Examiner Hearing November 16, 2018 Before the Oil Conservation Division

Case Number 20060

Mammoth Fed Com 26 34 1 WXY 7H, Mammoth Fed Com 26 34 1 WA 2H, and Mammoth Fed Com 26 34 1 WA 11H



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

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

| CASE | NO. | |
|------|-----|--|
| CASE | NO. | |

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 Wolfcamp horizontal spacing unit; and (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, N.M.P.M., 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 underlying the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
- 3. This spacing unit will be dedicated to the Mammoth Fed Com 26 34 1 WX7 7H well. Marathon additionally plans to drill the Mammoth Fed Com 26 34 1 WA 2H and

Mammoth Fed Com 26 34 1 WA 11H wells within the spacing unit 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 spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 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 November 15, 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 spacing unit;
- B. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit in the underlying the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, N.M.P.M., 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.

Jennifer Bradfute

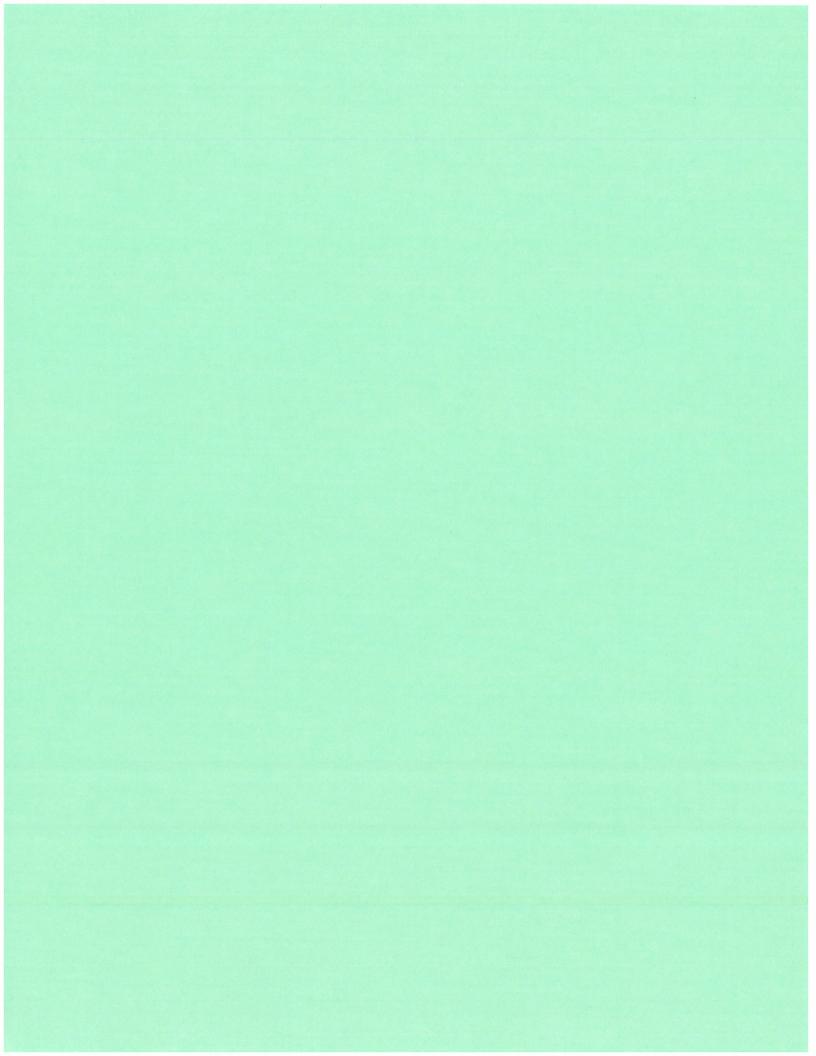
Deana M. Bennett

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant



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

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

CASE NO. 20060

| | AFFIDAVIT |
|----------------------|------------------|
| STATE OF NEW MEXICO |) |
| |) ss. |
| COUNTY OF BERNALILLO |) |

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 this application 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. In this case, Marathon seeks an order pooling all mineral interests in a Wolfcamp horizontal spacing unit underlying the underlying the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Mammoth Fed Com 26 34 1**



WXY7H well. Marathon additionally plans to drill the Mammoth Fed Com 26 34 1 WA 2H and Mammoth Fed Com 26 34 1 WA 11H wells, to be horizontally drilled.

- 6. A plat outlining the unit being pooled is attached hereto as **Exhibit A**. 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. In my opinion, Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells. A summary of my attempts to contact working interest owners is attached as **Exhibit B**.
- 10. Attached as **Exhibit C** 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 D and E** 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

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.

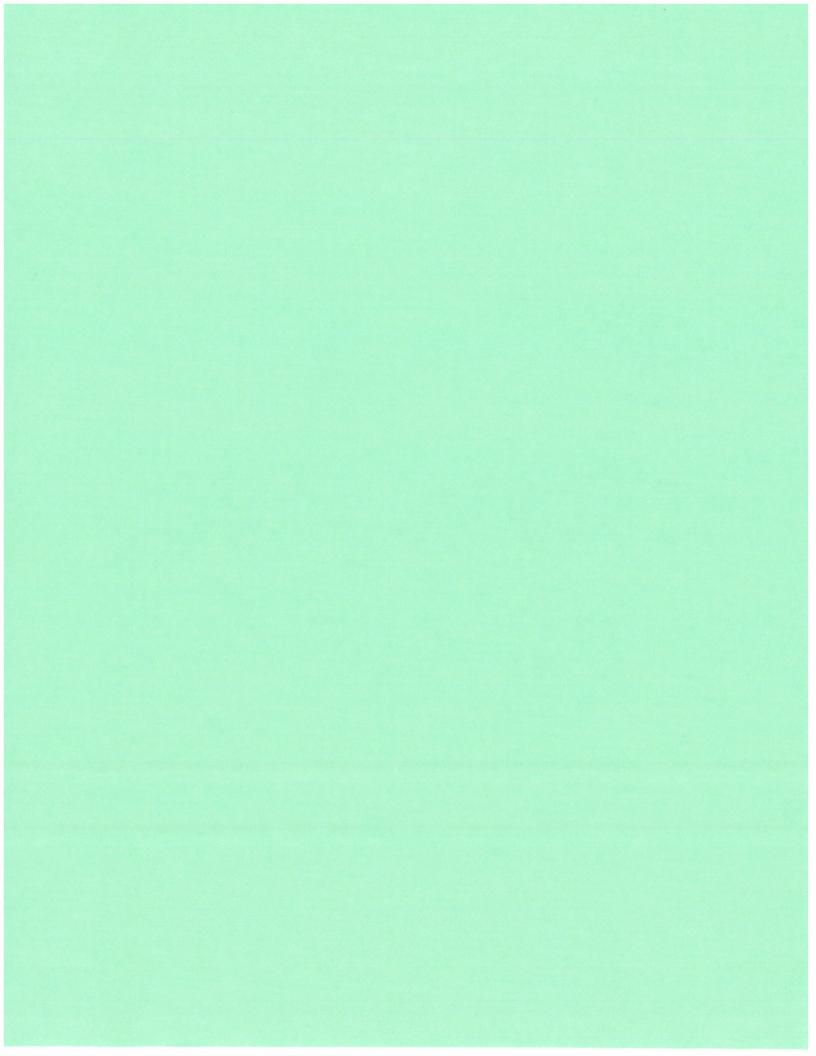
SUBSCRIBED AND SWORN to before me this 14th day of November, 2018 by Ryan

Gyllenband on behalf of Marathon Oil Permian LLC.

Notary Public

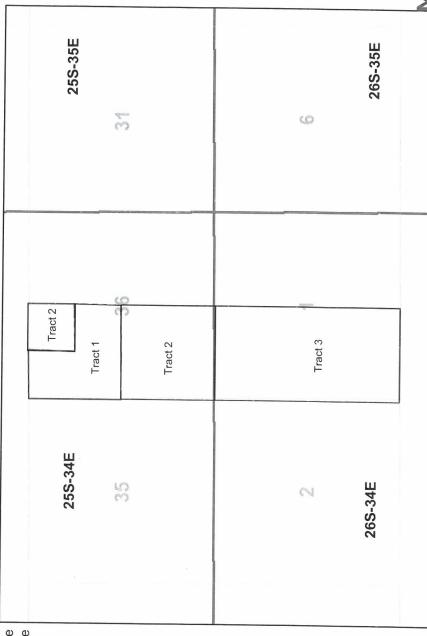
My commission expires: 12-07-2019

OFFICIAL SEAL Zina Crum My Commission Expires:



Mammoth Fed Com 26 34 1 WA 2H, Mammoth Fed Com 26 34 1 WXY 7H, Mammoth Fed Com 26 34 1 WA 11H W/2 of Section 36, 25S-34E, and W/2 of Section 1, 26S-34E - 640 acres Lease Tract Map







Summary of Interests

Mammoth Fed Com 26 34 1 WA 2H, Mammoth Fed Com 26 34 1 WXY 7H, Mammoth Fed Com 26 34 1 WA 11H W/2 of Section 36, 25S-34E, and W/2 of Section 1, 26S-34E – 640 acres

| 56.250000% 12.500000% | 31.250000% |
|---|--|
| Committed Working Interest: Marathon Oil Permian LLC OXY USA Inc. | Uncommitted Working Interest: EOG Resources, Inc. |

68.750000%

31.250000%



| | Force Pooled Owners | | | | |
|---------------------|----------------------|---------|-------|-------|------|
| Owner Name | Address 1 | City | State | Zip | Туре |
| EOG Resources, Inc. | 5509 Champions Drive | Midland | XT | 90262 | M |

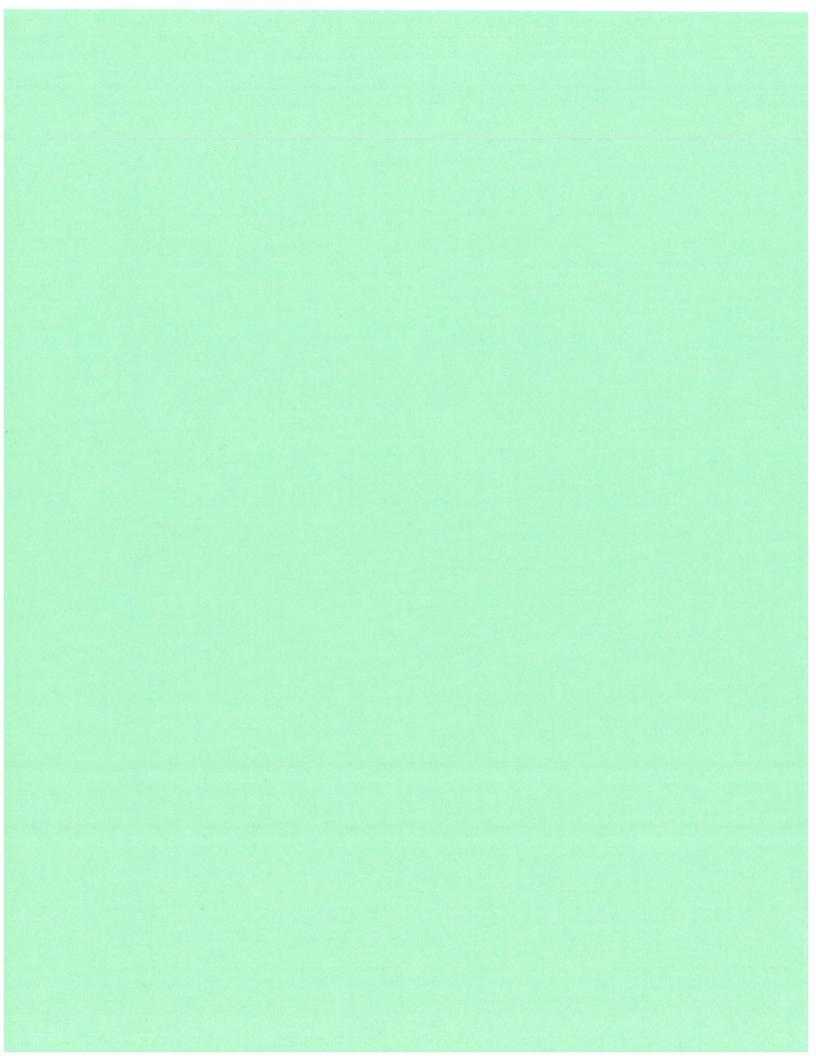
ORRIS

| | ORRIS | | | | |
|---|--------------------------------|------------|-------|------------|------|
| Owner Name | Address 1 | City | State | Zip | Туре |
| OXY USA Inc. | 5 E Greenway Plaza #110 | Houston | X | 77046 ORR | ORRI |
| Post Oak Crown IV, LLC | 34 S. Wynden Dr., Suite 300 | Houston | X | 77056 ORRI | ORRI |
| Post Oak Crown IV-B, LLC | 34 S. Wynden Dr., Suite 300 | Houston | X | 77056 ORRI | ORRI |
| Crown Oil Partners, LP | P.O. Box 50820 | Midland | X | 79710 ORRI | ORRI |
| Crown Ventures III, LLC | P.O. Box 50820 | Midland | X | 79710 ORRI | ORRI |
| Crown Oil Partners IV Employee Holdings, LLC | P.O. Box 50820 | Midland | X | 79710 ORRI | ORRI |
| CEP Minerals LLC | P.O. Box 50820 | Midland | X | 79710 ORRI | ORRI |
| Oak Valley Mineral and Land LP | P.O. Box 50820 | Midland | X | 79710 ORR | ORRI |
| Good News Minerals LLC | P.O. Box 50820 | Midland | XT | 79710 ORRI | ORRI |
| Mavros Minerals II LLC | P.O. Box 50820 | Midland | XT | 79710 ORR | ORRI |
| Mike Moylett | P.O. Box 50820 | Midland | X | 79710 ORRI | ORRI |
| Collins & Jones Investments, LLC | 508 W. Wall Street, Suite 1200 | Midland | X | 79701 ORRI | ORRI |
| LMC Energy | 550 W Texas Ave., Suite 945 | Midland | XT | 79701 ORRI | ORRI |
| Gerard G. Vavrek | 1521 2nd Ave. NO 1604 | Seattle | WA | 98101 ORRI | ORRI |
| Jesse A. Faught, Jr. | P.O. Box 52603 | Midland | X | 79710 ORRI | ORRI |
| H. Jason Wacker, Hillcrest Petroleum LLC | 5601 Hillcrest | Midland | X | 79707 ORRI | ORRI |
| David M. Cromwell | 2008 Country Club Drive | Midland | X | 79701 ORRI | ORRI |
| Zunis Energy, LLC | 15 E 5th Street, Suite 3300 | Tulsa | OK | 74103 ORRI | ORRI |
| James F. Adelson, Trustee of the Jame F. Adelson Revocable Trust | 15 E 5th Street, Suite 3300 | Tulsa | OK | 74103 ORR | ORRI |
| Kaleb Smith | 2501 Lubbock Ave. | Fort Worth | X | 76109 ORRI | ORRI |
| Deane Durham | 3603 Trinity Meadows PI. | Midland | TX | 79707 ORRI | ORRI |
| Oscura Resources Inc. | P.O. Box 2292 | Roswell | NM | 88202 ORRI | ORRI |
| Branex Resources, Inc. | P.O. Box 2990 | Ruidoso | NM | 88355 ORRI | ORRI |
| EMG Oil Properties, Inc. | 1000 W. Fourth Street | Roswell | ΣN | 88201 ORR | ORRI |
| Tierra Royalties, LLC | 2929 Allen Parkway, Suite 200 | Houston | XT | 77019 ORRI | ORRI |
| C. Fred Luthy, Jr., Registered Agent for Pennies from Heaven, LLC | P.O. Box 830308 | Dallas | XT | 75283 ORRI | ORRI |
| Cyrene L. Inman, Successor Trustee of the Cyrene L. Inman Trust | P.O. Box 830308 | Dallas | X | 75283 ORRI | ORRI |
| | | | | | |

