

**Before the Oil Conservation Division  
Examiner Hearing September 5, 2019**

*Case Numbers 16144, 16145, and 16146 (re-opened)*





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 applications.

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

4. Marathon filed these applications to re-open these cases and orders for two reasons; first to have all three cases consolidated into a single order and second because Marathon identified additional parties to be pooled.

5. These cases went to hearing on November 15, 2018. Cases No. 16144, 16145, and 16146 were consolidated at the hearing for testimony; however, a separate order was issued for each case.

6. At hearing, it was determined that the Bone Spring applications also targeted the Wolfbone formation. Consequently, all three orders created spacing units within the Wolfbone Pool.

7. Division Order R-20371 (Case No. 16146), entered on January 31, 2019, created a horizontal spacing unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool Code 98098) and all other pools hereinafter defined within the Wolfbone formation in the E/2 NE/4 of Section 19 and the E/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

8. Division Order 20369 (Case No. 16144) entered on January 31, 2019, created a horizontal spacing unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool Code 98098) and all other pools hereinafter defined within the Wolfbone formation in the W/2 NE/4 of Section 19 and the W/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

9. Division Order R-20370 (Case No. 16145), entered on January 31, 2019, created a horizontal spacing unit comprising 480 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 19 and E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This order contained a typographical error. The spacing unit should have been the NE/4 of Section 19 rather than the E/2 of Section 19.

10. After the orders were issued, Marathon requested that all three cases be consolidated into a single order, but because the above mentioned orders had already been issued, Marathon was required to re-open these three cases and submit an application requesting that all three orders be combined into a single order.

11. Marathon requests that Orders R-20369, R-20370, and R-20371 be combined into a single order pooling all mineral interests in a spacing unit underlying the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Marathon requests that typographical error also be corrected in the single, consolidated order.

12. In addition, after the orders were issued, Marathon learned of two unleased mineral interest owners not previously identified.

13. I sent proposal letters to those unleased mineral interest owners on June 14, 2019. A copy of the proposal letter is attached as Exhibit 1.

14. One of the unleased mineral interest owners has since executed a lease and the working interest owner has signed the JOA. The other unleased mineral interest owner is Theodore Douglas Jones, deceased.

15. The parties Marathon is seeking to pool are identified on Exhibit 2.

16. In my opinion, Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

17. Marathon requests that these parties be pooled under the single, consolidated order Marathon requests be issued for these three cases.

18. Exhibit 3 is an affidavit of notice prepared by counsel for Marathon that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper, showing that notice of this hearing was published on August 21, 2019.

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

*[Signature page follows]*

  
Ryan Gyllenband

SUBSCRIBED AND SWORN to before me this 4<sup>th</sup> day of September, 2019 by Ryan Gyllenband on behalf of Marathon Oil Permian LLC.

  
Notary Public

My commission expires: 3-10-23



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

June 13, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

Corinne Jones Stewart, as POA  
Of Theodore Jones  
2785 W. Monica Way  
Colorado Springs, CO 80906

Re: Blueberry Hill 3H, 4H, 5H, 6H, and 10H Well Proposals  
Sections 18 & 19, T24S-R35E  
Lea County, New Mexico

Dear Ms. Corinne Jones Stewart,

Marathon Oil Permian LLC ("Marathon") shows you with 5 unleased net mineral acres in the SW/4NE/4 of Section 18, 24S-35E. As an unleased mineral owner, Marathon would like to offer you the opportunity to lease your minerals to Marathon at the below lease terms:

This offer to lease terminates July 10, 2019 and is subject to due diligence and title verification satisfactory to Marathon. Should you be agreeable to this offer to lease, please sign the lease form included in this proposal in the presence of a notary and return to my attention at the address listed above.

Marathon proposes the drilling of the following wells located in the E/2 of Section 18, and the NE/4 of Section 19, 24S-35E, Lea County, New Mexico all to be drilled from the same surface pad location. Should you not elect to lease, Marathon would also like to offer you the opportunity to participate in the drilling of the wells as a working interest owner.

Well Name	FTP (Sec. 19, 24S-34E)	LTP (Sec. 18, 24S-34E)	TVD	MD	AFE Cost
Blueberry Hill 19 TB Fee 3H	1,821' FEL/2,540' FNL	1,821' FEL/100' FNL	12,320'	19,758'	\$ 9,650,564
Blueberry Hill 19 WXY Fee 4H	1,316' FEL/2,540' FNL	1,323' FEL/100' FNL	12,444'	19,623'	\$ 9,659,728
Blueberry Hill 19 WA Fee 5H	2,316' FEL/2,540' FNL	2,316' FEL/100' FNL	12,568'	20,004'	\$ 9,671,608
Blueberry Hill 19 WA Fee 6H	330' FEL/2,540' FNL	330' FEL/100' FNL	12,568'	20,004'	\$ 9,658,648
Blueberry Hill 19 TB Fee 10H	825' FEL/2,540' FNL	825' FEL/100' FNL	12,320'	19,758'	\$ 9,665,128

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



- \$7,500/\$750 drilling and producing rates
- Contract area of E/2 Section 18 & NE/4 Section 19, 24S-35E, covering all depths

Your estimated WI would be 1.04%.

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.

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

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the Blueberry Hill 19 TB Fee 3H well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the Blueberry Hill 19 TB Fee 3H well.

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the Blueberry Hill 19 WXY Fee 4H well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the Blueberry Hill 19 WXY Fee 4H well.

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the Blueberry Hill 19 WA Fee 5H well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the Blueberry Hill 19 WA Fee 5H well.

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the Blueberry Hill 19 WA Fee 6H well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the Blueberry Hill 19 WA Fee 6H well.

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the Blueberry Hill 19 TB Fee 10H well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the Blueberry Hill 19 TB Fee 10H well.

**Corinne Jones Stewart , through her Power of Attorney for Theodore Jones**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## Exhibit 2

Parties Marathon is seeking to pool		
Estate of Theodore Douglas Jones	2785 W. Monica Way	Colorado Springs, CO 80916
Potential Heirs of Theodore Douglas Jones		
Carol Jones Robertson	PO Box 72	Lincoln, NM 88338
Eddie Jones	PO Box 1664	Capitan, NM 88316
Cheryl Jones	1400 W. Jaffa	Roswell, NM 88203
Stephen Carl Jones	3508 Darlington Court	Modesto, CA 95356
Rebecca Jones	303 W. Onyx	Roswell, NM 88203
Linnie Corrine Stewart	2785 W. Monica Way	Colorado Springs, CO 80916
Jimmy C. Jones	2 Dee Court	Los Lunas, NM 87031
Clear Fork Royalty 4, LP	309 West 7th St., Suite 500	Fort Worth, TX 76102
Dalton Cobb, Jr.	PO Box 470547	Fort Worth, TX 76147
Logan B. King	1301 Madeline Place	Fort Worth, TX 76107
Frank Jones, Jr.	817 East 5th Street	Roswell, NM 88201
Linda Kay Hutchinson Herbert	2482 Los Alamos Court	Las Cruces, NM 88011
Ty Christopher Hutchinson	170 Voorhees Road East	Hamilton, GA 31811
Jennifer Lee Hutchinson Martin	7927 Mustang Loop	Park City, UT 84098
Bobbie Ann Hutchinson Taggard	818 Orion Dr.	Colorado Springs, CO 80906
Mildred James Jones	1450 Grover Drive	Las Cruces, NM 88001
Carlan Jones King	8112 S. 68th East Ave.	Tulsa, OK 74133
Diana Isaacs	26841 Sammoset Way	Bonita Springs, FL 34135
John C. Jones	710 E. 7th St.	Wellington, KS 67152
Raymond Jones	Address Unknown	
Michael Jones	Address Unknown	



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

APPLICATION OF MARATHON OIL  
PERMIAN LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 16144 (re-opened)

APPLICATION OF MARATHON OIL  
PERMIAN LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 16145 (re-opened)


APPLICATION OF MARATHON OIL  
PERMIAN LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 16146 (re-opened)


AFFIDAVIT

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

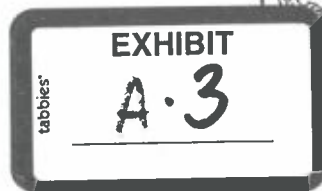
Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under a notice letter and that proof of receipt is attached hereto.

