

Before the Oil Conservation Division Examiner Hearing October 31, 2019

Case No. 20822

*Frizzle Fry 15 TB FC 14H; Frizzle Fry 15 SB FC 15H; Frizzle Fry 15 TB 17H;
Frizzle Fry 15 SB FC 22H; Frizzle Fry 15 FB FC 30H; Frizzle Fry 15 FB FC
31H; Frizzle Fry 15 AV FC 26H; Frizzle Fry 15 AV FC 27H*

Case No. 20823

Frizzle Fry 15 WA FC 11H; Frizzle Fry 15 WXY FC 18H



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

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

**CASE NOS. 20822 & 20823
(FRIZZLE FRY)**

AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Travis Prewett, being duly sworn, deposes and states:

1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC (OGRID Number 372098) and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.

2. My area of responsibility at Marathon includes the area of Lea County in New Mexico.

3. I am familiar with the applications filed by Marathon in these cases.

4. I am familiar with the status of the lands that are subject to these applications.

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

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



7. 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.

8. Attached as **Exhibit 1** is the application for Case No. 20822. In Case No. 20822, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to **Frizzle Fry 15 TB FC 14H; Frizzle Fry 15 TB FC 17H; Frizzle Fry 15 FB FC 30H; Frizzle Fry 15 SB FC 15H; Frizzle Fry 15 FB FC 31H; Frizzle Fry 15 SB FC 22H; Frizzle Fry 15 AV FC 26H; Frizzle Fry 15 AV FC 27H wells**, to be horizontally drilled.

9. Marathon seeks to form a 640-acre, more or less, spacing unit.

10. The location of the **Frizzle Fry 15 SB FC 15H** well is less than 330' from the adjoining 40-acre tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.

11. The proposed first and last take points for each well are as follows:

Frizzle Fry 15 TB FC 14H: Proposed First Take Point 1650' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 1650' from the East line of Section 22 and 100' from the South line of Section 22.

Frizzle Fry 15 TB FC 17H: Proposed First Take Point 330' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 330' from the East Line of Section 22 and 100' from the South Line of Section 22.

Frizzle Fry 15 FB FC 30H: Proposed First Take Point 1980' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 1980' from the East line of Section 22 and 100' from the South line of Section 22.

Frizzle Fry 15 SB FC 15H: Proposed First Take Point 1600' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 1600' from the East line of Section 22 and 100' from the South line of Section 22.

Frizzle Fry 15 FB FC 31H: Proposed First Take Point 660' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 660' from the East line of Section 22 and 100' from the South line of Section 22.

Frizzle Fry 15 SB FC 22H: Proposed First Take Point 330' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 330' from the East line of Section 22 and 100' from the South line of Section 22.

Frizzle Fry 15 AV FC 26H: Proposed First Take Point 1980' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 1980' from the East line of Section 22 and 100' from the South line of Section 22.

Frizzle Fry 15 AV FC 27H: Proposed First Take Point 660' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 660' from the East line of Section 22 and 100' from the South line of Section 22.

12. The producing area for these wells will be orthodox and will comply with the Division's statewide horizontal well rules.

13. Attached as **Exhibit 2** is the application for Case No. 20823. In Case No. 20823, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 22 South,

Range 32 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to **Frizzle Fry 15 WA FC 11H** and the **Frizzle Fry 15 WXY FC 18H** wells, to be horizontally drilled.

14. Marathon seeks to form a 640-acre, more or less, spacing unit.

15. The location of the **Frizzle Fry 15 WXY FC 18H** well is less than 330' from the adjoining 40-acre tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.

16. The proposed first and last take points for each well are as follows:

Frizzle Fry 15 WA FC 11H: Proposed First Take Point 2310' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 2310' from the East line of Section 22 and 100' from the South line of Section 22.

Frizzle Fry 15 WXY FC 18H: Proposed First Take Point 1040' from the East line of Section 15 and 100' from the North line of Section 15; Proposed Last Take Point 1040' from the East line of Section 22 and 100' from the South line of Section 22.

17. The producing area for these wells will be orthodox and will comply with the Division's statewide horizontal well rules.

18. There are no depth severances in the Bone Spring or Wolfcamp formations.

19. Attached as **Exhibit 3** are the proposed C-102s for the wells.

20. The C-102s identify the proposed surface hole locations, first take point, and bottom hole locations. The C-102s also identify the pool and pool code.

21. For Case Number 20822, which is the application for the Bone Spring unit, the pool is the Red Tank/Bone Spring East, pool code 51683. The building block size for this pool is 40 acres.

22. For Case Number 20823, which is the application for the Wolfcamp unit, the pool is WC-025 G-09 S233216K, Upper Wolfcamp, pool code 98166. The building block size for this pool is 40 acres.

23. Lease tract maps outlining the units being pooled are attached hereto as **Exhibit 4**. The parties being pooled and the percent of their interests is also included as part of Exhibit 4.