Offsets

| | Olisets | | | | |
|--------------------------------|----------------------|---------------|-----------|-------|-----------------------|
| Owner Name | Address 1 | City | State Zip | Zip | Туре |
| Devon Energy Production Co. LP | 333 W Sheridan Ave. | Oklahoma City | OK | 73102 | 73102 Lesse of Record |
| Devon Energy Operating Co. LP | 20 N Broadway #1500 | Oklahoma City | OK | 72102 | 72102 Lesse of Record |
| EOG M Resources, Inc. | 5509 Champions Drive | Midland | XT | 79706 | 79706 Lesse of Record |
| EOG A Resources, Inc. | 5509 Champions Drive | Midland | XT | 79706 | 79706 Lesse of Record |

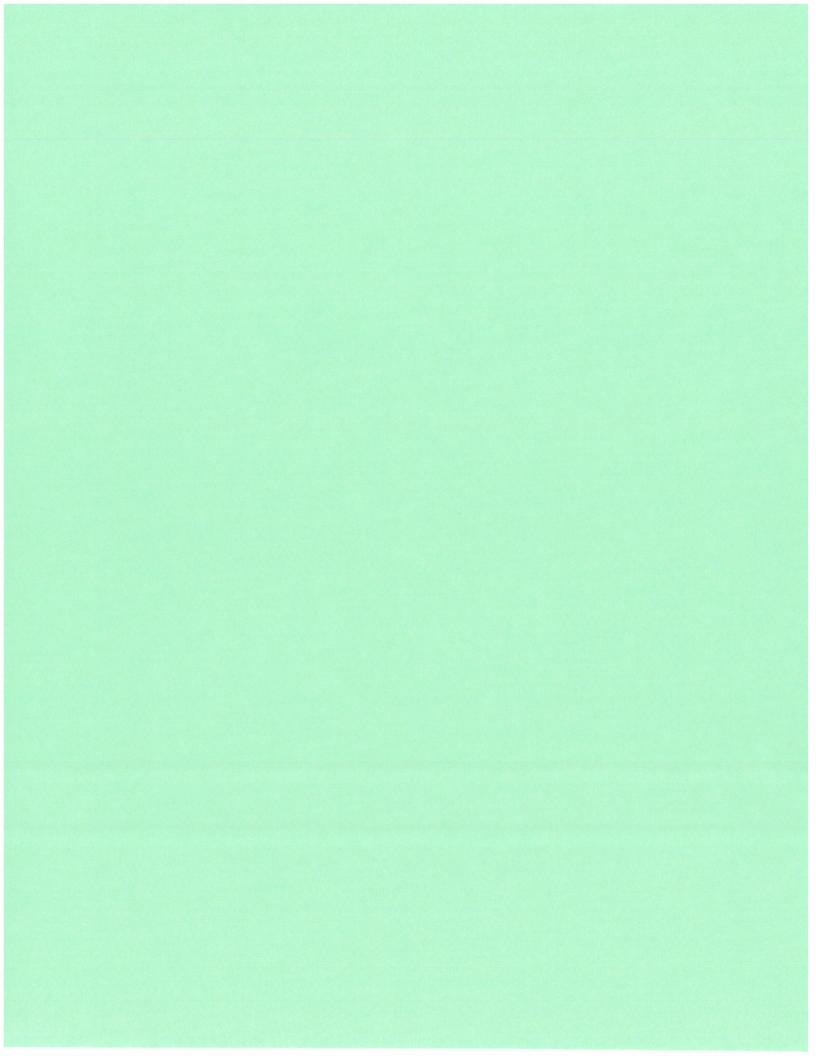
| EOG Y Resources, Inc.5509 Champions DriveMidlandTX79706 Lesse of RecordChevron USA Inc.TX79706 Lesse of Record | | | | | |
|--|-----------------------|----------------------|---------|----|------|
| Deauville Midland TX 79706 Lesse of F | EOG Y Resources, Inc. | 5509 Champions Drive | Midland | XX | 2 |
| | Chevron USA Inc. | 6301 Deauville | Midland | XT | Lac. |



Summary of Attempted Contacts

- Marathon sent well proposal letters on September 5, 2018.
- Marathon hen 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 also published notice in a newspaper of general circulation in the county where the well 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

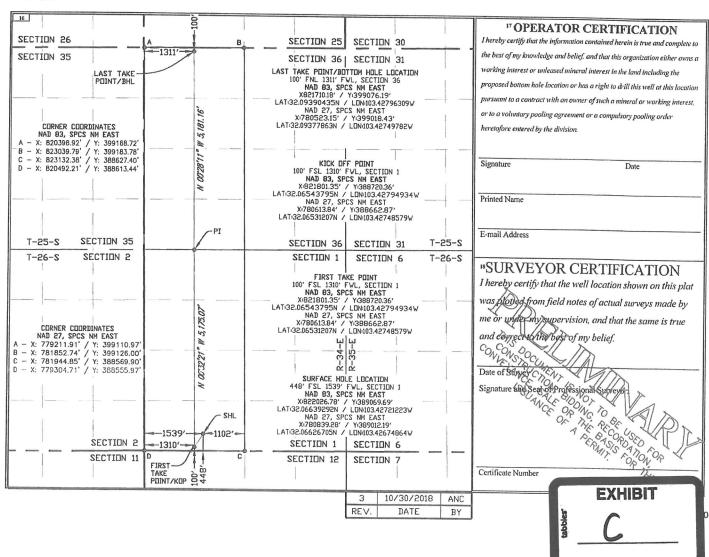
□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Numbe | | 2 n | | |
|----------------------------|---|------------------------|------------------------|--------------------------------|
| Ari Numbe | r | ² Pool Code | ³ Pool Name | |
| | | 98117 | WC-025 G-09 S263504N | ; WOLFCAMP |
| ⁴ Property Code | | | operty Name | ⁶ Well Number |
| | | MAMMOTH FED | COM 26-34-1 WXY | 7H |
| ⁷ OGRID No. | | 8 Or | perator Name | 9 701 |
| 372098 | * | | OIL PERMIAN LLC | [°] Elevation 3281 |
| | | | | |

Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County N 26S 34E 448 SOUTH 1539 WEST LEA "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 36 **25S** 34F 100 NORTH 1311 WEST LEA 12 Dedicated Acres Joint or Infill 14 Consolidation Code 15 Order No. 640.00

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.



<u>District I</u> 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

| API Numbe | er | ² Pool Code | | | |
|----------------------------|----|------------------------|-----------------|------------------------|--------------------------|
| | •• | | | ³ Pool Name | |
| 4 | | 98117 | WC-025 G-09 | S263504N | (WOLFCAMP) |
| ⁴ Property Code | | ⁵ Pr | | (Or IIII) | |
| | | | COM 26-34-1 WA | | ⁶ Well Number |
| OGRID No. | | | | | 2H |
| 372098 | | | perator Name | | ⁹ Elevation |
| 372090 | | MARATHON | OIL PERMIAN LLC | | 3281' |
| | | 10 Surf | face Location | | 0201 |

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County N 1 **26S** 34E 448 SOUTH 1509 WEST LEA

"Bottom Hole Location If Different From Surface

| YIX 1 | | I | | TOTAL TIO | e Booation ii | Different From | 1 Surface | | |
|--------------------|-------------|-------------|-----------------|-----------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| D | 36 | 25S | 34E | | 100 | NORTH | 330 | WEST | County |
| 12 Dedicated Acres | 13 Joint of | Infill 14 C | Consolidation C | ode 15 Or | der No. | | 000 | WLST | LEA |
| 640.00 | | 1 | | | | | | | |
| | | | | | | | | | |

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

| 16 | | шш | | |
|--|-------------|--|---|---|
| SECTION OF | 100 | 35- | | ¹⁷ OPERATOR CERTIFICATION 1 hereby certify that the information contained herein is true and complete to |
| SECTION 26 A SECTION 35 330' | | SECTION 25 EN | SECTION 30 | the best of my knowledge and belief, and that this organization either owns a |
| SECTION 35 330 | | 1 1 | SECTION 31 | working interact or unlessed with the sound of the sound |
| LAST TAKE | 1 | L | AST TAKE POINT/BOTTOM HOLE LOCATION 100' FNL 330' FWL, SECTION 36 | working interest or unleased mineral interest in the land including the |
| POINT/BHL | | | NAD 83, SPCS NM EAST | proposed bottom hole location or has a right to drill this well at this location |
| | io o | | X: 820729.64' / Y: 399070.60' T: 32.09391157N / LON: 103.43112923W | pursuant to a contract with an owner of such a mineral or working interest, |
| | 22 | | NAD 27, SPCS NM EAST | or to a voluntary pooling agreement or a compulsory pooling order |
| | 5,76 | LAT | X: 779542.62' / Y: 399012.85' : 32.09378589N / LON: 103.43066386W | heretofore entered by the division. |
| | 3 | | FIRST TAKE POINT | |
| | 1 | | 100' FSL 330' FWL, SECTION 1 | Cimot |
| | 4,25 | | NAD B3, SPCS NM EAST X: 820821.17' / Y: 388715.18' | Signature Date |
| | 2.00 | LAT | : 32.06544627N / LON: 103.43111335W NAD 27, SPCS NM EAST | |
| | 2 | l + | X: 779633.66' / Y: 388657.70' | Printed Name |
| | | LAI | T: 32.06532044N / LON: 103.43064968W | |
| 1 | | | KICK OFF POINT | |
| SECTION 35 | SECTION 36 | T-25-S | 100' FSL 330' FWL, SECTION 1 NAD 83, SPCS NM EAST | E-mail Address |
| SECTION 2 | SECTION 1 | | X: 820821.17' / Y: 388715.18' | |
| 1 | | 1-20-3 LAI | 32.06544627N / LON:103.43111335W NAD 27, SPCS NM EAST | "SURVEYOR CERTIFICATION |
| | | LAT | X: 779633.66' / Y: 388657.70' T: 32.06532044N / LON: 103.43064968W | SORVETOR CERTIFICATION |
| | | | . 32.00332044N / LON: 103.43064968W | I hereby certify that the well location shown on this plat |
| | 5 | | SURFACE HOLE LOCATION | was planed from field notes of actual surveys made by |
| | 22.17 | | 448' FSL 1509' FWL, SECTION 1 NAD B3, SPCS NM EAST | me through for house and it |
| | ["] | | X: 821996.71' / Y: 389069.70' | Co. So. Oo. St. |
| | 2 | LAI | T: 32.06639364N / LON:103.42730929W NAD 27, SPCS NM EAST | and correct to the best of my belief. |
| | 00'35'55 | 1 | X: 780809.21' / Y: 389012.20' T: 32.06626777N / LON: 103.42684570W | and correct to the best of my belief. Date of Street St. 20 20 20 20 20 20 20 20 20 20 20 20 20 |
| 1 | 55 | 1 | 1 | Date of Shroey S |
| | 8 | CORNER COORDINATES NAD 83, SPCS NM EAST | CORNER COORDINATES NAD 27, SPCS NM EAST | Date of Survey Signature and Scales Progressional Surveyor |
| - | | A - X: 820398.92' / Y: 399168 | 1.72' A - X: 779211 91' / Y: 300110 06' | Signature and Scall of Protessional Surveyor. |
| 1 | SHL | B - X: 823039.79' / Y: 399183 C - X: 823132.38' / Y: 388627 | 40' C - V. 781044 BE' / V. 300500 001 | or this rest I D |
| | 1509' 1132' | D - X: 820492.21' / Y: 388613. | .44' D - X: 779304.71' / Y: 388555.97' | A SERASSROAD TO |
| SECTION 2 330' | | SECTION 1 SE | CTION 6 | A PERSON OF TO TON OR |
| SECTION 11 D | | C SECTION 12 SE | CTION 7 | 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 |
| KOP/FIRST | 100, | | | |
| 77.5 | - 4 | | 1 1 | Certificate Number |
| And the same in the same of th | | | 11 11 105 10010 | |
| | | | 4 11/05/2018 JCS REV. DATE RY | SHEET LOF 3 |
| | | | REV. DATE RY | SHEET LUE 3 |