  
\_\_\_\_\_  
Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 30th day of August, 2019 by  
Deana M. Bennett.

  
\_\_\_\_\_  
Notary Public

My commission expires: 02/27/21



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
08/15/2019

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15  
2019



Firm Mailing Book ID: 172643

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0062 1972 78	Devon Energy Production Company 333 W Sheridan Ave Oklahoma City OK 73102	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
2	9314 8699 0430 0062 1972 85	MRC Permian Company 5400 LBJ Freeway Dallas TX 75240	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
3	9314 8699 0430 0062 1972 92	Kona Energy Investments, LLC 309 West 7th Street, Suite 500 Fort Worth TX 76102	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
4	9314 8699 0430 0062 1973 08	BEXP I, LP 5914 W. Courtyard Drive, Suite 340 Austin TX 78730	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
5	9314 8699 0430 0062 1973 15	Tier 1 Merced Holdings, LLC 601 Carlson Parkway, Suite 200 Minnetonka MN 55305	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
6	9314 8699 0430 0062 1973 22	Estate of Theodore Douglas Jones 2785 W. Monica Way Colorado Springs CO 80916	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
7	9314 8699 0430 0062 1973 39	Bugling Bull Investments, LLC 4747 Research Forest Drive, Suite 180-315 The Woodlands TX 77381	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
8	9314 8699 0430 0062 1973 46	PBEX Resources, LLC P.O. Box 10250 Midland TX 79702	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
9	9314 8699 0430 0062 1973 53	Westway Ranches, LLC 401 W Texas Ave Ste 1014 Midland TX 79701	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
10	9314 8699 0430 0062 1973 60	LMWB Investments, LLC 1329 Cold Water Cove Tyler TX 75703	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
11	9314 8699 0430 0062 1973 77	Carol Jones Robertson PO Box 72 Lincoln NM 88338	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
12	9314 8699 0430 0062 1973 84	Eddie Jones PO Box 1664 Capitan NM 88316	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
13	9314 8699 0430 0062 1973 91	Cheryl Jones 1400 W. Jaffa Roswell NM 88203	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
14	9314 8699 0430 0062 1974 07	Stephen Carl Jones 3508 Darlington Court Modesto CA 95356	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
15	9314 8699 0430 0062 1974 14	Rebecca Jones 303 W. Onyx Roswell NM 88203	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice

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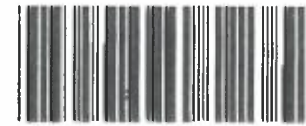
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16	9314 8699 0430 0062 1974 21	Linnie Corrine Stewart 2785 W. Monica Way Colorado Springs CO 80916	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
17	9314 8699 0430 0062 1974 38	Jimmy C. Jones 2 Dee Court Los Lunas NM 87031	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
18	9314 8699 0430 0062 1974 45	Clear Fork Royalty 4, LP 309 West 7th St., Suite 500 Fort Worth TX 76102	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
19	9314 8699 0430 0062 1974 52	Dalton Cobb, Jr. PO Box 470547 Fort Worth TX 76147	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
20	9314 8699 0430 0062 1974 69	Logan B. King 1301 Madeline Place Fort Worth TX 76107	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
21	9314 8699 0430 0062 1974 76	Frank Jones, Jr. 817 East 5th Street Roswell NM 88201	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
22	9314 8699 0430 0062 1974 83	Linda Kay Hutchinson Herbert 2482 Los Alamos Court Las Cruces NM 88011	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
23	9314 8699 0430 0062 1974 90	Ty Christopher Hutchinson 170 Voorhees Road East Hamilton GA 31811	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
24	9314 8699 0430 0062 1975 06	Jennifer Lee Hutchinson Martin 7927 Mustang Loop Park City UT 84098	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
25	9314 8699 0430 0062 1975 13	Bobbie Ann Hutchinson Taggard 818 Orion Dr. Colorado Springs CO 80906	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
26	9314 8699 0430 0062 1975 20	Mildred James Jones 1450 Grover Drive Las Cruces NM 88001	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
27	9314 8699 0430 0062 1975 37	Carlan Jones King 8112 S. 68th East Ave. Tulsa OK 74133	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
28	9314 8699 0430 0062 1975 44	Diana Isaacs 26841 Sammoset Way Bonita Springs FL 34135	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
29	9314 8699 0430 0062 1975 51	John C. Jones 710 E. 7th St. Wellington KS 67152	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
30	9314 8699 0430 0062 1975 68	Westway Ranches, LLC 401 W Texas Ave. Ste 1014 Midland TX 79701	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice

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31	9314 8699 0430 0062 1975 75	George M. O'Brien P.O. Box 1743 Midland TX 79702	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
32	9314 8699 0430 0062 1975 82	Diamond Resources, LLC P.O. Box 80878 Midland TX 79708	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
33	9314 8699 0430 0062 1975 99	Alex Childs 6041 Riviera Drive North Richland Hills TX 76180	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
34	9314 8699 0430 0062 1976 05	Sam Shackelford 1096 Mechem Drive, Suite G-16 Ruidoso NM 88345	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
35	9314 8699 0430 0062 1976 12	Doug J. Schutz P.O. Box 973 Santa Fe NM 87504	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
36	9314 8699 0430 0062 1976 29	OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
37	9314 8699 0430 0062 1976 36	COG Operating LLC One Concho Center, 600 W. Illinois Avenue Midland TX 79701	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
38	9314 8699 0430 0062 1976 43	COG Production LLC One Concho Center, 600 W. Illinois Avenue Midland TX 79701	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
39	9314 8699 0430 0062 1976 50	PXP Producing Company LLC 700 Milam Street, Suite 300 Houston TX 77002	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
40	9314 8699 0430 0062 1976 67	Robert E. Landreth 110 W Louisiana Ave, Suite 404 Midland TX 79701	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
41	9314 8699 0430 0062 1976 74	En Plat II, LLC 810 Texas Avenue Lubbock TX 79401	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
42	9314 8699 0430 0062 1976 81	Wing Resources II, LLC 2100 McKinney Ave Dallas TX 75201	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
43	9314 8699 0430 0062 1976 98	Rebecca Ann Allison 2632 Rountree Abilene TX 79601	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
44	9314 8699 0430 0062 1977 04	Randall Bates Allison 3153 Curry Lane Abilene TX 79605	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
45	9314 8699 0430 0062 1977 11	Leslie Smith 2200 Aspen DR Pampa TX 79065	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice

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46	9314 8699 0430 0062 1977 28	Angie Moad 3623 Hyde Park Ave. Midland TX 79707	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
47	9314 8699 0430 0062 1977 35	Foundation Minerals, LLC P.O. Box 50820 Midland TX 79710	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
48	9314 8699 0430 0062 1977 42	Arrakis Holdings, LLC 1202 Cherrywood Court Allen TX 75002	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
49	9314 8699 0430 0062 1977 59	Madera Trust u/a dated 7-20-2016 c/o Pamela Madera, Trustee 3 Rayos de Luz Placitas NM 87043	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
50	9314 8699 0430 0062 1977 66	Katherine "Kitty" Madera P.O. Box 443 Manhattan MT 59741	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
51	9314 8699 0430 0062 1977 73	Ellen "Lela" Madera 187 George Straight Canyon Lake TX 78133	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
52	9314 8699 0430 0062 1977 80	XTO Holdings LLC 800 Houston St. Fort Worth TX 76102	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
53	9314 8699 0430 0062 1977 97	Occidental Permian LP 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
54	9314 8699 0430 0062 1978 03	RSE Partners I LP 3141 Hood St., Suite 350 Dallas TX 75219	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
55	9314 8699 0430 0062 1978 10	Nortex Corp 1415 Louisiana, Suite 3100 Houston TX 77002	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
56	9314 8699 0430 0062 1978 27	Chevron Midcontinent, L.P. 6301 Deauville Blvd. Midland TX 79706	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
57	9314 8699 0430 0062 1978 34	MRC Permian Company 5400 LBJ Freeway Dallas TX 75240	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
58	9314 8699 0430 0062 1978 41	Mildred Madera McCall 1434 Hamblen Road Kingwood TX 77339	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
59	9314 8699 0430 0062 1978 58	Rubert F. Madera P.O. Box 2795 Ruidoso NM 88355	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
60	9314 8699 0430 0062 1978 65	Tap Rock Resources, LLC 602 Park Point Drive, Suite 200 Golden CO 80401	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice

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Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
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61	9314 8699 0430 0062 1978 72	Featherstone Development Corporation P.O. Box 429 Roswell NM 88202	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
62	9314 8699 0430 0062 1978 89	Ozark Royalty Company, LLC 111 South Highland Street, Suite 352 Memphis TN 38111	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
63	9314 8699 0430 0062 1978 96	Energen Resources Corporation 605 Richard Arrington, Jr. Blvd. North Birmingham AL 35203	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
64	9314 8699 0430 0062 1979 02	Resonance Resources, LLC 9337B Katy Freeway #315 Houston TX 77024	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
65	9314 8699 0430 0062 1979 19	Oak Valley Mineral and Land, LP P.O. Box 50820 Midland TX 79710	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
66	9314 8699 0430 0062 1979 26	5588 Oil, LLC 203 W Wall St. Ste 701 Midland TX 79701	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
67	9314 8699 0430 0062 1979 33	Good News Minerals, LLC P.O. Box 50820 Midland TX 79710	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
68	9314 8699 0430 0062 1979 40	Mavros Minerals, LLC P.O. Box 50820 Midland TX 79710	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
69	9314 8699 0430 0062 1979 57	Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland TX 79706	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
70	9314 8699 0430 0062 1979 64	OneEnergy Partners Operating, LLC 2929 Allen Parkway, Suite 200 Houston TX 77019	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
71	9314 8699 0430 0062 1979 71	Energen Resources Corporation 605 Richard Arrington, Jr. Blvd. North Birmingham AL 35203	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
72	9314 8699 0430 0062 1979 88	Energex, LLC 4425 98th Street Lubbock TX 79424	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
73	9314 8699 0430 0062 1979 95	D. Ann Widmayer 619 Apple Drive Cortez CO 81321	\$1.30	\$3.50	\$1.60	\$0.00	81363-0149 Notice
Totals:			\$94.90	\$255.50	\$116.80	\$0.00	
			Grand Total:			\$467.20	

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated:



USPS Barcode	Name 1	Name 2	Address	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300062197955	2019-08-15 8:18 AM	D. Ann Widmayer	619 Apple Drive	Cortez	CO	81321	Delivered	Return Receipt - Electronic, Certified Mail	08-19-2019
9314869904300062197988	2019-08-15 8:18 AM	Enrges, LLC	4425 98th Street	Lubbock	TX	79424	To be Returned	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197981	2019-08-15 8:18 AM	Enrges Resources Corporation	605 Richard Arrington, Jr. Blvd. North	Birmingham	AL	35203	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197971	2019-08-15 8:18 AM	OneEnergy Partners Operating, LLC	2959 Allen Parkway, Suite 200	Houston	TX	77059	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197954	2019-08-15 8:18 AM	Chevron U.S.A. Inc	6301 Deauville Blvd.	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
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9314869904300062197940	2019-08-15 8:18 AM	Good News Minerals, LLC	P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197933	2019-08-15 8:18 AM	5588 OX, LLC	203 W Wall St. Ste 701	Midland	TX	79710	To be Returned	Return Receipt - Electronic, Certified Mail	08-20-2019
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9314869904300062197902	2019-08-15 8:18 AM	Osark Royalty Corporation	605 Richard Arrington, Jr. Blvd. North	Birmingham	AL	35203	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
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9314869904300062197889	2019-08-15 8:18 AM	Featherstone Development Corporation	P.O. Box 429	Roswell	GA	88202	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197872	2019-08-15 8:18 AM	FE Partners I LP	602 Park Point Drive, Suite 200	Golden	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197865	2019-08-15 8:18 AM	Tap Rock Resources, LLC	P.O. Box 2795	Ruidoso	NM	88355	Mailed	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197858	2019-08-15 8:18 AM	Robert F. Madera	1434 Hamblen Road	Kingwood	TX	77339	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197841	2019-08-15 8:18 AM	MRC Permian Company	5400 LB Freeway	Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
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9314869904300062197827	2019-08-15 8:18 AM	RSE Partners I LP	3141 Hood St., Suite 350	Houston	TX	77002	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197803	2019-08-15 8:18 AM	Occidental Permian LP	5 Greenway Plaza, Suite 110	Dallas	TX	75219	Mailed	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197797	2019-08-15 8:18 AM	XTD Holdings, LLC	800 Houston St.	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197780	2019-08-15 8:18 AM	Ellen "Teb" Madera	187 George Strait	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197773	2019-08-15 8:18 AM	Katherine "Kitty" Madera	P.O. Box 443	Canyon Lake	TX	78133	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197766	2019-08-15 8:18 AM	Madera Trust u/s dated 7-20-2016	3 Rados de Luz	Manhattan	MT	59741	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
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9314869904300062197742	2019-08-15 8:18 AM	Foundation Minerals, LLC	P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197735	2019-08-15 8:18 AM	Leslie Smith	3623 Aspen Park Ave.	Midland	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197728	2019-08-15 8:18 AM	Angie Moish	2200 Hayden DR	Pampa	TX	79665	Mailed	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197711	2019-08-15 8:18 AM	Randall Bates Allison	3153 Curry Lane	Abilene	TX	79605	Mailed	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197704	2019-08-15 8:18 AM	Rebecca Ann Allison	2632 Rountree	Abilene	TX	79601	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197698	2019-08-15 8:18 AM	Wing Resources II, LLC	2100 McKinney Ave	Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197681	2019-08-15 8:18 AM	Wing Resources II, LLC	110 W Louisiana Ave, Suite 404	Lubbock	TX	79401	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
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9314869904300062197650	2019-08-15 8:18 AM	COG Production LLC	700 Millan Street, Suite 300	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197643	2019-08-15 8:18 AM	COG Operating LLC	One Concho Center, 600 W. Illinois Avenue	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197636	2019-08-15 8:18 AM	COY USA Inc.	5 Greenway Plaza, Suite 110	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197629	2019-08-15 8:18 AM	Doug J. Schulz	P.O. Box 973	Santa Fe	NM	87504	Mailed	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197612	2019-08-15 8:18 AM	Sara Shackelford	1096 McChesney Drive, Suite G-16	Ruidoso	NM	88345	Mailed	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197605	2019-08-15 8:18 AM	Alex Childs	6041 Riviera Drive	North Richland Hills	TX	76180	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197599	2019-08-15 8:18 AM	Diamond Resources, LLC	P.O. Box 80078	Midland	TX	79708	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197575	2019-08-15 8:18 AM	George M. O'Brien	P.O. Box 3743	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197568	2019-08-15 8:18 AM	Westway Ranches, LLC	401 W Texas Ave. Ste 1014	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197551	2019-08-15 8:18 AM	John C. Jones	710 E. 7th St.	Wellington	KS	67152	Mailed	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197544	2019-08-15 8:18 AM	Diana Isaacs	26841 Sammosest Way	Bonita Springs	FL	34135	Mailed	Return Receipt - Electronic, Certified Mail	08-20-2019
9314869904300062197537	2019-08-15 8:18 AM	Carlan Jones King	812 S. 68th East Ave.	Tulsa	OK	74133	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197520	2019-08-15 8:18 AM	Mildred James Jones	1450 Grover Drive	Las Cruces	NM	88001	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197513	2019-08-15 8:18 AM	Bobbie Ann Hutchinson Taggard	818 Orion Dr.	Colorado Springs	CO	80906	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197506	2019-08-15 8:18 AM	Jennifer Lee Hutchinson Martin	7937 Mustang Loop	Park City	UT	84098	Mailed	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197500	2019-08-15 8:18 AM	Ty Christopher Hutchinson	170 Voorhees Road East	Las Cruces	TX	78501	To be Returned	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197490	2019-08-15 8:18 AM	Linda Kay Hutchinson Herbert	2482 Los Alamos Court	Las Cruces	NM	88011	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197483	2019-08-15 8:18 AM	Frank Jones, Jr.	817 East 5th Street	Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197476	2019-08-15 8:18 AM	Logan B. King	1301 Madeline Place	Fort Worth	TX	76107	Mailed	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197469	2019-08-15 8:18 AM	Dalton Cobb, Jr.	PO Box 470547	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197452	2019-08-15 8:18 AM	Clear Fork Royalty, A LP	309 West 7th St., Suite 500	Los Lunas	NM	87031	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197445	2019-08-15 8:18 AM	Jimmy C. Jones	2 Dees Court	Colorado Springs	CO	80916	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197438	2019-08-15 8:18 AM	Linnie Corinne Stewart	2785 W. Monica Way	Roswell	NM	88203	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197414	2019-08-15 8:18 AM	Rebecca Jones	303 W. Owy	Modesto	CA	95356	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197407	2019-08-15 8:18 AM	Stephen Carl Jones	3508 Darlington Court	Roswell	NM	88203	Mailed	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197381	2019-08-15 8:18 AM	Cheryl Jones	1400 W. Jaffe	Roswell	NM	88316	Mailed	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197374	2019-08-15 8:18 AM	Eddie Jones	PO Box 1664	Lincoln	NM	88538	Mailed	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197377	2019-08-15 8:18 AM	Carol Jones Robertson	PO Box 7	Tyler	TX	75703	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
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9314869904300062197363	2019-08-15 8:18 AM	Westway Ranches, LLC	401 W Texas Ave Ste 1014	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
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9314869904300062197322	2019-08-15 8:18 AM	Estate of Theodore Douglas Jones	2785 W. Monica Way	Colorado Springs	CO	80916	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
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9314869904300062197292	2019-08-15 8:18 AM	Kona Energy Investments, LLC	309 West 7th Street, Suite 500	Fort Worth	TX	76102	Mailed	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197285	2019-08-15 8:18 AM	MRC Permian Company	5400 LB Freeway	Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019
9314869904300062197278	2019-08-15 8:18 AM	Devon Energy Production Company	333 W Sheridan Ave	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	08-23-2019