24. Marathon seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

25. Marathon have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals, including an Authorization for Expenditure.

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

27. There were no unlocatable parties.

28. **Exhibit 5** is a copy of a representative proposal letters sent to the working interest owners,

29. The proposal letter identifies the proposed first and last take points and approximate TVD.

30. **Exhibit 6** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

31. Marathon requests overhead and administrative rates of \$7500.00/month for drilling a well and \$750.00/month for a producing well. These rates are fair, and comparable to

the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Marathon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

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

34. Marathon requests that it be allowed a period of one (1) year between when the wells are drilled and when the first well is completed under the order.

35. **Exhibit 7** 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 September 19, 2019.

36. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

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

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

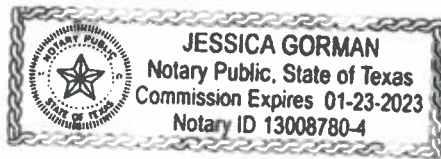
[Signature page follows]


Travis Prewett

SUBSCRIBED AND SWORN to before me this 30th day of October, 2019 by Travis Prewett on behalf of Marathon Oil Permian LLC.


Notary Public

My commission expires: 1/23/2023



**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. 20822

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
3. Marathon seeks to drill the the **Frizzle Fry 15 TB FC 14H; Frizzle Fry 15 TB FC 17H; Frizzle Fry 15 FB FC 30H; Frizzle Fry 15 SB FC 15H; Frizzle Fry 15 FB FC 31H; 15 Frizzle Fry SB FC 22H; Frizzle Fry 15 AV FC 26H; Frizzle Fry AV FC 27H** wells to a depth sufficient to test the Bone Spring formation. These wells will be horizontally drilled.



4. The location of the **Frizzle Fry 15 SB FC 15H** well is less than 330' from the adjoining 40-acre tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.

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

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

7. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

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

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2019, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., 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 the wells;

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

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. Allowing a time period of one (1) year between when the wells are drilled and completion of the first well under the order issued by the Division.

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

By: Deana M. Bennett

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ldh@modrall.com
Attorneys for Applicant

CASE NO. _____: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the underlying the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to **Frizzle Fry 15 TB FC 14H; Frizzle Fry 15 TB FC 17H; Frizzle Fry 15 FB FC 30H; Frizzle Fry 15 SB FC 15H; Frizzle Fry 15 FB FC 31H; 15 Frizzle Fry SB FC 22H; Frizzle Fry 15 AV FC 26H; Frizzle Fry AV FC 27H wells**, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the wells are completed. Said area is located approximately 33 miles east of Carlsbad, New Mexico.

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OIL CONSERVATION DIVISION**

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

CASE NO. 20823

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
3. Marathon seeks to drill the **Frizzle Fry 15 WA FC 11H** and the **Frizzle Fry 15 WXY FC 18H wells** to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled.



4. The location of the **Frizzle Fry 15 WXY FC 18H** well is less than 330' from the adjoining 40-acre tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.

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

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

7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

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

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2019, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., 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 the wells;

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

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. Allowing a time period of one (1) year between when the wells are drilled and completion of the first well under the order issued by the Division.

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

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Attorneys for Applicant

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 51683	³ Pool Name RED TANK; BONE SPRING
⁴ Property Code	⁵ Property Name FRIZZLE FRY 15 TB FC	⁶ Well Number 14H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

