

Before the Oil Conservation Division Examiner Hearing September 20, 2018

Case No. 16424 & 16425

Charlie Murphy Fed 26 35 6 TB 14H and

Charlie Murphy Fed 26 35 6 WXY 12H, Charlie Murphy Fed 26 35 6 WA 15H,

Charlie Murphy Fed 26 35 6 WXY 18H



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

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

CASE NO. 16424

AMENDED APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) to the extent necessary, approving the creation of a non-standard Wolfcamp spacing and proration unit; and (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. 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. Marathon seeks to dedicate the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
3. Marathon plans to drill the **Charlie Murphy Federal Com 26-35-6 WXY 12H, Charlie Murphy Federal Com 26-35-6 WA 15H, and Charlie Murphy Federal Com 26-35-6 WXY 18H** wells to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled.

4. These wells will comply with the Division's setback requirements.

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 non-standard spacing and proration 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.

7. Marathon further requests that it be allowed one (1) year between the time the wells are drilled and completion of the wells under the order issued by the Division.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 20, 2018, and after notice and hearing as required by law, the Division enter its order:

A. To the extent necessary, approving the creation of a non-standard spacing and proration unit;

B. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

C. Designating Marathon as operator of this unit and the wells to be drilled thereon;

D. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

F. 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.

G. Allowing a time period of one (1) year between when the wells are drilled and when the wells are completed under the order.

Respectfully submitted,

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

By: Deana M. Bennett
Jennifer Bradfute
Deana M. Bennett
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 16424: Amended Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a non-standard Wolfcamp spacing and proration unit; and (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Charlie Murphy Federal Com 26-35-6 WXY 12H, Charlie Murphy Federal Com 26-35-6 WA 15H, and Charlie Murphy Federal Com 26-35-6 WXY 18H** wells, to be horizontally drilled. The producing area for these wells will 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, and allowing a one year period between when the wells are drilled and when the wells are completed. Said area is located approximately 12 miles west southwest of Jal, New Mexico.

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

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

CASE NO. 16425

AMENDED APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) to the extent necessary, approving the creation of a non-standard Bone Spring spacing and proration unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. 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. Marathon seeks to dedicate the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
3. Marathon plans to drill the **Charlie Murphy Federal Com 26-35-6 TB 14H** well to a depth sufficient to test the Bone Spring formation. This well will be horizontally drilled.
4. This well will comply with the Division's setback requirements.

5. Marathon sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The creation of a non-standard spacing and proration unit and the pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Marathon further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 20, 2018, and after notice and hearing as required by law, the Division enter its order:

A. To the extent necessary, approving the creation of a non-standard spacing and proration unit;

B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

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;

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.

G. Allowing a time period of one (1) year between when the well is drilled and when the well is completed under the order.

Respectfully submitted,

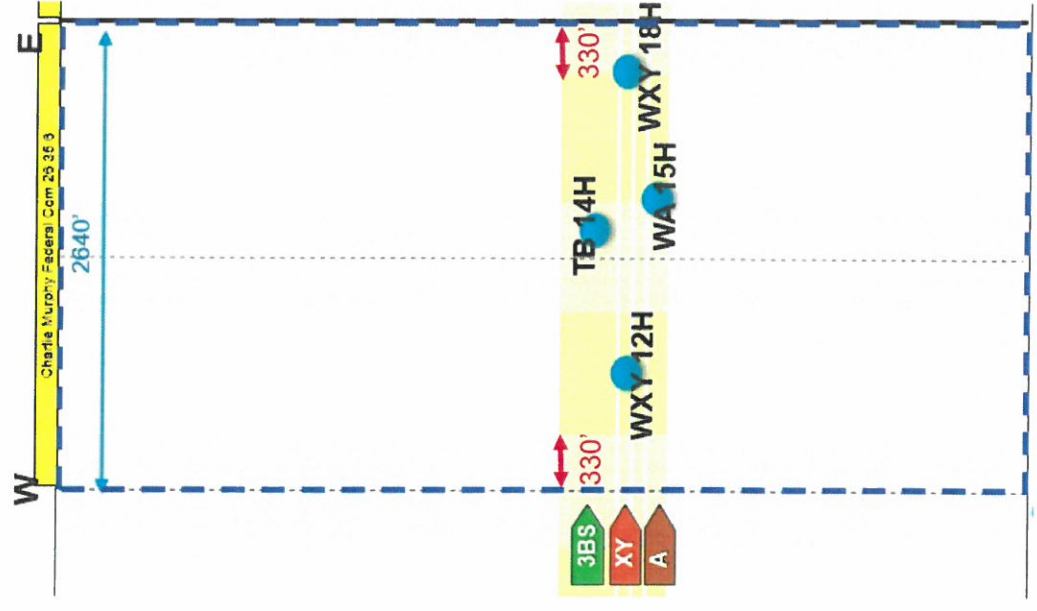
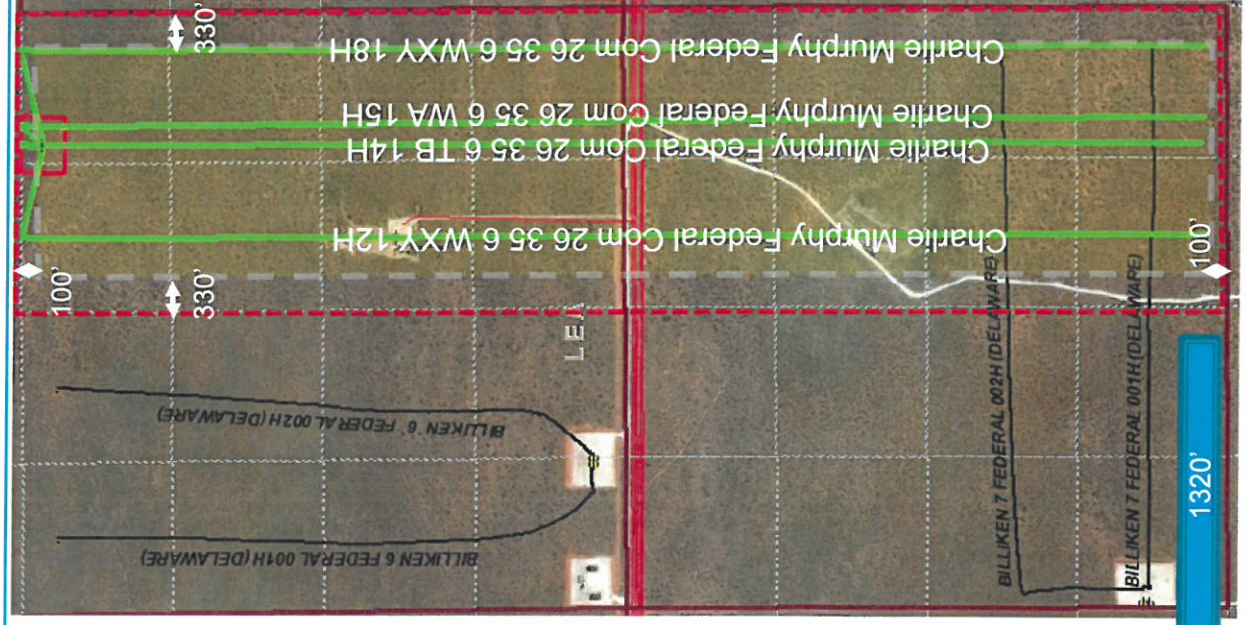
MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: Deana M. Bennett
Jennifer Bradfute
Deana M. Bennett
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500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 16425: Amended Application of Marathon Oil Permian LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.

Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a non-standard Bone Spring spacing and proration unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Charlie Murphy Federal Com 26-35-6 TB 14H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 12 miles west south west of Jal, New Mexico.

Charlie Murphy Fed Com 26 35 6 Unit Development



**STATE OF NEW MEXICO
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POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 16424

AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

Ryan Gyllenband, being duly sworn, deposes and states:

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. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum landman.

2. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.

3. The purpose of these applications is to force pool working interest owners into the horizontal spacing unit described below, and in the well to be drilled in the unit.

4. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well.

5. Marathon seeks an order pooling of all mineral interests in the Wolfcamp horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Charlie Murphy**



Federal Com 26-35-6 WXY 12H, Charlie Murphy Federal Com 26-35-6 WA 15H, and Charlie Murphy Federal Com 26-35-6 WXY 18H wells, to be horizontally drilled.

6. A plat outlining the unit being pooled is attached hereto as **Exhibit A**, which shows the proposed wells' locations within the unit. The parties being pooled, the nature and percent of their interests, and their last known addresses are also included as part of Exhibit A. Exhibit A includes information for the working interest owners, the overriding interest owners, and offsets.

7. There are no depth severances within the Wolfcamp formation.

8. 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 all parties well proposals, including an Authorization for Expenditure.

9. Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

10. Attached as **Exhibit B** are proposed C-102s for the wells. The wells will develop the WC-025 G-09 S263504N (Wolfcamp) pool, pool code 98117, which is an oil pool.

11. The producing interval for the wells will be orthodox and will comply with the Division's set back requirements.

12. **Exhibits C and D** are a sample proposal letter and 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.

13. Marathon requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/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.

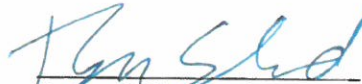
14. Marathon requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

15. Marathon requests that it be designated operator of the wells.

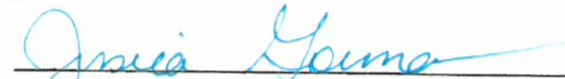
16. The attachments to this affidavit were prepared by me, or compiled from company business records.

17. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

18. The granting of this application is in the interests of conservation and the prevention of waste.


Ryan Gyllenband

SUBSCRIBED AND SWORN to before me this 19th day of September, 2018 by Ryan Gyllenband on behalf of Marathon Oil Permian LLC.


Notary Public

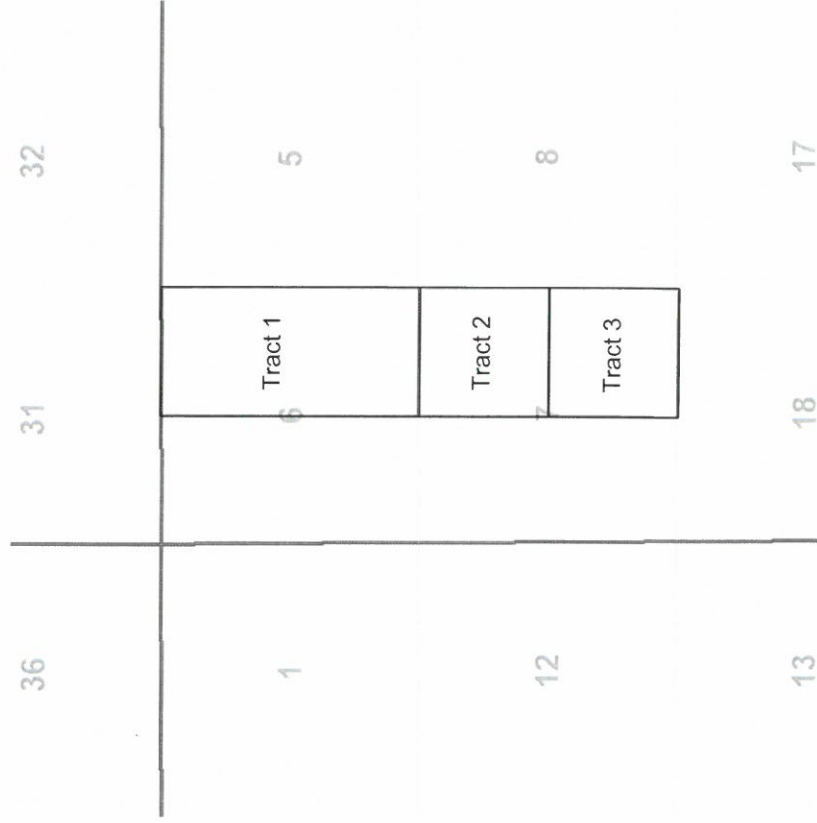
My commission expires: 1/23/2019



Lease Tract Map

Charlie Murphy Fed 26 35 6 WXY 12H, Charlie Murphy Fed 26 35 6 TB 14H, Charlie Murphy Fed 26 35 6 WA 15H, and Charlie Murphy Fed 26 35 6 18H
E/2 of Sections 6 & 7, 26S-35E – 640 acres

- Tract 1: Federal Acreage
- Tract 2: Federal Acreage
- Tract 3: Federal Acreage



Summary of Interests

Charlie Murphy Fed 26 35 6 WXY 12H, Charlie Murphy Fed 26 35 6 TB 14H, Charlie Murphy Fed 26 35 6 WA 15H, and Charlie Murphy Fed 26 35 6 18H

Committed Working Interest:

Marathon Oil Permian LLC
Occidental Petroleum Corporation

18.75%
6.25%

25.00%

Uncommitted Working Interest:

Pintail Production Company
Devon Energy Production Company, LP
Chevron USA, Inc.

