standard unit and the pooling of all interests in the Wolfcamp formation underlying the Unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
  - 8. Notice of this application is being given in accordance with Division rules.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 8, 2017, and after notice and hearing as required by law, the Division enter its order:

- A. Creating a non-standard oil spacing and proration unit ("project area") in the Wolfcamp formation covering the SE/4 of Section 25 and E/2 of Section 36, both located within Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico;
- B. Pooling all mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit/project area;
- C. Designating Marathon as operator of this unit and the well to be drilled thereon;
- D. Authorizing Marathon to recover its costs of drilling, equipping and completing this well;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

### Respectfully submitted,

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

Earl E. DeBrine, J.

Jennifer Bradfute

Post Office Box 2168

Bank of America Centre

500 Fourth Street NW, Suite 1000

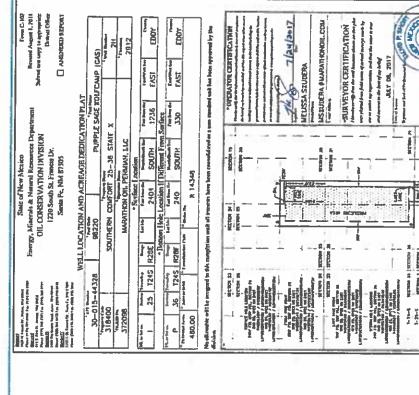
Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

Attorneys for Applicant

CASE NO. 15594 (re-opened): Application of Marathon Oil Permian, LLC to re-open Case No. 15594 for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant seeks to amend Order R-14348 to reflect additional notice provided to affected parties and to pool additional interest owners. The amended order applicant seeks will (1) create a 480-acre, more or less, non-standard spacing and proration unit comprised of the SE/4 of Section 25 and E/2 of Section 36, both located within Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pool all uncommitted mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit. Said unit is dedicated to the Southern Comfort 25-36 State X Well No. 2H and is located approximately 10 miles southwest of Carlsbad, New Mexico.





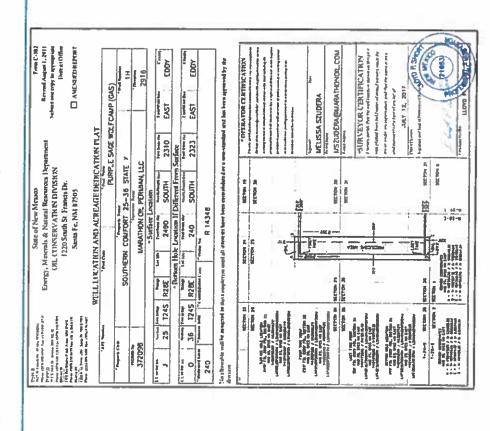
Southern Comfort 25-36 State X 2H

**Form C-102** 



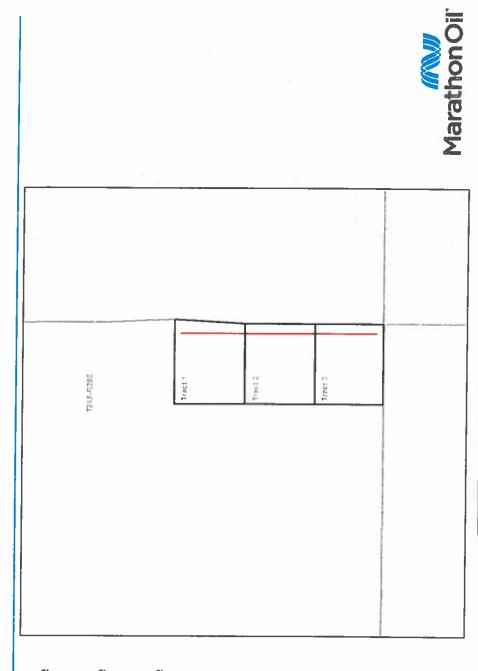


## Form C-102 Southern Comfort 25-36 State X 1H



### Exhibit "B" Lease Tract Map Southern Comfort 25-36 State X 2H

- Tract 1: State of NM Lease VO-5446-2
- Tract 2: State of NM Lease VO-4137-1
- Tract 3: State of NM Lease LG-5998-4





### Southern Comfort 25-36 State X 2H Summary of Interests

24.7989% 2.5322% 46.0107% Operating Agreement

73.3418%

26.4424%

8.4353% 7.3785% 2.6040%

2.0054% 1.7362% 1.7362%

0.5941%

0.4723% 0.3396%

0.3333% 0.0752% 0.0556% 0.0556% 0.0376%

### Occidental Permian Limited Partnership Uncommitted Working Interest: Hanley Petroleum, Inc. Richardson Mineral & Royalty The Allar Company Standpipe Mountain, Ltd. H.M. Bettis, Inc. W.T. Boyle & Company Marks Oil, Inc.

Monarch Oil & Gas, Inc. Slash Exploration Limited Partnership LHAH Properties, LLC

M Code, LLC Beachbums Energy, LLC Jarvis J. Slade and wife, Pamela Ferrari Slade

Unleased Mineral Interest:



0.0000%

Matt S. Tate, CPL Land Professional Permian Basin



Marathon Oil Company 5555 San Felipe Houston, TX 77056 Telephone 713,296,2164 Cell 832,499,2029 Fax 713,235,8033 matthewstatle@marathonoil.com

> DELIVERED VIA: Certified Mail

September 7, 2017

To: Working Interest Owners

Re:

Well Proposal, AFE and JOA - Southern Comfort 25-36 State X 2H

Section 25 and 36, T24S-R28E, Eddy County, NM

Dear Working Interest Owner:

Marathon Oil Permian LLC ("Marathon"), as Operator, hereby proposes the drilling and completion of the Southern Comfort 25-36 State X 2H well. The surface hole location is in the SE/4 of Section 25 and the bottom hole location is in the SE/4 of Section 36, Township 24 South, Range 28 East, Eddy County, New Mexico. The well will be drilled to a total vertical depth of 9,718' and total measured depth of 17,147' to the Wolfcamp formation. The total estimated cost to drill and complete this well is \$8,699,628 and reflected on the enclosed Authority for Expenditure (AFE).

Marathon is proposing this well pursuant to Order No. R 14348 issued on May 15<sup>th</sup>, 2017, granting approval for a 480 acre non-standard spacing unit covering the SE/4 of Section 25 and the E/2 of Section 36, T24S-R28E, in the Wolfcamp formation [Purple Sage Wolfcamp (Gas) Pool (Pool Code 98220)].