¹⁰ Surface Location

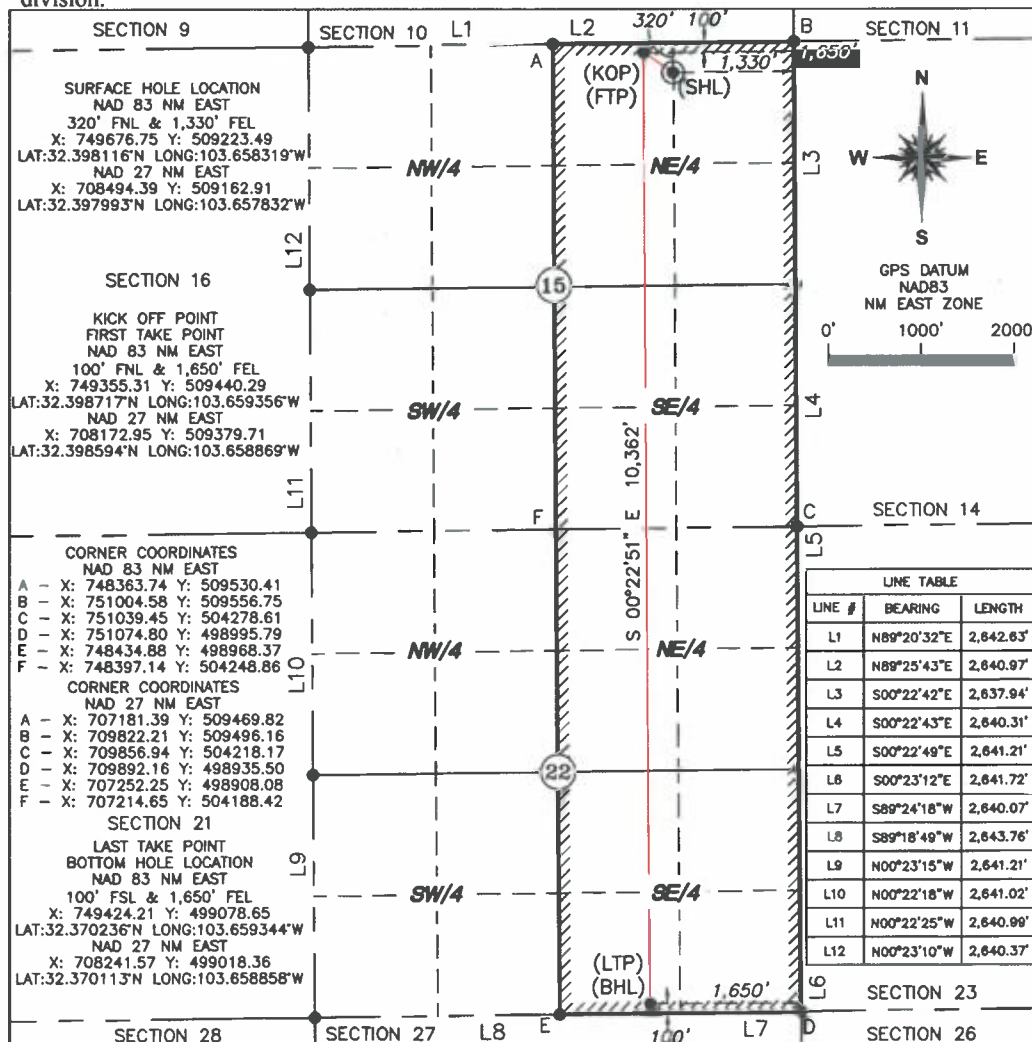
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	22-S	32-E		320'	NORTH	1,330'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	22-S	32-E		100'	SOUTH	1,650'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

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

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

Preliminary This Document Shall Not Be Recorded For Use or View as a Survey Document
Certificate Number

EXHIBIT

3

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⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

" Surface Location

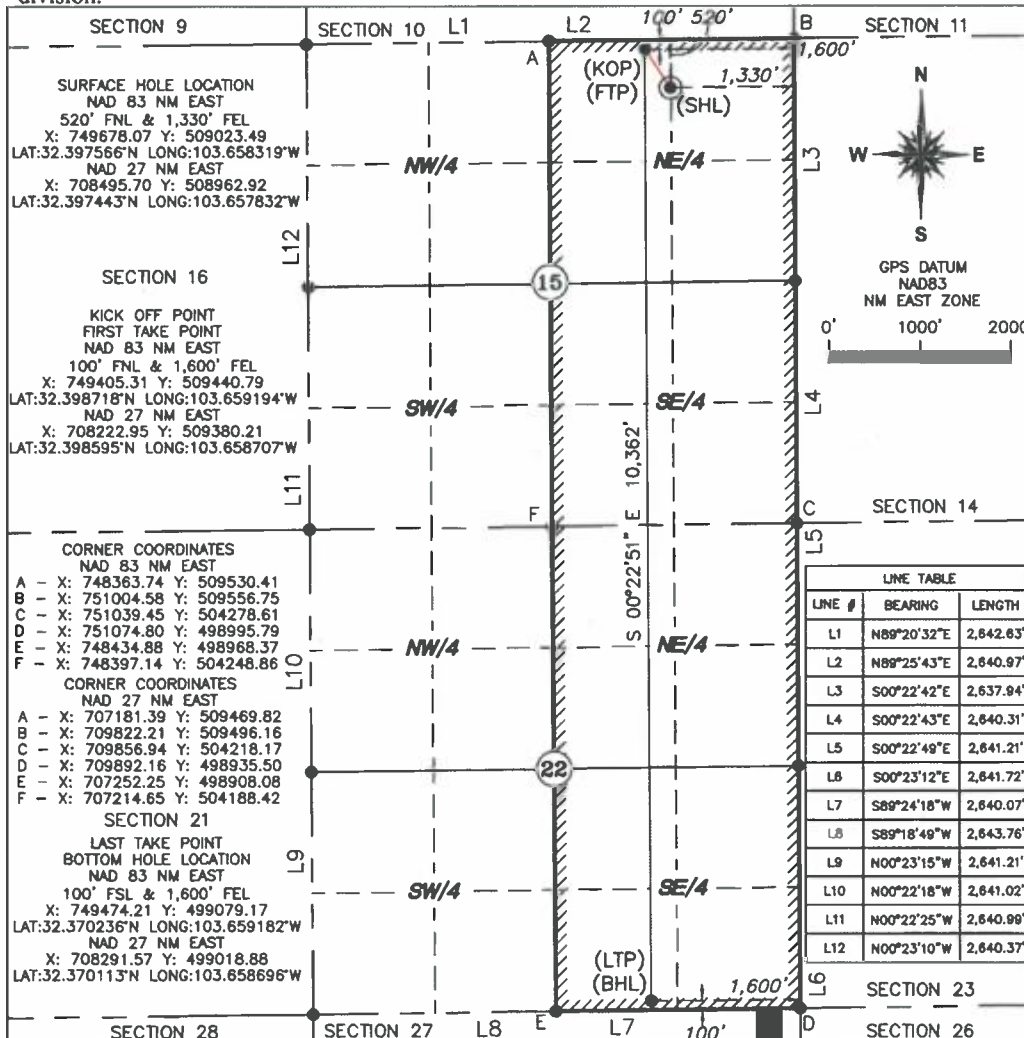
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	22-S	32-E		520'	NORTH	1,330'	EAST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	22-S	32-E		100'	SOUTH	1,600'	EAST	LEA