50.00%
12.50%
12.50%

75.00%

Unleased Mineral Interest:

0.00%

Charlie Murphy

Force Pooled Owners

Owner Name	Address 1	City	State	Zip	Type
Pintail Production Company	6467 Southwest Blvd.	Fort Worth	TX	76132	WI
Devon Energy Production Company, LP	333 West Sheridan Avenue	Oklahoma City	OK	73102	WI
Chevron USA, Inc.	6301 Deauville Blvd	Midland	TX	79706	WI

ORRIs

Owner Name	Address 1	City	State	Zip	Type
Madison Hinkle	P.O. Box 2292	Roswell	NM	88202	ORRI
Rolla R. Hinkle III	P.O. Box 2292	Roswell	NM	88202	ORRI
Morris E. Schertz	P.O. Draw 2588	Roswell	NM	88201	ORRI
Bryan Bell Family, LP	P.O. Box 24591	New Orleans	LA	70184	ORRI
Robert N. Enfield, IRR Trust B	P.O. Box 1959	Midland	TX	79702	ORRI
DMA, Inc.	14 Granite Cir	Roswell	NM	88201	ORRI
Charmar, LLC	4815 Vista Del Oso Court NE	Albuquerque	NM	87109	ORRI
Richard C. Deason	1301 Havenhurst Dr. Apt 217	West Hollywood	CA	90046	ORRI
Thomas D. Deason	8301 County Road 6935	Lubbock	TX	79407	ORRI
Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990	P.O. Box 2391	Roswell	NM	88202	ORRI
SAP, LLC	4901 Whitney Ln	Roswell	NM	88203	ORRI
Jerune Allen	245 Nicklaus Dr.	Rio Rancho	NM	87124	ORRI
Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust	465 Camino Manzano	Santa Fe	NM	87505	ORRI
MLE, LLC	P.O. Box 1683	Santa Fe	NM	87504	ORRI

Offsets

Owner Name	Address 1	City	State	Zip	Type
EOG Y Resources, Inc., EOG M Resources, Inc., EOG A Resources, Inc.	105 S 4th Street	Artesia	NM	88210	Offset
EOG Y Resources, Inc., EOG M Resources, Inc., EOG A Resources, Inc.	5509 Champtions Drive	Midland	TX	79706	Offset
Occidental Permian LP	5 Greenway Plaza Suite #110	Houston	TX	77046	Offset
OXY Y-1 Company	P.O. Box 27570	Houston	TX	77227	Offset
Sharbro Oil LTD Co.	P.O. Box 840	Artesia	NM	88210	Offset
COG Production LLC	600 W. Illinois Ave	Midland	TX	79701	Offset

Summary of Attempted Contacts

- Marathon sent well proposal letters.
- Marathon then contacted parties to see if they would participate in the well and/or execute a joint operating agreement.
- Marathon conducted updated record searches and internet searches for contact information for parties it seeks to pool.
- Marathon continued to attempt to contact the parties who had not executed an agreement.
- Marathon filed an application to force pool parties who had not entered in to an agreement.
- Marathon sent notices of the force pooling application to the addresses of record.
- Marathon then also published notice in a newspaper of general circulation in the county where the wells will be located.

A white rectangular label with a black border. The word "EXHIBIT" is printed in bold, black, sans-serif capital letters at the top. Below it, the letter "B" is written in a large, bold, black, handwritten-style font. A horizontal black line is drawn below the letter "B". On the left side of the label, the word "tabbles" is printed vertically in a small, black, sans-serif font.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
		98117		WC-025 G-09 S263504N (WOLFCAMP)	
⁴ Property Code		⁵ Property Name			⁶ Well Number
		CHARLIE MUR 26 35 6 WA FC			15H
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
372098		MARATHON OIL PERMIAN LLC			3271'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	6	26S	35E		272	NORTH	1141	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		100	SOUTH	989	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.

<p>Defining Well</p> <p>SHEET 1 OF 3 JOB No. R3954_002 REV 0 BM 09/17/2018</p>	<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 828377.14' / Y: 393941.11' B - X: 831020.60' / Y: 393959.45' C - X: 831129.70' / Y: 383390.47' D - X: 828491.21' / Y: 383378.93'</p>	<p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 787189.78' / Y: 393883.42' B - X: 789633.21' / Y: 393901.73' C - X: 789941.84' / Y: 383333.04' D - X: 787303.38' / Y: 383321.52'</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p>SURFACE HOLE LOCATION 272' FNL 1141' FEL, SECTION 6 NAD 83, SPCS NM EAST X: 829882.67' / Y: 393679.63' LAT: 32.07888000N / LON: -103.40172619W NAD 27, SPCS NM EAST X: 788695.29' / Y: 393621.94' LAT: 32.07875390N / LON: -103.40126276W</p>		
	<p>KICK OFF POINT 50' FNL 992' FEL, SECTION 6 NAD 83, SPCS NM EAST X: 830029.40' / Y: 393902.57' LAT: 32.07948929N / LON: -103.40124630W NAD 27, SPCS NM EAST X: 788842.02' / Y: 393844.87' LAT: 32.07936318N / LON: -103.40078285W</p>		
	<p>FIRST TAKE POINT 100' FNL 992' FEL, SECTION 6 NAD 83, SPCS NM EAST X: 830029.93' / Y: 393852.58' LAT: 32.07935185N / LON: -103.40124597W NAD 27, SPCS NM EAST X: 788842.55' / Y: 393794.87' LAT: 32.07922575N / LON: -103.40078253W</p>		
<p>LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FSL 989' FEL, SECTION 7 NAD 83, SPCS NM EAST X: 830139.40' / Y: 383486.14' LAT: 32.05085595N / LON: -103.40118165W NAD 27, SPCS NM EAST X: 788895.55' / Y: 383428.71' LAT: 32.05072970N / LON: -103.40071984W</p>			<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98117		³ Pool Name WC-025 G-09 S263504N (WOLFCAMP)	
⁴ Property Code		⁵ Property Name CHARLIE MUR 26 35 6 WXY FC			⁶ Well Number 18H
⁷ OGRID No. 372098		⁸ Operator Name MARATHON OIL PERMIAN LLC			⁹ Elevation 3270'
¹⁰ Surface Location					
UL or lot no. A	Section 6	Township 26S	Range 35E	Lot Idn 272	Feet from the North/South line NORTH 1111
				Feet from the East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. P	Section 7	Township 26S	Range 35E	Lot Idn 100	Feet from the North/South line SOUTH 330
				Feet from the East/West line EAST	County LEA
¹² Dedicated Acres 640.0		¹³ Joint or Infill		¹⁴ Consolidation Code	
				¹⁵ Order No.	

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

<p>Infill Well</p>		<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 828377.14' / Y: 393941.11' B - X: 831020.60' / Y: 393959.45' C - X: 831129.70' / Y: 383390.47' D - X: 828491.21' / Y: 383378.93'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 787189.78' / Y: 393883.42' B - X: 789833.21' / Y: 393901.73' C - X: 789941.84' / Y: 383333.04' D - X: 787303.38' / Y: 383321.52'</p> <p>SURFACE HOLE LOCATION 272' FNL 1111' FEL, SECTION 6 NAD 83, SPCS NM EAST X: 829912.65' / Y: 393679.61' LAT: 32.07887921N / LON: -103.40162941W NAD 27, SPCS NM EAST X: 788725.26' / Y: 393621.91' LAT: 32.07875311N / LON: -103.40116598W</p> <p>KICK OFF POINT 50' FNL 330' FEL, SECTION 6 NAD 83, SPCS NM EAST X: 830691.13' / Y: 393907.16' LAT: 32.07948617N / LON: -103.39910991W NAD 27, SPCS NM EAST X: 789503.74' / Y: 393849.45' LAT: 32.07936004N / LON: -103.39864653W</p> <p>FIRST TAKE POINT 100' FNL 330' FEL, SECTION 6 NAD 83, SPCS NM EAST X: 830691.66' / Y: 393857.17' LAT: 32.07934874N / LON: -103.39910961W NAD 27, SPCS NM EAST X: 789504.27' / Y: 393799.46' LAT: 32.07922260N / LON: -103.39864624W</p> <p>LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FSL 330' FEL, SECTION 7 NAD 83, SPCS NM EAST X: 830798.65' / Y: 383489.02' LAT: 32.05084822N / LON: -103.39905397W NAD 27, SPCS NM EAST X: 789610.80' / Y: 383431.59' LAT: 32.05072194N / LON: -103.39859224W</p>
<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>		
<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>		

Steven Martinez
Land Agent for Marathon Oil Permian LLC



T-O Land & Minerals, Inc., Agent
25465 Scenic Loop Rd.
San Antonio, Texas 78255
Telephone: 210.826-3000
Email: smartinez@t-oland.com

May 14, 2018

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
7018 0040 0000 3767 8414

Pintail Production Company
6467 Southwest Blvd.
Fort Worth, Texas 76132

Re: Charlie Murphy Federal 12H, 14H, 15H & 18H Well Proposals
E/2 of Section 6, Township 26 South, Range 35 East
E/2 of Section 7, Township 26 South, Range 35 East
Lea County, New Mexico

Dear Pintail Production Company:

The purpose of this letter is to update and correct the well information for the Charlie Murphy Federal wells in the previous Well Proposal Letter dated April 20, 2018. Please note that the information contained in this letter voids and supersedes any inconsistent information regarding the Charlie Murphy Federal wells in the previous Well Proposal Letter.

Marathon Oil Permian LLC ("Marathon") proposes the drilling of the following wells located in the E/2 of Section 6, 26S-35E & the E/2 of Section 7, 26S-35E, Lea County, New Mexico, all to be drilled from one surface pad location.

Well Name	SHL	BHL	Target TVD	Est. MD	Est. Completion Cost
Charlie Murphy Federal 26-35-6 WXY 12H	NE/4 NE/4 of Sec. 6	SW/4 SE/4 of Sec. 7	12,496'	23,157'	\$10,836,812
Charlie Murphy Federal 26-35-6 TB 14H	NE/4 NE/4 of Sec. 6	SE/4 SE/4 of Sec. 7	12,375'	22,906'	\$10,736,242
Charlie Murphy Federal 26-35-6 WA 15H	NE/4 NE/4 of Sec. 6	SE/4 SE/4 of Sec. 7	12,618'	23,157'	\$10,836,812
Charlie Murphy Federal 26-35-6 WXY 18H	NE/4 NE/4 of Sec. 6	SE/4 SE/4 of Sec. 7	12,496'	23,050'	\$10,835,752

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered. The AFEs represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred.

Marathon proposes drilling the wells under the terms of the 1989 AAPL JOA, and if you are interested in participating, a form of this JOA will be sent to you following this proposal. The JOA will have the following general provisions:

- 100%/300%/300% non-consent penalty
- \$7,000/\$700 drilling and producing rates



- Contract area of E/2 of Section 6, 26S-35E & E/2 of Section 7, 26S-35E, covering all depths

Our title records indicate that you own 0.5% WI in the proposed unit.

If your election is to participate in the drilling and completion of the wells, please sign and return a copy of this letter along with the enclosed AFE within thirty (30) days of receipt of this proposal.

If you do not wish to participate, Marathon proposes to acquire your interest via term assignment at the following terms:

- 3 year term
- \$2,000 bonus consideration per net mineral acre
- Delivering an 80% NRI, proportionately reduced

This term assignment offer terminates on June 14, 2018 and is subject to due diligence and title verification satisfactory to Marathon.

Should you have any questions regarding this or other matters, please do not hesitate to contact me via the phone number or email address listed above.

Sincerely,

Steven Martinez
Land Agent for Marathon Oil Permian, LLC

_____ Pintail Production Company elects to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WXY 12H.

_____ Pintail Production Company elects NOT to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WXY 12H.

_____ Pintail Production Company elects to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 TB 14H.

_____ Pintail Production Company elects NOT to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 TB 14H.

_____ Pintail Production Company elects to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WA 15H.

_____ Pintail Production Company elects NOT to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WA 15H.

_____ Pintail Production Company elects to participate in the drilling, completing, and equipping of Charlie Murphy Federal 26-35-6 WXY 18H.