# 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  
August 22, 2019  
and ending with the issue dated  
August 22, 2019.



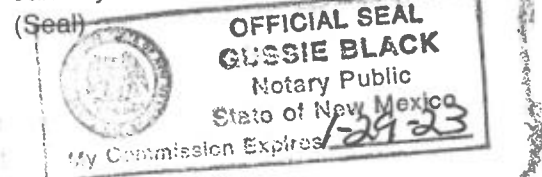
Publisher

Sworn and subscribed to before me this  
22nd day of August 2019.



Business Manager

My commission expires  
January 29, 2023



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

LEGAL

LEGAL

LEGAL

LEGAL NOTICE  
AUGUST 22, 2019

CASE NO. 16144 (Re-opened): Notice to all affected parties, as well as the heirs and devisees of Devon Energy Production Company; MRC Permian Company; Kona Energy Investments LLC, BEXP I LP; Tier 1 Merced Holdings LLC; Estate of Theodore Douglas Jones; Bugling Bull Investments LLC; PBEX Resources LLC; Westway Ranches LLC; LMWB Investments LLC; Carol Jones Robertson; Eddie Jones; Cheryl Jones; Stephen Carl Jones; Rebecca Jones; Linnie Corrine Stewart; Raymond Jones; Michael Jones; Jimmy C. Jones; Clear Fork Royalty 4 LP; Dalton Cobb Jr.; Logan B. King; Frank Jones Jr.; Linda Kay Hutchinson Herbert; Ty Christopher Hutchinson; Jennifer Lee Hutchinson Martin; Bobbie Ann Hutchinson Taggard; Mildred James Jones; Carlan Jones King; Diana Isaacs; John C. Jones; Westway Ranches LLC; George M. O'Brien; Diamond Resources LLC; Alex Childs; Sam Shackelford; Doug J. Schutz; OXY USA Inc.; COG Operating LLC; COG Production LLC; PXP Producing Company LLC; Robert E. Landreth; En Plat II LLC; Wing Resources II LLC; Rebecca Ann Allison; Randall Bates Allison; Leslie Smith; Angle Moad; Foundation Minerals LLC; Arrakis Holdings LLC; Madera Trust u/a dated 7-20-2016 c/o Pamela Madera Trustee; Katherine "Kitty" Madera; Ellen "Lela" Madera; XTO Holdings LLC; Occidental Permian LP; RSE Partners I LP; Nortex Corp; Chevron Midcontinent L.P.; MRC Permian Company; Mildred Madera McCall; Robert F. Madera; Tap Rock Resources LLC; Featherstone Development Corporation; Ozark Royalty Company LLC; Energen Resources Corporation; Resonance Resources LLC; Oak Valley Mineral and Land LP; 5588 Oil LLC; Good News Minerals LLC; Mavros Minerals LLC; Chevron USA Inc; OneEnergy Partners Operating LLC; Energen Resources Corporation; Energex LLC; D. Ann Widmayer; Estate of Opal Pearl Hunt of Marathon Oil Permian LLC's Application to Re-Open Case No. 16144, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on September 5, 2019, to consider this application. Applicant seeks to consolidate Division Order Nos. R-20369, R-20370, and R-20371 (Case Nos. 16144, 16145, 16146) into a single order and also to include additional mineral owners in the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.