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

"SURVEYOR CERTIFICATION

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

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

Preliminary This Document Shall Not Be Recorded For Any Purpose and shall not be used or viewed or relied upon as a final survey document issue Date 10-30-19

Certificate Number _____

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⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

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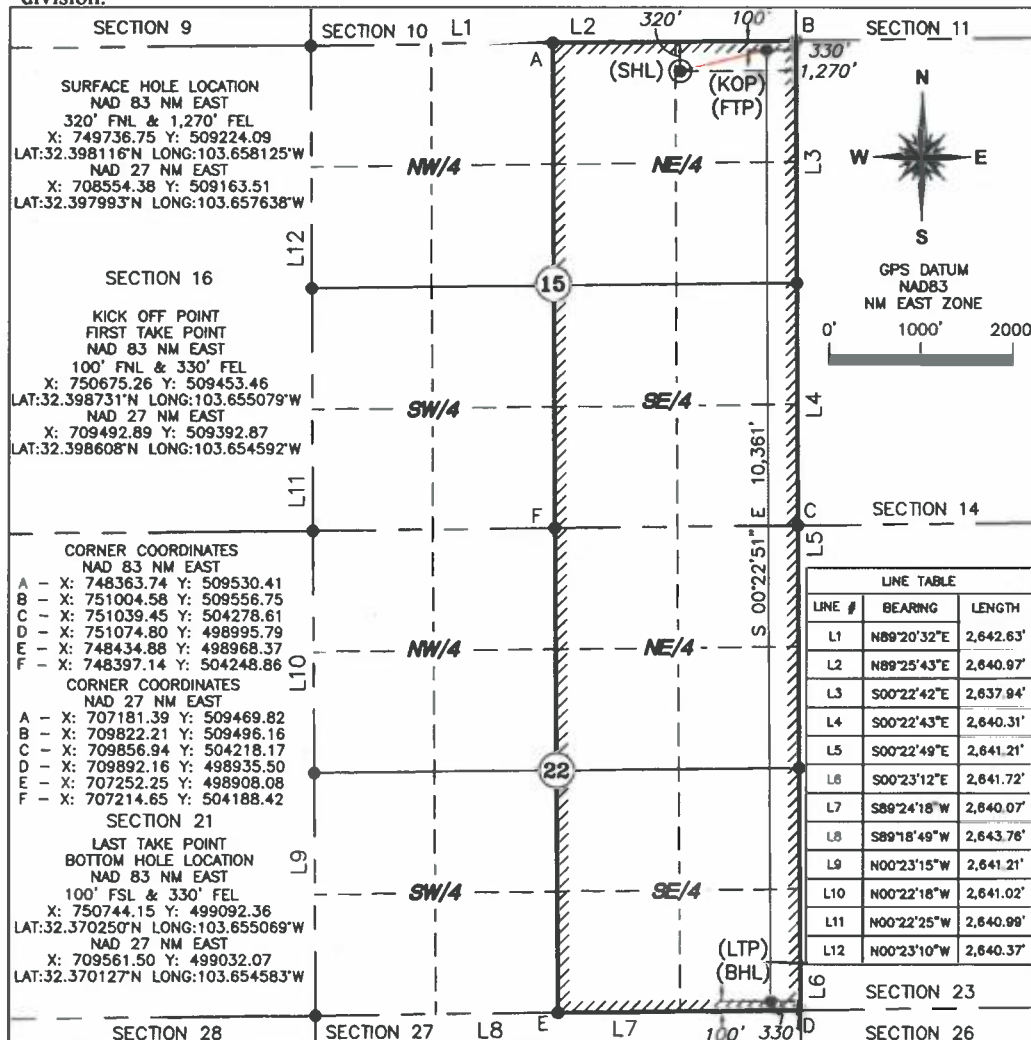
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	22-S	32-E		320'	NORTH	1,270'	EAST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	22-S	32-E		100'	SOUTH	330'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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" OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