<u>District I</u> 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

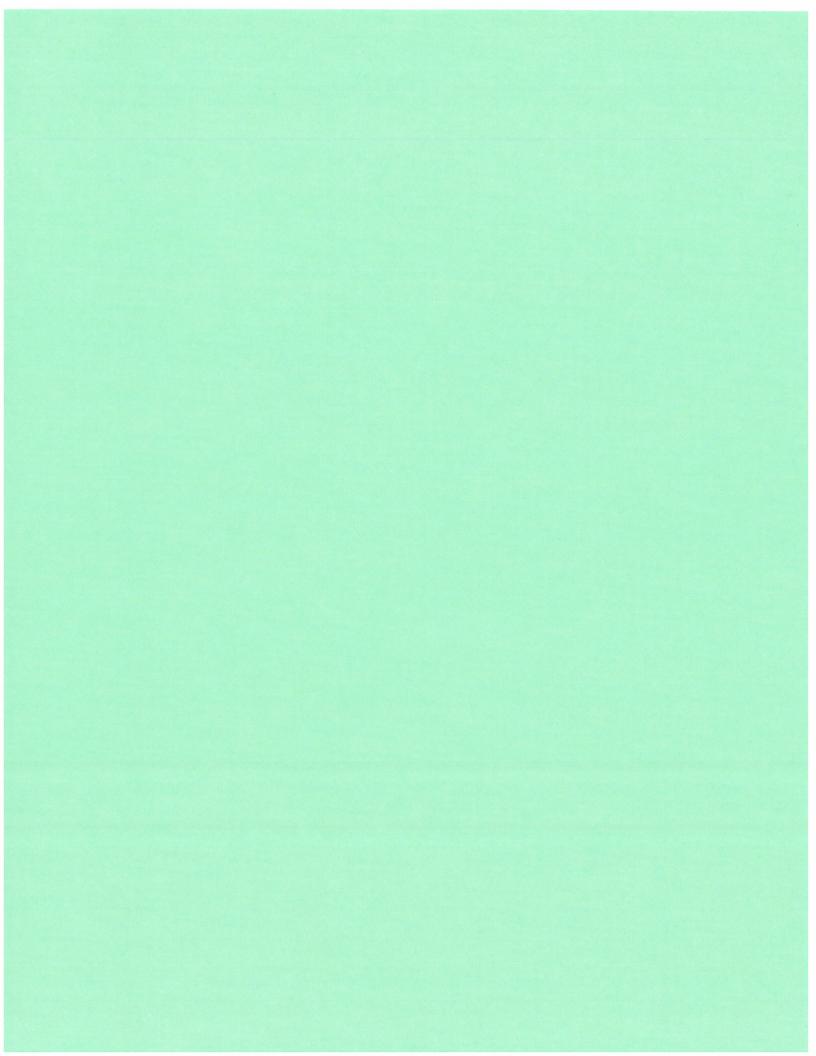
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

| | | | WEI | LL L(| OCAT | TON AND | ACR | EAGE DEDIC | CATION PLA | T | | |
|-----------------------|------------|--------------------------|-----------|------------|-------------------|----------------|-----------|------------------|--------------------------------|-----------|------------|-------------|
| 1 | API Numbe | er | | | ² Pool | | | | ³ Pool Na | | | |
| | | | | | 981 | 117 | | WC-025 | G-09 S26 | 3504N | ; WOL | FCAMP |
| ⁴ Property | Code | | | | | ⁵ P | roperty N | Vame | | | | Well Number |
| | | | | ١ | MAMM | IOTH FED | COM | 1 26-34-1 | WA | | | 11H |
| ⁷ OGRID | No. | 8 Operator Name | | | | | | | | , , , , , | | |
| 37209 | 98 | MARATHON OIL PERMIAN LLC | | | | | | | ⁹ Elevation 3280 | | | |
| | | _ | | | | 10 Sur | face I | ocation | | | | |
| UL or lot no. | Section | Townsh | ip | Range | Lot | Idn Feet f | rom the | North/South line | Feet from the | East | /West line | County |
| N | 1 | 269 | 3 | 34E | | 448 | 3 | SOUTH | 1599 | WES | | LEA |
| | | | | "Bo | ttom] | Hole Locat | ion If | Different Fron | n Surface | | | |
| UL or lot no. | Section | Townshi | ip | Range | | | rom the | North/South line | Feet from the | East | /West line | County |
| С | 36 | 259 | 3 | 34E | | 100 | | NORTH | 2316 | WES | | LEA |
| 12 Dedicated Acres | 13 Joint o | r Infill | 14 Consol | lidation (| Code | 15 Order No. | | | | | | |
| 640.00 | | | | | | | | | | | | |

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.

| 16 | | | | | | | | |
|--------------|------------|--------------------------|---|------------|------------------------------------|--------------------------|--------------------------|--|
| | 1 | ò | | i i | | | | "OPERATOR CERTIFICATION |
| | | -100 | | | 1 | í | | I hereby certify that the information contained herein is true and complete to |
| SECTION 26 A | | allowed arms (hearth | ON 25 | SECTION : | 30 | | - | the best of my knowledge and belief, and that this organization either owns a |
| SECTION 35 | 2311' | 330' SE | С. 36 шш | SECTION | | | | working interest or unleased mineral interest in the land including the |
| | LAST TAKE | | 34- | LAST TAK | E POINT/BOTTO FNL 2311' FWL, | M HOLE LOC | CATION | proposed bottom hole location or has a right to drill this well at this location |
| | POINT/BHL | | 4 4 | 1 | NAD 83, SPCS I | MM EAST | *** | pursuant to a contract with an owner of such a mineral or working interest, |
| | .96 | | territoria (anticomo esta esta esta esta esta esta esta esta | LAT: 32.09 | 22710.71' / Y: 389691N / LOI | V: 103.4247 | | or to a voluntary pooling agreement or a compulsory pooling order |
| | 179.96 | | 1 | | NAD 27, SPCS 1 B1523.66' / Y: | | | heretofore entered by the division. |
| | 12, | | | | 377115N / LON | | | |
| | | | | | KICK OFF | POINT | | |
| | .55 | | | 10 | 0' FSL 2310' FV NAD 83, SPCS | | 1 | Signature Date |
| | 00'27'55 | | | | 822801.55' / 1 | r: 388725.65 | | |
| | % % | | | | 06542938N / L NAD 27, SPCS | NM EAST | | Printed Name |
| | | | | | : 781614.01' / Y 06530347N / Li | | | |
| | , | | | | FIRST TAKE | | | |
| SECTION 35 | SECTION 36 | PI | T-25-S | 100 | 0' FSL 2310' FW | L, SECTION | 1 | E-mail Address |
| SECTION 35 | SECTION 1 | | T-26-S | X: | NAD 83, SPCS 822801.55' / Y | NM EAST ': 388725.65' | | |
| SECTION 2 | SECTION | | 1-20-5 | | 6542938N / L NAD 27, SPCS | ON: 103.4247 | | "SURVEYOR CERTIFICATION |
| | | | | X: | : 781614.01' / Y | : 388668.15" | | I hereby certify that the well location shown on this plat |
| | | | | LA1: 32.0 | 0000004/N / LC | JN: 103.4242 | 5/29W | was proved from field notes of actual surveys made by |
| | 898 | | | 44 | SURFACE HOLE 8' FSL 1599' FV | | 1 | 1 |
| | 5,176.4 | | 1 | | NAD 83, SPCS | NM EAST | | me or under mystagervision, and that the same is true |
| | | 1 1 | | LAT: 32. | : 822086.75' / ' 06639159N / L | ON: 103.4270 | 01866W | and consect to the best of my belief. |
| | 1 | | | X | NAD 27, SPCS :780899.25' / | | , | Date of Survey. Signature and Senior Processional Servey. |
| | 2,54 | COR | IER COORDINATES | | 06626572N / L | | 55507W | Date of Survey 2 |
| 1 | 00.32 | NAD 8 | 3, SPCS NM EAS 398.92' / Y: 399 | | NAD 27, | SPCS NM E | AST | Signature and Search Processional Surveyor |
| | > | B - X: 823 | 039.79' / Y: 399 | 183.78' F | A - X: 779211 B - X: 781852 | .91' / Y: 3 | 399110.97' 399126.00' | Signature and Search Professional Surveyor |
| 1 | FIRST TAKE | C - X: 823 D - X: 820 | 132.38' / Y: 388 492.21' / Y: 388 | 627.40' | - X: 781944 - X: 779304 | .85' / Y: 3 | 388569.90' | CE OF NO TO BE |
| | POINT/KOP | 1042' | | 1 | A. 779304 | | | 76 765, 21/6/15 |
| SECTION 2 | 2310' | | CTION 1 | SECTION 6 | | | | A FEBRUSED A TO FOR |
| SECTION 11 D | SHL | C SE | CTION 12 S | SECTION 7 | | ***** | | \$ \$\frac{1}{2} \frac{1}{2} \fr |
| | 148,- | 00 | | l | | | | Certificate Number |
| ' | 4 5 | 2 | | | 1 | | | · C |
| | | | | | 4 10 | 0/31/2018 | B ANC | |
| | | | | | REV. | DATE | RY | SHEET LOF 3 |



Ryan Gyllenband Land Professional



Marathon Oil Permian LLC

5555 San Felipe Street Houston, TX 77056

Telephone: 713.296.2453 Mobile: 281.684.7389

Fax: 713.513.4006

mrgyllenband@marathonoil.com

September 5, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

EOG Resources, Inc. 5509 Champions Drive Midland, TX 79706

Re: Mammoth Federal 1H, 2H, 7H, 10H & 11H Well Proposals

Section 1, T26S-R34E & Section 36, T25S-R34E

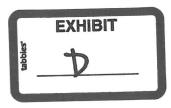
Lea County, New Mexico

Dear EOG Resources, Inc.:

Marathon Oil Permian LLC ("MRO") proposes the drilling of the following wells located in Section 1, 26S-34E, and Section 36, 25S-34E, Lea County, New Mexico to be drilled from the same pad location.

- Mammoth Federal Com 26 34 1 TB 1H with a proposed first take point located 330' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 330' FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Bone Spring Formation (~12,495' TVD) with an estimated treated lateral length of 10,249'. The total estimated drilling and completion cost is \$10,428,194 as shown in the attached AFE.
- Mammoth Federal Com 26 34 1 WA 2H with a proposed first take point located 330' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 330' FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Wolfcamp Formation (~12,738' TVD) with an estimated treated lateral length of 10,249'. The total estimated drilling and completion cost is \$10,432,434 as shown in the attached AFE.
- Mammoth Federal Com 26 34 1 WXY 7H with a proposed first take point located 1,320' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 1,320' FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Wolfcamp Formation (~12,616 TVD) with an estimated treated lateral length of 10,251. The total estimated drilling and completion cost is \$10,429,254 as shown in the attached AFE.
- Mammoth Federal Com 26 34 1 TB 10H with a proposed first take point located 2,310' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 2,310 FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Wolfcamp Formation (~12,495' TVD) with an estimated treated lateral length of 10,253. The total estimated drilling and completion cost is \$10,427,134 as shown in the attached AFE.
- Mammoth Federal Com 26 34 1 WA 11H with a proposed first take point located 2,310' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 2,310 FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Wolfcamp Formation (~12,616' TVD) with an estimated treated lateral length of 10,253. The total estimated drilling and completion cost is \$10,429,254 as shown in the attached AFE.

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.



MRO proposes drilling the well under the terms of the 1989 AAPL JOA and a form of this JOA will be sent to you following this proposal. The JOA will have these general provisions:

- 100%/300%/300% non-consent penalty
- \$7,000/\$700 drilling and producing rates
- Contract area of W/2 of Section 1, 26S-34E and W/2 of Section 36, 25S-34E covering all depths

Our title records show that you own 31.25% 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:

- •
- •
- .

This term assignment offer terminates October 15, 2018 and is subject to due diligence and title verification satisfactory to Marathon.

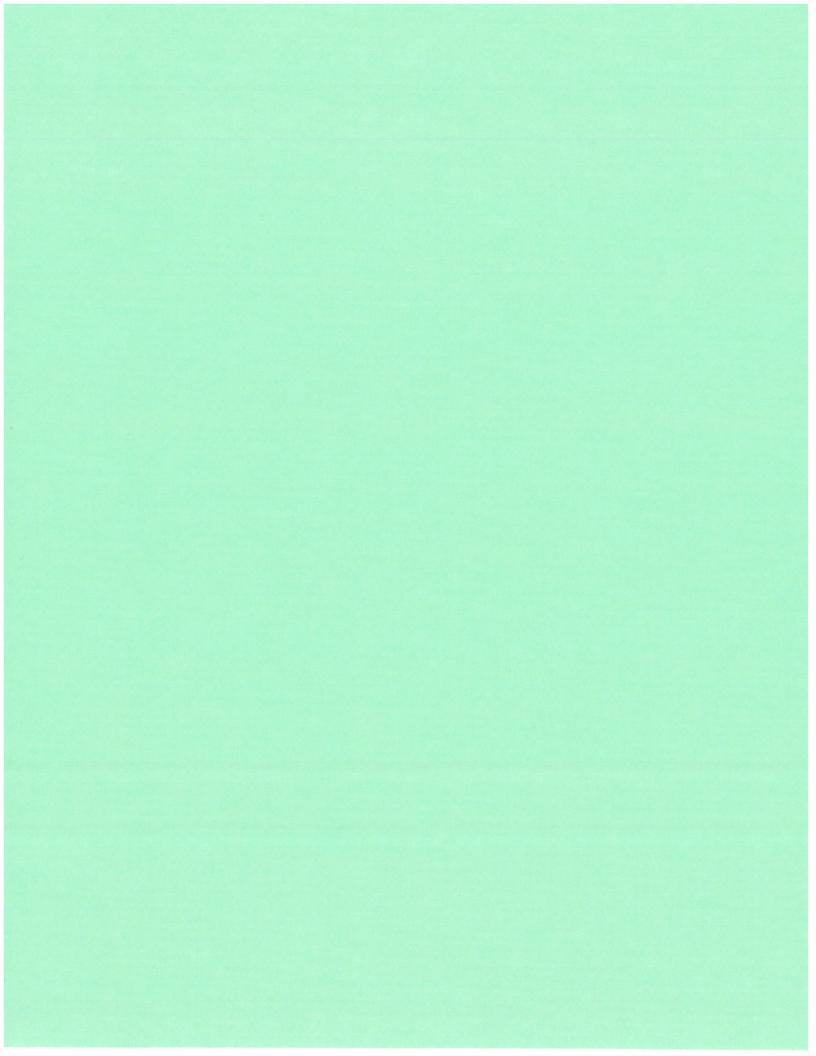
Should you have any questions regarding this or other matters, please don't hesitate to contact me at the above listed numbers.