Please indicate your participation election below and return an executed copy of this letter, enclosed AFE and your well data requirement sheet within thirty (30) days. Should you have any questions please do not hesitate to contact me at 713-296-2164 or by email at <a href="mailto:merathonoil.com">merathonoil.com</a>.

Sincerely,

Matt S. Tate, CPL Permian Basin **EXHIBIT** 

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PARTICIPATION ELECTION:
Please select one of the following options and return to Marathon:
I/We hereby elect to participate in the drilling and completion of the Southern Comfort 25-36 State X 2H as described above.
I/We elect to participate in the drilling and completion of the Southern Comfort 25-36 State X 2H as described above and our proportiate share of any nonconsent interest.
I/We hereby elect NOT to participate in the Southern Comfort 25-36 State X 2H.
NAME/COMPANY:
SIGNATURE:
NAME:
DATE:
TELEPHONE NUMBER:
EMAIL ADDRESS:

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7019020   Cement and Cementing Service   Intermediate 2   7019020   Cement and Cementing Service   Praduction   7019100   Mark Hudde & Services   7012310   Solids Central equipment   7012020   Bits   7019010   Caling Crew and Services   7018350   Fuel (Rid)   7019140   Fuel (Rid)   7019000   Wrill lagging Services   7019150   Mark (non potable)   7019000   Wrill lagging Services   7019150   Subbilizers, Hold Openers, Underreamers (OH rentals)   7019110   Cading inspection/cleaning   7019110   Dordl pipe/collar Inspection services   7019110   Freight - truck   7020460   Writer hauting and disposal (includes soil farming)   7020460   Rental Tools and Equipment (surface rentals)   702050   Rental Tools and Equipment (surface rentals)   702050   Rental Tools and Equipment (surface rentals)   702060   Rental Balidings (trailers)   702060   Consulting Services   702060   Consulting Services   702060   Ser	40, 45, 71, 40,
7019020 Cement and Cementing Service Praduction 7019140 Meet Ruide & Services 7012910 Solids Control equipment 7012020 Bits 7019010 Cating Crew and Services 7019010 Cating Crew and Services 7019140 Fuel (Mad) 7001460 Whiter (non potable) 7019000 Writ Lagging Services 701900 Meet Lagging Services 701900 Stabilizers, Hole Openers, Underreamers (DH rentals) 7019150 Mad Logging-georteering 7019150 Cating Inspection Services 7019110 Dorld place Collar Inspection services 7019110 Dorld place Collar Inspection services 7019110 Preparation of Collar Inspection Services 7019110 Water hauting and disposal (Includes soil farming) 7010140 Vacuum Trucks 700140 Vacuum Trucks 7019150 Rental Tools and Equipment (surface rentals) 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rental Tools and Equipment (surface rentals) 7018170 Censulting Services 701110 Censulting Services 701110 Rental Relickings (trailers) 701910 Rental Relickings (trailers)	45, 71, 40,
7012310 Med Platos & Services 7012310 Solids Centrol equipment 7012020 Bks 7019010 Casing Crew and Services 7019010 Fuel (Ric) 7019140 Fuel (Ric) 7019140 Fuel (Ric) 701900 Wril Legging Services 7019150 Mad Logging-revosterring 7019050 Subilizers, Note Openers, Underreamers (DH rentals) 7019150 Casing inspection/clearing 7019150 Double/collar inspection services 7019110 Double/collar inspection services 7019110 Water hauting and disposal (includes soil farming) 7019110 Water hauting and disposal (includes soil farming) 701810 Freight - truck 7001460 Water hauting and disposal (includes soil farming) 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rental Buildings (trailers) 7019110 Censuiting Services 7001120 Censuiting Services 7001120 Rental Buildings (trailers) 7019110 Rental Buildings (trailers)	71. 40.
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7019010 Casing Crew and Services 7019140 Fuel (Mis) 7019140 Fuel (Mis) 7019140 Water (non potable) 7019000 Wall Lagging Services 7019150 Must Lagging Services 7019150 Stabilities, Hole Openers, Underreamers (OH rentals) 7019110 Casing Inspection/clearing 7019110 Dail pipe/collar inspection services 7019110 Freight - truth 7019110 Freight - truth 7019110 Vacuum Trucks 7001440 Vacuum Trucks 7001440 Vacuum Trucks 700150 Rental Taols and Equipment (surface rentals) 7018150 Rental Taols and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7018150 Rig Equipment and Misc. 701110 Telecommunications Services 701110 Consulting Services 701120 Consulting Services 7011310 Rental Buildings (trailers) 7018120 Rental Buildings (trailers) 7019110 Coring (sidewalls & enalysis) 7019110 Sex Contingency & Taxes  TOTAL DRILLING COST  DMPLETION - TANGIBLE 7012580 Tubing	
7015350 Fuel (Nat 4) 7019460 Fuel (Nat 4) 7019600 Well (non potable) 7019500 Well (non potable) 7019500 Well (non potable) 701950 Stabilizers, Note Openers, Underreamers (DH rentals) 7019110 Caring Inspection (Jeaning 7019110 Dnill pipe/collar Inspection services 7015180 Freight - Fuck 7016180 Freight - Fuck 7021660 Water hauting and disposal (includes soil farming) 7010160 Water hauting and disposal (includes soil farming) 7018150 Rental Tooks and Equipment (surface rentals) 7018150 Rig Equipment and Mile. 7018150 Rig Equipment and Mile. 7018150 Rig Equipment and Mile. 7018120 Censulting Services 701100 Censulting Services 701101 Rental Reliability (straiers) 7019310 Cering (sidewalls & enalysis) 7019310 Cering (sidewalls & enalysis) 701010 BX Contingency & Taxes  TOTAL DRILLING COST  DMPLETION - TANGIBLE	80,
7015350 Fuel (Nat 4) 7019460 Fuel (Nat 4) 7019600 Well (non potable) 7019500 Well (non potable) 7019500 Well (non potable) 701950 Stabilizers, Note Openers, Underreamers (DH rentals) 7019110 Caring Inspection (Jeaning 7019110 Dnill pipe/collar Inspection services 7015180 Freight - Fuck 7016180 Freight - Fuck 7021660 Water hauting and disposal (includes soil farming) 7010160 Water hauting and disposal (includes soil farming) 7018150 Rental Tooks and Equipment (surface rentals) 7018150 Rig Equipment and Mile. 7018150 Rig Equipment and Mile. 7018150 Rig Equipment and Mile. 7018120 Censulting Services 701100 Censulting Services 701101 Rental Reliability (straiers) 7019310 Cering (sidewalls & enalysis) 7019310 Cering (sidewalls & enalysis) 701010 BX Contingency & Taxes  TOTAL DRILLING COST  DMPLETION - TANGIBLE	35.
701940 Fuel (Mutd) 7001460 Water (non potable) 7019000 Wril Lagging Services 7019150 Mud Logging-prosteering 7019250 Stabilizers, Hole Openers, Underreamers (OH rentals) 7019110 Casing Inspection / Idearing 7019110 Dnill pipe/collar Inspection services 7019110 Dnill pipe/collar Inspection services 701460 Water hauling and disposal (Includes soil farming) 7001460 Water hauling and disposal (Includes soil farming) 7001460 Vacuum Tracks 7001000 Centract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 701110 Telecommunications Services 7001100 Censulting Services 7001400 Safety and Equipmental 7018120 Rental Buildings (trailers) 701910 Cering (sidenwalls & analysls) 701910 BX Centingency & Taxes  TOTAL DRILLING COST  DMPLETION - TANGIBLE 7012580 Tubing	80.
701900 Write (non potable) 701900 Writ Lagging Services 7019150 Mud Logging-geosterring 7019150 Stabilizers, Hole Openers, Underreamers (DH rentals) 7019110 Casing inspection/cleaning 7019110 Drill pipe/collar inspection services 7015180 Freight - truck 7015180 Water hauling and disposal (includes soil farming) 701440 Vacuum Trucks 700030 Contract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7001110 Telecommunications Services 7001120 Censulting Services 7001120 Censulting Services 70118170 Rental Belidings (trailers) 701910 Rental Belidings (trailers) 701910 Bis Coring (sidewalls & analysis) 701910 Bis Coring (sidewalls & analysis) 701010 Bis Coringency & Tases  TOTAL DRILLING COST	18.
7019150 Wrill Legging Services 7019150 Must Logging-specificating 7019150 Stabilizers, Hole Openers, Underreamers (DH rentals) 7019110 Casing inspection/clearing 7019110 Drill pipe/collar inspection services 7015180 Freight - truck 7001860 Water hauling and disposal (includes soil farming) 7001840 Vacuum Trucks 700030 Centract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7001110 Telecommunications Services 7001120 Censulting Services 7001120 Censulting Services 70018120 Rental Buildings (trailers) 701910 Safety and Environmental 7018120 Rental Buildings (trailers) 701910 Bis Coring (sidewalls & analysis) 7011010 Bis Coring (sidewalls & analysis) 7011010 TOTAL DRILLING COST	