" SURVEYOR CERTIFICATION

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

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

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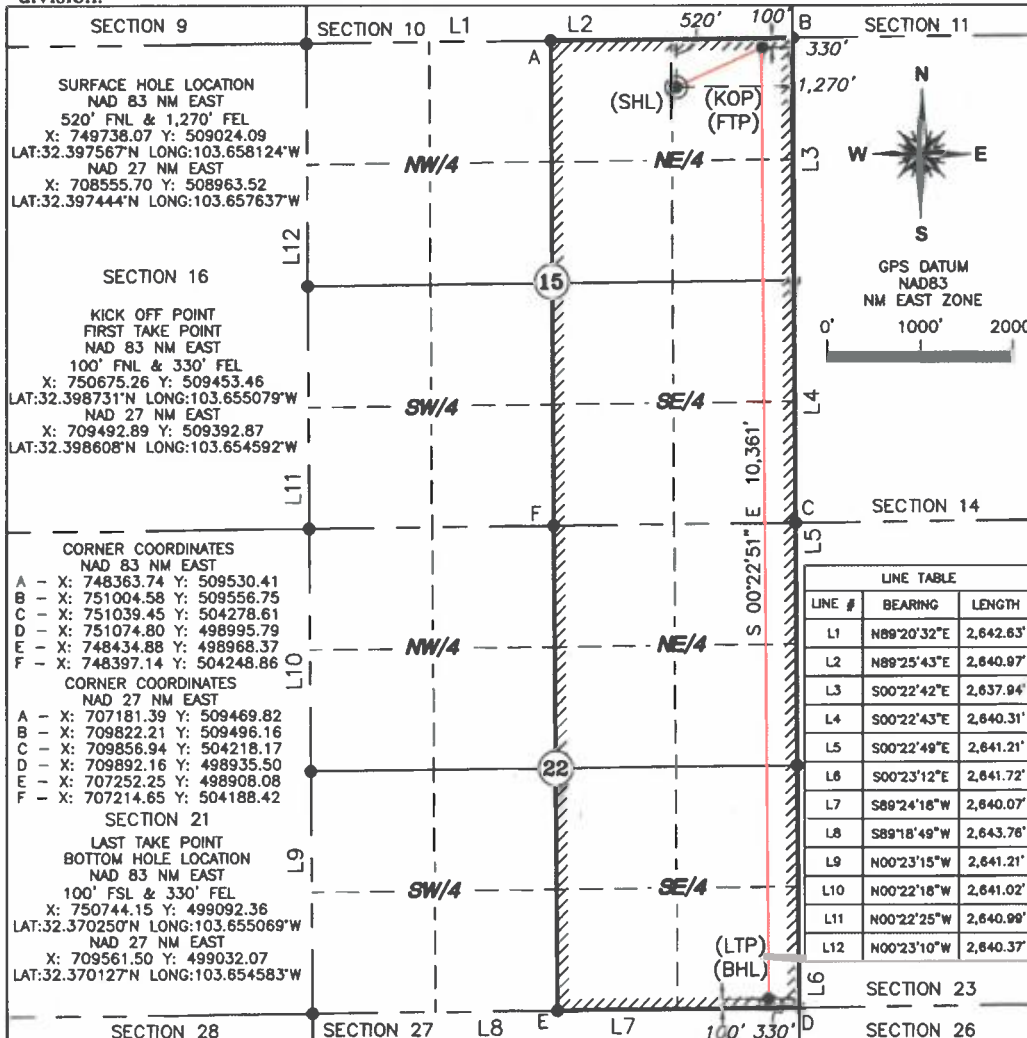
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	22-S	32-E		100'	SOUTH	330'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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Signature _____ Date _____

Printed Name _____

E-mail Address _____

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Signature and Seal of Professional Surveyor: _____

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Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 51683	³ Pool Name RED TANK; BONE SPRING
⁴ Property Code	⁵ Property Name FRIZZLE FRY 15 FB FC	⁶ Well Number 30H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