Sincerely,

Ryan Gyllenband

Mammoth Federal 1H, 2H, 7H, 10H, & 11H

| Mammoth Federal Com 26 34 1 TB 1H |
|--|
| elects to participate in the drilling, completing, and equipping of the aforementioned well. |
| elects NOT to participate in the drilling, completing, and equipping of the aforementioned well. |
| Mammoth Federal Com 26 34 1 WA 2H |
| elects to participate in the drilling, completing, and equipping of the aforementioned well. |
| elects NOT to participate in the drilling, completing, and equipping of the aforementioned well. |
| Mammoth Federal Com 26 34 1 WXY 7H |
| elects to participate in the drilling, completing, and equipping of the aforementioned well. |
| elects NOT to participate in the drilling, completing, and equipping of the aforementioned well. |
| Mammoth Federal Com 26 34 1 TB 10H |
| elects to participate in the drilling, completing, and equipping of the aforementioned well. |
| elects NOT to participate in the drilling, completing, and equipping of the aforementioned well. |
| Mammoth Federal Com 26 34 1 WA 11H |
| elects to participate in the drilling, completing, and equipping of the aforementioned well. |
| elects NOT to participate in the drilling, completing, and equipping of the aforementioned well. |
| EOG Resources, Inc. |
| Ву: |
| Print Name: |
| Title: |
| Doto |



MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS DATE 6/27/2018

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 XY WILDCAT | EVEL OR ATION |
| Lease/Facility | Mammoth Federal Com 26 34 1 WXY 7H DEVELOPMENT | EXPLORATION |
| Location | LEA COUNTY X EXPLOITATION | RECOMPLETION |
| Prospect | RED HILLS | _ WORKOVER |
| | | |
| Est Total Depth | 23,123 Est Drilling Days28.8 Est Completion Days | s 11 |
| | | |
| LOCATION COST | - INTANGIBLE | |
| | | |
| GL CODE | DESCRIPTION | ESTIMATED COST |
| 7001270 | Location and Access | 30,00 |
| 7001250 | Land Broker Fees and Services | 30,00 |
| | | |
| | TOTAL LOCATION COST - INTANGIBLE | 60,00 |
| | | |
| DRILLING COST - | TANGIBLE | |
| | | |
| 7043050 | | |
| 7012050 | Conductor Pipe | 28,00 |
| 7012050 | Surface Casing | 17,00 |
| 7012050 | Intermediate Casing 1 | 147,00 |
| 7012050 | Intermediate Casing 2 | |
| 7012050 | Production Casing | 348,00 |
| 7012050 | Drig Liner Hanger, Tieback Eq & Csg Accessories | 10,00 |
| 7012550 | Drilling Wellhead Equipment | 50,00 |
| 7012040 | Casing & Tubing Access | 24,00 |
| 7012270 | Miscellaneous MRO Materials | 5,00 |
| 19 | | |
| | TOTAL DRILLING - TANGIBLE | 629,00 |
| | | 025,000 |
| DRILLING COST - | INTANGIRI F | |
| Divincind COST - | WIANGBLE | |
| 7019200 | Delline Bladde (Research | |
| | Drilling Rig Mob/Demob | 27,000 |
| 7019220 | Drilling Rig - day work/footage | 648,000 |
| 7019040 | Directional Drilling Services | 252,500 |
| 7019020 | Cement and Cementing Service Surface | 15,000 |
| 7019020 | Cement and Cementing Service Intermediate 1 | 25,000 |
| 7019020 | Cement and Cementing Service Intermediate 2 | |
| 7019020 | Cement and Cementing Service Production | 140,000 |
| 7019140 | Mud Fluids & Services | 73,000 |
| 7012310 | Solids Control equipment | 52,000 |
| 7012020 | Bits | 70,000 |
| 7019010 | Casing Crew and Services | 30,000 |
| 7016350 | Fuel (Rig) | 89,000 |
| 7019140 | Fuel (Mud) | 18,000 |
| 7001460 | Water (non potable) | 25,000 |
| 7019000 | Well Logging Services | 23,000 |
| 7019150 | Mud Logging+geosteering | 25,000 |
| 7019250 | Stabilizers, Hole Openers, Underreamers (DH rentals) | 15,000 |
| 7019110 | Casing inspection/cleaning | |
| 7019110 | Drill pipe/collar inspection services | 15,000 |
| 7016180 | Freight - truck | 10,000 |
| 7001460 | Water hauling and disposal (includes soil farming) | 25,000 |
| 7001440 | Vacuum Trucks | 60,000 |
| 7000030 | Contract Labor - general | 10,000 |
| 7018150 | Rental Tools and Equipment (surface rentals) | 30,000 |
| 7018150 | Rig Equipment and Misc. | 115,200 |
| 7001110 | Telecommunications Services | 14,400 |
| 7001110 | Consulting Services | 5,000 |
| | | 135,360 |
| 7001400 | Safety and Environmental | 46,080 |
| 7019310 | Rental Buildings (trailers) | 23,040 |
| 7011010 | Coring (sidewalls & analysis) | - |
| ,011010 | 8% Contingency & Taxes | 165,299 |
| | | |
| | TOTAL DRILLING - INTANGIBLE | \$2,158,87 |
| | | |
| | TOTAL DRILLING COST | ća ==== |
| | | \$2,787,879 |
| | | |
| COMPLETION - TA | NGIBLE | |
| 7012500 | *11 | |
| 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 PER | MIAN LLC DATE | 6/27/201 |
| AUTHORITY FOR EXP | | -,,2021 |
| DETAIL OF ESTIMATE | D.WELL COSTS | |

FORMATION: Wolfcamp XY

EXHIBIT Signal of the control of the

WC-025 G-09 S2635

Mammoth Federal Com 26 34 1 WXY 7H

Asset Team Field

Lease/Facility

| GL CODE | DESCRIPTION | ESTIMATED COST |
|------------------|--|---|
| 7001270 | Location and Access (dress location after rig move, set anchors) | |
| 7019220 | Drilling Rig During Completion | |
| 7019140 | Mud Fluids & Services | 80,000 |
| 7019030 | Coiled Tubing Services (3 runs) | |
| 7019240 | Snubbing Services | 240,000 |
| 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) | |
| 7019320 | Fracturing Services | 195,000 |
| 7019330 | | 3,850,000 |
| | Perforating | 300,000 |
| 7019360 | Wireline Services | 10,000 |
| 7001460 | Water Hauling & Disposal (frac fluids) | |
| 7016180 | Freight - Truck (haul pipe; drlg & compl) | 600,000 |
| 7018150 | BOP Rental & Testing | 15,000 |
| 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 | |
| 7001400 | Safety and Environmental | 130,000 |
| 7001120 | Consulting Services | - |
| 7018150 | | 60,000 |
| | Zipper Manifold | 165,000 |
| 7019300 | Frack Stack Rentals | |
| 7016190 | Freight (Transportation Services) | 70,000 |
| 7018150 | Equipment Rental (w/o operator, frac tanks, lightplants) | <u> </u> |
| 7018120 | Rental Buildings (trailers) | 140,000 |
| | | 60,000 |
| 7000030 | Contract Labor - Pumping (pump-down pumps) | 120,000 |
| 7011010 | 8% Contingency & Taxes | |
| | | 426,800 |
| 1 | TOTAL COMPLETION - INTANGIBLE | \$6,531,800 |
| | TOTAL COMPLETION COST | |
| | | \$6,701,800 |
| SURFACE EQUIPMEN | NI - TANGIBLE | |
| 7012350 | Misc. Piping, Fittings & Valves | 95 704 |
| 7006640 | Company Labor & Burden | 85,794 |
| 7000030 | Contract Labor - General | <u>-</u> |
| 7001110 | Telecommunication equip (Telemetry) | 67,540 |
| | | |
| 7012410 | Line Pipe & Accessories | 26,786 |
| 7012270 | Miscellaneous Materials (containment system) | |
| 7008060 | SCADA | 43,227 |
| 7016180 | Freight - truck | |
| 7001190 | Contract Engineering | - |
| | | 29,116 |
| 7012290 | Metering and Instrumentation | 235,914 |
| 7012290 | I&E Materials | |
| 7012200 | Gas Treating | <u>-</u> |
| 7012200 | Dehydration | - |
| 7012010 | Compressor | - |
| | | |
| 7012350 | Power | - |
| 7012610 | Vapor Recovery Unit | |
| 7012440 | Separator & other pressure vessels | |
| 7012500 | Tanks | 85,919 |
| 7012100 | Heater Treater | 144,894 |
| | | 17,330 |
| 7012640 | Flare & Accessories | 11,646 |
| 7000010 | Electrical Labor | |
| 7000010 | Mechanical Labor | 29,116 |
| 7012480 | Rod Pumping unit & Pad | - |
| 7012180 | Pumping Unit Engine | |
| | Pumping Unit Engine | |
| 7012350 | Electrical Power (electrical cooperative construction costs) | 23,293 |
| Tr | OTAL SURFACE EQUIPMENT - TANGIBLE | |
| | STREET STREET - INVOIDE | \$800,575 |
| Т | OTAL SURFACE EQUIPMENT COST | \$ 800,575 |
| ARTIFICIAL LIFT | | |
| 7006640 | Company Labor | |
| | Company Labor | 2,500 |
| 7012180 | Gas Lift Equipment | 38,000 |
| 7012480 | Rod Pumping, Sucker Rods & Rod Pump | 36,000 |
| 7012140 | Elect Sub Pumps (ESP) | <u>-</u> |
| 7019350 | Well Services-Well/Wellhead Services | <u> </u> |
| 7012270 | Materials & Supplies-Tangible | 20,000 |
| 7012550 | | 13,000 |
| | Surface Wellhead Equipment | 5,500 |
| 7012390 | Pig Launchers/Receivers & Rel Equip | 5,500 |
| 7011010 | 8% Contingency & Taxes | <u> </u> |
| | | |
| TO | OTAL ARTIFICIAL LIFT | 79,000 |
| т | OTAL ARTIFICIAL LIFT COST | \$ |
| | SUMMARY OF ESTIMATED DRILLING WELL COSTS | |
| | SOMMAN OF ESTIMATED DRILLING WELL COSTS | TOTAL COST |
| | | |
| | TOTAL LOCATION COST | \$ 60,000 |
| | TOTAL LOCATION COST | \$ 60,000 |
| | TOTAL LOCATION COST TOTAL DRILLING COST | \$ 60,000 \$ 2,787,879 |
| | TOTAL LOCATION COST | \$ 2,787,879 |
| | TOTAL LOCATION COST TOTAL DRILLING COST | \$ 2,787,879 \$ 6,701,800 |
| | TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST | \$ 2,787,879 \$ 6,701,800 \$ 800,575 |
| | TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST | \$ 2,787,879 \$ 6,701,800 |
| | TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST | \$ 2,787,879 \$ 6,701,800 \$ 800,575 \$ 79,000 |
| | TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST | \$ 2,787,879 \$ 6,701,800 \$ 800,575 |

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS DATE 6/27/2018

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 A WILDCAT | EXPLORATION |
| Lease/Facility | Mammoth Federal Com 26 34 1 WA 2H DEVELOPMENT | RECOMPLETION |
| Location | LEA COUNTY X EXPLOITATION | WORKOVER |
| Prospect | RED HILLS | _ |
| | | |
| Est Total Depth | 23,298 Est Drilling Days28.8 Est Completion Day | /s11 |
| LOCATION COST - | INTANCIDIE | |
| LOCATION COST - | INTANGIBLE | |
| GL CODE | DESCRIPTION | FCTIMATED CO. |
| 7001270 | Location and Access | ESTIMATED COST |
| 7001250 | Land Broker Fees and Services | 30,000 |
| | | 30,000 |
| | TOTAL LOCATION COST - INTANGIBLE | |
| | | 60,000 |
| DRILLING COST - T | ANGIBLE | |
| | | |
| 7040000 | | |
| 7012050 | Conductor Pipe | 28,000 |
| 7012050 | Surface Casing | 17,000 |
| 7012050 | Intermediate Casing 1 | 147,000 |
| 7012050 | Intermediate Casing 2 | |
| 7012050 | Production Casing | 351,000 |
| 7012050 | Drig Liner Hanger, Tieback Eq & Csg Accessories | 10,000 |
| 7012550 7012040 | Drilling Wellhead Equipment | 50,000 |
| 7012040 | Casing & Tubing Access | 24,000 |
| 7012270 | Miscellaneous MRO Materials | 5,000 |
| | TOTAL DRILLING - TANGIBLE | |
| | TOTAL DIVILLING - TANGIBLE | 632,000 |
| DRILLING COST III | | |
| DRILLING COST - IN | HANGIBLE | |
| 704000 | | |
| 7019200 | Drilling Rig Mob/Demob | 27,000 |
| 7019220 | Drilling Rig - day work/footage | 648,000 |
| 7019040 | Directional Drilling Services | 252,500 |
| 7019020 | Cement and Cementing Service Surface | 15,000 |
| 7019020 | Cement and Cementing Service Intermediate 1 | 25,000 |
| 7019020 7019020 | Cement and Cementing Service Intermediate 2 | |
| 7019020 | Cement and Cementing Service Production | 140,000 |
| 7019140 | Mud Fluids & Services | 73,000 |
| | Solids Control equipment | 52,000 |
| 7012020 | Bits | 70,000 |
| 7019010 | Casing Crew and Services | 30,000 |
| 7016350 7019140 | Fuel (Rig) | 89,000 |
| 7019140 | Fuel (Mud) | 18,000 |
| 7019000 | Water (non potable) | 25,000 |
| 7019000 | Well Logging Services | - |
| 7019150 | Mud Logging+geosteering | 25,000 |
| 7019110 | Stabilizers, Hole Openers, Underreamers (DH rentals) Casing inspection/cleaning | 15,000 |
| 7019110 | Drill pipe/collar inspection services | 15,000 |
| 7016180 | Freight - truck | 10,000 |
| 7001460 | Water hauling and disposal (includes soil farming) | 25,000 |
| 7001440 | Vacuum Trucks | 60,000 |
| 7000030 | Contract Labor - general | 10,000 |
| 7018150 | Rental Tools and Equipment (surface rentals) | 30,000 |
| 7018150 | Rig Equipment and Misc. | 115,200 |
| 7001110 | Telecommunications Services | 14,400 |
| 7001120 | Consulting Services | 5,000 |
| 7001400 | Safety and Environmental | 135,360 |
| 7018120 | Rental Buildings (trailers) | 46,080 |
| 7019310 | Coring (sidewalls & analysis) | 23,040 |
| 7011010 | 8% Contingency & Taxes | 165,479 |
| | | 103,479 |
| | TOTAL DRILLING - INTANGIBLE | \$2,159,059 |
| | | <u> </u> |
| | TOTAL DRIVING COST | |
| | TOTAL DRILLING COST | \$2,791,059 |
| | | |
| COMPLETION - TAN | GIBLE | |
| 704 2500 | - 17 | |
| 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, TANCENES | |
| | TOTAL COMPLETION - TANGIBLE | \$170,000 |
| | | |
| MARATHON OIL PERM | ANTIC | AND \$6.00 AND \$6.00 |
| AUTHORITY FOR EXPEN | DATE | 6/27/2018 |
| DETAIL OF ESTIMATED | | |
| | WILL COSTS | |
| Asset Team | PERMIAN | |
| Field | WC-025 G-09 S2635 FORMATION: Wolfcamp A | |
| Lease/Facility | Mammoth Federal Com 26 34 1 WA 2H | |
| | | |