CASE NO. 16145 (Re-opened): Notice to all affected parties, as well as the heirs and devisees of Devon Energy Production Company; MRC Permian Company; Kona Energy Investments LLC, BEXP I LP; Tier 1 Merced Holdings LLC; Estate of Theodore Douglas Jones; Bugling Bull Investments LLC; PBEX Resources LLC; Westway Ranches LLC; LMWB Investments LLC; Carol Jones Robertson; Eddie Jones; Cheryl Jones; Stephen Carl Jones; Rebecca Jones; Linnie Corrine Stewart; Raymond Jones; Michael Jones; Jimmy C. Jones; Clear Fork Royalty 4 LP; Dalton Cobb Jr.; Logan B. King; Frank Jones Jr.; Linda Kay Hutchinson Herbert; Ty Christopher Hutchinson; Jennifer Lee Hutchinson Martin; Bobbie Ann Hutchinson Taggard; Mildred James Jones; Carlan Jones King; Diana Isaacs; John C. Jones; Westway Ranches LLC; George M. O'Brien; Diamond Resources LLC; Alex Childs; Sam Shackelford; Doug J. Schutz; OXY USA Inc.; COG Operating LLC; COG Production LLC; PXP Producing Company LLC; Robert E. Landreth; En Plat II LLC; Wing Resources II LLC; Rebecca Ann Allison; Randall Bates Allison; Leslie Smith; Angle Moad; Foundation Minerals LLC; Arrakis Holdings LLC; Madera Trust u/a dated 7-20-2016 c/o Pamela Madera Trustee; Katherine "Kitty" Madera; Ellen "Lela" Madera; XTO Holdings LLC; Occidental Permian LP; RSE Partners I LP; Nortex Corp; Chevron Midcontinent L.P.; MRC Permian Company; Mildred Madera McCall; Robert F. Madera; Tap Rock Resources LLC; Featherstone Development Corporation; Ozark Royalty Company LLC; Energen Resources Corporation; Resonance Resources LLC; Oak Valley Mineral and Land LP; 5588 Oil LLC; Good News Minerals LLC; Mavros Minerals LLC; Chevron USA Inc; OneEnergy Partners Operating LLC; Energen Resources Corporation; Energex LLC; D. Ann Widmayer; Estate of Opal Pearl Hunt of Marathon Oil Permian LLC's Application to Re-Open Case No. 16145, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on September 5, 2019, to consider this application. Applicant seeks to consolidate Division Order Nos. R-20369, R-20370, and R-20371 (Case Nos. 16144, 16145, 16146) into a single order and also to include additional mineral owners in the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.

CASE NO. 16146 (Re-opened): Notice to all affected parties, as well as the heirs and devisees of Devon Energy Production Company; MRC Permian Company; Kona Energy Investments LLC, BEXP I LP; Tier 1 Merced Holdings LLC; Estate of Theodore Douglas Jones; Bugling Bull Investments LLC; PBEX Resources LLC; Westway Ranches LLC; LMWB Investments LLC; Carol Jones Robertson; Eddie Jones; Cheryl Jones; Stephen Carl Jones; Rebecca Jones; Linnie Corrine Stewart; Raymond Jones; Michael Jones; Jimmy C. Jones; Clear Fork Royalty 4 LP; Dalton Cobb Jr.; Logan B. King; Frank Jones Jr.; Linda Kay Hutchinson Herbert; Ty Christopher Hutchinson; Jennifer Lee Hutchinson Martin; Bobbie Ann Hutchinson Taggard; Mildred James Jones; Carlan Jones King; Diana Isaacs; John C. Jones; Westway Ranches LLC; George M. O'Brien; Diamond Resources LLC; Alex Childs; Sam Shackelford; Doug J. Schutz; OXY USA Inc.; COG Operating LLC; COG Production LLC; PXP Producing Company LLC; Robert E. Landreth; En Plat II LLC; Wing Resources II LLC; Rebecca Ann Allison; Randall Bates Allison; Leslie Smith; Angle Moad; Foundation Minerals LLC; Arrakis Holdings LLC; Madera Trust u/a dated 7-20-2016 c/o Pamela Madera Trustee; Katherine "Kitty" Madera; Ellen "Lela" Madera; XTO Holdings LLC; Occidental Permian LP; RSE Partners I LP; Nortex Corp; Chevron Midcontinent L.P.; MRC Permian Company; Mildred Madera McCall; Robert F. Madera; Tap Rock Resources LLC; Featherstone Development Corporation; Ozark Royalty Company LLC; Energen Resources Corporation; Resonance Resources LLC; Oak Valley Mineral and Land LP; 5588 Oil LLC; Good News Minerals LLC; Mavros Minerals LLC; Chevron USA Inc; OneEnergy Partners Operating LLC; Energen Resources Corporation; Energex LLC; D. Ann Widmayer; Estate of Opal Pearl Hunt of Marathon Oil Permian LLC's Application to Re-Open Case No. 16146, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on September 5, 2019, to consider this application. Applicant seeks to consolidate Division Order Nos. R-20369, R-20370, and R-20371 (Case Nos. 16144, 16145, 16146) into a single order and also to include additional mineral owners in the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.

#34604

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

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

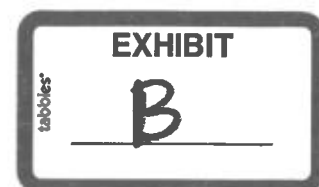
**CASE NO. 16144 (Re-opened)  
ORDER NO. R-20369**

**APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division to re-open Case No. 16144 and to amend Order R-20369. Marathon is filing contemporaneously herewith applications to re-open Case Nos. 16145 and 16146, and to amend those cases' respective orders as well. Marathon requests that the Division enter a single order in all three cases, which order would cover a single spacing unit in the Wolfbone formation, comprised of the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfbone formation underlying this proposed spacing unit. In support of this application, Marathon states as follows:

1. These cases went to hearing on November 15, 2018. Cases No. 16144, 16145, and 16146 were consolidated at the hearing for testimony; however, a separate order was issued for each case.

2. At hearing, it was determined that the Bone Spring applications also targeted the Wolfbone formation. Consequently, all three orders created spacing units within the Wolfbone Pool.



3. Division Order R-20371 (Case No. 16146), entered on January 31, 2019, created a horizontal spacing unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool Code 98098) and all other pools hereinafter defined within the Wolfbone formation in the E/2 NE/4 of Section 19 and the E/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

4. Division Order 20369 (Case No. 16144) entered on January 31, 2019, created a horizontal spacing unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool Code 98098) and all other pools hereinafter defined within the Wolfbone formation in the W/2 NE/4 of Section 19 and the W/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

5. Division Order R-20370 (Case No. 16145), entered on January 31, 2019, created a horizontal spacing unit comprising 480 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 19 and E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This order contained a typographical error. The spacing unit should have been the NE/4 of Section 19 rather than the E/2 of Section 19. Marathon requests that typographical error also be corrected in the single, consolidated order.

6. After the orders were issued, Marathon requested that all three cases be consolidated into a single order, but because the above mentioned orders had already been issued, Marathon was required to re-open these three cases and submit an application requesting that all three orders be combined into a single order.

7. In addition, after the orders were issued, Marathon learned of two unleased mineral interest owners not previously identified.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 22, 2019, and after notice and hearing as required by law, the Division enter its order:

A. Combining Orders R-20369, R-20370, and R-20371 into a single order pooling all mineral interests in a spacing unit underlying the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

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

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

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

E. 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.

F. Marathon requests an expedited order.

Respectfully submitted,

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

By: Deana M. Bennett

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Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 16144 (Re-open): Application of Marathon Oil Permian LLC to Re-Open Case No. 16144, Lea County, New Mexico.** Applicant seeks to consolidate Division Order Nos. R-20369, R-20370, and R-20371 (Case Nos. 16144, 16145, 16146) into a single order and also to include additional mineral owners in the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.

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

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

**CASE NO. 16145 (Re-opened)  
ORDER NO. R-20370**

**APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division to re-open Case No. 16145 and to amend Order R-20370. Marathon is filing contemporaneously herewith applications to re-open Case Nos. 16144 and 16146, and to amend those cases' respective orders as well. Marathon requests that the Division enter a single order in all three cases, which order would cover a single spacing unit in the Wolfbone formation, comprised of the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfbone formation underlying this proposed spacing unit. In support of this application, Marathon states as follows:

1. These cases went to hearing on November 15, 2018. Cases No. 16144, 16145, and 16146 were consolidated at the hearing for testimony; however, a separate order was issued for each case.

2. At hearing, it was determined that the Bone Spring application also targeted the Wolfbone Pool. Consequently, all three orders created spacing units within the Wolfbone Pool.