7019150 Mud Logging-geosteering 7019250 Stabilizers, Note Openers, Underreamers (OH rentals) 7019110 Casing Inspection/clearing 7019110 Drill pipe/collar Inspection services 701580 Freight - truck 7001A60 Water hauting and disposal (includes soil farming) 7001A40 Vacuum Trucks 7000030 Centract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Malec. 7018150 Tile Communications Services 7001110 Telecommunications Services 7001120 Censulting Services 7001A00 Safety and Environmental 7018120 Rental Buildings (trailers) 701910 St Coning (sidewalls & enslysts) 7011010 St Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST	25.
7019250 Stabilizers, Pole Openors, Underreamers (DH rentals) 7019110 Casing Inspection/cleaning 7019110 Drill pipe/collar inspection services 7016180 Freight - truck 7001460 Water hauling and disposal (includes soil farming) 7001440 Vacuum Trucks 7000030 Contract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7018150 Rig Equipment and Misc. 701110 Telecommunications Services 7001120 Consulting Services 7001200 Safety and Environmental 7018120 Rental Buildings (trailers) 701910 Ext Contingency & Taxes  TOTAL DRILLING - INTAMSIBLE  TOTAL DRILLING COST	
7019110 Casing inspection/clearing 7019110 Dottl pipe/collar inspection services 701680 Freight - truck 7001460 Water hauling and disposal (includes soil farming) 7001460 Vacuum Trucks 7000030 Centract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7018150 Electromassications Services 701110 Telecomassications Services 7001120 Censulting Services 7001400 Sefecty and Environmental 7018120 Rental Buildings (trailers) 701910 Cering (sidewalls & analysis) 7011010 BX Centingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST	11
7019110 Casing inspection/cleaning 7019110 Dottl pipe/collar inspection services 7016180 Freight - truth 7001460 Water hauling and disposal (includes soil farming) 7001440 Vacuum Trucks 7000030 Contract Labor - general 7018150 Rental Tooks and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 701110 Telecommunications Services 7001120 Consulting Services 7001400 Safety and Environmental 7018120 Rental Buildings (trailers) 701910 Coring (sidewalls & ensiyils) 7011010 BX Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST  DMPLETION - TANGIBLE 7012580 Tubing	15.
7019110 Drill pipe/collar inspection services 7016180 Freight - truck 7001450 Water haufing and disposal (includes soil farming) 7001440 Vacuum Trucks 7000030 Contract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7018150 Tile Equipment and Misc. 7018150 Consulting Services 7001100 Consulting Services 7001100 Safety and Environmental 7018120 Rental Buildings (trailers) 7019100 Coring (sidewalls & enalysis) 7019100 8X Contingency & Taxes  TOTAL DRILLING COST  DMPLETION - TANGIBLE 7012580 Tubing	18,
701180 Freight - truck 7001460 Water haufing and disposal (includes soll farming) 700140 Vacuum Trucks 700030 Contract Labor - general 7018150 Rental Fooks and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7018150 Telecommunications Services 700110 Telecommunications Services 700110 Consulting Services 700120 Consulting Services 7001400 Sefety and Environmental 7018120 Rental Buildings (trailers) 7019310 Coring (sidewalls & analysis) 701910 BX Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST	15.
7001460 Water hauting and disposal (includes soil farming) 7001400 Vacuum Trucks 7000300 Centract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7001110 Telecommunications Services 7001120 Censulting Services 7001200 Safety and Environmental 7018120 Rental Buildings (traillers) 7019310 Coring (siderwalls & ensignals) 7019100 BY Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST	40,
7001460 Vacuum Trucks 7000030 Centract Labor - general 7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7018150 Telecomensurications Services 7001100 Censuiting Services 7001200 Censuiting Services 7001400 Sefecy and Environmental 7018100 Rental Buildings (trailers) 701920 Censuiting services 701910 Extensivation (surface) 7011010 BX Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST	120,
7018150 Rental Tools and Equipment (surface rentals) 7018150 Rig Equipment and Misc. 7018150 Rig Equipment and Misc. 7001101 Telecommunications Services 7001102 Consulting Services 7001100 Sefety and Equipmental 7018120 Rental Buildings (trailers) 7019100 Coring (sidewalls & enalysis) 7019100 8X Contingency & Taxes  TOTAL DRILLING COST  DMPLETION - TANGIBLE 7012580 Tubing	
7018150   Rental Tools and Equipment (surface rentals)     7018150   Rig Equipment and Misc.     701110   Telecommunications Services     701120   Consulting Services     7018120   Safety and Equipment all mulicings (trailers)     7018120   Rental Buildings (trailers)     7019310   Coring (sidewalls & enalysis)     7011016   BX Contingency & Taxes     TOTAL DRILLING - INTANSIBLE     TOTAL DRILLING COST	
7018150   Rig Equipment and Misc.   708110   Telecommunications Services   7081120   Consulting Services   7081120   Service   708120   Rental Buildings (trailers)   708120   Coring (sidewalls & analysis)   70810   Coring (sidewalls & analysis)   7081010   BX Contingency & Taxes   7081010   TOTAL DRILLING - INTANGULE   7081010   TOTAL DRILLING COST   708200   Tubing   708200   Tubing   708200   Tubing   708200   Tubing   708200   Tubing   7082000   Tubing   708200   Tubing   708200   Tubing   7082000   Tubing   70820000   Tubing   7082000   Tubing   7082000   Tubing   7082000   Tubing   7082000   Tubing   7082000   Tubing   70820000   Tubing   70820000   Tubing   70820000   Tubing   708200000   Tubing   70820000   Tubing   70820000000   Tubing   Tubing   708200000000000000000000000000000000000	35.
7018150   Rig Equipment and Misc.   708110   Telecommunications Services   7081120   Consulting Services   7081120   Service   708120   Rental Buildings (trailers)   708120   Coring (sidewalls & analysis)   70810   Coring (sidewalls & analysis)   7081010   BX Contingency & Taxes   7081010   TOTAL DRILLING - INTANGULE   7081010   TOTAL DRILLING COST   708200   Tubing   708200   Tubing   708200   Tubing   708200   Tubing   708200   Tubing   7082000   Tubing   708200   Tubing   708200   Tubing   7082000   Tubing   70820000   Tubing   7082000   Tubing   7082000   Tubing   7082000   Tubing   7082000   Tubing   7082000   Tubing   70820000   Tubing   70820000   Tubing   70820000   Tubing   708200000   Tubing   70820000   Tubing   70820000000   Tubing   Tubing   708200000000000000000000000000000000000	150
7001110 Telecommunications Services 7001120 Consulting Services 7001200 Seferty and Environmental 7018120 Rental Buildings (trailers) 701910 Coring (siderwalls & enshysts) 7011010 8% Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST  DMPLETION - TANGIBLE 7012580 Tubing	7
700120 Consulting Services  7001800 Sefety and Environmental  7018120 Rental Buildings (trailers)  7019310 Coring (sidewalls & enalysis)  7011010 BX Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST  DMPLETION - TANGIBLE  7012580 Tubing	10.
70118120 Sefety and Environmental 7018120 Rental Belidings (trailers) 7019310 Coring (sidewalls & energis) 7011018 St Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST  DMPLETION - TANGIBLE 7012580 Tubing	122.
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7011018 8X Contingency & Taxes  TOTAL DRILLING - INTANGIBLE  TOTAL DRILLING COST  DMPLETION - TANGIBLE  7012580 Tubins	
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OMPLETION - TANGIBLE 7812580 Tubins	52,095
OMPLETION - TANGIBLE 7812580 Tubins	£2.700
7812580 Tubing	\$2,714,
	87,
FOR MANY THE PARTY PARTY PARTY OF THE PARTY PART	15,
THE SECOND SECON	
7012550 Wetthead Equip	20,
7012560 Packers - Completion Equipment	
TOTAL COMPLETION - TANGIBLE	<u> </u>