¹⁰ Surface Location

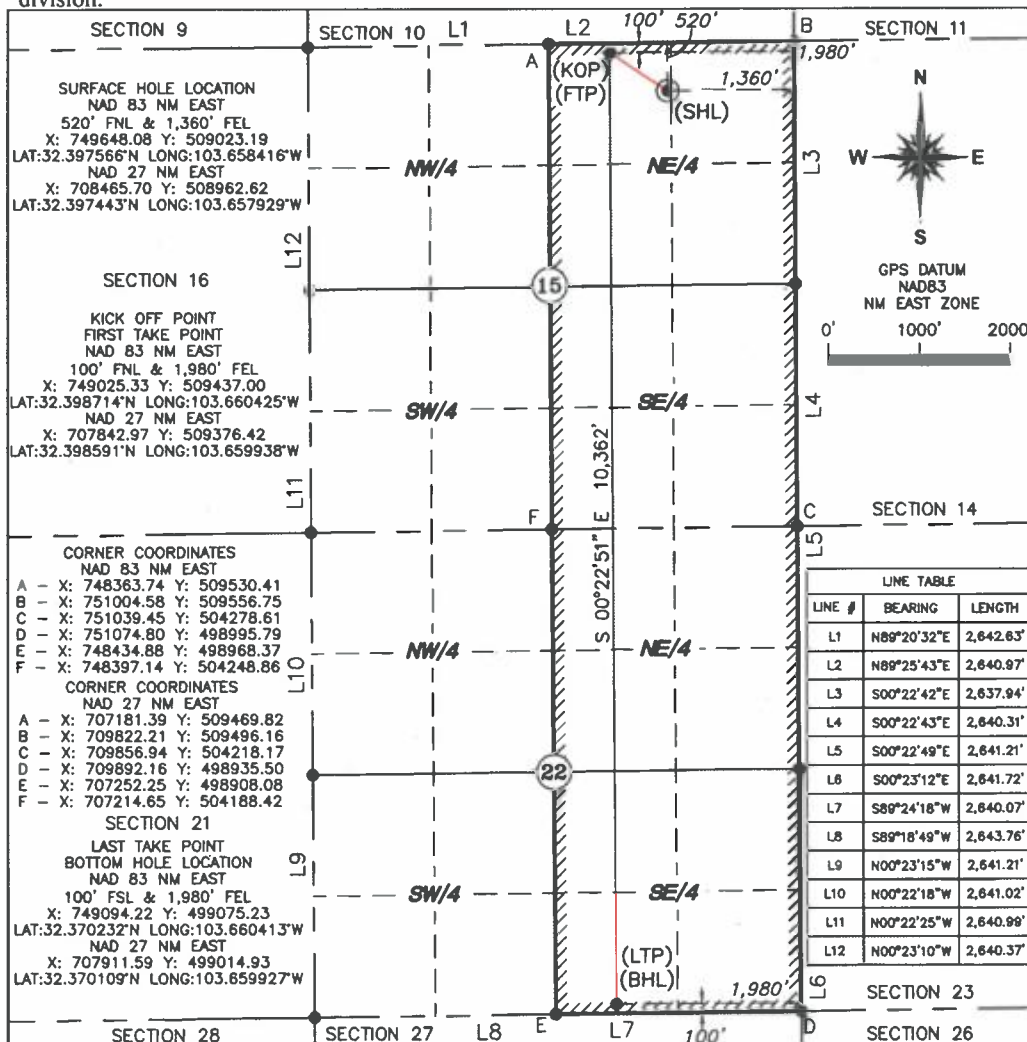
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	22-S	32-E		520'	NORTH	1,360'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	22-S	32-E		100'	SOUTH	1,980'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 51683	³ Pool Name RED TANK; BONE SPRING
⁴ Property Code	⁵ Property Name FRIZZLE FRY 15 FB FC	⁶ Well Number 31H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