3. Division Order R-20371 (Case No. 16146), entered on January 31, 2019, created a horizontal spacing unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool Code 98098) and all other pools hereinafter defined within the Wolfbone formation in the E/2 NE/4 of Section 19 and the E/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

4. Division Order 20369 (Case No. 16144) entered on January 31, 2019, created a horizontal spacing unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool Code 98098) and all other pools hereinafter defined within the Wolfbone formation in the W/2 NE/4 of Section 19 and the W/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

5. Division Order R-20370 (Case No. 16145), entered on January 31, 2019, created a horizontal spacing unit comprising 480 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereinafter defined within the Wolfbone formation in the E/2 of Section 19 and E/2 of Section 18, Township24 South, Range 35 East, NMPM, Lea County, New Mexico. This order contained a typographical error. The spacing unit should have been the NE/4 of Section 19 rather than the E/2 of Section 19. Marathon requests that typographical error also be corrected in the single, consolidated order.

6. After the orders were issued, Marathon requested that all three cases be consolidated into a single order, but because the above mentioned orders had already been issued, Marathon was required to re-open these three cases and submit an application requesting that all three orders be combined into a single order.

7. In addition, after the orders were issued, Marathon learned of two unleased mineral interest owners not previously identified.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 22, 2019, and after notice and hearing as required by law, the Division enter its order:

A. Combining Orders R-20369, R-20370, and R-20371 into a single order pooling all mineral interests in a spacing unit underlying the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

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

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

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

E. 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.

F. Marathon requests an expedited order.

Respectfully submitted,

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

By: Deana M. Bennett  
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Post Office Box 2168  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*



**CASE NO. 16145 (Re-open): Application of Marathon Oil Permian LLC to Re-Open Case No. 16145, Lea County, New Mexico.** Applicant seeks to consolidate Division Order Nos. R-20369, R-20370, and R-20371 (Case Nos. 16144, 16145, 16146) into a single order and also to include additional mineral owners in the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.

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

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

**CASE NO. 16146 (Re-opened)  
ORDER NO. R-20371**

**APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division to re-open Case No. 16146 and to amend Order R-20371. Marathon is filing contemporaneously herewith applications to re-open Case Nos. 16144 and 16145, and to amend those cases' respective orders as well. Marathon requests that the Division enter a single order in all three cases, which order would cover a single spacing unit in the Wolfbone formation, comprised of the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfbone formation underlying this proposed spacing unit. In support of this application, Marathon states as follows:

1. These cases went to hearing on November 15, 2018. Cases No. 16144, 16145, and 16146 were consolidated at the hearing for testimony; however, a separate order was issued for each case.
2. At hearing, it was determined that the Bone Spring applications also targeted the Wolfbone formation. Consequently, all three orders created spacing units within the Wolfbone Pool.

3. Division Order R-20371 (Case No. 16146), entered on January 31, 2019, created a horizontal spacing unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool Code 98098) and all other pools hereinafter defined within the Wolfbone formation in the E/2 NE/4 of Section 19 and the E/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

4. Division Order 20369 (Case No. 16144) entered on January 31, 2019, created a horizontal spacing unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool Code 98098) and all other pools hereinafter defined within the Wolfbone formation in the W/2 NE/4 of Section 19 and the W/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

5. Division Order R-20370 (Case No. 16145), entered on January 31, 2019, created a horizontal spacing unit comprising 480 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereinafter defined within the Wolfbone formation in the E/2 of Section 19 and E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This order contained a typographical error. The spacing unit should have been the NE/4 of Section 19 rather than the E/2 of Section 19. Marathon requests that typographical error also be corrected in the single, consolidated order.

6. After the orders were issued, Marathon requested that all three cases be consolidated into a single order, but because the above mentioned orders had already been issued, Marathon was required to re-open these three cases and submit an application requesting that all three orders be combined into a single order.

7. In addition, after the orders were issued, Marathon learned of two unleased mineral interest owners not previously identified.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 22, 2019, and after notice and hearing as required by law, the Division enter its order:

- A. Combining Orders R-20369, R-20370, and R-20371 into a single order pooling all mineral interests in a spacing unit underlying the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;
- B. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. 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.
- F. Marathon requests an expedited order.

Respectfully submitted,

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

By: Deana M. Bennett

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Post Office Box 2168  
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Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 16146 (Re-open): Application of Marathon Oil Permian LLC to Re-Open Case No. 16146, Lea County, New Mexico.** Applicant seeks to consolidate Division Order Nos. R-20369, R-20370, and R-20371 (Case Nos. 16144, 16145, 16146) into a single order and also to include additional mineral owners in the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION TO CONSIDER:

CASE NO. 16144  
ORDER NO. R-20369

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 15, 2018, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 31<sup>st</sup> day of January 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Cases No. 16144, 16145, and 16146 were consolidated at the hearing for testimony; however, a separate order will be issued for each case.

(3) The Applicant, Marathon Oil Permian LLC, seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit ("the Unit") described as follows:

A Horizontal Spacing Unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the W/2 NE/4 of Section 19 and W/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

(4) Applicant also seeks approval of the above described lands as a non-standard Horizontal Spacing Unit and approval of non-standard well locations.

(5) The Unit will be dedicated to the following well(s):



**Blueberry Hill Fee 24 35 19 TB Well No. 3H, API No. 30-025-44662**

SHL: 2416 feet from the North line and 1346 feet from the East line,  
(Unit G) of Section 19, Township 24 South, Range 35 East, NMPM.

BHL: 151 feet from the North line and 2316 feet from the East line,  
(Unit B) of Section 18, Township 24 South, Range 35 East, NMPM.

(6) The Wildcat Wolfbone Oil Pool is governed by Division Rule 19.15.15.9(A) NMAC, which specifies 40-acre spacing and proration units [vertical wells], each comprising a governmental quarter-quarter section.

(7) The allowed setback footage distance for the proposed horizontal Oil well(s) is specified in Paragraph (1) of Subsection C of 19.15.16.15 NMAC effective June 26, 2018. Said rules allow the first or last take points to be no closer than 100 feet to the nearest unit boundary, and the setbacks measured perpendicular to the well path to be a minimum of 330 feet from the outer boundary of the horizontal spacing unit

(8) COG Operating LLC, Tap Rock Resources, LLC, Energen Resources Corporation, and MRC Permian Companu, and Devon Energy Production Company, LP entered appearances and appeared at the hearing. No other party entered an appearance in this case or otherwise opposed this application.

(9) Applicant appeared at the hearing through counsel and presented evidence to the effect that:

- (a) The Wolfbone formation in this area is suitable for development by horizontal drilling.
- (b) The orientation of the horizontal well(s) and the Unit is appropriate for optimum recovery of oil and gas.
- (c) The target drilling depth will be within the 3<sup>rd</sup> Bone Spring Sand member of the Wolfbone formation.
- (d) The heel and toe well locations would not be non-standard under the new horizontal well rules.
- (e) Applicant verified that all interests are identical vertically throughout the Wolfbone interval.
- (f) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.
- (g) Not all affected parties were located.

- (h) Notice to affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(10) The application in this case was filed prior to the June 26, 2018 date on which the amendments to 19.15.16.7 and 19.15.16.15 NMAC (prescribing new spacing rules for horizontal wells) became effective (see Order No. R-14689), and the Well[s] were initially permitted for drilling prior that date. Hence the unit or project area previously dedicated to each of the Well[s], constitutes a standard, or approved non-standard, horizontal spacing unit pursuant to the transitional provision (19.15.16.15.E(4) NMAC), of the new rule, and no further Unit approval is required.

(11) The result of dedication of a standard horizontal spacing unit to the Well[s], as provided in this order, is exactly the same as if the order provided for establishment of a non-standard spacing unit for each well under rules in force prior to June 26, 2018, which would then each become a standard horizontal spacing unit on the effective date of new Rule 19.15.16.15 E(4) NMAC [Transitional provisions].