MANATHON OIL PER	MAAN LLC	DA11 8/2/2017
AUTHORITY FOR EXP		
Asset Team	PURPLE SAGE PORMATION, WINEY SAVO	
Field Lease/Facility	PURPLE SAGE PORMATION: WINPY SAND SQUITHERN COMPORT 25 36 STATE RZM	
COMPLETION-IN	TANGIBLE	
St CODE	DESCRIPTION	ESTIMATED COST
7081270	Location and Access (dress location after rig move, set anchors)	10,000
7019340	Ortilles Rig During Completion  Alud Fluids & Services	***
7013030	Called Tubling Services (3 nums)	155,000
7019345	Smithing Services	20,000
7019276 7016850	Publing/Eurah Units Faat (from orig)	21,536
7019010	Casing Corw and Services	
7019020 7019080	Cement and Converting Services Well Testing Services (flow hand & equip)	95,000
7019330	Fracturing Services	7,890,000
7019320	Perfuncting	168,000
7019260	Mirefine Services Water Hasting & Disposal (frac Builds)	825,000
7016180	Feeight - Truck (had plog; skip & compt)	25,800
7018150	BOP Sental & Testing Revisid Tools and Equipment ( including Egitpton Livydra walk)	
70;8150	CT Discolate Report Equipment (is. BHL SHA)	77,500
7000030	Contract Lobor - general	20,000
7001110	Tylecommunications Services	15,000
7002320	Safety and Environmental Consulting Services	34,200
7018150	Zipper Standald	\$7,600
7019390 7016190	Frech Stack Rentals Freight (Transportation Services)	80,000
7018150	Equipment Pental ( w/p approtor, but (solts, lightplants)	80,000
7018128	Recetal Sulfdings (to pillers)	60,880
7000030 7013010	Contract Laker - Pumping (pump-down promps)  BN Contingency & Times	#2,000 185,070
		1 - 1 - 1
	TOTAL COMPLETION - INTANGIBLE	\$5,037,000
	TOTAL COMPLETION COST	\$5,198,440
SURFACE EQUIPM	INT - TANGIBLE	
7012350	Mac. Plang, Fittings & Volves	77,500
7040030	Company Labor & Burdon Contract Labor - General	67,500
7082110	Telecommunication equip (Telemetry)	47,000
7017410	Line Pipe & Accessories	11,000
7012270 7068060	Mecallanopus Materials (containment pysters)  SCADA	62,500
7016180	Fryight - truth	-
7001190	Contract Engineering	
701.2.290 701.2.290	Metering and instrumentation IEE Nationals	15,000
701,7,200	Gas Treating	
7012200	Debydradon	
7012010	Power	5,500
7012610	Vippi Richitry Unit	2,500
7012440	Separator & other pressure veneta	£5,000 112,500
7012580	Tanks Heater Treater	11,000
7012640	Flore & Accessories	25,000
7000010	Hectorial Labor Mechanical Labor	17,500
7012480	Red Pumping unit & Ped	
P012185	Pumping Unit Englan	
7012360	Sartical Power (alaptical cooperative construction (1991)	45,000
	TOTAL SURFACE (QUIPMENT - TANGINLI	\$547,500
	TOTAL SURFACE EQUIPMENT COST	\$ 547,500
URTIFICIAL UFT		
	Company Labor	2,500
7012180	Gos IPI Equipment	88,000
7012480 7019350	Red Pureping, Sector Rads & Rad Pump Well Sarvices Well/Wellinand Services	No. of Section
7017270	Monarials West, Westernam Survices  Monarials & Supplies Yangible	20,000
7017550	Surface Wolthead Equipment	\$.500
7012390	Pig Laurchers/Roceivers & Rel Leute	
7011010	1004 ARTIFCIAL LIFT	19,000
	TOTAL ARTIFICIAL LIFT COST	
	INTERNATIONAL OF THE PROPERTY	\$ 79,000
	SUMMARY OF ESTIMATED DRILLING WELL COSTS	TOTAL COST
	TOTAL LOCATION COST	\$ 150,000
	TOTAL DRILLING COST	\$ 2,714,688
	TOTAL COMPLETIONS COST	\$ 5,198,440
	TOTAL SURFACE EQUIPMENT COST	\$ 547,500
	TOTAL ARTIFICIAL LIFT COST	\$ 79,000
	GRAND TOTAL COST	\$8,699,628
	- · · · · · · · · · · · · · · · · · · ·	