¹⁰ Surface Location

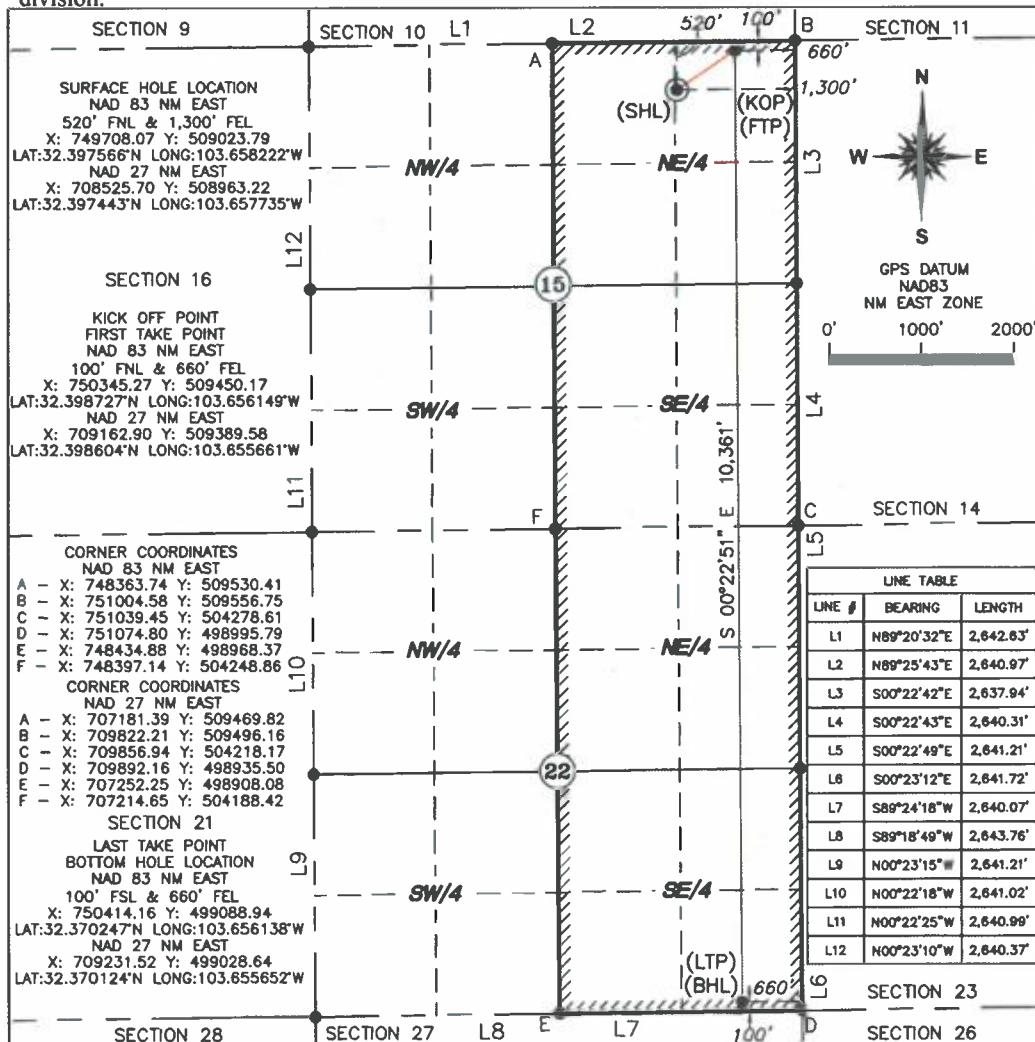
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	22-S	32-E		520'	NORTH	1,300'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	22-S	32-E		100'	SOUTH	660'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 51683	³ Pool Name RED TANK; BONE SPRING
⁴ Property Code	⁵ Property Name FRIZZLE FRY 15 AV FC	⁶ Well Number 26H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

" Surface Location

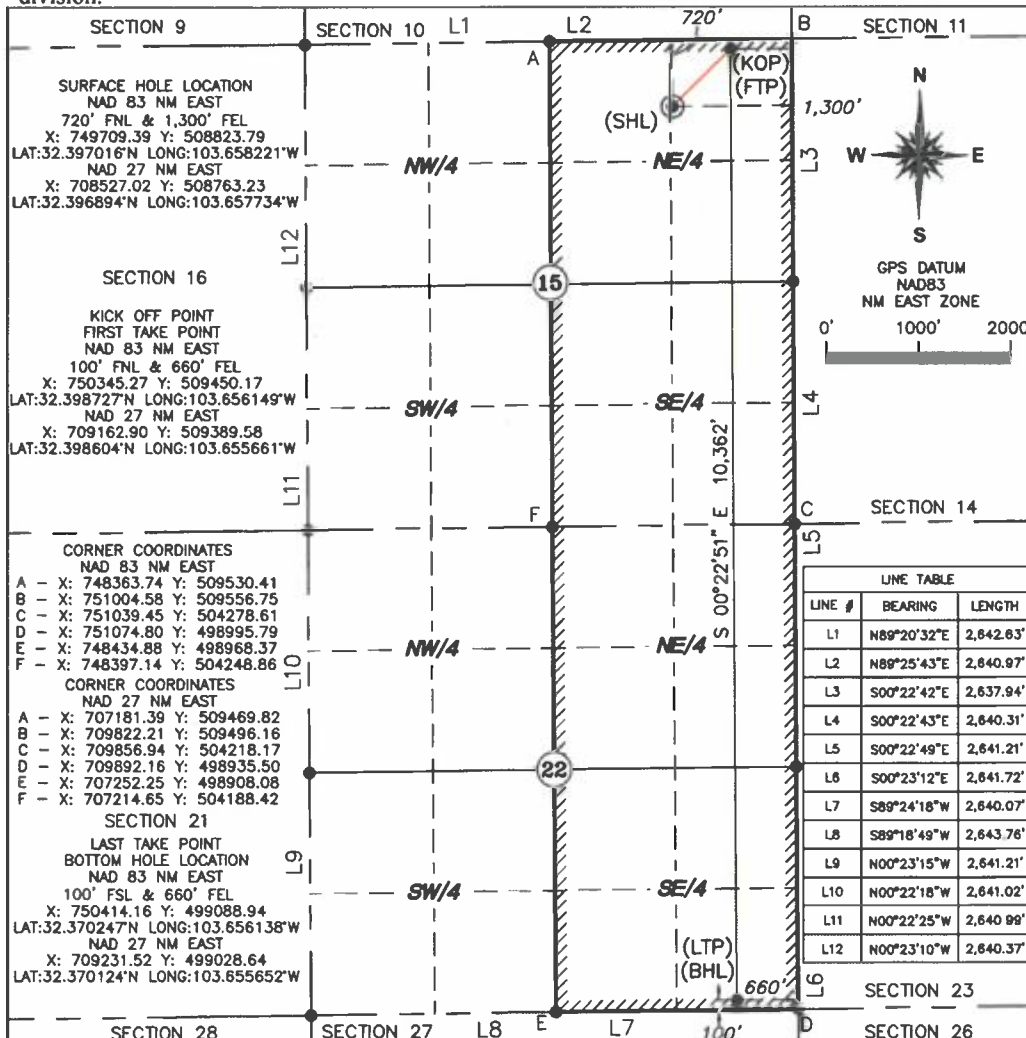
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	22-S	32-E		720'	NORTH	1,300'	EAST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	22-S	32-E		100'	SOUTH	660'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 51683	³ Pool Name RED TANK; BONE SPRING
⁴ Property Code	⁵ Property Name FRIZZLE FRY 15 AV FC	⁶ Well Number 27H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