| | Location and Access (dress location after rig move, set anchors) | 7001270 7019220 |
|---|--|--|
| 00 | | |
| | Drilling Rig During Completion | 7019140 |
| | Mud Fluids & Services | 7019140 |
| 240, | Coiled Tubing Services (3 runs) | 7019030 |
| | Snubbing Services | |
| | Pulling/Swab Units | 7019270 |
| | Fuel (from drig) | 7016350 |
| | Casing Crew and Services | 7019010 |
| | Cement and Cementing Services | 7019020 |
| | Well Testing Services (flow hand & equip) | 7019080 |
| 195,0 | Fracturing Services | 7019320 |
| 3,850,0 | Perforating | 7019330 |
| 300,0 | Wireline Services | 7019360 |
| 10,0 | Water Hauling & Disposal (frac fluids) | 7001460 |
| 600,0 | Freight - Truck (haul pipe; drlg & compl) | 7016180 |
| 15,(| BOP Rental & Testing | 7018150 |
| _ | | 7018150 |
| | Rental Tools and Equipment (incl drlg; lightplant,hydra-walk) | 7018150 |
| | CT Downhole Rental Equipment (ie. Bit, BHA) | |
| 50,0 | Contract Labor - general | 7000030 |
| 130,0 | Telecommunications Services | 7001110 |
| | Safety and Environmental | 7001400 |
| | Consulting Services | 7001120 |
| 60,0 | Zipper Manifold | 7018150 |
| 165,0 | Frack Stack Rentals | 7019300 |
| | | 7016190 |
| | Freight (Transportation Services) | 7018150 |
| 140,0 | Equipment Rental (w/o operator, frac tanks, lightplants) | |
| 60,0 | Rental Buildings (trailers) | 7018120 |
| 120,0 | Contract Labor - Pumping (pump-down pumps) | 7000030 |
| | 8% Contingency & Taxes | 7011010 |
| 426,8 | | |
| \$6,531,8 | OTAL COMPLETION - INTANGIBLE | |
| £6.701.0 | OTAL COMPLETION COST | |
| \$6,701,8 | TANCIDIC | SURFACE EQUIPMEN |
| | | |
| 85,79 | Misc. Piping, Fittings & Valves | 7012350 7006640 |
| | Company Labor & Burden | |
| 67,54 | Contract Labor - General | 7000030 |
| | Telecommunication equip (Telemetry) | 7001110 |
| | Line Pipe & Accessories | 7012410 |
| 26,78 | Miscellaneous Materials (containment system) | 7012270 |
| 43,22 | SCADA | 7008060 |
| - | | 7016180 |
| | Freight - truck | |
| 29,11 | Contract Engineering | 7001190 |
| | Metering and Instrumentation | 7012290 |
| 235,91 | I&E Materials | 7012290 |
| - | Gas Treating | 7012200 |
| | | 7012200 |
| | Dehydration | |
| | Compressor | 7012010 |
| | Power | 7012350 |
| | Vapor Recovery Unit | 7012610 |
| 05.04 | Separator & other pressure vessels | 7012440 |
| 85,91 | Tanks | 7012500 |
| 144,89 | Heater Treater | 7012100 |
| 17,33 | | 7012640 |
| | Flare & Accessories | |
| 11.64 | Electrical Labor | |
| 11,64 | | 7000010 |
| 11,64 29,11 | Mechanical Labor | 7000010 7000010 |
| | | 7000010 7000010 7012480 |
| | Mechanical Labor Rod Pumping unit & Pad | 7000010 7000010 |
| 29,11 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine | 7000010 7000010 7012480 7012180 |
| | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) | 7000010 7000010 7012480 7012180 7012350 |
| 29,11 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine | 7000010 7000010 7012480 7012180 7012350 |
| 29,11 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) | 7000010 7000010 7012480 7012180 7012350 |
| 29,11 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE | 7000010 7000010 7012480 7012180 7012350 |
| 29,11 | Mechanical Labor Rod Pumping Unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE DTAL SURFACE EQUIPMENT COST | 7000010 7000010 7012480 7012180 7012350 T |
| 29,11 23,29 \$800,57 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE DTAL SURFACE EQUIPMENT COST Company Labor | 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 |
| \$ 800,575 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment | 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 |
| 29,11 23,29 \$800,57 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE DTAL SURFACE EQUIPMENT COST Company Labor | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 |
| \$ 800,575 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment | 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 |
| \$ 800,575 \$ 2,500 38,000 | Mechanical Labor Rod Pumping Unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE DTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 |
| \$ 800,575 \$ 2,500 38,000 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) | 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012140 |
| \$ 800,575 \$ 800,575 \$ 2,500 38,000 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible | 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012140 7019350 |
| \$ 800,575 \$ 2,500 38,000 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012140 7019350 7012270 7012550 |
| \$ 800,575 \$ 800,575 \$ 2,500 38,000 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip | 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 701240 7019350 7012270 7012250 7012390 |
| \$ 800,575 \$ 800,575 \$ 2,500 38,000 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012140 7019350 7012270 7012550 |
| 29,11 23,29 \$800,575 \$ 800,575 2,500 38,000 20,000 13,000 5,500 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012140 7019350 7012270 7012550 7012390 7011010 |
| 29,11 23,29 \$800,575 \$ 800,575 2,500 38,000 20,000 13,000 5,500 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| 29,11 23,29 \$800,575 \$ 800,575 2,500 38,000 20,000 13,000 5,500 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| 29,11 23,29 \$800,575 \$ 800,575 2,500 38,000 20,000 13,000 5,500 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| 29,11 23,29 \$800,575 \$ 800,575 \$ 2,500 38,000 20,000 13,000 5,500 79,000 TOTAL COST | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumpis (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 3% Contingency & Taxes TAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| 29,11 23,29 \$800,575 \$ 800,575 2,500 38,000 20,000 13,000 5,500 79,000 \$ 79,000 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE DTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes TAL ARTIFICIAL LIFT DTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| 29,11 23,29 \$800,575 \$ 800,575 2,500 38,000 20,000 13,000 5,500 79,000 \$ 79,000 TOTAL COST \$ 60,000 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumpis (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 3% Contingency & Taxes TAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| \$ 800,575 \$ 800,575 \$ 800,575 \$ 2,500 38,000 \$ 79,000 \$ 79,000 \$ 79,000 \$ 2,791,059 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE DTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes TAL ARTIFICIAL LIFT DTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| \$ 800,575 \$ 800,575 \$ 2,500 38,000 20,000 13,000 5,500 79,000 TOTAL COST \$ 60,000 \$ 2,791,059 \$ 6,701,800 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE DTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes TAL ARTIFICIAL LIFT SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL DRILLING COST TOTAL COMPLETIONS COST | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| \$ 800,575 \$ 800,575 \$ 800,575 \$ 2,500 38,000 \$ 79,000 \$ 79,000 \$ 79,000 \$ 2,791,059 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes TAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| 29,11 23,29 \$800,575 \$ 800,575 \$ 2,500 38,000 20,000 13,000 5,500 79,000 \$ 79,000 TOTAL COST \$ 60,000 \$ 2,791,059 \$ 6,701,800 \$ 800,575 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE DTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes TAL ARTIFICIAL LIFT SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL DRILLING COST TOTAL COMPLETIONS COST | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |
| 29,11 23,29 \$800,575 \$ 800,575 2,500 38,000 20,000 13,000 5,500 79,000 \$ 79,000 TOTAL COST \$ 60,000 \$ 2,791,059 \$ 6,701,800 \$ 800,575 | Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs) TAL SURFACE EQUIPMENT - TANGIBLE OTAL SURFACE EQUIPMENT COST Company Labor Gas Lift Equipment Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible Surface Wellhead Equipment Pig Launchers/Receivers & Rel Equip 8% Contingency & Taxes TAL ARTIFICIAL LIFT OTAL ARTIFICIAL LIFT COST SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST | 7000010 7000010 7000010 7012480 7012180 7012350 T ARTIFICIAL LIFT 7006640 7012180 7012480 7012480 701240 7012950 7012270 7012550 7012390 7011010 |

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

DATE 6/27/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

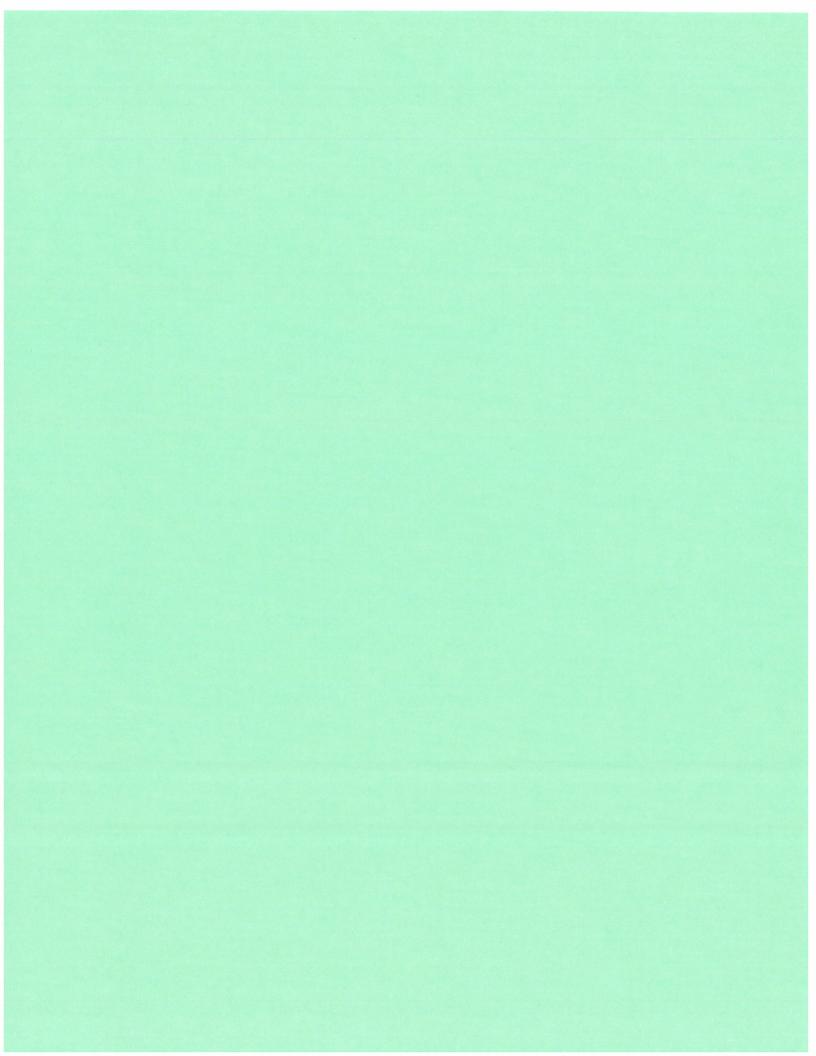
COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY MATT HENSCHEN