_____ Pintail Production Company elects NOT to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WXY 18H.

Pintail Production Company

By: _____

Print Name: _____

Title: _____

MARATHON OIL PERMIAN LLC
 AUTHORITY FOR EXPENDITURE
 DETAIL OF ESTIMATED WELL COSTS

DATE 5/2/2018
 DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
 COMPLETION PREPARED BY JOSH SHANNON
 FACILITIES PREPARED BY MATT HENSCHEN
 ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team PERMIAN
 Field WC-025 G-09 S2635 FORMATION: WOLFCAMP
 Lease/Facility CHARLIE MURPHY FEDERAL COM 26 35 6 WXY 12H
 Location LEA COUNTY
 Prospect MALAGA

WILDCAT EXPLORATION
DEVELOPMENT RECOMPLETION
X EXPLOITATION WORKOVER

Est Total Depth 23,157 Est Drilling Days 32 Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		71,250

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	32,000
7012050	Intermediate Casing 1	120,000
7012050	Intermediate Casing 2	250,000
7012050	Production Casing	241,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		805,000

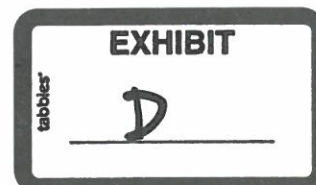
DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	33,750
7019220	Drilling Rig - day work/footage	720,000
7019040	Directional Drilling Services	291,000
7019020	Cement and Cementing Service Surface	20,000
7019020	Cement and Cementing Service Intermediate 1	35,000
7019020	Cement and Cementing Service Intermediate 2	60,000
7019020	Cement and Cementing Service Production	75,000
7019140	Mud Fluids & Services	86,000
7012310	Solids Control equipment	58,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	99,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	28,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7018150	Rental Tools and Equipment (surface rentals)	128,000
7018150	Rig Equipment and Misc.	16,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services	150,400
7001400	Safety and Environmental	51,200
7018120	Rental Buildings (trailers)	25,600
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	189,237
TOTAL DRILLING - INTANGIBLE		\$2,379,187

TOTAL DRILLING COST **\$3,184,187**

COMPLETION - TANGIBLE

7012580	Tubing	75,000
7012040	Tubing Accessories (nipple, wireline entry)	15,000
7012550	Wellhead Equip	20,000
7012560	Packers - Completion Equipment	60,000
TOTAL COMPLETION - TANGIBLE		\$170,000



Asset Team	PERMIAN	
Field	025 G-	FORMATION: WOLFCAMP
Lease/Facility	CHARLIE MURPHY FEDERAL COM 26 35 6 WXY 12H	

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	20,000
7019220	Drilling Rig During Completion	80,000
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	240,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	195,000
7019320	Fracturing Services	3,850,000
7019330	Perforating	300,000
7019360	Wireline Services	10,000
7001460	Water Hauling & Disposal (frac fluids)	600,000
7016180	Freight - Truck (haul pipe; drlg & compl)	15,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (Incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	50,000
7001110	Telecommunications Services	130,000
7001400	Safety and Environmental	-
7001120	Consulting Services	60,000
7018150	Zipper Manifold	165,000
7019300	Frack Stack Rentals	70,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	140,000
7018120	Rental Buildings (trailers)	60,000
7000030	Contract Labor - Pumping (pump-down pumps)	120,000
7011010	8% Contingency & Taxes	426,800
TOTAL COMPLETION - INTANGIBLE		\$6,531,800

TOTAL COMPLETION COST

\$6,701,800

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	85,794
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	67,540
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,786
7012270	Miscellaneous Materials (containment system)	43,227
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	29,116
7012290	Metering and Instrumentation	235,914
7012290	I&E Materials	-
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	85,919
7012500	Tanks	144,894
7012100	Heater Treater	17,330
7012640	Flare & Accessories	11,646
7000010	Electrical Labor	29,116
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,293
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$800,575

TOTAL SURFACE EQUIPMENT COST

\$ 800,575

ARTIFICIAL LIFT

7006640	Company Labor	2,500
7012180	Gas Lift Equipment	38,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	20,000
7012270	Materials & Supplies-Tangible	13,000
7012550	Surface Wellhead Equipment	5,500
7012390	Pig Launchers/Receivers & Rel Equip	-
7011010	8% Contingency & Taxes	-
TOTAL ARTIFICIAL LIFT		79,000

TOTAL ARTIFICIAL LIFT COST

\$ 79,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 71,250
TOTAL DRILLING COST	\$ 3,184,187
TOTAL COMPLETIONS COST	\$ 6,701,800
TOTAL SURFACE EQUIPMENT COST	\$ 800,575
TOTAL ARTIFICIAL LIFT COST	\$ 79,000
GRAND TOTAL COST	\$10,836,812

MARATHON OIL PERMIAN LLC
AUTHORITY FOR EXPENDITURE
DETAIL OF ESTIMATED WELL COSTS

DATE 5/2/2018
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY MATT HENSCHEN
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team PERMIAN
Field WC-025 G-09 S2635 FORMATION: WOLFCAMP
Lease/Facility CHARLIE MURPHY FEDERAL COM 26 35 6 WA 15H
Location LEA COUNTY
Prospect MALAGA

 WILDCAT EXPLORATION
 DEVELOPMENT RECOMPLETION
X EXPLOITATION WORKOVER

Est Total Depth 23,157 Est Drilling Days 32 Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		71,250

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	32,000
7012050	Intermediate Casing 1	120,000
7012050	Intermediate Casing 2	250,000
7012050	Production Casing	241,000
7012050	Drilg Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		805,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	33,750
7019220	Drilling Rig - day work/footage	720,000
7019040	Directional Drilling Services	291,000
7019020	Cement and Cementing Service Surface	20,000
7019020	Cement and Cementing Service Intermediate 1	35,000
7019020	Cement and Cementing Service Intermediate 2	60,000
7019020	Cement and Cementing Service Production	75,000
7019140	Mud Fluids & Services	86,000
7012310	Solids Control equipment	58,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	99,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	28,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7018150	Rental Tools and Equipment (surface rentals)	128,000
7018150	Rig Equipment and Misc.	16,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services	150,400
7001400	Safety and Environmental	51,200
7018120	Rental Buildings (trailers)	25,600
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	189,237
TOTAL DRILLING - INTANGIBLE		\$2,379,187

TOTAL DRILLING COST \$3,184,187

COMPLETION - TANGIBLE

7012580	Tubing	75,000
7012040	Tubing Accessories (nipple, wireline entry)	15,000
7012550	Wellhead Equip	20,000
7012560	Packers - Completion Equipment	60,000
TOTAL COMPLETION - TANGIBLE		\$170,000

MARATHON OIL PERMIAN LLC
AUTHORITY FOR EXPENDITURE
DETAIL OF ESTIMATED WELL COSTS

DATE 5/2/2018

Asset Team PERMIAN
Field 025 G- FORMATION: WOLFCAMP
Lease/Facility CHARLIE MURPHY FEDERAL COM 26 35 6 WA 15H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	20,000
7019220	Drilling Rig During Completion	80,000
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	240,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	195,000
7019320	Fracturing Services	3,850,000
7019330	Perforating	300,000
7019360	Wireline Services	10,000
7001460	Water Hauling & Disposal (frac fluids)	600,000
7016180	Freight - Truck (haul pipe; drlg & compl)	15,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (Incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	50,000
7001110	Telecommunications Services	130,000
7001400	Safety and Environmental	-
7001120	Consulting Services	60,000
7018150	Zipper Manifold	165,000
7019300	Frack Stack Rentals	70,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	140,000
7018120	Rental Buildings (trailers)	60,000
7000030	Contract Labor - Pumping (pump-down pumps)	120,000
7011010	8% Contingency & Taxes	426,800
TOTAL COMPLETION - INTANGIBLE		\$6,531,800

TOTAL COMPLETION COST

\$6,701,800

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	85,794
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	67,540
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,786
7012270	Miscellaneous Materials (containment system)	43,227
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	29,116
7012290	Metering and Instrumentation	235,914
7012290	I&E Materials	-
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	85,919
7012500	Tanks	144,894
7012100	Heater Treater	17,330
7012640	Flare & Accessories	11,646
7000010	Electrical Labor	29,116
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,293
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$800,575

TOTAL SURFACE EQUIPMENT COST

\$ 800,575

ARTIFICIAL LIFT

7006640	Company Labor	2,500
7012180	Gas Lift Equipment	38,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	20,000
7012270	Materials & Supplies-Tangible	13,000
7012550	Surface Wellhead Equipment	5,500
7012390	Plg Launchers/Receivers & Rel Equip	-
7011010	8% Contingency & Taxes	-
TOTAL ARTIFICIAL LIFT		79,000

TOTAL ARTIFICIAL LIFT COST

\$ 79,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 71,250
TOTAL DRILLING COST	\$ 3,184,187
TOTAL COMPLETIONS COST	\$ 6,701,800
TOTAL SURFACE EQUIPMENT COST	\$ 800,575
TOTAL ARTIFICIAL LIFT COST	\$ 79,000
GRAND TOTAL COST	\$10,836,812

MARATHON OIL PERMIAN LLC
AUTHORITY FOR EXPENDITURE
DETAIL OF ESTIMATED WELL COSTS

DATE 5/2/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY MATT HENSCHEN
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team PERMIAN
Field WC-025 G-09 S2635 FORMATION: WOLFCAMP
Lease/Facility CHARLIE MURPHY FEDERAL COM 26 35 6 WXY 18H
Location LEA COUNTY
Prospect MALAGA

WILDCAT EXPLORATION
DEVELOPMENT RECOMPLETION
X EXPLOITATION WORKOVER

Est Total Depth 23,050 Est Drilling Days 32 Est Completion Days 11

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7001250	Land Broker Fees and Services	33,750
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DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	32,000
7012050	Intermediate Casing 1	120,000
7012050	Intermediate Casing 2	250,000
7012050	Production Casing	240,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		804,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	33,750
7019220	Drilling Rig - day work/footage	720,000
7019040	Directional Drilling Services	291,000
7019020	Cement and Cementing Service Surface	20,000
7019020	Cement and Cementing Service Intermediate 1	35,000
7019020	Cement and Cementing Service Intermediate 2	60,000
7019020	Cement and Cementing Service Production	75,000
7019140	Mud Fluids & Services	86,000
7012310	Solids Control equipment	58,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	99,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	28,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7018150	Rental Tools and Equipment (surface rentals)	128,000
7018150	Rig Equipment and Misc.	16,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services	150,400
7001400	Safety and Environmental	51,200
7018120	Rental Buildings (trailers)	25,600
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	189,177
TOTAL DRILLING - INTANGIBLE		\$2,379,127

TOTAL DRILLING COST \$3,183,127

COMPLETION - TANGIBLE

7012580	Tubing	75,000
7012040	Tubing Accessories (nipple, wireline entry)	15,000
7012550	Wellhead Equip	20,000
7012560	Packers - Completion Equipment	60,000
TOTAL COMPLETION - TANGIBLE		\$170,000

Asset Team PERMIAN
 Field 025 G- FORMATION: WOLFCAMP
 Lease/Facility CHARLIE MURPHY FEDERAL COM 26 35 6 WXY 18H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	20,000
7019220	Drilling Rig During Completion	80,000
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	240,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	195,000
7019320	Fracturing Services	3,850,000
7019330	Perforating	300,000
7019360	Wireline Services	10,000
7001460	Water Hauling & Disposal (frac fluids)	600,000
7016180	Freight - Truck (haul pipe; drlg & compl)	15,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	50,000
7001110	Telecommunications Services	130,000
7001400	Safety and Environmental	-
7001120	Consulting Services	60,000
7018150	Zipper Manifold	165,000
7019300	Frack Stack Rentals	70,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	140,000
7018120	Rental Buildings (trailers)	60,000
7000030	Contract Labor - Pumping (pump-down pumps)	120,000
7011010	8% Contingency & Taxes	426,800
TOTAL COMPLETION - INTANGIBLE		\$6,531,800
TOTAL COMPLETION COST		\$6,701,800

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	85,794
7006640	Company Labor & Burden	-
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7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	85,919
7012500	Tanks	144,894
7012100	Heater Treater	17,330
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7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,293
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$800,575
TOTAL SURFACE EQUIPMENT COST		\$ 800,575

ARTIFICIAL LIFT

7006640	Company Labor	2,500
7012180	Gas Lift Equipment	38,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	20,000
7012270	Materials & Supplies-Tangible	13,000
7012550	Surface Wellhead Equipment	5,500
7012390	Pig Launchers/Receivers & Rel Equip	-
7011010	8% Contingency & Taxes	-
TOTAL ARTIFICIAL LIFT		79,000
TOTAL ARTIFICIAL LIFT COST		\$ 79,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 71,250
TOTAL DRILLING COST	\$ 3,183,127
TOTAL COMPLETIONS COST	\$ 6,701,800
TOTAL SURFACE EQUIPMENT COST	\$ 800,575
TOTAL ARTIFICIAL LIFT COST	\$ 79,000
GRAND TOTAL COST	\$10,835,752

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

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

CASE NO. 16424

AFFIDAVIT

STATE OF Texas)
) ss.
COUNTY OF Lea)

Ethan Perry, being duly sworn, deposes and states:

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. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum geologist.
2. **Exhibit A** is a structure map of the top of the Wolfcamp formation. The proposed project area is identified by a black-dashed box. The proposed horizontal location is identified by a blue line, and the proposed Wolfcamp wells are number 1, **3** and 4.
3. Exhibit A identifies wells in the vicinity of the proposed well, with a line of cross-section, running from A to A'.
4. Exhibit A shows that the structure dips down to the south.
5. **Exhibit B** is a Wolfcamp cross section. It is a stratigraphic cross-section hung on the base of the Third Bone Spring Sand. The well logs on the cross-section give a representative sample of the Wolfcamp formation in the area. The target zone for the wells is the Wolfcamp Y

Sand and Wolfcamp A, as identified by the words "Producing Zone" and the shaded area across the cross section. That zone is continuous across the well unit.

6. **Exhibit C** is a Gross Interval Isochore of the Wolfcamp-Wolfcamp B. The Wolfcamp-Wolfcamp B is uniform across the proposed well unit.

7. I conclude from the maps that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter quarter section in the unit will contribute more or less equally to production.

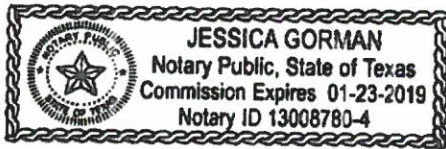
8. The preferred well orientation in this area is north-south. This is because the inferred orientation of the maximum horizontal stress is roughly east-west.

Ethan Perry
Ethan Perry

SUBSCRIBED AND SWORN to before me this 18th day of September, 2018 by Ethan Perry, on behalf of Marathon Oil Permian LLC.