Matt S. Tate, CPL Land Professional Permian Basin

Marathon Oil Company 5555 San Feipe Houston, TX 77055 Telephone 713.296.2164 Cell 832.499.2029 Fax 713.235.8033 matthewstate il maratnonoil.com



October 10, 2017

DELIVERED VIA: Certified Mail

To: Working Interest Owners

Re: Well Proposal and AFE – Southern Comfort 25 36 State X 1H

Proposed Operating Agreement dated May 1<sup>st</sup>, 2017 Section 25 and 36, T24S-R28E, Eddy County, NM

### Dear Working Interest Owner:

Marathon Oil Permian LLC ("Marathon"), hereby withdrawals the Operating Agreement previously provided by BC Operating, Inc., dated May 1<sup>st</sup>, 2017, limited to the Southern Comfort 25-36 State Com 2H wellbore only, and replaces it with the enclosed Operating Agreement covering the 480 acre non-standard spacing unit granted under Order No. R 14348, issued May 15<sup>th</sup>, 2017, SE/4 of Section 25 and the E/2 of Section 36, T24S-R28E, as to the Wolfcamp formation (Purple Sage Wolfcamp (Gas) Pool (Pool Code 98220)]. The only changes that have been made to the Operating Agreement previously provided are as follows:

- "Limited to the Southern Comfort 25-36 State Com X 2H Wellbore Only" on the cover page has been deleted.
- Paragraph B. 2., which states "This Agreement is limited to the Southern Comfort 25-36 State Com X #2H Wellbore only" on the Exhibit "A" has been deleted.

In addition, Marathon as Operator, hereby proposes the drilling and completion of the <u>Southern Comfort 25-36 State X 1H</u> well. The surface hole location is in the SE/4 of Section 25 and the bottom hole location is in the SE/4 of Section 36, Township 24 South, Range 28 East, Eddy County, New Mexico. The well will be drilled to a total vertical depth of 9,733' and total measured depth of 17,181' to the Wolfcamp formation. The total estimated cost to drill and complete this well is \$8,665,068 and reflected on the enclosed Authority for Expenditure (AFE).

Please indicate your participation election below and return with your signed copy of the enclosed AFE and your well data requirement sheet within thirty (30) days. Upon your review and approval, please also sign and return with your participation election your signed signature page to the Operating Agreement.

Should you have any questions please do not hesitate matthewstate@marathonoil.com.	e to contact me at 71	.3-296-2164 or by email at
Sincerely,		
Matt S. Tate, CPL Permian Basin		
PARTICIPATION ELECTION:		
i/We hereby elect to participate in the dril 36 State X 1H as described above.	lling and completion of	the Southern Comfort 25-
I/We elect to participate in the drilling and X 1H as described above and our proportionate share of		
I/We hereby elect NOT to participate in the	: Southern Comfort 25-	36 State X 1H.
NAME/COMPANY:		
SIGNATURE:		
NAME:		
DATE:	···	
TELEPHONE NUMBER:		
EMAIL ADDRESS:		
DATE:		

Matt 5. Tate, CPL Land Professional Permian Basin



Marathon Oil Company
5555 San Felipe
Houston, TX 77056
Telephone 713.296.2164
Cell 832.499.2029
Fax 713.235.8033
matthewstate@marathonoil.com

October 9, 2017

To: Working Interest Owners

DELIVERED VIA: Certified Mail

Re:

Proposed Amendment to Operating Agreement dated May 1<sup>st</sup>, 2017 Well Proposal and AFE – Southern Comfort 25 36 State X 1H Section 25 and 36, T24S-R28E, Eddy County, NM

Dear Working Interest Owner:

Marathon Oil Permian LLC ("Marathon"), hereby proposes to amend the Operating Agreement previously provided by BC Operating, Inc., dated May 1<sup>st</sup>, 2017, limited to the Southern Comfort 25-36 State Com 2H wellbore only, to cover the 480 acre non-standard spacing unit granted under Order No. R 14348, issued May 15<sup>st</sup>, 2017, 5E/4 of Section 25 and the E/2 of Section 36, T24S-R28E, as to the Wolfcamp formation [Purple Sage Wolfcamp (Gas) Pool (Pool Code 98220)]. This will be accomplished by:

- by deleting "Limited to the Southern Comfort 25-36 State Com X 2H Wellbore Only" from the definition of Contract Area on the cover page; and
- by deleting Paragraph 8. 2. of Exhibit "A" to the Operating Agreement, which states "This Agreement is limited to the Southern Comfort 25-36 State Com X #2H Wellbore only".
- The remainder of the Operating Agreement will remain unchanged.

In addition, Marathon as Operator, hereby proposes the drilling and completion of the <u>Southern Comfort</u> <u>25-36 State X 1H</u> well. The surface hole location is in the SE/4 of Section 25 and the bottom hole location is in the SE/4 of Section 36, Township 24 South, Range 28 East, Eddy County, New Mexico. The well will be drilled to a total vertical depth of 9,733' and total measured depth of 17,181' to the Wolfcamp formation. The total estimated cost to drill and complete this well is \$8,665,068 and reflected on the enclosed Authority for Expenditure (AFE).