ARTIFICIAL LIFT PREPARED BY BILLY MOORE

| Asset Team Field | PERMIAN WC-025 G-09 S2635 FORMATION: Wolfcamp A WILDCAT | EXPLORATION |
|----------------------------|---|----------------|
| Lease/Facility Location | Mammoth Federal Com 26 34 1 WA 11H LEA COUNTY X FXPLOITATION | RECOMPLETION |
| Prospect | RED HILLS X EXPLOITATION | WORKOVER |
| Est Total Depth | | n Days 11 |
| LOCATION COST - | | |
| | | |
| GL CODE | DESCRIPTION | ESTIMATED COST |
| 7001270 7001250 | Location and Access | 30,000 |
| 7001250 | Land Broker Fees and Services | 30,000 |
| | TOTAL LOCATION COST - INTANGIBLE | 50.000 |
| DRILLING COST - T | | 60,000 |
| DRILLING COST - 1 | ANGIBLE | |
| 7012050 | Conductor Pipe | 39.000 |
| 7012050 | Surface Casing | 28,000 |
| 7012050 | Intermediate Casing 1 | 17,000 |
| 7012050 | Intermediate Casing 2 | 147,000 |
| 7012050 | Production Casing | |
| 7012050 | Drig Liner Hanger, Tieback Eq & Csg Accessories | 348,000 |
| 7012550 | Drilling Wellhead Equipment | 10,000 |
| 7012040 | Casing & Tubing Access | 50,000 |
| 7012270 | Miscellaneous MRO Materials | 24,000 |
| 7012270 | Miscenarieous Mino Materials | 5,000 |
| | TOTAL DRILLING - TANGIBLE | 629,000 |
| DRILLING COST - II | ITANGIBLE | |
| | | |
| 7019200 | Drilling Rig Mob/Demob | 27,000 |
| 7019220 | Drilling Rig - day work/footage | 648,000 |
| 7019040 | Directional Drilling Services | 252,500 |
| 7019020 | Cement and Cementing Service Surface | 15,000 |
| 7019020 | Cement and Cementing Service Intermediate 1 | 25,000 |
| 7019020 | Cement and Cementing Service Intermediate 2 | - |
| 7019020 | Cement and Cementing Service Production | 140,000 |
| 7019140 | Mud Fluids & Services | 73,000 |
| 7012310 | Solids Control equipment | 52,000 |
| 7012020 | Bits | 70,000 |
| 7019010 | Casing Crew and Services | |
| 7016350 | Fuel (Rig) | 30,000 |
| 7019140 | Fuel (Mud) | 89,000 |
| 7001460 | Water (non potable) | 18,000 |
| 7019000 | Well Logging Services | 25,000 |
| 7019150 | Mud Logging+geosteering | - |
| 7019250 | Stabilizers, Hole Openers, Underreamers (DH rentals) | 25,000 |
| 7019110 | Casing inspection/cleaning | 15,000 |
| 7019110 | Drill pipe/collar inspection services | 15,000 |
| 7016180 | Freight - truck | 10,000 |
| 7001460 | | 25,000 |
| 7001440 | Water hauling and disposal (includes soil farming) | 60,000 |
| 7000030 | Vacuum Trucks | 10,000 |
| | Contract Labor - general | 30,000 |
| 7018150 | Rental Tools and Equipment (surface rentals) | 115,200 |
| 7018150 | Rig Equipment and Misc. | 14,400 |
| 7001110 | Telecommunications Services | 5,000 |
| 7001120 | Consulting Services | 135,360 |
| 7001400 | Safety and Environmental | 46,080 |
| 7018120 | Rental Buildings (trailers) | 23,040 |
| 7019310 | Coring (sidewalls & analysis) | |
| 7011010 | 8% Contingency & Taxes | 165,299 |
| | TOTAL DRILLING - INTANGIBLE | \$2,158,879 |
| | TOTAL DRILLING COST | ź2 707 070 |
| | | \$2,787,879 |
| COMPLETION - TAN | GIBLE | |
| 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 PERM | IAN LLC | DATE |
| AUTHORITY FOR EXPER | | DATE 6/27/2018 |
| DETAIL OF ESTIMATED | | |
| | TELL COSIS | |
| Asset Team | PERMIAN | |
| Field | WC-025 G-09 S2635 FORMATION: Wolfcamp A | |
| Lease/Facility | Mammoth Federal Com 26 34 1 WA 11H | |
| COMPLETION INT | | |

| GL CODE | DESCRIPTION | ESTIMATED COS |
|-----------------|--|-------------------|
| 7001270 | Location and Access (dress location after rig move, set anchors) | 20,00 |
| 7019220 | Drilling Rig During Completion | |
| 7019140 | Mud Fluids & Services | 80,00 |
| 7019030 | Coiled Tubing Services (3 runs) | |
| 7019240 | Snubbing Services | 240,00 |
| 7019270 | Pulling/Swab Units | |
| 7016350 | | |
| | Fuel (from drig) | |
| 7019010 | Casing Crew and Services | |
| 7019020 | Cement and Cementing Services | |
| 7019080 | Well Testing Services (flow hand & equip) | 105.00 |
| 7019320 | Fracturing Services | 195,00 |
| 7019330 | Perforating | 3,850,00 |
| 7019360 | Wireline Services | 300,00 |
| | | 10,00 |
| 7001460 | Water Hauling & Disposal (frac fluids) | 600,00 |
| 7016180 | Freight - Truck (haul pipe; drig & compl) | 15,00 |
| 7018150 | BOP Rental & Testing | |
| 7018150 | Rental Tools and Equipment (incl drig; 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 | |
| 7018150 | Zipper Manifold | 60,000 |
| 7019300 | Frack Stack Rentals | 165,000 |
| | | 70,000 |
| 7016190 | Freight (Transportation Services) | |
| 7018150 | Equipment Rental (w/o operator, frac tanks, lightplants) | 140,000 |
| 7018120 | Rental Buildings (trailers) | |
| 7000030 | Contract Labor - Pumping (pump-down pumps) | |
| 7011010 | 8% Contingency & Taxes | 120,000 |
| | Berral or renes | 426,800 |
| | TOTAL COMPLETION - INTANGIBLE | |
| | | \$6,531,80 |
| | TOTAL COMPLETION COST | \$6,701,80 |
| SURFACE EQUIPME | NT - TANGIRI F | |
| | | |
| 7012350 | Misc. Piping, Fittings & Valves | 85,794 |
| 7006640 | Company Labor & Burden | |
| 7000030 | Contract Labor - General | |
| 7001110 | Telecommunication equip (Telemetry) | 67,540 |
| 7012410 | Line Pipe & Accessories | |
| 7012270 | | 26,786 |
| | Miscellaneous Materials (containment system) | 43,227 |
| 7008060 | SCADA | |
| 7016180 | Freight - truck | |
| 7001190 | Contract Engineering | |
| 7012290 | Metering and Instrumentation | 29,116 |
| 7012290 | I&E Materials | 235,914 |
| | | |
| 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 | |
| 7012640 | Flare & Accessories | 17,330 |
| 7000010 | Electrical Labor | 11,646 |
| 7000010 | | 29,116 |
| | Mechanical Labor | - |
| 7012480 | Rod Pumping unit & Pad | |
| 7012180 | Pumping Unit Engine | _ |
| 7012350 | Electrical Power (electrical cooperative construction costs) | |
| | | 23,293 |
| 1 | TOTAL SURFACE EQUIPMENT - TANGIBLE | \$800,575 |
| | TOTAL SURFACE EQUIPMENT COST | \$ 800.575 |
| | | \$ 800,575 |
| ARTIFICIAL LIFT | | |
| 7006640 | Company Labor | 2 |
| 7012180 | Gas Lift Equipment | 2,500 |
| 7012480 | Rod Pumping, Sucker Rods & Rod Pump | 38,000 |
| 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 | |
| | OTAL ARTIFICIAL LIFT | - |
| | UTAL AKTIFICIAL LIFT | 79,000 |
| Т | OTAL ARTIFICIAL LIFT COST | \$ |
| | CUMMANDY OF FOUNDAMENT | |
| | SUMMARY OF ESTIMATED DRILLING WELL COSTS | TOTAL COST |
| | TOTAL LOCATION COST | ¢ |
| | | \$ 60,000 |
| | TOTAL DRILLING COST | \$ 2,787,879 |
| | TOTAL COMPLETIONS COST | \$ 6,701,800 |
| | | |
| | | |
| | TOTAL ARTIFICIAL LIFT COST | \$ 79,000 |
| | CDAND TOTAL COST | |
| | GRAND INTAL COST | \$10,429,254 |
| | TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST | \$ 800, \$ 79, |



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

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

CASE NO. 20060

| | AFFIDAVIT |
|---------------------|------------------|
| STATE OF NEW MEXICO |) |

Ethan Perry, being duly sworn, deposes and states:

COUNTY OF BERNALILLO

- 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 black-dashed boxes. The proposed horizontal locations are identified by a blue line, and the proposed wells are numbered 2, 3, and 5.
- 3. Exhibit A identifies Wolfcamp wells in the vicinity of the proposed wells, and has a line of cross-section running from A to A'.
 - 4. Exhibit A shows that the structure dips north to south.
- 5. **Exhibit B** is a stratigraphic cross section hung on the top of the Wolfcamp. The well logs on the cross-section give a representative sample of the Wolfcamp formation in the area. The target zone for the WXY 7H well is the Wolfcamp Y Sand, identified by the words "Producing

Zone" and the shaded area across the cross section, along with a red arrow. That zone is continuous across the well unit.

- 6. The target zone for the WA 2H and WA 11H wells is the Wolfcamp A, identified by the words "Producing Zone" and the shaded area across the cross section, along with a red arrow. That zone is relatively continuous across the well unit.
- 7. **Exhibit C** is a Gross Interval Isochore of the Wolfcamp formation. The Wolfcamp gross interval thickness is relatively uniform across the proposed well unit.
 - 8. I conclude from the maps that:
 - a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter quarter section in the unit will contribute more or less equally to production.
- 9. The preferred well orientation in this area is north to south. This is because the maximum horizontal stress orientation is more or less east to west.
- 10. The granting of this application is in the interests of conservation and the prevention of waste.

Ethan Perry

SUBSCRIBED AND SWORN to before me this 14th day of November, 2018 by Ethan Perry, on behalf of Marathon Oil Permian LLC.