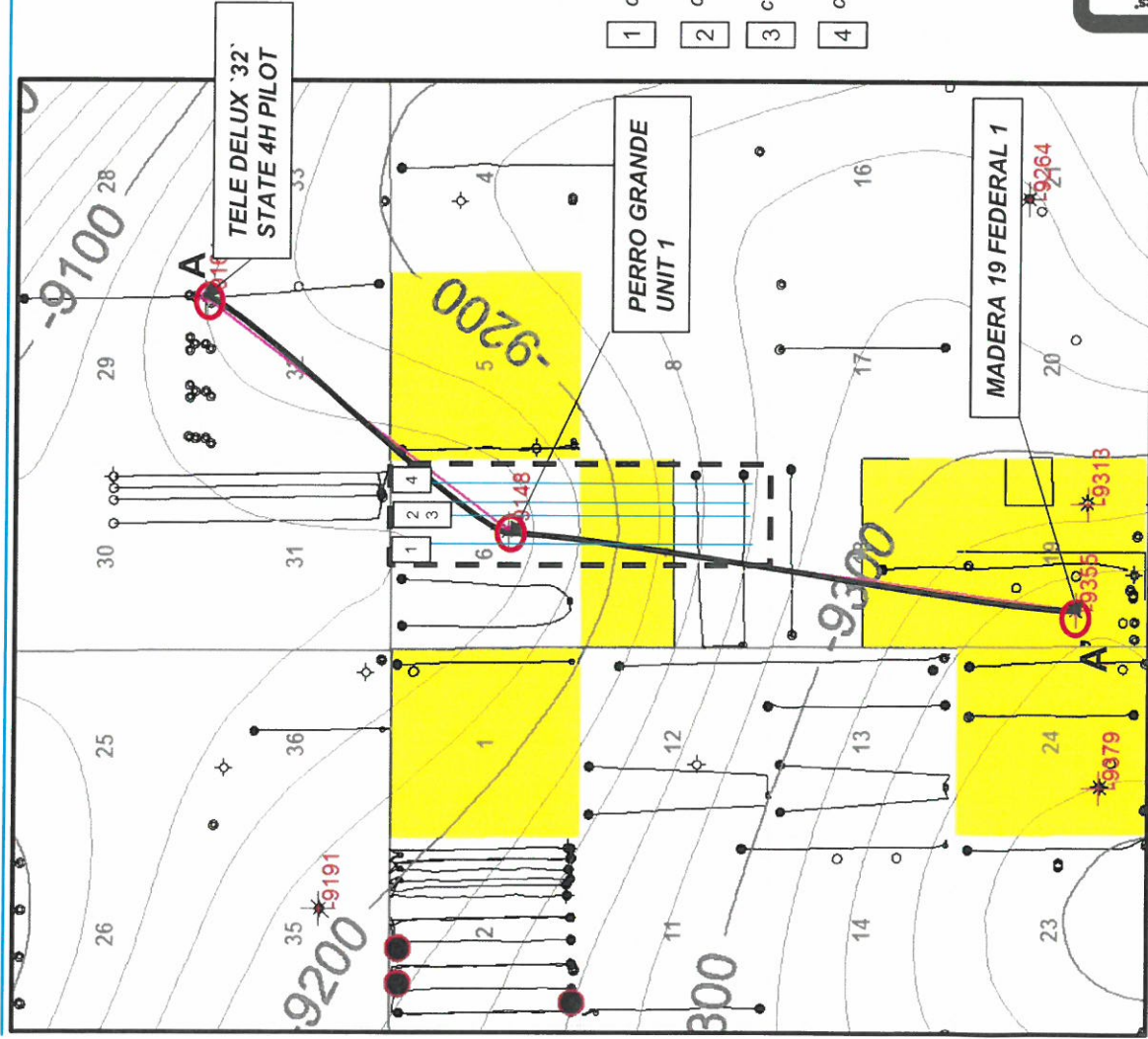
Jessica Gorman
Notary Public

My commission expires: 1/23/2019



Charlie Murphy Fed Com 26 35 6 TB 14H, WXY 18H, WA 15H and WXY 12H

Structure Map – Top of Wolfcamp (SSTVD)



Map Legend



MRO – Horizontal Location



Offsetting WXY/WA Producers



MRO Acreage



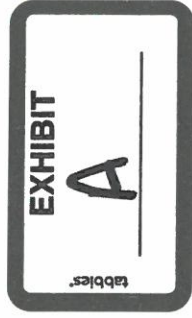
Project Area

C.I. = 20'



1 mile

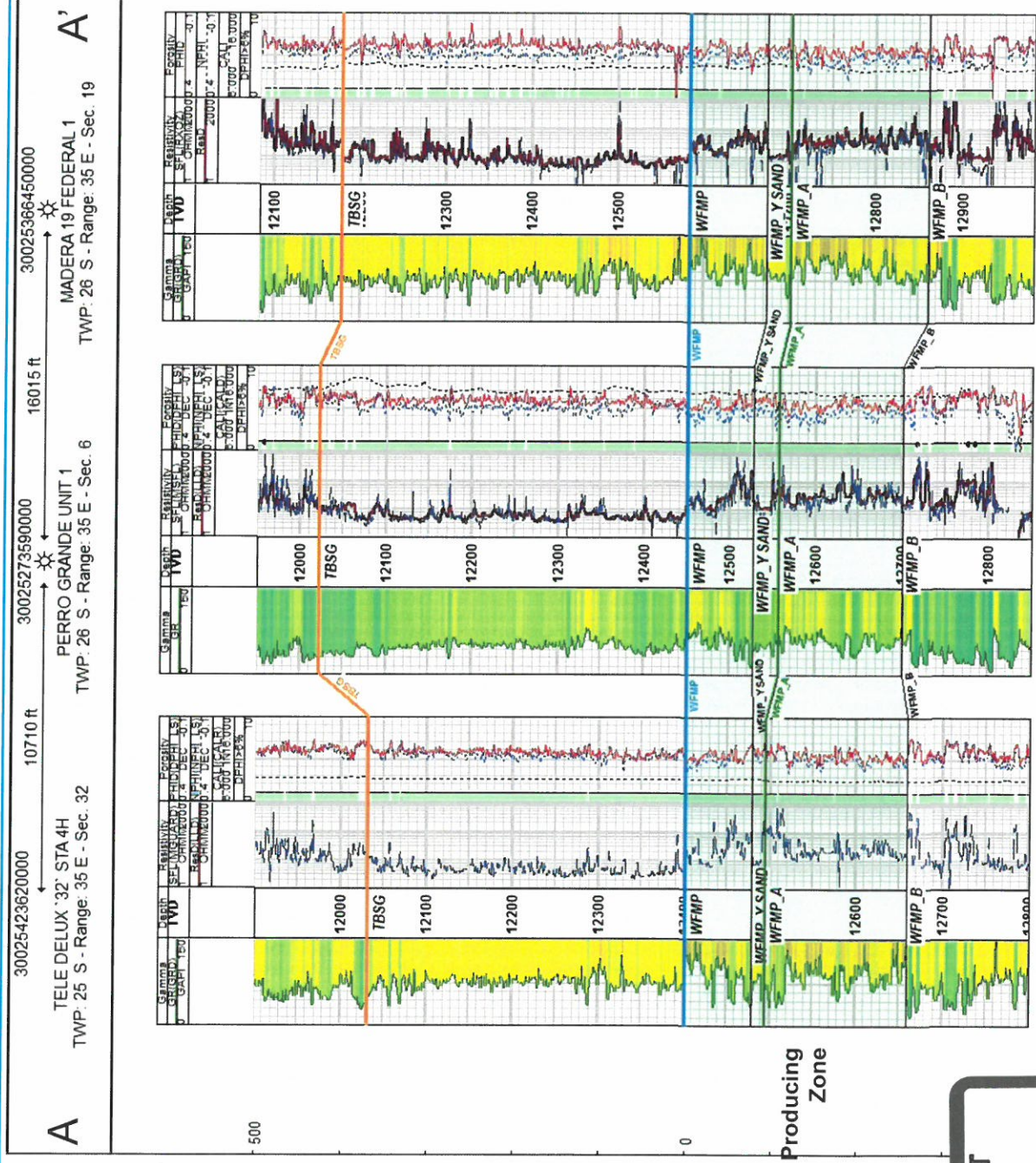
- 1 Charlie Murphy Fed Com 26 35 6 WXY 12H
- 2 Charlie Murphy Fed Com 26 35 6 TB 14H
- 3 Charlie Murphy Fed Com 26 35 6 WA 15H
- 4 Charlie Murphy Fed Com 26 35 6 WXY 18H



Tables

Charlie Murphy Fed Com 26 35 6 TB 14H, WXY 18H, WA 15H and WXY 12H

Stratigraphic Cross Section (Top Wolfcamp Datum)



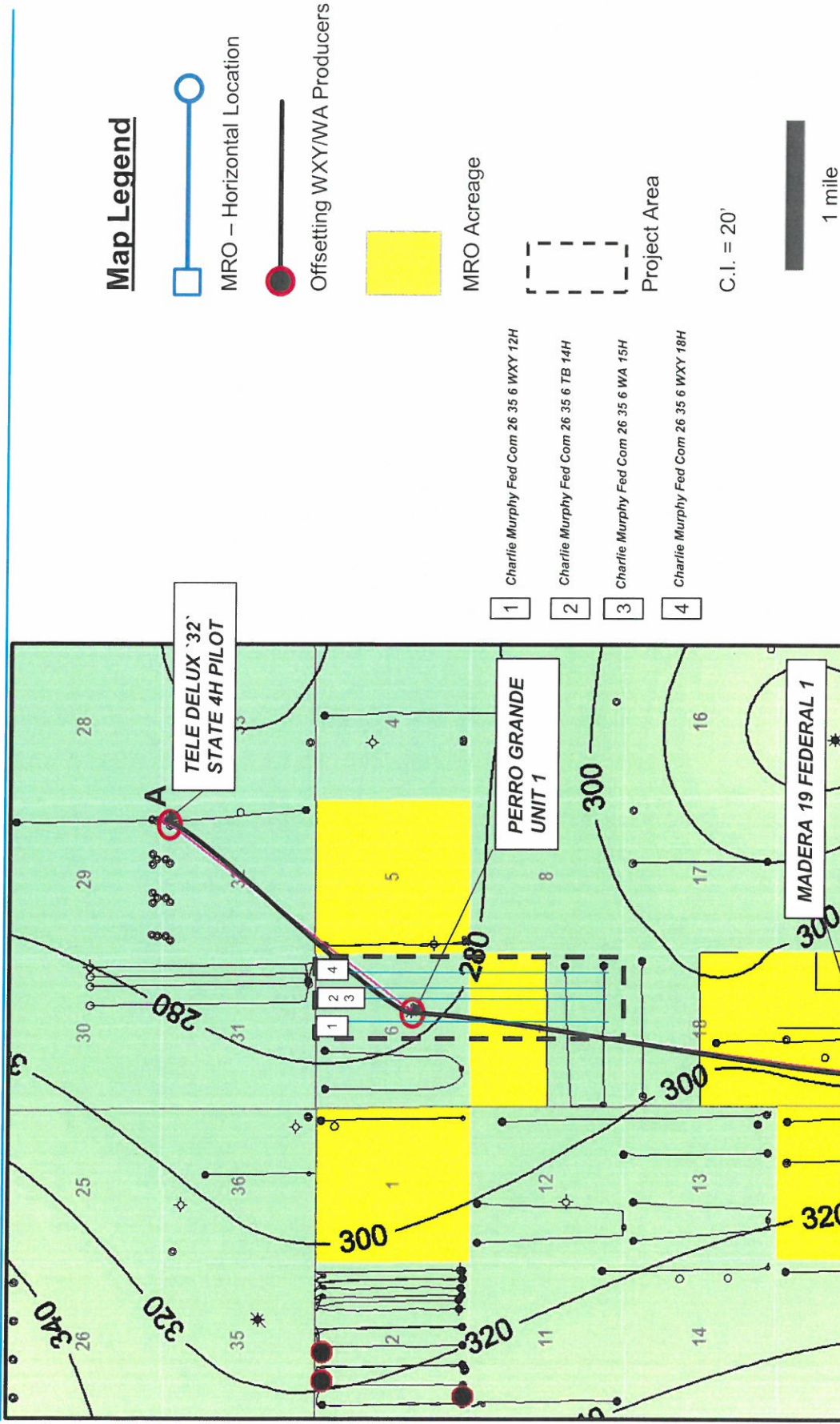
EXHIBIT

B

tabbles

Charlie Murphy Fed Com 26 35 6 TB 14H, WXY 18H, WA 15H and WXY 12H

Gross Interval Isochore – Wolfcamp – Wolfcamp B



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

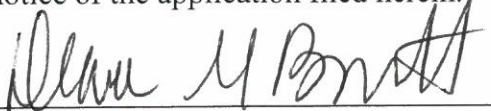
**AMENDED APPLICATION OF MARATHON OIL PERMIAN LLC FOR APPROVAL
OF A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 16424

AFFIDAVIT

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 provided under the notice letter and that proof of receipt is attached hereto. Marathon has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the application filed herein.

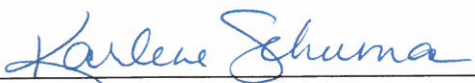


Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 19th day of September, 2018 by Deana M. Bennett.