Please indicate your participation election below and return with your signed copy of the enclosed AFE and your well data requirement sheet within thirty (30) days. Please also indicate your approval of the proposed changes to the Operating Agreement below and sign in the space provided.

Should you have any questions please do not hesitate to contact me at 713-296-2164 or by email matthewstate@marathonoil.com.	at
Sincerely,	
Matt S. Tate, CPL	
Permian Basin	
PARTICIPATION ELECTION:	
1/We hereby elect to participate in the drilling and completion of the Southern Comfort 2	
36 State X 1H as described above.	,-
I/We elect to participate in the drilling and completion of the Southern Comfort 25-36 State X 1H as described above and our proportionate share of any nonconsent interest.	e
1/We hereby elect NOT to participate in the Southern Comfort 25-36 State X 1H.	
NAME/COMPANY:	
SIGNATURE:	
NAME:	
DATE:	
TELEPHONE NUMBER:	
EMAIL ADDRESS:	

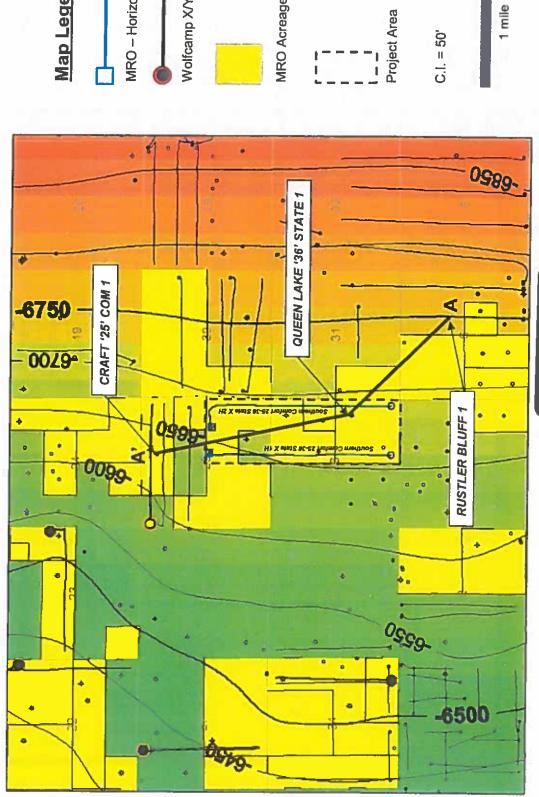
Should you have any questions please do not hesitate to contact me at 713-296-2164 or by email at matthewstate@marathonoil.com.
Sincerely,
Matt S. Tate, CPL Permian Basin
rermian basin
PARTICIPATION ELECTION:
//We hereby elect to participate in the drilling and completion of the Southern Comfort 25-36 State X 1H as described above.
I/We elect to participate in the drilling and completion of the Southern Comfort 25-36 State X 1H as described above and our proportionate share of any nonconsent interest.
I/We hereby elect NOT to participate in the Southern Comfort 25-36 State X 1H.
NAME/COMPANY:
SIGNATURE:
NAME:
DATE:
TELEPHONE NUMBER:
EMAIL ADDRESS:

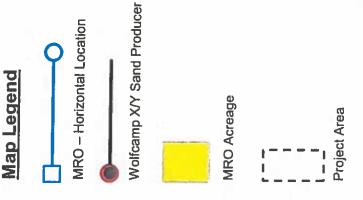
MARATHON OIL PER			DATE OF LOCATION PRIBABILITY	
AUTHORITY FOR EXP	ENDITURE		DRILLING & LOCATION PREPARED BY	
ETAIL OF ESTIMATE	D WEIL COSTS		COMPLETION PREPARED BY	
			FACILITIES & ARTIHCIAL LIFT PREPARED BY	BALLY MOORE
	PERMIAN			
usert Team leid		MATION: WOLFCAMP	WEDCAT	EXPLORATION
		MATERIAL MODERNIA		RICOMPLETION
ease/Facility	SOUTHERN COMFORT 25 36 STATE X 1H		DEVELOPMENT	-
ocation	EDDY COUNTY		X EXPLOITATION	WORKOVÉR
respect	HALAGA		<del></del>	
st Tatal Depth	17,1R1	Est Drilling Days	ITVALUE! (Let Completion Days	
OCATION COST -	INTANGIBLE			
				ESTIMATED COS
GL CODE		DESCRIPTION		
7001270	Location and Access			100,0
7001250	Land Broker Fees and Services			60,0
	The same and the surface of			140.0
	TOTAL LOCATION COST - INTANGIBLE			160,5
RILLING COST - T	ANGIBLE			
7012050	Conductor Pipe			30,8
7012050	Surface Casing			17,8
7012050	Intermediate Cosing 1			71,8
7012050	Intermediate Casing 2			218,0
7012050	Production Casing			57,0
	Drig timer Hanger, Tiebach Eq & Cog Accessor	let		85,8
7012050				25,23
7012550	Drilling Wellhead Equipment			
7012040	Casing & Tubing Access		<u> </u>	24,0
7012270	Miscellaneous MRO Materials			
	TOTAL DRILLING - TANGBLE			587,0
RILLING COST - II	NTANGIBLE			
7015200	Drilling Rig Mob/Demob			130,0
7019720	Drilling Rig - day work/foctage			520,0
7019010	Directional Dritting Services			186,0
7019020	Cement and Cementing Service	S	urface	20,0
7019020	Coment and Comenting Service	11	termediate 1	25.0
				40.0
7019020	Cement and Cementing Service		ntermediate 2	
7019020	Coment and Comenting Service	P	roduction	45,0
7019140	Mud Fluids & Services			71,0
7012310	Solids Control equipment			40,0
7012020	Sits			80,0
				35,0
7019010	Casing Crew and Services		· · · · · · · · · · · · · · · · · · ·	
7016350	Fuel (Rig)			80,0
7019140	Fuel (Mud)			14,0
7001450	Water (non potable)			25.0
7019000	Well Logging Services		· · · · · · · · · · · · · · · · · · ·	18,0
7019150	Mud Logging+grasteeding		<del> </del>	
7019250	Stabilizers, Hole Openers, Underreamers (DH	rentals}		15,0
7019110	Casing Inspection/deaning	A		10,0
7019110	Drill pipe/collar inspection services			15,0
				40,0
7016180	Freight - truck	-11	······································	
7001460	Water hauling and disposal fincludes soil larn	ning)		170,0
7001440	Vacuum Trucks			20,0
7000030	Contract Labor - general			35,0
7018130	Rental Tools and Equipment (surface rentals)			130,0
	~	·	<del></del>	
7018150	Mg Equipment and Misc.			7,8
7001110	Telecommunications Services			10,0
7001120	Consulting Services			122,2
7001400	Safety and Environmental			21,6
7018120	Rental Buildings (trailers)			
		· · · · · · · · · · · · · · · · · · ·		
7019310	Coring (sidewalls & analysis)			0.0000 00
7011010	8% Contingency & Taxes			198,5
	TOTAL DIELLING - INTANGIBLE			\$2,093,1
	70711 20111112 4047	-		£2.000.00
	TOTAL DRILLING COST			\$2,680,1
OMPLETION - TA	NGIBLE			
7012580	Tubing			87,5
7012040	Tubing Accessories (nipple, wireline entry)			15.0
7012550	Welthead Equip			20,0
7012550	Packers - Completion Equipment			34,8