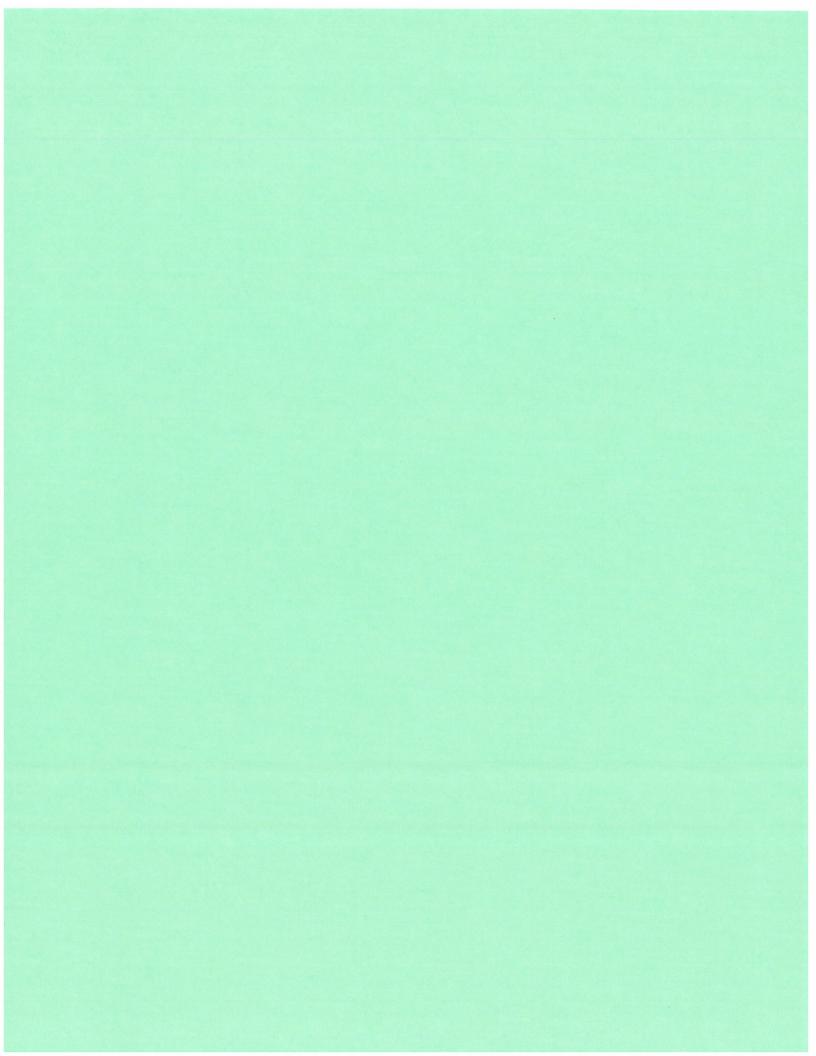
OFFICIAL SEAL

Karlene Schuman

NOTARY PUBLIC
STATE OF NEW MEXICO

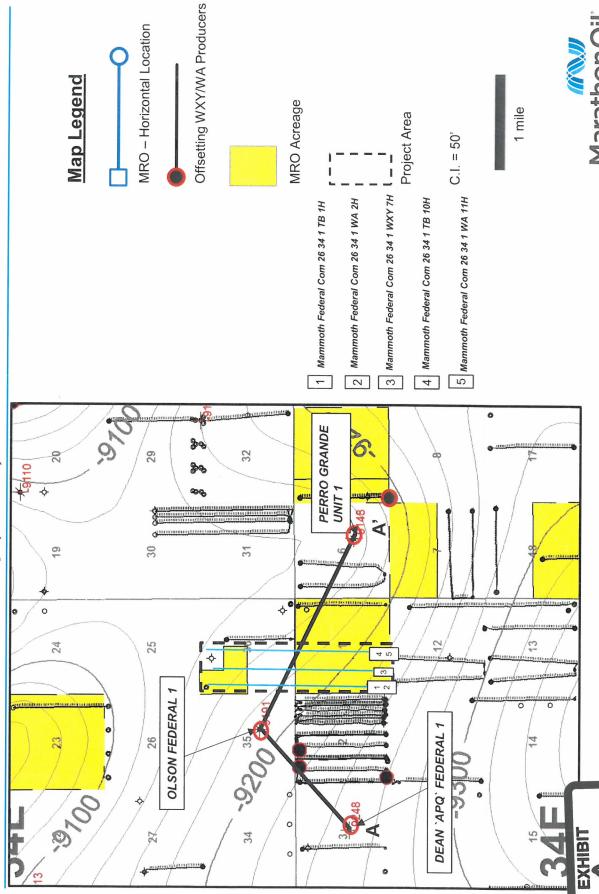
My commission expinession Expires: 02

Notary Public

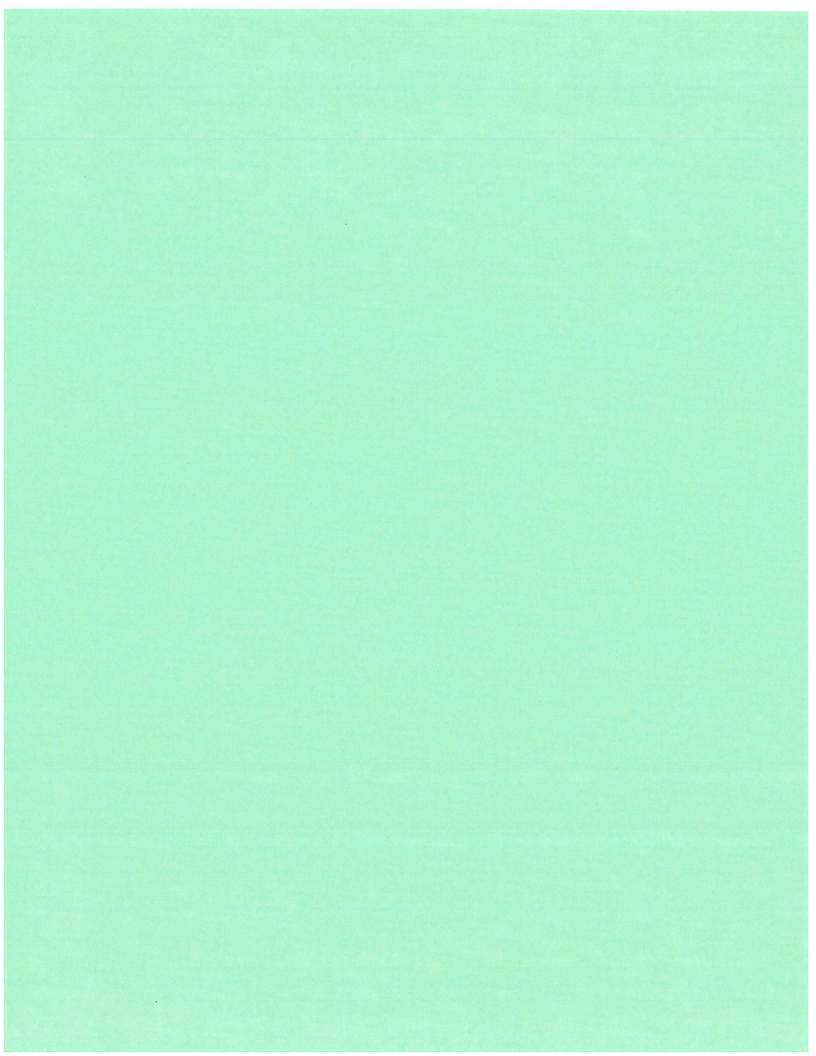


Mammoth Federal Com 26 34 1 TB 1H, WA 2H, WXY 7H, TB 10H and **WA 11H**

Structure Map – Top of Wolfcamp (SSTVD)

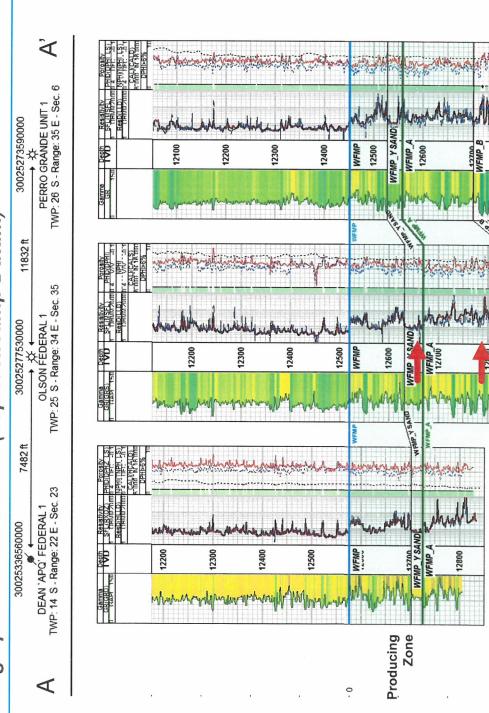






Mammoth Federal Com 26 34 1 TB 1H, WA 2H, WXY 7H, TB 10H and **WA 11H**

Stratigraphic Cross Section (Top Wolfcamp Datum)





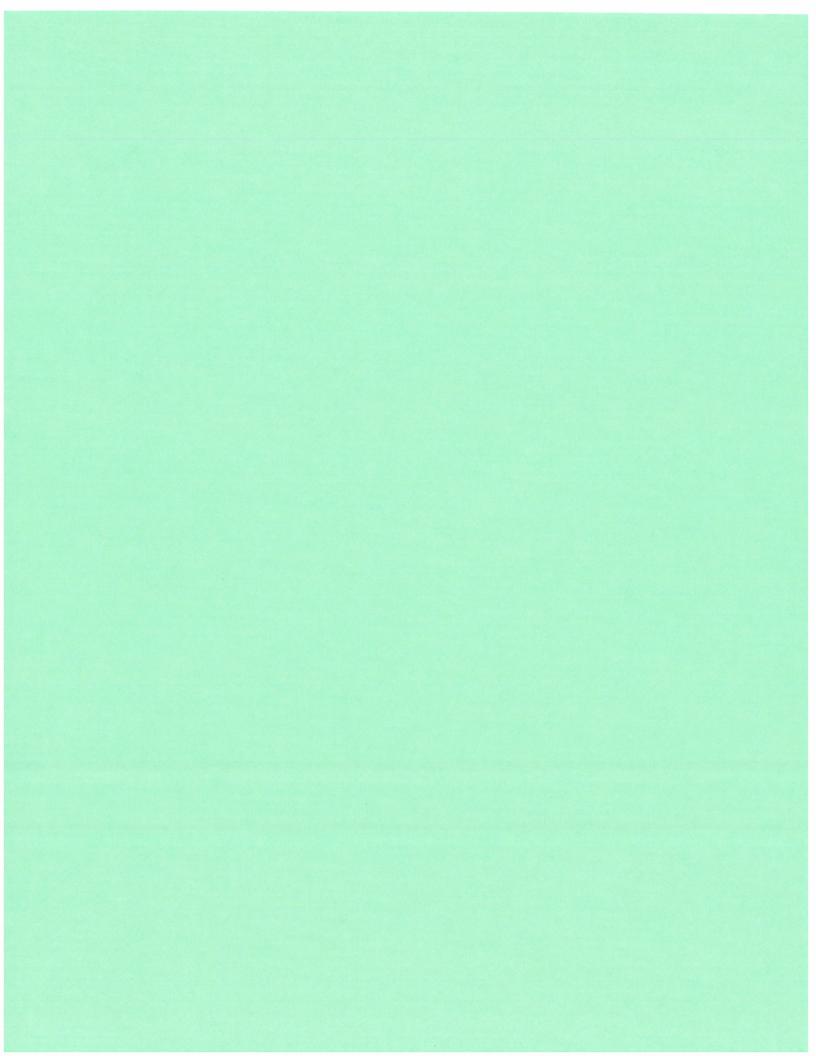
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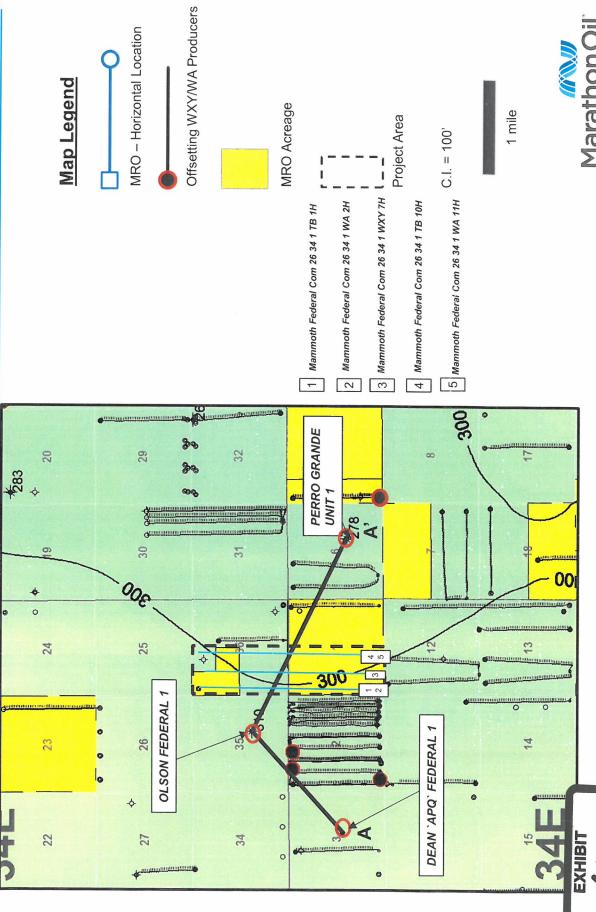
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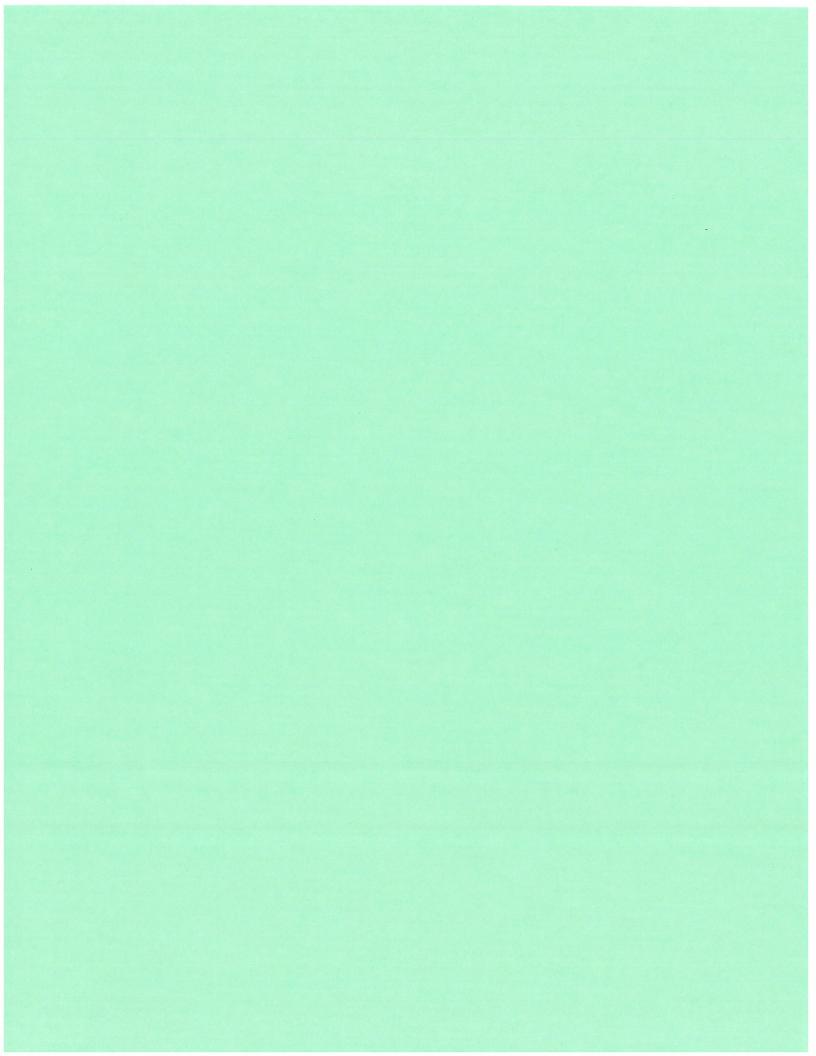


Mammoth Federal Com 26 34 1 TB 1H, WA 2H, WXY 7H, TB 10H and **WA 11H**

Gross Interval Isochore - Wolfcamp - Wolfcamp B







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

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

CASE NO. 20058

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

CASE NO. 20059

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

CASE NO. 20060

AFFIDAVIT

| STATE OF NEW MEXICO |) |
|----------------------|-------|
| |) ss. |
| COUNTY OF BERNALILLO |) |

Jennifer L. Bradfute, 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 a notice letter and that proof of receipt is attached hereto. The Applicant exercised reasonable diligence in locating address information to notify affected parties of this application.

Jermifer L. Bradfute

SUBSCRIBED AND SWORN to before me this 13th day of November, 2018 by Jennifer L. Bradfute.

OFFICIAL SEAL

Karlene Schuman

NOTARY PUBLIC

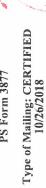
STATE OF NEW MEXICO

My commission, explication Explication (2) -21-21

Notary Public

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

PS Form 3877





Firm Mailing Book ID: 154388

| Name, Street & P.O. Address EOG Resources, Inc. 5509 Champions Drive Midland TX 79706 |
|--|
| OXY USA Inc. 5 E Greenway Plaza #110 Houston TX 77046 |
| Post Oak Crown IV, LLC 34 S. Wynden Dr., Suite 300 Houston TX 77056 |
| Post Oak Crown IV-B, LLC 34 S. Wynden Dr., Suite 300 Houston TX 77056 |
| Crown Oil Partners, LP P.O. Box 50820 Midland TX 79710 |
| Crown Ventures III, LLC P.O. Box 50820 Midland TX 79710 |
| Crown Oil Partners IV Employee Holdings, LLC P.O. Box 50820 Midland TX 79710 |
| CEP Minerals LLC P.O. Box 50820 Midland TX 79710 |
| Oak Valley Mineral and Land LP P.O. Box 50820 Midland TX 79710 |
| Good News Minerals LLC P.O. Box 50820 Midland TX 79710 |
| Mavros Minerals II LLC P.O. Box 50820 Midland TX 79710 |
| Mike Moylett P.O. Box 50820 Midland TX 79710 |
| Collins & Jones Investments, LLC 508 W. Wall Street, Suite 1200 Midland TX 79701 |
| LMC Energy 550 W Texas Ave., Suite 945 Midland TX 79701 |
| Gerard G. Vavrek 1521 2nd Ave. NO 1604 Seattle WA 98101 |