My commission expires: _____



Notary Public

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87114

PS Form 3877

Type of Mailing: CERTIFIED
08/31/2018

81363-1065



Firm Mailing Book ID: 150132

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
1	9314 8699 0430 0050 2797 40	Pintail Production Company 6467 Southwest Blvd. Fort Worth TX 76132	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
2	9314 8699 0430 0050 2797 57	Devon Energy Production Company, LP 333 West Sheridan Avenue Oklahoma City OK 73102	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
3	9314 8699 0430 0050 2797 64	Chevron USA, Inc. 6301 Deauville Blvd Midland TX 79706	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
4	9314 8699 0430 0050 2797 71	Madison Hinkle P.O. Box 2292 Roswell NM 88202	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
5	9314 8699 0430 0050 2797 88	Rolla R. Hinkle III P.O. Box 2292 Roswell NM 88202	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
6	9314 8699 0430 0050 2797 95	Morris E. Schertz P.O. Draw 2588 Roswell NM 88201	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
7	9314 8699 0430 0050 2798 01	Bryan Bell Family, LP P.O. Box 24591 New Orleans LA 70184	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
8	9314 8699 0430 0050 2798 18	Robert N. Enfield, IRR Trust B P.O. Box 1959 Midland TX 79702	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
9	9314 8699 0430 0050 2798 25	DMA, Inc. 14 Granite Cir Roswell NM 88201	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
10	9314 8699 0430 0050 2798 32	Charmar, LLC 4815 Vista Del Oso Court NE Albuquerque NM 87109	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
11	9314 8699 0430 0050 2798 49	Richard C. Deason 1301 Havenhurst Dr. Apt 217 West Hollywood CA 90046	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
12	9314 8699 0430 0050 2798 56	Thomas D. Deason 8301 County Road 6935 Lubbock TX 79407	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
13	9314 8699 0430 0050 2798 63	Ronald H. Mayer, Trustee of the Ronald H. Mayer & Martha Mayer Rev. Trust P.O. Box 2391 Roswell NM 88202	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
14	9314 8699 0430 0050 2798 70	SAP, LLC 4901 Whitney Ln Roswell NM 88203	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
15	9314 8699 0430 0050 2798 87	Jerune Allen 245 Nicklaus Dr. Rio Rancho NM 87124	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87114

PS Form 3877

Type of Mailing: CERTIFIED
08/31/2018



Firm Mailing Book ID: 150132

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
16	9314 8699 0430 0050 2798 94	Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust 465 Camino Manzano Santa Fe NM 87505	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
17	9314 8699 0430 0050 2799 00	MLE, LLC P.O. Box 1683 Santa Fe NM 87504	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
18	9314 8699 0430 0050 2799 17	EOG Y Resources, Inc. 105 S 4th Street Artesia NM 88210	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
19	9314 8699 0430 0050 2799 24	EOG Y Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
20	9314 8699 0430 0050 2799 31	Occidental Permian LP 5 Greenway Plaza Suite #110 Houston TX 77046	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
21	9314 8699 0430 0050 2799 48	OXY Y-1 Company P.O. Box 27570 Houston TX 77227	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
22	9314 8699 0430 0050 2799 55	Sharbro Oil LTD Co. P.O. Box 840 Artesia NM 88210	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
23	9314 8699 0430 0050 2799 62	COG Production LLC 600 W. Illinois Ave Midland TX 79701	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
Totals:			\$27.83	\$79.35	\$34.50	Grand Total:	\$0.00 \$141.68

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

Transaction Report Details - CertifiedPro.net
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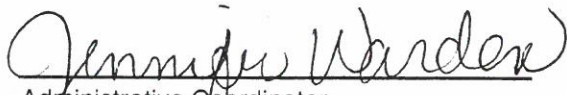
Certified Mail Article Number	Date Created	Reference Number	Name 1	Name 2	Address	City	State	Zip	Certified Mailing Status	Service Options	Batch ID	Mail Delivery Date
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9314869904300050279855	2018-08-31 10:49 AM	81363-0165	Shakiro Oil LTD Co.		P.O. Box 840	Artesia	NM	88210	Delivered	Return Receipt - Electronic	143794	09-04-2018
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9314869904300050279740	2018-08-31 10:49 AM	81363-0165	Pintail Production Company		6467 Southwest Blvd.	Fort Worth	TX	76132	Delivered	Return Receipt - Electronic	143794	09-04-2018

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Jennifer Warden, Administrative Coordinator of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
September 07, 2018
and ending with the issue dated
September 07, 2018.


Administrative Coordinator

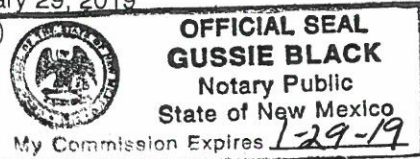
Sworn and subscribed to before me this
7th day of September 2018.


Business Manager

My commission expires

January 29, 2019

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE September 7, 2018

CASE NO. 16424: Notice to all affected parties, as well as the heirs and devisees of Pintail Production Company, Devon Energy Production Company, LP, Chevron USA, Inc., Madison Hinkle, Rolla R. Hinkle III, Morris E. Schertz, Bryan Bell Family, LP, Robert N. Enfield, IRR Trust B, DMA, Inc., Charmar, LLC, Richard C. Deason, Thomas D. Deason, Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990, SAP, LLC, Jerune Allen, Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust, MLE, LLC, EOG Y Resources, Inc., EOG M Resources, Inc., EOG A Resources, Inc., Occidental Permian LP, OXY Y-1 Company, Sharbro Oil LTD Co., COG Production LLC of Marathon Oil Permian LLC's amended application for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: to the extent necessary, approving the creation of a non-standard Wolfcamp spacing and proration unit; and pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This proposed spacing unit will be dedicated to the Charlie Murphy Federal Com 26-35-6 WXY-12H, Charlie Murphy Federal Com 26-35-6 WA 15H, and Charlie Murphy Federal Com 26-35-6 WXY 18H wells, to be horizontally drilled. The producing area for these wells will 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, and allowing a one year period between when the wells are drilled and when the wells are completed. Said area is located approximately 12 miles west southwest of Jal, New Mexico.

CASE NO. 16425: Notice to all affected parties, as well as the heirs and devisees of Pintail Production Company, Devon Energy Production Company, LP, Chevron USA, Inc., Madison Hinkle, Rolla R. Hinkle III, Morris E. Schertz, Bryan Bell Family, LP, Robert N. Enfield, IRR Trust B, DMA, Inc., Charmar, LLC, Richard C. Deason, Thomas D. Deason, Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990, SAP, LLC, Jerune Allen, Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust, MLE, LLC, EOG Y Resources, Inc., EOG M Resources, Inc., EOG A Resources, Inc., Occidental Permian LP, OXY Y-1 Company, Sharbro Oil LTD Co., COG Production LLC of Marathon Oil Permian LLC's amended application for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: to the extent necessary, approving the creation of a non-standard Bone Spring spacing and proration unit; and pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This proposed spacing unit will be dedicated to the Charlie Murphy Federal Com 26-35-6 TB 14H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 12 miles west south west of Jal, New Mexico.
#33203

01104570

00217612

DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS &
P. O. BOX 2168
ALBUQUERQUE, NM 87103-2168

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

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

CASE NO. 16424

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

CASE NO. 16425

AFFIDAVIT

STATE OF Texas)
) ss.
COUNTY OF Harris)

Jacob Rotolo being duly sworn, deposes and states:

1. I am over the age of 18, I am an engineer for Marathon Oil Permian LLC ("Marathon"), and have personal knowledge of the matters stated herein.
2. I received a BS in Petroleum Engineering from LSU in May of 2007.
3. I have worked for Marathon Oil as a Reservoir Engineering Supervisor since February of 2018. In total I have eleven years industry experience in Petroleum Engineering. Prior to my employment with Marathon Oil, I worked for Hess Corporation as a Reservoir Engineer in their North Dakota Asset and also for Occidental Petroleum as a Reservoir Engineer in their Permian Basin Asset.

4. My work for Marathon involves Lea County, and I am familiar with the engineering matters involved in these cases.

5. Marathon, in its amended applications that it submitted for the **Charlie Murphy Federal Com 26-35-6 WXY 12H, Charlie Murphy Federal Com 26-35-6 WA 15H, Charlie Murphy Federal Com 26-35-6 WXY 18H and Charlie Murphy Federal Com 26-35-6 TB 14H** wells, requested that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

6. Marathon requests a modification to the time allowed between the time the well is drilled and completion of the well to allow for 240 days, rather than year.

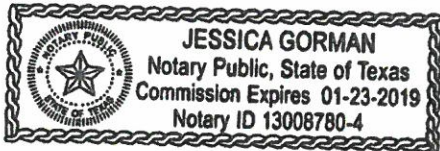
7. Marathon requests additional time between the time the well is drilled and completion of the well because Marathon is currently using one fracturing rig and one completion crew.

Jacob Rotolo
Jacob Rotolo

SUBSCRIBED AND SWORN to before me this 18th day of September, 2018
by Jacob Rotolo, on behalf of Marathon Oil Permian LLC.

Jessica Gorman
Notary Public

My commission expires: 1/23/2019



Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Charlie Murphy Federal Com 26-35-6 TB 14H** well, to be horizontally drilled.

6. A plat outlining the unit being pooled in is attached hereto as **Exhibit A**, which shows the proposed well's location within the unit. The parties being pooled, the nature and percent of their interests, and their last known addresses are also included as part of **Exhibit A**. Exhibit A includes information for the working interest owners, the overriding interest owners, and offsets.

7. There are no depth severances within the Bone Spring formation.

8. I have conducted a diligent search of the public records in the county where the well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals, including an Authorization for Expenditure and a form of Operating Agreement.

9. Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well.

10. Attached as **Exhibit B** is the proposed C-102 for the well. The well will develop the WC-025 G-08 S23534O (Bone Spring) pool, pool code 97088, which is an oil pool.

11. The producing interval for the well will be orthodox and will comply with the Division's set back requirements.

12. **Exhibits C and D** are a sample proposal letter and the Authorization for Expenditure for the proposed well. The estimated cost of the well 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.

13. Marathon requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/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.

14. Marathon requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

15. Marathon requests that it be designated operator of the wells.

16. The attachments to this affidavit were prepared by me, or compiled from company business records.

17. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

18. The granting of this application is in the interests of conservation and the prevention of waste.


Ryan Gyllenband

SUBSCRIBED AND SWORN to before me this 19th day of September, 2018 by Ryan Gyllenband on behalf of Marathon Oil Permian LLC.


Notary Public

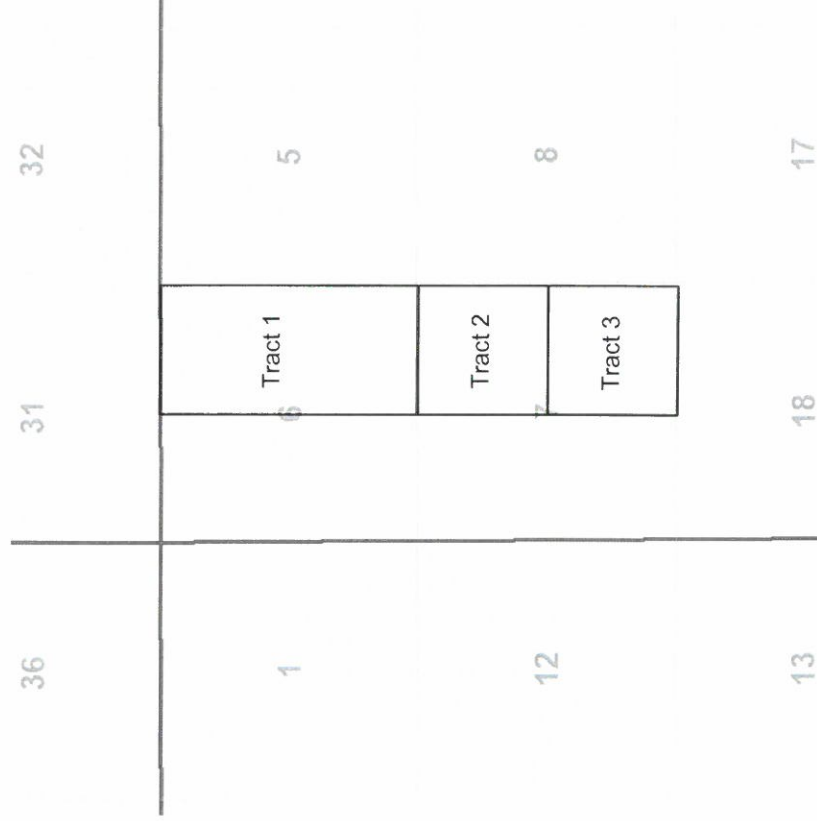
My commission expires: 1/23/2019



Lease Tract Map

Charlie Murphy Fed 26 35 6 WXY 12H, Charlie Murphy Fed 26 35 6 TB 14H, Charlie Murphy Fed 26 35 6 WA 15H, and Charlie Murphy Fed 26 35 6 18H
E/2 of Sections 6 & 7, 26S-35E – 640 acres

- Tract 1: Federal Acreage
- Tract 2: Federal Acreage
- Tract 3: Federal Acreage



Summary of Interests

Charlie Murphy Fed 26 35 6 WXY 12H, Charlie Murphy Fed 26 35 6 TB 14H, Charlie Murphy Fed 26 35 6 WA 15H, and Charlie Murphy Fed 26 35 6 18H

Committed Working Interest:

Marathon Oil Permian LLC
Occidental Petroleum Corporation

18.75%
6.25%

25.00%

Uncommitted Working Interest:

Pintail Production Company
Devon Energy Production Company, LP
Chevron USA, Inc.