MAIN			
Auto   Care Auto   Part   Pa		NAME OF THE PARTY	DATE 8/2/2017
Maria   Faze			
March   March   Series   Ser			
Inches   I			
INAM_TOTAL			
CONTRITION - DITANGESIL			
G.COOK   DESCRIPTION   Listmant (Dense Septem Annual (Dense Septem Ann			
1991219   Language and Arcsen (Seets September And Agence, ast senders)   15,000	COMPLETION - INT.	ANGELL	
1901219   Language and Annaus (Prints Interface)   1,500.00   1,000.00   1,	er cooc	DESCRIPTION	ESTIMATED COST
1999.00		Lection and Access (drocs lection after rig move, set section)	
Filipida	2019220		44,300
PRINCES   Prin			
TRAINITY			
Telephone			
1998/09			
TOTAL COMPLETION   September			7(4)
1995/090			
Processor		Well Testing Services (flow hand & equip)	
PROJECT   Wood Hondows   Departed for March   Project	7019520		
PRISERO			764,000
1961-1319			625,600
Position			
PRINTING		BCP Report 8, Testing	
PRESIDE   TODAY   TO			
Trigonome		CT Describele Bootel Equipment Do. BIL BALL	
PRODUCED   Committed privation   1,1,509   1,2,509   1	7000088	Comtract Labor - personal	
Tental			77,000
Tright   T			24 306
Trial			
Total 10			
PRISTS   Topument Reset   May Separate, Part Laters, plates, plates, plates   Separate		longhe (frameworkling bervices)	= 0 pr
PRICESON   Record Buildings (granter)   C.0.000			
TRIBLED   SEA Exertingmony is Loads   \$28,079		Rental Buildings (trailers)	
TOTAL COMPLETION COST   \$5,198,640			
TOTAL COMPLETION COST   \$5,158,440	7012010	Ets. Carringmon & Tomis	- 186,079
SURFACE EQUIPMENT - TANGETILE   SURFACE EQUIPMENT COST   SURFACE   SURFACE EQUIPMENT		TOTAL COMPLETION - MCCANGIBLE	\$5,017,016
SURFACE EQUIPMENT - TANGGREE   77.509   509.127   509.1272   509			
SURFACE EQUIPMENT - TANGGREE   77.509   509.127   509.1272   509	-	TOTAL COMMITTION COST	\$5 158 640
POLITYS		TOTAL COMPLETION COST	\$3,236,
POLITYS	CUREACE LOUBTONS	WY TANGEN F	
	SOUTHOUGH CHOM MIC		
Processe	761339		77,500
PRIJANA			67,300
PRISTOR			11.000
TOTAL SURFACE EQUIPMENT COST   S 529, 200.			
Political   Political   Comparison   Compa		SCADA	63,560
\$10,1298			(5%)
PRIL200	7001298		177
PRIZEON   Debytesten   Process   P	701,7790		15,000
TOTAL SURFACE LQUIPMENT COST   S.4399			
TOTAL SURFACE EQUIPMENT COST   S 257,500			
Paint			£ 520
Total Surface Residency Later   Surface Residency Later Resi			
Name			2,500
2017/00			1/,000
Total Action   Total Continues   Total Continu			127,500
Topology			
P000018			
Post			17,500
Post			1120
TOTAL SURFACE EQUIPMENT COST   \$ \$47,500			= (10)
TOTAL SURFACE EQUIPMENT COST   \$ \$47,500		Elephical Pemps Intectrical epoperative construction costs	45,000
TOTAL SURFACE EQUIPMENT COST   \$ 547,500			6647 G/M
ARTHICAL LIFT		The real delines which is referred to a constraint.	300,300
ARTHICAL LIFT		TOTAL CLINEAGE COLUMNICATION	
Lostopumy Labor   2 (50)		TOTAL SURFACE LIQUIPMENT LOST	> >47,500
Lostopumy Labor   2 (50)			
TOTAL LOCATION COST   \$ 1,60,000	ARTENIDAL LIFT		
TOTAL ARTIFICIAL LIFT COST   \$ 1,60,000		Language Laboratory La	2 583
TOTAL ARTIFICIAL LIFT COST   \$ 26.00.00   TOTAL COST TOTAL CORPLETON COST   \$ 2.60.00.00   TOTAL COST TOTAL CORPLETON COST   \$ 2.60.00.00   TOTAL ARTIFICIAL LIFT COST   \$ 3.60.00.00   TOTAL COST TOTAL CORPLETON COST   \$ 2.60.00.00   TOTAL ARTIFICIAL LIFT COST   \$ 3.60.00.00   TOTAL COST TOTAL COST   \$ 3.60.00.00   TOTAL COST   \$ 3.60.00   TOTAL COST   \$ 3.6		Gas Lift Equipment	14.000
PRIZE   Motor-lak & Departure Longible   11,000   12,00		Red Parisphray, Sucher Rody & Red Pursus	100/4
TOTAL COST			
TOTAL ARTIFICIAL LIFT COST   \$ 160,000			
TOTAL ARTIFICIAL LIFT COST   TOTAL COST			2 300
TOTAL ARTIFICIAL LIFT COST   TOTAL COST			
TOTAL ARTIFICIAL LIFT COST \$ 79,000  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COST  TOTAL LOCATION COST \$ 160,000 TOTAL ORILLING COST \$ 2,680,128 TOTAL COMPLETIONS COST \$ 5,198,440 TOTAL SURFACE EQUIPMENT COST \$ 547,500 TOTAL ARTIFICIAL LIFT COST \$ 79,000	1617670		·
SUMMARY OF ESTIMATED DRILLING WELL COSTS   TOTAL COST		TOTAL ARTIFICIAL LIFT	79.800
SUMMARY OF ESTIMATED DRILLING WELL COSTS   TOTAL COST			
TOTAL LOCATION COST   \$ 160,000		TOTAL ARTIFICIAL LIFT COST	\$ 79,000
TOTAL LOCATION COST   \$ 160,000			
TOTAL LOCATION COST   \$ 160,000		SUMMARY OF ESTIMATED DRILLING WELL COSTS	TOTAL COST
TOTAL ORIGING COST         \$ 2,580,128           TOTAL COMPLETIONS COST         \$ 5,198,440           TOTAL SURFACE EQUIPMENT COST         \$ 547,500           TOTAL ARTIFICIAL LIFT COST         \$ 79,000			
TOTAL COMPLETIONS COST         \$ 5,198,440           TOTAL SURFACE EQUIPMENT COST         \$ 547,500           TOTAL ARTIFICIAL LIFT COST         \$ 79,000		TOTAL LOCATION COST	
TOTAL SURFACE EQUIPMENT COST         \$ 547,500           TOTAL ARTIFICIAL LIFT COST         \$ 79,000		TOTAL DRILLING COST	
TOTAL ARTIFICIAL LIFT COST \$ 79,000		TOTAL COMPLETIONS COST	\$ 5,198,440
		TOTAL SURFACE EQUIPMENT COST	\$ 547,500
		TOTAL ARTIFICIAL LIFT COST	\$ 79,000
STAND I DIAL COST SERVING			
		david total cost	30,003,000