(12) The portion of the case asking for a non-standard spacing and proration unit is no longer needed and should be dismissed.

(13) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(14) Marathon Oil Permian LLC (OGRID 372098) should be designated the operator of the Well(s) and of the Unit.

(15) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(16) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(17) There are interest owners in the Unit that have not agreed to pool their interests.

(18) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the Wolfbone formation within the Unit.



(19) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(20) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(21) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(22) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations."

**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the following described spacing unit ("the Unit") are hereby pooled:

A Horizontal Spacing Unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the W/2 NE/4 of Section 19 and W/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

(2) The portion of the application in this case asking for approval of a non-standard spacing and proration unit, and, unless otherwise indicated below, asking for approval of a non-standard location, are dismissed.

(3) The Unit shall be dedicated to the following "Well(s)":

**Blueberry Hill Fee 24 35 19 TB Well No. 3H, API No. 30-025-44662**

SHL: 2416 feet from the North line and 1346 feet from the East line,  
(Unit G) of Section 19, Township 24 South, Range 35 East, NMPM.

BHL: 151 feet from the North line and 2316 feet from the East line,  
(Unit B) of Section 18, Township 24 South, Range 35 East, NMPM.

(4) The Well(s) shall be drilled horizontally and target the Wolfbone formation at a proposed true vertical depth of 12320 feet and a measured depth of 19887 feet.

(5) Marathon Oil Permian LLC (OGRID 372098) is hereby designated the operator of the Well(s) and of the Unit.

(6) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(7) The operator of the Unit shall commence drilling the Well(s) on or before February 29, 2020 and shall thereafter continue drilling the Well(s) with due diligence to test the Wolfbone formation at or about the proposed true vertical and measured depths.

(8) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(9) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(10) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(11) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(12) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(13) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(14) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days

after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(15) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(16) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(17) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(18) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(19) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(20) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(21) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

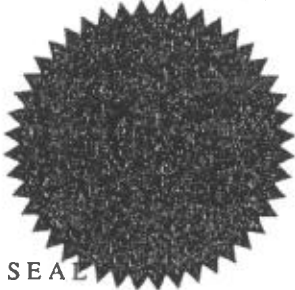
(22) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(23) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(24) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(25) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
GABRIEL WADE  
Acting Director

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

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION TO CONSIDER:**

**CASE NO. 16145  
ORDER NO. R-20370**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on November 15, 2018, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 31st day of January 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Cases No. 16144, 16145, and 16146 were consolidated at the hearing for testimony; however, a separate order will be issued for each case.

(3) The Applicant, Marathon Oil Permian LLC, seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit ("the Unit") described as follows:

A Horizontal Spacing Unit comprising 480 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 19 and E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

(4) Applicant also seeks approval of the above described lands as a non-standard Horizontal Spacing Unit and approval of non-standard well locations.

(5) The Unit will be dedicated to the following well(s):

**Blueberry Hill Fee 24 35 19 WXY Well No. 4H, API No. 30-025-44666**

SHL: 2416 feet from the North line and 1316 feet from the East line,  
(Unit H) of Section 19, Township 24 South, Range 35 East, NMPM.  
BHL: 150 feet from the North line and 1322 feet from the East line,  
(Unit B) of Section 18, Township 24 South, Range 35 East, NMPM.

**Blueberry Hill Fee 24 35 19 WA Well No. 5H, API No. 30-025-44664**

SHL: 2415 feet from the North line and 1376 feet from the East line,  
(Unit G) of Section 19, Township 24 South, Range 35 East,  
NMPM.  
BHL: 150 feet from the North line and 2316 feet from the East line,  
(Unit B) of Section 18, Township 24 South, Range 35 East,  
NMPM.

**Blueberry Hill Fee 24 35 19 WA Well No. 6H, API No. 30-025-44665**

SHL: 2417 feet from the North line and 1286 feet from the East line,  
(Unit H) of Section 19, Township 24 South, Range 35 East,  
NMPM.  
BHL: 150 feet from the North line and 330 feet from the East line,  
(Unit A) of Section 18, Township 24 South, Range 35 East,  
NMPM.

(6) The Wildcat Wolfbone Oil Pool is governed by Division Rule 19.15.15.9(A) NMAC, which specifies 40-acre spacing and proration units [vertical wells], each comprising a governmental quarter-quarter section.

(7) The allowed setback footage distance for the proposed horizontal Oil well(s) is specified in Paragraph (1) of Subsection C of 19.15.16.15 NMAC effective June 26, 2018. Said rules allow the first or last take points to be no closer than 100 feet to the nearest unit boundary, and the setbacks measured perpendicular to the well path to be a minimum of 330 feet from the outer boundary of the horizontal spacing unit

(8) COG Operating LLC, Tap Rock Resources, LLC, Energen Resources Corporation, and MRC Permian Company, and Devon Energy Production Company, LP entered appearances and appeared at the hearing. No other party entered an appearance in this case or otherwise opposed this application.

(9) Applicant appeared at the hearing through counsel and presented evidence to the effect that:

- (a) The Wolfbone formation in this area is suitable for development by horizontal drilling.
- (b) The orientation of the horizontal well(s) and the Unit is appropriate for optimum recovery of oil and gas.

- (c) The target drilling depth will be within the Wolfcamp member of the Wolfbone formation.
- (d) Well No. 4H is the well which defines the spacing unit and brings in proximity tracts. Said well is located 3 feet closer than the 330 feet allowed to adjacent tracts.
- (e) The heel and toe well locations under the new horizontal well rules would not be non-standard.
- (f) Applicant verified that all interests are identical vertically throughout the Wolfbone interval.
- (g) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.
- (h) Not all affected parties were located.
- (i) Notice to affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(10) The application in this case was filed prior to the June 26, 2018 date on which the amendments to 19.15.16.7 and 19.15.16.15 NMAC (prescribing new spacing rules for horizontal wells) became effective (see Order No. R-14689), and the Well[s] were initially permitted for drilling prior that date. Hence the unit or project area previously dedicated to each of the Well[s], constitutes a standard, or approved non-standard, horizontal spacing unit pursuant to the transitional provision (19.15.16.15.E(4) NMAC), of the new rule, and no further Unit approval is required.

(11) The result of dedication of a standard horizontal spacing unit to the Well[s], as provided in this order, is exactly the same as if the order provided for establishment of a non-standard spacing unit for each well under rules in force prior to June 26, 2018, which would then each become a standard horizontal spacing unit on the effective date of new Rule 19.15.16.15 E(4) NMAC [Transitional provisions].

(12) The portion of the case asking for a non-standard spacing and proration unit is no longer needed and should be dismissed. The portion of the case asking for approval of a non-standard well location should be dismissed.

(13) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(14) Marathon Oil Permian LLC (OGRID 372098) should be designated the operator of the Well(s) and of the Unit.

(15) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(16) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(17) There are interest owners in the Unit that have not agreed to pool their interests.

(18) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the Wolfbone formation within the Unit.

(19) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(20) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(21) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(22) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations."

**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the following described spacing unit ("the Unit") are hereby pooled:

A Horizontal Spacing Unit comprising 480 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within



the Wolfbone formation in the E/2 of Section 19 and E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

(2) The portion of the application in this case asking for approval of a non-standard spacing and proration unit, and, unless otherwise indicated below, asking for approval of a non-standard location, are dismissed.

(3) The Unit shall be dedicated to the following "Well(s)":

**Blueberry Hill Fee 24 35 19 WXY Well No. 4H, API No. 30-025-44666**

SHL: 2416 feet from the North line and 1316 feet from the East line,  
(Unit H) of Section 19, Township 24 South, Range 35 East, NMPM.

BHL: 150 feet from the North line and 1322 feet from the East line,  
(Unit B) of Section 18, Township 24 South, Range 35 East, NMPM.