50.00%
12.50%
12.50%

75.00%

Unleased Mineral Interest:

0.00%

Charlie Murphy

Force Pooled Owners

Owner Name	Address 1	City	State	Zip	Type
Pintail Production Company	6467 Southwest Blvd.	Fort Worth	TX	76132	WI
Devon Energy Production Company, LP	333 West Sheridan Avenue	Oklahoma City	OK	73102	WI
Chevron USA, Inc.	6301 Deauville Blvd	Midland	TX	79706	WI

ORRIs

Owner Name	Address 1	City	State	Zip	Type
Madison Hinkle	P.O. Box 2292	Roswell	NM	88202	ORRI
Rolla R. Hinkle III	P.O. Box 2292	Roswell	NM	88202	ORRI
Morris E. Schertz	P.O. Draw 2588	Roswell	NM	88201	ORRI
Bryan Bell Family, LP	P.O. Box 24591	New Orleans	LA	70184	ORRI
Robert N. Enfield, IRR Trust B	P.O. Box 1959	Midland	TX	79702	ORRI
DMA, Inc.	14 Granite Cir	Roswell	NM	88201	ORRI
Charmar, LLC	4815 Vista Del Oso Court NE	Albuquerque	NM	87109	ORRI
Richard C. Deason	1301 Havenhurst Dr. Apt 217	West Hollywood	CA	90046	ORRI
Thomas D. Deason	8301 County Road 6935	Lubbock	TX	79407	ORRI
Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990	P.O. Box 2391	Roswell	NM	88202	ORRI
SAP, LLC	4901 Whitney Ln	Roswell	NM	88203	ORRI
Jerune Allen	245 Nicklaus Dr.	Rio Rancho	NM	87124	ORRI
Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust	465 Camino Manzano	Santa Fe	NM	87505	ORRI
MLE, LLC	P.O. Box 1683	Santa Fe	NM	87504	ORRI

Offsets

Owner Name	Address 1	City	State	Zip	Type
EOG Y Resources, Inc., EOG M Resources, Inc., EOG A Resources, Inc.	105 S 4th Street	Artesia	NM	88210	Offset
EOG Y Resources, Inc., EOG M Resources, Inc., EOG A Resources, Inc.	5509 Champaigns Drive	Midland	TX	79706	Offset
Occidental Permian LP	5 Greenway Plaza Suite #110	Houston	TX	77046	Offset
OXY Y-1 Company	P.O. Box 27570	Houston	TX	77227	Offset
Sharbro Oil LTD Co.	P.O. Box 840	Artesia	NM	88210	Offset
COG Production LLC	600 W. Illinois Ave	Midland	TX	79701	Offset

Summary of Attempted Contacts

- Marathon sent well proposal letters.
- Marathon then contacted parties to see if they would participate in the well and/or execute a joint operating agreement.
- Marathon conducted updated record searches and internet searches for contact information for parties it seeks to pool.
- Marathon continued to attempt to contact the parties who had not executed an agreement.
- Marathon filed an application to force pool parties who had not entered in to an agreement.
- Marathon sent notices of the force pooling application to the addresses of record.
- Marathon then also published notice in a newspaper of general circulation in the county where the wells will be located.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 97088	³ Pool Name WC-025 G-08 S2535340 (BONE SPRING)
⁴ Property Code	⁵ Property Name CHARLIE MUR 26 35 6 TB FC	⁶ Well Number 14H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 3270'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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		100	SOUTH	1154	EAST	LEA
¹² Dedicated Acres 640.0		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

Defining Well

¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

Certificate Number _____

SHEET 1 OF 3
JOB No. R3954_003
REV 0 BM 09/17/2018



Steven Martinez
Land Agent for Marathon Oil Permian LLC



T-O Land & Minerals, Inc., Agent
25465 Scenic Loop Rd.
San Antonio, Texas 78255
Telephone: 210.826-3000
Email: smartinez@t-oland.com

May 14, 2018

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
7018 0040 0000 3767 8414

Pintail Production Company
6467 Southwest Blvd.
Fort Worth, Texas 76132

Re: Charlie Murphy Federal 12H, 14H, 15H & 18H Well Proposals
E/2 of Section 6, Township 26 South, Range 35 East
E/2 of Section 7, Township 26 South, Range 35 East
Lea County, New Mexico

Dear Pintail Production Company:

The purpose of this letter is to update and correct the well information for the Charlie Murphy Federal wells in the previous Well Proposal Letter dated April 20, 2018. Please note that the information contained in this letter voids and supersedes any inconsistent information regarding the Charlie Murphy Federal wells in the previous Well Proposal Letter.

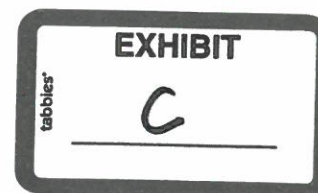
Marathon Oil Permian LLC ("Marathon") proposes the drilling of the following wells located in the E/2 of Section 6, 26S-35E & the E/2 of Section 7, 26S-35E, Lea County, New Mexico, all to be drilled from one surface pad location.

Well Name	SHL	BHL	Target TVD	Est. MD	Est. Completion Cost
Charlie Murphy Federal 26-35-6 WXY 12H	NE/4 NE/4 of Sec. 6	SW/4 SE/4 of Sec. 7	12,496'	23,157'	\$10,836,812
Charlie Murphy Federal 26-35-6 TB 14H	NE/4 NE/4 of Sec. 6	SE/4 SE/4 of Sec. 7	12,375'	22,906'	\$10,736,242
Charlie Murphy Federal 26-35-6 WA 15H	NE/4 NE/4 of Sec. 6	SE/4 SE/4 of Sec. 7	12,618'	23,157'	\$10,836,812
Charlie Murphy Federal 26-35-6 WXY 18H	NE/4 NE/4 of Sec. 6	SE/4 SE/4 of Sec. 7	12,496'	23,050'	\$10,835,752

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered. The AFEs represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred.

Marathon proposes drilling the wells under the terms of the 1989 AAPL JOA, and if you are interested in participating, a form of this JOA will be sent to you following this proposal. The JOA will have the following general provisions:

- 100%/300%/300% non-consent penalty
- \$7,000/\$700 drilling and producing rates



- Contract area of E/2 of Section 6, 26S-35E & E/2 of Section 7, 26S-35E, covering all depths

Our title records indicate that you own 0.5% WI in the proposed unit.

If your election is to participate in the drilling and completion of the wells, please sign and return a copy of this letter along with the enclosed AFE within thirty (30) days of receipt of this proposal.

If you do not wish to participate, Marathon proposes to acquire your interest via term assignment at the following terms:

- 3 year term
- \$2,000 bonus consideration per net mineral acre
- Delivering an 80% NRI, proportionately reduced

This term assignment offer terminates on June 14, 2018 and is subject to due diligence and title verification satisfactory to Marathon.

Should you have any questions regarding this or other matters, please do not hesitate to contact me via the phone number or email address listed above.

Sincerely,

Steven Martinez
Land Agent for Marathon Oil Permian, LLC

_____ Pintail Production Company elects to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WXY 12H.

_____ Pintail Production Company elects NOT to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WXY 12H.

_____ Pintail Production Company elects to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 TB 14H.

_____ Pintail Production Company elects NOT to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 TB 14H.

_____ Pintail Production Company elects to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WA 15H.

_____ Pintail Production Company elects NOT to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WA 15H.

_____ Pintail Production Company elects to participate in the drilling, completing, and equipping of Charlie Murphy Federal 26-35-6 WXY 18H.

_____ Pintail Production Company elects NOT to participate in the drilling, completing, and equipping of the Charlie Murphy Federal 26-35-6 WXY 18H.

Pintail Production Company

By: _____

Print Name: _____

Title: _____

MARATHON OIL PERMIAN LLC
AUTHORITY FOR EXPENDITURE
DETAIL OF ESTIMATED WELL COSTS

DATE 5/2/2018
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY MATT HENSCHEN
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team PERMIAN
Field BONE SPRING [970] FORMATION: 3RD BONE SPRINGS WILDCAT EXPLORATION
Lease/Facility CHARLIE MURPHY FEDERAL COM 26 35 6 TB 14H DEVELOPMENT RECOMPLETION
Location LEA COUNTY X EXPLOITATION WORKOVER
Prospect Red Hills

Est Total Depth 22,906 Est Drilling Days 29 Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	37,500
TOTAL LOCATION COST - INTANGIBLE		75,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	38,000
7012050	Intermediate Casing 1	147,000
7012050	Intermediate Casing 2	250,000
7012050	Production Casing	116,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		713,000

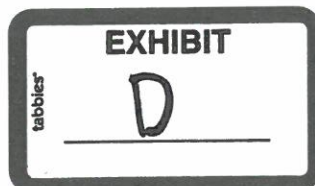
DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	33,750
7019220	Drilling Rig - day work/footage	720,000
7019040	Directional Drilling Services	281,000
7019020	Cement and Cementing Service Surface	25,000
7019020	Cement and Cementing Service Intermediate 1	40,000
7019020	Cement and Cementing Service Intermediate 2	65,000
7019020	Cement and Cementing Service Production	75,000
7019140	Mud Fluids & Services	76,000
7012310	Solids Control equipment	58,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	99,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	28,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7018150	Rental Tools and Equipment (surface rentals)	128,000
7018150	Rig Equipment and Misc.	16,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services	150,400
7001400	Safety and Environmental	51,200
7018120	Rental Buildings (trailers)	25,600
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	181,917
TOTAL DRILLING - INTANGIBLE		\$2,366,867

TOTAL DRILLING COST \$3,079,867

COMPLETION - TANGIBLE

7012580	Tubing	75,000
7012040	Tubing Accessories (nipple, wireline entry)	15,000
7012550	Wellhead Equip	20,000
7012560	Packers - Completion Equipment	60,000
TOTAL COMPLETION - TANGIBLE		\$170,000



MARATHON OIL PERMIAN LLC
AUTHORITY FOR EXPENDITURE
DETAIL OF ESTIMATED WELL COSTS

DATE 5/2/2018

Asset Team PERMIAN
Field BONE SPRING [970] FORMATION: 3RD BONE SPRINGS
Lease/Facility CHARLIE MURPHY FEDERAL COM 26 35 6 TB 14H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	20,000
7019220	Drilling Rig During Completion	80,000
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	240,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	195,000
7019320	Fracturing Services	3,850,000
7019330	Perforating	300,000
7019360	Wireline Services	10,000
7001460	Water Hauling & Disposal (frac fluids)	600,000
7016180	Freight - Truck (haul pipe; drlg & compl)	15,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	50,000
7001110	Telecommunications Services	130,000
7001400	Safety and Environmental	-
7001120	Consulting Services	60,000
7018150	Zipper Manifold	165,000
7019300	Frack Stack Rentals	70,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	140,000
7018120	Rental Buildings (trailers)	60,000
7000030	Contract Labor - Pumping (pump-down pumps)	120,000
7011010	8% Contingency & Taxes	426,800
TOTAL COMPLETION - INTANGIBLE		\$6,531,800

TOTAL COMPLETION COST

\$6,701,800

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	85,794
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	67,540
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,786
7012270	Miscellaneous Materials (containment system)	43,227
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	29,116
7012290	Metering and Instrumentation	235,914
7012290	I&E Materials	-
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	85,919
7012500	Tanks	144,894
7012100	Heater Treater	17,330
7012640	Flare & Accessories	11,646
7000010	Electrical Labor	29,116
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,293
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$800,575

TOTAL SURFACE EQUIPMENT COST

\$ 800,575

ARTIFICIAL LIFT

7006640	Company Labor	2,500
7012180	Gas Lift Equipment	38,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	20,000
7012270	Materials & Supplies-Tangible	13,000
7012550	Surface Wellhead Equipment	5,500
7012390	Pig Launchers/Receivers & Rel Equip	-
7011010	8% Contingency & Taxes	-
TOTAL ARTIFICIAL LIFT		79,000

TOTAL ARTIFICIAL LIFT COST

\$ 79,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 75,000
TOTAL DRILLING COST	\$ 3,079,867
TOTAL COMPLETIONS COST	\$ 6,701,800
TOTAL SURFACE EQUIPMENT COST	\$ 800,575
TOTAL ARTIFICIAL LIFT COST	\$ 79,000
GRAND TOTAL COST	\$10,736,242

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

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

CASE NO. 16425

AFFIDAVIT

STATE OF Texas)
) ss.
COUNTY OF Harris)

Ethan Perry, being duly sworn, deposes and states:

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. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum geologist.
2. **Exhibit A** is a structure map of the top of the Wolfcamp. The proposed project area is identified by a black-dashed box. The proposed horizontal locations are identified by a blue line, and the proposed Bone Spring well is number 2.
3. Exhibit A identifies wells in the vicinity of the proposed wells, with a line of cross-section running from A to A'.
4. Exhibit A shows that the structure dips down to the south.
5. **Exhibit B** is a Wolfcamp cross section. It 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 Third Bone Spring Sand formation in the area. The target zone for the TB 14 H well is the

Third Bone Spring Sand, as identified by the words "Producing Zone" and the shaded area across the cross section. That zone is continuous across the well unit.