# Southern Comfort 25-36 State X

Structure Map - Top of Wolfcamp Subsea



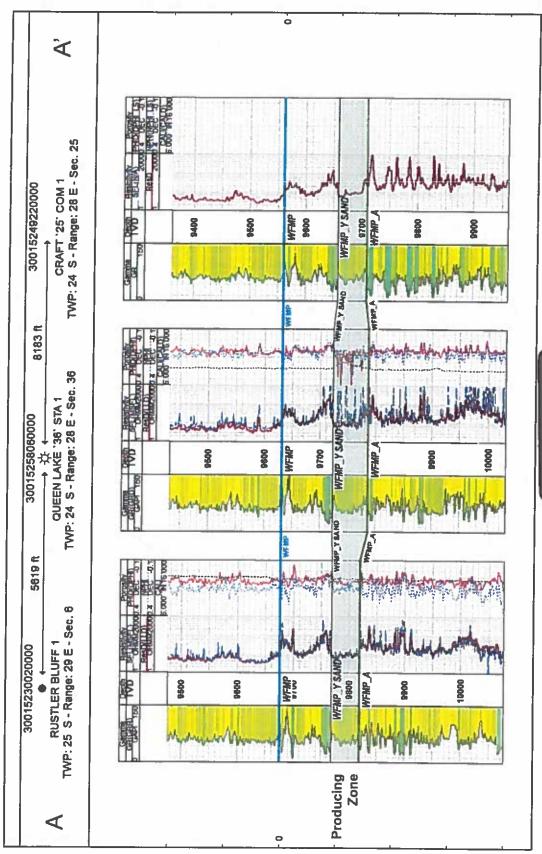




**EXHIBIT** 

# Southern Comfort 25-36 State X

Stratigraphic Cross Section (Top Wolfcamp Datum)

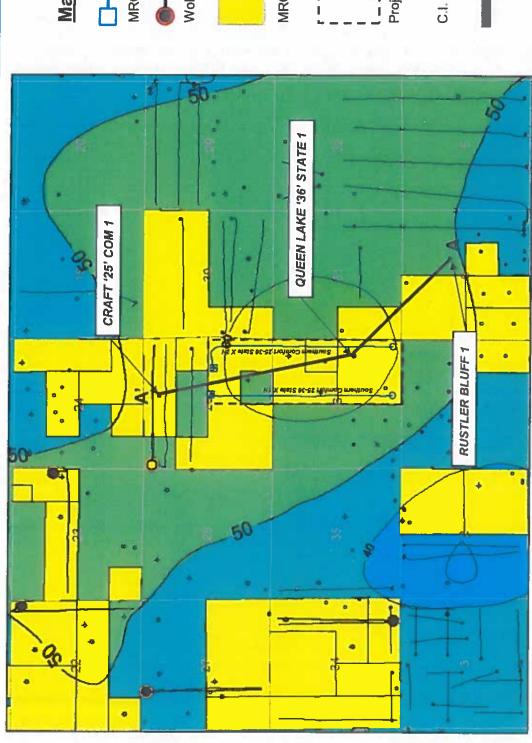






# Southern Comfort 25-36 State X

Isopach - Wolfcamp Y Sand (10' Contours)







Wolfcamp X/Y Sand Producer



MRO Acreage



Project Area

 $C.1. = 10^{\circ}$ 

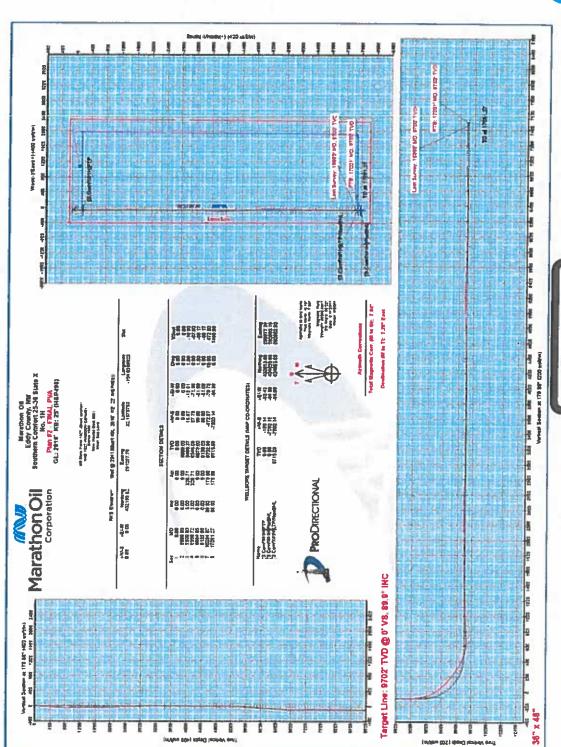
1 mile



**EXHIBIT** 

# Southern Comfort 25-36 State X No. 1H

WBD







## MarathonOil

# Southern Comfort 25-36 State X No. 2H

WBD