**Blueberry Hill Fee 24 35 19 WA Well No. 5H, API No. 30-025-44664**

SHL: 2415 feet from the North line and 1376 feet from the East line,  
(Unit G) of Section 19, Township 24 South, Range 35 East,  
NMPM.

BHL: 150 feet from the North line and 2316 feet from the East line,  
(Unit B) of Section 18, Township 24 South, Range 35 East,  
NMPM.

**Blueberry Hill Fee 24 35 19 WA Well No. 6H, API No. 30-025-44665**

SHL: 2417 feet from the North line and 1286 feet from the East line,  
(Unit H) of Section 19, Township 24 South, Range 35 East,  
NMPM.

BHL: 150 feet from the North line and 330 feet from the East line,  
(Unit A) of Section 18, Township 24 South, Range 35 East,  
NMPM.

(4) The Well(s) shall be drilled horizontally and target the Wolfcamp member of the Wolfbone formation at the proposed true vertical and measured depths.

(5) Marathon Oil Permian LLC (OGRID 372098) is hereby designated the operator of the Well(s) and of the Unit.

(6) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(7) The operator of the Unit shall commence drilling the Well(s) on or before February 29, 2020 and shall thereafter continue drilling the Well(s) with due diligence to test the Wolfbone formation at or about the proposed true vertical and measured depths.

(8) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(9) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(10) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(11) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(12) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(13) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(14) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(15) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(16) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(17) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(18) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(19) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(20) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from

production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(21) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

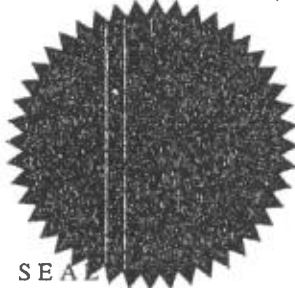
(22) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(23) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(24) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(25) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

GABRIEL WADE  
Acting Director

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

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION TO CONSIDER:**

**CASE NO. 16146  
ORDER NO. R-20371**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on November 15, 2018, at Santa Fe, New Mexico, before Examiner Michael A. McMillan.

NOW, on this 31<sup>st</sup> day of January 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Cases No. 16144, 16145, and 16146 were consolidated at the hearing for testimony; however, a separate order will be issued for each case.

(3) The Applicant, Marathon Oil Permian LLC, seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit ("the Unit") described as follows:

A Horizontal Spacing Unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 NE/4 of Section 19 and E/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

(4) Applicant also seeks approval of the above described lands as a non-standard Horizontal Spacing Unit and approval of non-standard well locations.

(5) The Unit will be dedicated to the following well(s):

**Blueberry Hill Fee 24 35 19 TB Well No. 10H, API No. 30-025-44663**

SHL: 2417 feet from the North line and 1256 feet from the East line,  
(Unit H) of Section 19, Township 24 South, Range 35 East, NMPM.

BHL: 150 feet from the North line and 331 feet from the East line,  
(Unit A) of Section 18, Township 24 South, Range 35 East, NMPM.

(6) The Wildcat Wolfbone Oil Pool is governed by Division Rule 19.15.15.9(A) NMAC, which specifies 40-acre spacing and proration units [vertical wells], each comprising a governmental quarter-quarter section.

(7) The allowed setback footage distance for the proposed horizontal Oil well(s) is specified in Paragraph (1) of Subsection C of 19.15.16.15 NMAC effective June 26, 2018. Said rules allow the first or last take points to be no closer than 100 feet to the nearest unit boundary, and the setbacks measured perpendicular to the well path to be a minimum of 330 feet from the outer boundary of the horizontal spacing unit.

(8) COG Operating LLC, Tap Rock Resources, LLC, Energen Resources Corporation, and MRC Permian Company, and Devon Energy Production Company, LP entered appearances and appeared at the hearing. No other party entered an appearance in this case or otherwise opposed this application.

(9) Applicant appeared at the hearing through counsel and presented evidence to the effect that:

- (a) The Wolfbone formation in this area is suitable for development by horizontal drilling.
- (b) The orientation of the horizontal well(s) and the Unit is appropriate for optimum recovery of oil and gas.
- (c) The target drilling depth will be within the 3<sup>rd</sup> Bone Spring Sand member of the Wolfbone formation.
- (d) The heel and toe locations would not be non-standard under the new Horizontal Well Rules.
- (e) Applicant verified that all interests are identical vertically throughout the Wolfbone interval.
- (f) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.
- (g) Not all affected parties were located.

- (h) Notice to affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(10) The application in this case was filed prior to the June 26, 2018 date on which the amendments to 19.15.16.7 and 19.15.16.15 NMAC (prescribing new spacing rules for horizontal wells) became effective (see Order No. R-14689), and the Well[s] were initially permitted for drilling prior that date. Hence the unit or project area previously dedicated to each of the Well[s], constitutes a standard, or approved non-standard, horizontal spacing unit pursuant to the transitional provision (19.15.16.15.E(4) NMAC), of the new rule, and no further Unit approval is required.

(11) The result of dedication of a standard horizontal spacing unit to the Well[s], as provided in this order, is exactly the same as if the order provided for establishment of a non-standard spacing unit for each well under rules in force prior to June 26, 2018, which would then each become a standard horizontal spacing unit on the effective date of new Rule 19.15.16.15 E(4) NMAC [Transitional provisions].

(12) The portion of the case asking for a non-standard spacing and proration unit is no longer needed and should be dismissed. The portion of the application asking for a non-standard well location should be dismissed.

(13) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(14) Marathon Oil Permian LLC (OGRID 372098) should be designated the operator of the Well(s) and of the Unit.

(15) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(16) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(17) There are interest owners in the Unit that have not agreed to pool their interests.

(18) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the Wolfbone formation within the Unit.

(19) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(20) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(21) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(22) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations."

**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the following described spacing unit ("the Unit") are hereby pooled:

A Horizontal Spacing Unit comprising 240 acres (more or less) within the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 NE/4 of Section 19 and E/2 E/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

(2) The portion of the application in this case asking for approval of a non-standard spacing and proration unit, and, unless otherwise indicated below, asking for approval of a non-standard location, are dismissed.

(3) The Unit shall be dedicated to the following "Well(s)":

**Blueberry Hill Fee 24 35 19 TB Well No. 10H, API No. 30-025-44663**

SHL: 2417 feet from the North line and 1256 feet from the East line,  
(Unit H) of Section 19, Township 24 South, Range 35 East, NMPM.  
BHL: 150 feet from the North line and 331 feet from the East line,  
(Unit A) of Section 18, Township 24 South, Range 35 East, NMPM.

(4) The Well(s) shall be drilled horizontally and target the 3<sup>rd</sup> Bone Spring Sand member of the Wolfbone formation at a proposed true vertical depth of 12320 feet and a measured depth of 19876 feet.

(5) Marathon Oil Permian LLC (OGRID 372098) is hereby designated the operator of the Well(s) and of the Unit.



(6) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(7) The operator of the Unit shall commence drilling the Well(s) on or before February 29, 2020 and shall thereafter continue drilling the Well(s) with due diligence to test the Wolfbone formation at or about the proposed true vertical and measured depths.

(8) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(9) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(10) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(11) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(12) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(13) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(14) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days

after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(15) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(16) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(17) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(18) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(19) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(20) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(21) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

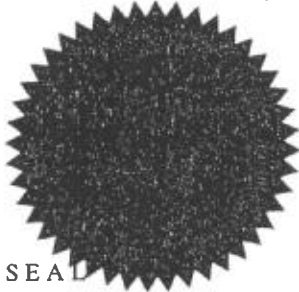
(22) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(23) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(24) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(25) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

GABRIEL WADE  
Acting Director