6. **Exhibit C** is a Gross Sand Isochore of the Third Bone Spring. The Third Bone Spring is uniform across the proposed well unit.

7. I conclude from the maps that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter quarter section in the unit will contribute more or less equally to production.

8. The preferred well orientation in this area is north-south. This is because the inferred orientation of the maximum horizontal stress is roughly east-west.

Ethan Perry
Ethan Perry

SUBSCRIBED AND SWORN to before me this 18th day of September, 2018 by Ethan Perry, on behalf of Marathon Oil Permian LLC.

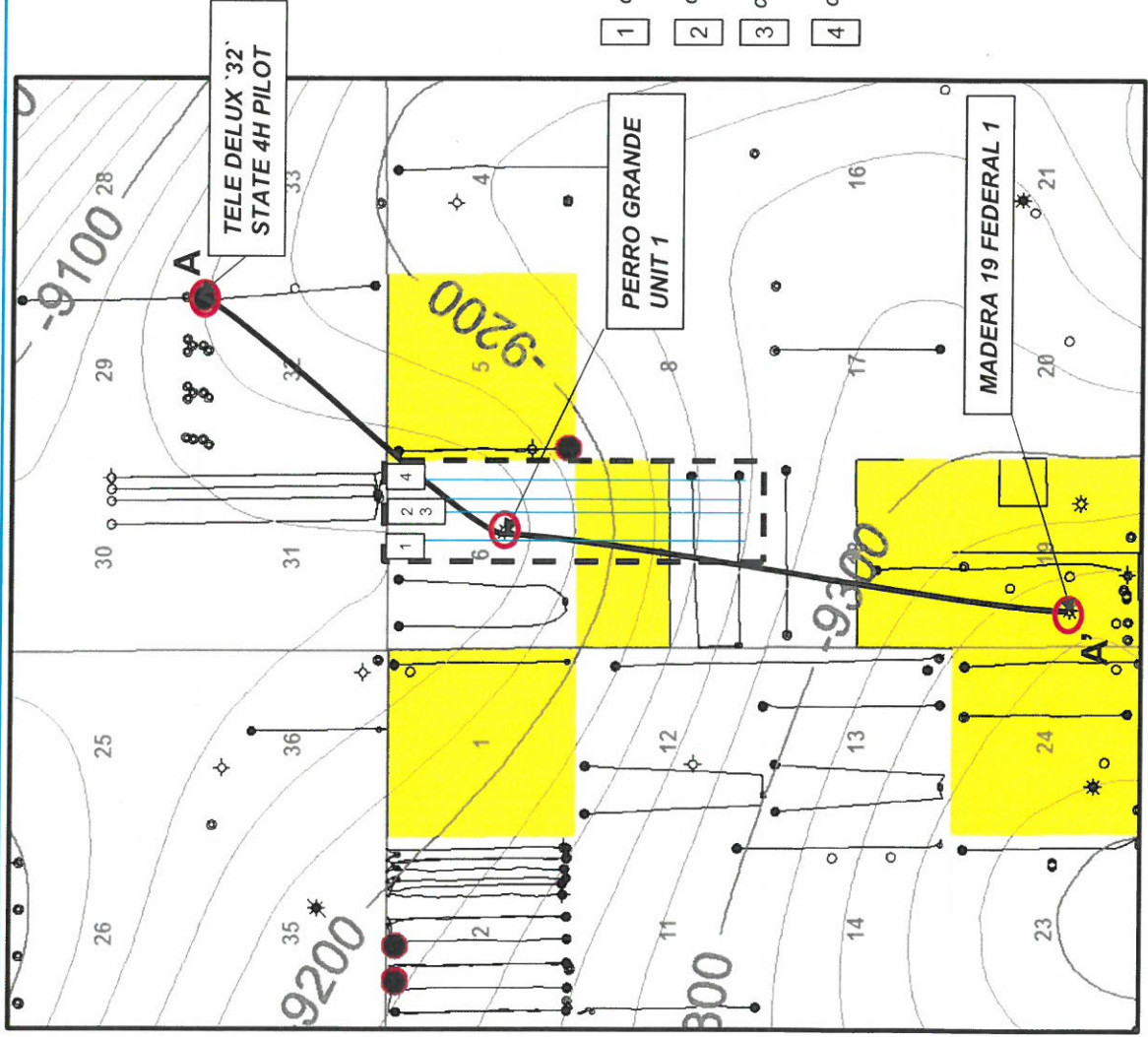
Jessica Gorman
Notary Public

My commission expires: 1/23/2019



Charlie Murphy Fed Com 26 35 6 TB 14H, WXY 18H, WA 15H and WXY 12H

Structure Map – Top of Wolfcamp (SSTVD)



Map Legend



MRO – Horizontal Location



Offsetting TB Producers



MRO Acreage



Project Area

C.I. = 20'



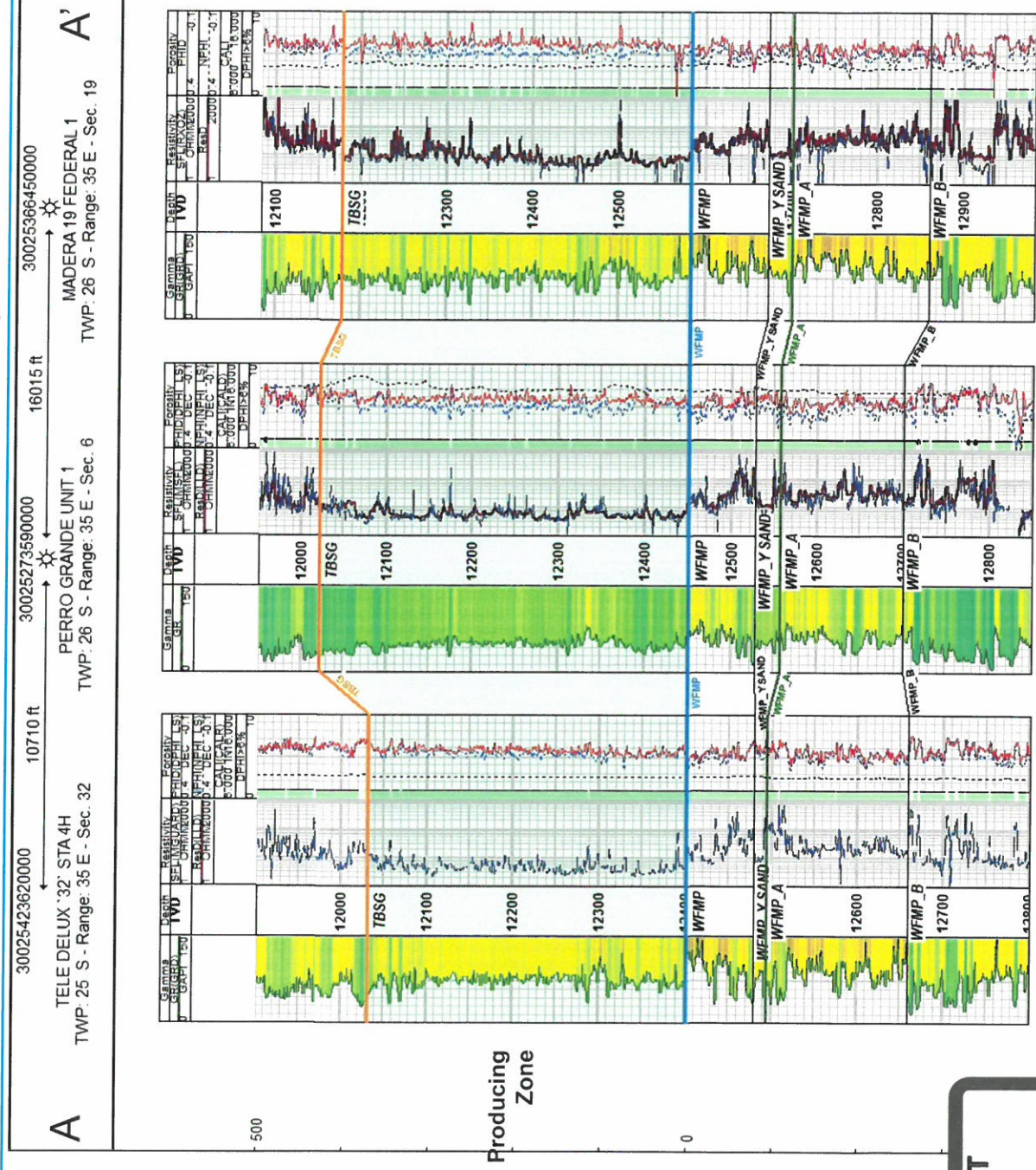
1 mile

- 1 Charlie Murphy Fed Com 26 35 6 WXY 12H
- 2 Charlie Murphy Fed Com 26 35 6 TB 14H
- 3 Charlie Murphy Fed Com 26 35 6 WA 15H
- 4 Charlie Murphy Fed Com 26 35 6 WXY 18H



Charlie Murphy Fed Com 26 35 6 TB 14H, WXY 18H, WA 15H and WXY 12H

Stratigraphic Cross Section (Top Wolfcamp Datum)

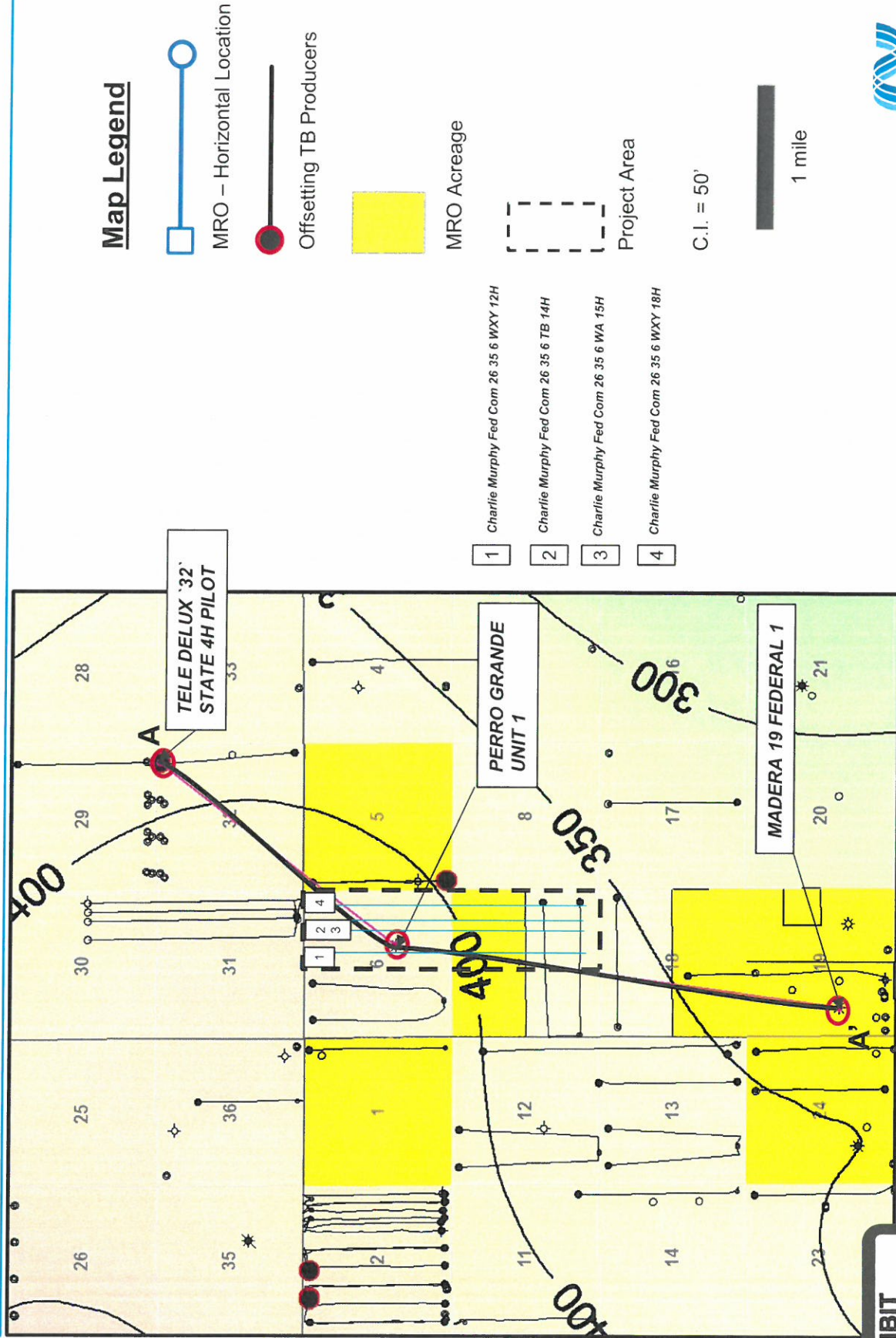


EXHIBIT

B

Charlie Murphy Fed Com 26 35 6 TB 14H, WXY 18H, WA 15H and WXY 12H

Gross Sand Isochore – Third Bone Spring



EXHIBIT

tabbles

C

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

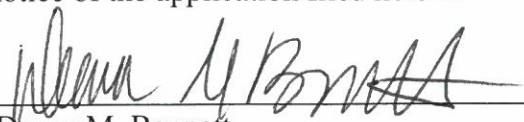
**AMENDED APPLICATION OF MARATHON OIL PERMIAN LLC FOR APPROVAL
OF A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 16425

AFFIDAVIT

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 provided under the notice letter and that proof of receipt is attached hereto. Marathon has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the application filed herein.



Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 19th day of September, 2018 by Deana M. Bennett.


My commission expires: 2/27/21



Notary Public

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87114

PS Form 3877

Type of Mailing: CERTIFIED
08/31/2018

Firm Mailing Book ID: 150132

Murphy
81363-165



Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
1	9314 8699 0430 0050 2797 40	Pintail Production Company 6467 Southwest Blvd. Fort Worth TX 76132	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
2	9314 8699 0430 0050 2797 57	Devon Energy Production Company, LP 333 West Sheridan Avenue Oklahoma City OK 73102	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
3	9314 8699 0430 0050 2797 64	Chevron USA, Inc. 6301 Deauville Blvd Midland TX 79706	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
4	9314 8699 0430 0050 2797 71	Madison Hinkle P.O. Box 2292 Roswell NM 88202	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
5	9314 8699 0430 0050 2797 88	Rolla R. Hinkle III P.O. Box 2292 Roswell NM 88202	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
6	9314 8699 0430 0050 2797 95	Morris E. Schertz P.O. Draw 2588 Roswell NM 88201	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
7	9314 8699 0430 0050 2798 01	Bryan Bell Family, LP P.O. Box 24591 New Orleans LA 70184	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
8	9314 8699 0430 0050 2798 18	Robert N. Enfield, IRR Trust B P.O. Box 1959 Midland TX 79702	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
9	9314 8699 0430 0050 2798 25	DMA, Inc. 14 Granite Cir Roswell NM 88201	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
10	9314 8699 0430 0050 2798 32	Charmar, LLC 4815 Vista Del Oso Court NE Albuquerque NM 87109	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
11	9314 8699 0430 0050 2798 49	Richard C. Deason 1301 Havenhurst Dr. Apt 217 West Hollywood CA 90046	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
12	9314 8699 0430 0050 2798 56	Thomas D. Deason 8301 County Road 6935 Lubbock TX 79407	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
13	9314 8699 0430 0050 2798 63	Ronald H. Mayer, Trustee of the Ronald H. Mayer & Martha Mayer Rev. Trust P.O. Box 2391 Roswell NM 88202	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
14	9314 8699 0430 0050 2798 70	SAP, LLC 4901 Whitney Ln Roswell NM 88203	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
15	9314 8699 0430 0050 2798 87	Jerune Allen 245 Nicklaus Dr. Rio Rancho NM 87124	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice

Karlene Schuman
Modrall Sperlberg Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87114

PS Form 3877

Type of Mailing: CERTIFIED
08/31/2018



Firm Mailing Book ID: 150132

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
16	9314 8699 0430 0050 2798 94	Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust 465 Camino Manzano Santa Fe NM 87505	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
17	9314 8699 0430 0050 2799 00	MLE, LLC P.O. Box 1683 Santa Fe NM 87504	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
18	9314 8699 0430 0050 2799 17	EOG Y Resources, Inc. 105 S 4th Street Artesia NM 88210	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
19	9314 8699 0430 0050 2799 24	EOG Y Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
20	9314 8699 0430 0050 2799 31	Occidental Permian LP 5 Greenway Plaza Suite #110 Houston TX 77046	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
21	9314 8699 0430 0050 2799 48	OXY Y-1 Company P.O. Box 27570 Houston TX 77227	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
22	9314 8699 0430 0050 2799 55	Sharbro Oil LTD Co. P.O. Box 840 Artesia NM 88210	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
23	9314 8699 0430 0050 2799 62	COG Production LLC 600 W. Illinois Ave Midland TX 79701	\$1.21	\$3.45	\$1.50	81363-0165	\$0.00 Notice
Totals:			\$27.83	\$79.35	\$34.50	Grand Total:	\$0.00 \$141.68

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

Transaction Report Details - CertifiedPro.net
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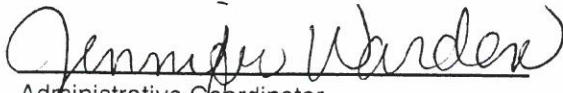
Certified Mail Article Number	Date Created	Reference Number	Name 1	Name 2	Address	City	State	Zip	Certified Mailing Status	Service Options	Batch ID	Mail Delivery Date
9314869904300050279962	2018-08-31 10:49 AM	81363-0165	COC Production LLC		600 W. Illinois Ave	Midland	TX	79701	Delivered	Return Receipt - Electronic	143794	09-05-2018
9314869904300050279955	2018-08-31 10:49 AM	81363-0165	Sharbro Oil LTD Co.		P.O. Box 840	Artesia	NM	88210	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279948	2018-08-31 10:49 AM	81363-0165	ONY-Y-1 Company		P.O. Box 27570	Houston	TX	77227	Delivered	Return Receipt - Electronic	143794	09-05-2018
9314869904300050279931	2018-08-31 10:49 AM	81363-0165	Occidental Permian, LP		5 Greenway Plaza Suite #110	Houston	TX	77046	Delivered	Return Receipt - Electronic	143794	09-05-2018
9314869904300050279924	2018-08-31 10:49 AM	81363-0165	EOG Y Resources, Inc.		5509 Champions Drive	Midland	TX	79706	Delivered	Return Receipt - Electronic	143794	09-06-2018
9314869904300050279917	2018-08-31 10:49 AM	81363-0165	EOG Y Resources, Inc.		105 S 4th Street	Artesia	NM	88210	Delivered	Return Receipt - Electronic	143794	09-07-2018
9314869904300050279900	2018-08-31 10:49 AM	81363-0165	MLL, LLC		P.O. Box 1683	Santa Fe	NM	87504	Delivered	Return Receipt - Electronic	143794	09-07-2018
9314869904300050279834	2018-08-31 10:49 AM	81363-0165	Lisa M. Enfield, Trustee	of the Lisa M. Enfield Trust	465 Camino Manzano	Santa Fe	NM	87505	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279870	2018-08-31 10:49 AM	81363-0165	Jerome Allen		245 Nicklaus Dr.	Rio Rancho	NM	87124	Delivered	Return Receipt - Electronic	143794	09-07-2018
9314869904300050279887	2018-08-31 10:49 AM	81363-0165	SAP, LLC		4901 Whitney Ln	Roswell	NM	88203	Delivered	Return Receipt - Electronic	143794	09-07-2018
9314869904300050279863	2018-08-31 10:49 AM	81363-0165	Ronald H. Mayer, Trustee of the Ronald H.	Mayer & Martha Mayer Rev. Trust	P.O. Box 2391	Roswell	NM	88202	Delivered	Return Receipt - Electronic	143794	09-05-2018
9314869904300050279856	2018-08-31 10:49 AM	81363-0165	Thomas D. Deason		8301 County Road 6935	Lubbock	TX	79407	To be Returned	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279849	2018-08-31 10:49 AM	81363-0165	Richard C. Deason		1301 Havenhurst Dr. Apt 217	West Hollywood	CA	90046	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279832	2018-08-31 10:49 AM	81363-0165	Charmar, LLC		4815 Vista Del Oro Court NE	Albuquerque	NM	87109	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279825	2018-08-31 10:49 AM	81363-0165	DMA, Inc.		14 Granite Cir	Midland	TX	79702	To be Returned	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279818	2018-08-31 10:49 AM	81363-0165	Robert N. Enfield, 188 Trust B		P.O. Box 1959	New Orleans	LA	70184	Delivered	Return Receipt - Electronic	143794	09-10-2018
9314869904300050279801	2018-08-31 10:49 AM	81363-0165	Bryan Bell Family, LP		P.O. Box 24591	Roswell	NM	88201	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279795	2018-08-31 10:49 AM	81363-0165	Morris E. Schertz		P.O. Draw 2588	Roswell	NM	88201	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279788	2018-08-31 10:49 AM	81363-0165	Rolla R. Hinkle III		P.O. Box 2292	Roswell	NM	88202	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279771	2018-08-31 10:49 AM	81363-0165	Madison Hinkle		P.O. Box 2292	Roswell	NM	88202	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279764	2018-08-31 10:49 AM	81363-0165	Chervon USA, Inc.		6301 Deauville Blvd	Midland	TX	79706	Delivered	Return Receipt - Electronic	143794	09-05-2018
9314869904300050279757	2018-08-31 10:49 AM	81363-0165	Devon Energy Production Company, LP		333 West Sheridan Avenue	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	143794	09-04-2018
9314869904300050279740	2018-08-31 10:49 AM	81363-0165	Pintaal Production Company		6467 Southwest Blvd.	Fort Worth	TX	76132	Delivered	Return Receipt - Electronic	143794	09-04-2018

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

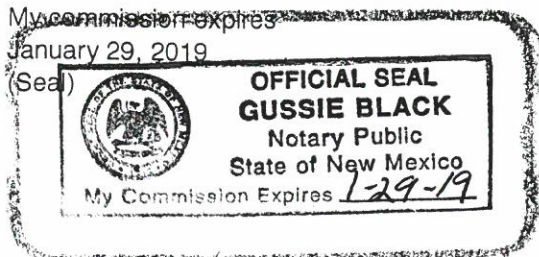
I, Jennifer Warden, Administrative Coordinator of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
September 07, 2018
and ending with the issue dated
September 07, 2018.


Administrative Coordinator

Sworn and subscribed to before me this
7th day of September 2018.


Business Manager



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE September 7, 2018

CASE NO. 16424: Notice to all affected parties, as well as the heirs and devisees of Pintail Production Company, Devon Energy Production Company, LP, Chevron USA, Inc., Madison Hinkle, Rolla R. Hinkle III, Morris E. Schertz, Bryan Bell Family, LP, Robert N. Enfield, IRR Trust B, DMA, Inc., Charmar, LLC, Richard C. Deason, Thomas D. Deason, Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990, SAP, LLC, Jerune Allen, Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust, MLE, LLC, EOG Y Resources, Inc., EOG M Resources, Inc., EOG A Resources, Inc., Occidental Permian LP, OXY Y-1 Company, Sharbro Oil LTD Co., COG Production LLC of Marathon Oil Permian LLC's amended application for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: to the extent necessary, approving the creation of a non-standard Wolfcamp spacing and proration unit; and pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This proposed spacing unit will be dedicated to the Charlie Murphy Federal Com 26-35-6 WXY-12H, Charlie Murphy Federal Com 26-35-6 WA 15H, and Charlie Murphy Federal Com 26-35-6 WXY 18H wells, to be horizontally drilled. The producing area for these wells will 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, and allowing a one year period between when the wells are drilled and when the wells are completed. Said area is located approximately 12 miles west southwest of Jal, New Mexico.

CASE NO. 16425: Notice to all affected parties, as well as the heirs and devisees of Pintail Production Company, Devon Energy Production Company, LP, Chevron USA, Inc., Madison Hinkle, Rolla R. Hinkle III, Morris E. Schertz, Bryan Bell Family, LP, Robert N. Enfield, IRR Trust B, DMA, Inc., Charmar, LLC, Richard C. Deason, Thomas D. Deason, Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990, SAP, LLC, Jerune Allen, Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust, MLE, LLC, EOG Y Resources, Inc., EOG M Resources, Inc., EOG A Resources, Inc., Occidental Permian LP, OXY Y-1 Company, Sharbro Oil LTD Co., COG Production LLC of Marathon Oil Permian LLC's amended application for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division; to the extent necessary, approving the creation of a non-standard Bone Spring spacing and proration unit; and pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 6 and 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This proposed spacing unit will be dedicated to the Charlie Murphy Federal Com 26-35-6 TB 14H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 12 miles west south west of Jal, New Mexico.
#33203

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00217612

DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS &
P. O. BOX 2168
ALBUQUERQUE, NM 87103-2168

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

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

CASE NO. 16424

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

CASE NO. 16425

AFFIDAVIT

STATE OF Texas)
) ss.
COUNTY OF Harris)

Jacob Rotolo being duly sworn, deposes and states:

1. I am over the age of 18, I am an engineer for Marathon Oil Permian LLC ("Marathon"), and have personal knowledge of the matters stated herein.
2. I received a BS in Petroleum Engineering from LSU in May of 2007.
3. I have worked for Marathon Oil as a Reservoir Engineering Supervisor since February of 2018. In total I have eleven years industry experience in Petroleum Engineering. Prior to my employment with Marathon Oil, I worked for Hess Corporation as a Reservoir Engineer in their North Dakota Asset and also for Occidental Petroleum as a Reservoir Engineer in their Permian Basin Asset.

4. My work for Marathon involves Lea County, and I am familiar with the engineering matters involved in these cases.

5. Marathon, in its amended applications that it submitted for the **Charlie Murphy Federal Com 26-35-6 WXY 12H, Charlie Murphy Federal Com 26-35-6 WA 15H, Charlie Murphy Federal Com 26-35-6 WXY 18H and Charlie Murphy Federal Com 26-35-6 TB 14H** wells, requested that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

6. Marathon requests a modification to the time allowed between the time the well is drilled and completion of the well to allow for 240 days, rather than year.

7. Marathon requests additional time between the time the well is drilled and completion of the well because Marathon is currently using one fracturing rig and one completion crew.

Jacob Rotolo
Jacob Rotolo

SUBSCRIBED AND SWORN to before me this 18th day of September, 2018
by Jacob Rotolo, on behalf of Marathon Oil Permian LLC.

Jessica Gorman
Notary Public

My commission expires: 1/23/2019