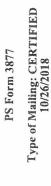




Firm Mailing Book ID: 154388

| | Name, Street & P.O. Address | Postage | Fee | R.R.Fee | Reference | Rest.Del.Fee Confents |
|---|---|---------|--------|---------|------------|--------------------------|
| Jesse A. Faught, P.O. Box 52603 Midland TX 797 | Jesse A. Faught, Jr. P.O. Box 52603 Midland TX 79710 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| H. Jason Wacker, F 5601 Hillcrest Midland TX 79707 | H. Jason Wacker, Hillcrest Petroleum LLC 5601 Hillcrest Midland TX 79707 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| David M. Cromwell 2008 Country Club Midland TX 79701 | David M. Cromwell 2008 Country Club Drive Midland TX 79701 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| Zunis Energy, LLC 15 E 5th Street, Sui Tulsa OK 74103 | Zunis Energy, LLC 15 E 5th Street, Suite 3300 Fulsa OK 74103 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| James F. Adelson, Truste Adelson Revocable Trust 15 E 5th Street, Suite 330 Fulsa OK 74103 | James F. Adelson, Trustee of the Jame F. Adelson Revocable Trust 15 E 5th Street, Suite 3300 Tulsa OK 74103 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| Kaleb Smith 2501 Lubbock Ave. Fort Worth TX 76109 | Ave. < 76109 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| Deane Durham 3603 Trinity Meadows Pl. Midland TX 79707 | eadows PI. 707 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| Oscura Resources Inc. P.O. Box 2292 Roswell NM 88202 | s Inc. .02 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| Branex Resources, Inc. P.O. Box 2990 Ruidoso NM 88355 | s, Inc. 55 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| EMG Oil Properties, Inc. 1000 W. Fourth Street Roswell NM 88201 | ies, Inc. Street 01 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| Tierra Royalties, LLC 2929 Allen Parkway, Suite 200 Houston TX 77019 | LLC vay, Suite 200 19 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| C. Fred Luthy, Jr., Registered Pennies from Heaven, LLC P.O. Box 830308 Dallas TX 75283 | r., Registered Agent for aven, LLC 3 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| Cyrene L. Imman, Cyrene L. Imman P.O. Box 830308 Dallas TX 75283 | Cyrene L. Inman, Successor Trustee of the Cyrene L. Inman Trust P.O. Box 830308 Dallas TX 75283 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| Devon Energy Production 333 W Sheridan Ave. Oklahoma City OK 73102 | Devon Energy Production Co. LP 333 W Sheridan Ave. Oklahoma City OK 73102 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |

Karlene Schuman Modrall Sperling Rochl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102







| 4 | Article Number | Name, Street & P.O. Address | Postage | Rea | Fee R R Foe | Deference | Rest.Del.Fee |
|----------------|-----------------------------|--|------------|----------|-------------|-------------------|------------------|
| 9314 8699 0430 | 0052 2218 53 | 9314 8699 0430 0052 2218 53 Devon Energy Operating Co. LP 20 N Broadway #1500 Oklahoma City OK 72102 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| 9314 8699 043 | 9314 8699 0430 0052 2218 60 | EOG M Resources, Inc. 5509 Champions Drive Midland TX 79706 | \$1.42 | \$3.45 | \$1.50 | \$1.50 81363-0178 | \$0.00 Notice |
| 9314 8699 04 | 9314 8699 0430 0052 2218 77 | EOG A Resources, Inc. 5509 Champions Drive Midland TX 79706 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| 9314 8699 04 | 9314 8699 0430 0052 2218 84 | EOG Y Resources, Inc. 5509 Champions Drive Midland TX 79706 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| 9314 8699 04 | 9314 8699 0430 0052 2218 91 | Chevron USA Inc. 6301 Deauville Midland TX 79706 | \$1.42 | \$3.45 | \$1.50 | 81363-0178 | \$0.00 Notice |
| | | Totals: | s: \$48.28 | \$117.30 | \$51.00 | | 80.00 |
| | | | | | | Grand Total: | \$216.58 |

| Total Number of Pieces Received at Post Office | es Postmaster: |
|---|-----------------------|
| | Total Number of Piece |

Dated:

employee

| | | Batch ID - Mail Delivery Date | 148856 10-29-2018 | 148656 10-50-2018 | 146630 10-30-2018 | 140805 14 00 0010 | 148930 11-02-2018 | 149856 10-30-2018 | 148856 10-30-2018 | 148856 10-29-2018 | 148856 10-29-2018 | 148856 11-05-2018 | 148856 10-30-2018 | 148856 11-02-2018 | 148856 10-29-2018 | 148856 10-29-2018 | 148856 10-29-2018 | 148856 10-29-2018 | 148856 11-07-2018 | 148856 10-31-2018 | 148856 10-29-2018 | 148856 10-29-2018 | 148856 10-29-2018 | 148856 10-31-2018 | 148856 10-31-2018 | 148856 10-31-2018 | 148856 10-31-2018 | 148856 10-31-2018 | 148856 10-31-2018 | 148856 10-31-2018 | 148856 10-31-2018 | 148856 10-29-2018 | 148856 10-29-2018 | 148856 11-01-2018 | 148856 10-30-2018 |
|--|-------------------------------|--------------------------------------|---|---|---|---|--|---|--|---|--|--|---|----------------------------------|---------------------------------|--|---------------------------------------|---------------------------------------|--|--|--------------------------------------|--------------------------------|--|----------------------------------|--|--|--|--------------------------------------|--|---|--|--|--|----------------------------------|---|
| | | Service Options | Return Receipt - Electronic | Beturn Cereint - Electronic | Beturn Bereint - Clertronic | Return Receipt - Flectronic | Poture Bereint Cleaternie | Return Receipt - Flectronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic | Return Receipt - Electronic |
| | | Defined Walling Status | Delivered | Teraviled | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered | Delivered |
| | | 70 | 90767 | 90767 | 79706 | 72107 | 73102 | 75283 | 75283 | 77019 | 88201 | 88355 | 88202 | 79707 | 76109 | 74103 | 74103 | 79701 | 79707 | 79710 | 98101 | 79701 | 79701 | 79710 | 79710 | 79710 | 79710 | 79710 | 79710 | 79710 | 79710 | 77056 | 77056 | 77046 | 90262 |
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| | ě | Midland | Midland | Midiand | Midland | Oklahoma City | Oklahoma City | Dallas | Dallas | Houston | Roswell | Ruidoso | Roswell | Midland | Fort Worth | Tulsa | Tulsa | Midland | Midland | Midland | Seattle | Midland | Midland | Midland | Midland | Midland | Midland | Midland | Midland | Midland | Midland | Houston | Houston | Houston | Midland |
| Transaction Report Details - Certificabro.net Firm Mail Book ID- 15/188 Generated: 11/13/2018 3:14:11 PM | Adelyace | 6301 Deauville | 5509 Champions Drive | 5509 Champions Drive | 5509 Champions Drive | 20 N Broadwav #1500 | 333 W Sheridan Ave. | P.O. Box 830308 | P.O. Box 830308 | 2929 Allen Parkway, Suite 200 | 1000 W. Fourth Street | P.O. Box 2990 | P.O. Box 2292 | 3603 Trinity Meadows Pl. | 2501 Lubbock Ave. | 15 E 5th Street, Suite 3300 | 15 E 5th Street, Suite 3300 | 2008 Country Club Drive | 5601 Hillcrest | P.O. Box 52603 | 1521 2nd Ave. NO 1604 | 550 W Texas Ave., Suite 945 | 508 W. Wall Street, Suite 1200 | P.O. Box 50820 | P.O. Box 50820 | P.O. Box 50820 | P.O. Box 50820 | P.O. Box 50820 | P.O. Box 50820 | P.O. Box 50820 | P.O. Box 50820 | 34 S. Wynden Dr., Suite 300 | 34 S. Wynden Dr., Suite 300 | 5 E Greenway Plaza #110 | 5509 Champions Drive |
| Transaction Report De Firm Mail Boc Generated: 11/13 | Name 2 | | | | | | | Cyrene L. Inman Trust | Pennies from Heaven, LLC | | | | | | | Adelson Revocable Trust | | | | | | | | | | | | | | | | | | | |
| | Date Created | 2018-10-26 10:02 AM Chevron USA Inc. | 2018-10-26 10:02 AM EOG Y Resources, Inc. | 2018-10-26 10:02 AM EOG A Resources, Inc. | 2018-10-26 10:02 AM EOG M Resources, Inc. | 2018-10-26 10:02 AM Devon Energy Operating Co. LP | 2018-10-26 10:02 AM Devon Energy Production Co. LP | 2018-10-26 10:02 AM Cyrene L. Inman, Successor Trustee of the | 2018-10-26 10:02 AM C. Fred Luthy, Jr., Registered Agent for | 2018-10-26 10:02 AM Tierra Royalties, LLC | 2018-10-26 10:02 AM EMG Oil Properties, Inc. | 2018-10-26 10:02 AM Branex Resources, Inc. | 2018-10-26 10:02 AM Oscura Resources Inc. | 2018-10-26 10:02 AM Deane Durham | 2018-10-26 10:02 AM Kaleb Smith | 2018-10-26 10:02 AM James F. Adelson, Trustee of the Jame F. | 2018-10-26 10:02 AM Zunis Energy, LLC | 2018-10-26 10:02 AM David M. Cromwell | 2018-10-26 10:02 AM H. Jason Wacker, Hillcrest Petroleum LLC | 2018-10-26 10:02 AM Jesse A. Faught, Jr. | 2018-10-26 10:02 AM Gerard G. Vavrek | 2018-10-26 10:02 AM LMC Energy | 2018-10-26 10:02 AM Collins & Jones Investments, LLC | 2018-10-26 10:02 AM Mike Moylett | 2018-10-26 10:02 AM Mavros Minerals II LLC | 2018-10-26 10:02 AM Good News Minerals LLC | 2018-10-26 10:02 AM Oak Valley Mineral and Land LP | 2018-10-26 10:02 AM CEP Minerals LLC | 2018-10-26 10:02 AM Crown Oil Partners IV Employee Holdings, LLC | 2018-10-26 10:02 AM Crown Ventures III, LLC | 2018-10-26 10:02 AM Crown Oil Partners, LP | 2018-10-26 10:02 AM Post Oak Crown IV-B, LLC | 2018-10-26 10:02 AM Post Oak Crown IV, LLC | 2018-10-26 10:02 AM OXY USA Inc. | 2018-10-26 10:02 AM EOG Resources, Inc. |
| | Certified Mail Article Number | 9314869904300052221891 | 9314869904300052221884 | 9314869904300052221877 | 9314869904300052221860 | 9314869904300052221853 | 9314869904300052221846 | 9314869904300052221839 | 9314869904300052221822 | 9314869904300052221815 | 9314869904300052221808 | 9314869904300052221792 | 9314869904300052221785 | 9314869904300052221778 | 9314869904300052221761 | 9314869904300052221754 | 9314869904300052221747 | 5314869904300052221730 | 9314869904300052221723 | 9314869904300052221716 | 9314869904300052221709 | 9314869904300052221693 | 9314869904500052221686 | 9314869904300052221679 | 9314869904300052221662 | 9314869904300052221655 | 9314869904300052221648 | 9314869904300052221631 | 9314869904300052221624 | 9314869904300052221617 | 9314869904300052221600 | 9314869904300052221594 | 9314869904300052221587 | 9314869904300052221570 | 9314869904300052221563 |

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher 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 November 02, 2018 and ending with the issue dated November 02, 2018.

Wan Hosell

Sworn and subscribed to before me this 2nd day of November 2018.

gussie o

Business Manager

My commission expires

January 29, 2019

Seat)

OFFICIAL SEAL

GUSSIE BLACK

Notary Public

State of New Mexico

My Commission Expires

This newspaper's 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

LEGAL

LEGAL NOTICE NOVEMBER 2, 2018

CASE No. 20058: Notice to all effected parties, as we as the hair and devisees of EOG RESOURCES, MC OXY USA INC., POST OAK CROWN IV, LLC, POST OAK CROWN IV, LLC, POST OAK CROWN IV, BATTERS, LL CROWN OLF PARTMERS, LL CROWN OLF PARTMERS, LL CROWN OLF PARTMERS, LL CROWN OLF PARTMERS, LL CASE OF THE STATE O

BE THE BRITA and ew/less or 120 RESQUECES, NEL.

OXY USA NIC., POST OAK CROWN NY, LLC, POST OAK
CROWN IV-B, LLC, CROWN OIL PARTNERS, LP,
CROWN PROTURES III, LLC, CROWN OIL PARTNERS, LP,
CROWN PROTURES IV, LCC, CROWN OIL PARTNERS, LP,
COAK VALLEY MINERAL AND LAND LP, GOOD NEWS
MINERALS LLC, MAYROS MINERALS II LLC, MIKE
MOYLET, COLLINS A, JONES INVESTMENTS, LLC,
FAUGHT, JR., H., LASON WACKER, JESSE EAT
PETROLEUM LLC, DAVID M. CROWNELL, ZUINS
EMERGY LLC, JAMES F. ADELSON, TRUSTEE OF THE
JAMES F. ADELSON, TRUSTEE OF THE
JAMES F. ADELSON, TRUSTEE OF THE
SMITH, DEANE DURHAM, OSCURA RESOURCES INC.
RANKEX RESOURCES, INC., C. MIG OIL PROPERTIES,
INC., TIERRA BOYAL TIES, LLC, C. ARED-BAYTHY, JR.,
IT, LECK CONTROLED TO THE CONTROLED TO THE
LC, GYMEN E. HIMMAN TRUST. DEVON ENERGY
PRODUCTION CO. LP, DEVON ENERGY OPERATING
CO. LP, EOG M. RESOURCES, INC., EOG A
RESOURCES, INC., EOG Y. RESOURCES, INC.,
CHEVRON USA INC., of Maretton Oil Permian LLC's
applications for approval of a specing unit and
compulsory pooling, Lea County, New Moxico. The
State of New Mexico, through 85 Oil Chemical Control of the DIVISion (c) to the extent
necessary, approving the creation of a Bone Spring spacing
unit, and CJD pooling all uncommitted mineral inferests within
a Bone Spring horizontal spacing unit underlying the E/2
W/Z ed Section 36, Township 25 South, Range 34 East,
M. M. M., Lee County, New Mexico, The procused pacing
or this well, to be horizontally drilled. The product of the second charges for supervision, designation of Marathon as operator of the well, and a 20% 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 areas are located approximately 14 miles west
southwest of Jal, New Mexico.

011

DO

MC

Said areas are located approximately 14 miles west southwest of Jai, New Mexico.

CASE No. 20060: Notice to all affected parties, as well as the half and deviese of 100 RESOURCES, INC. OXY USA MIC., POS CONTROL OF THE CONTROL OF TH