¹⁰ Surface Location

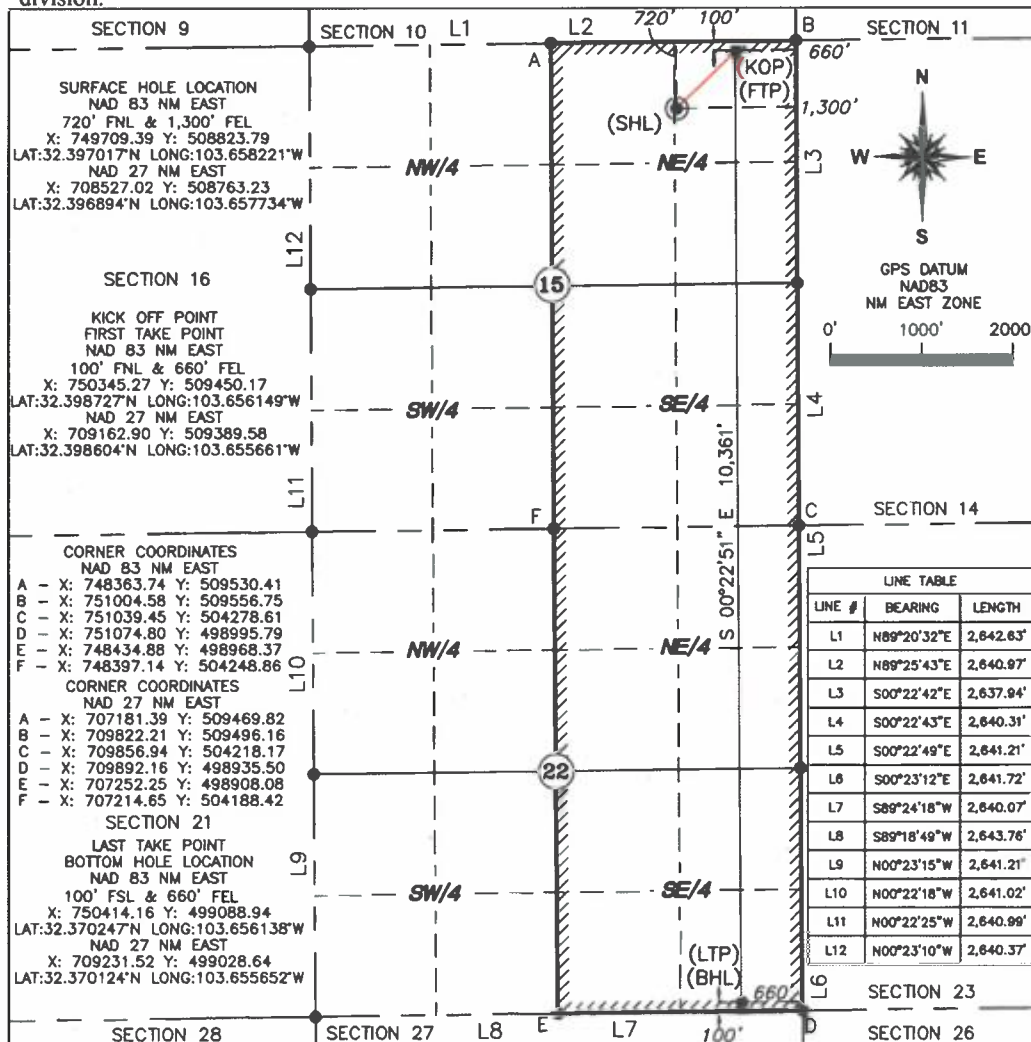
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	22-S	32-E		720'	NORTH	1,300'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	22-S	32-E		100'	SOUTH	660'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K; UPPER WOLFCAMP
⁴ Property Code	⁵ Property Name FRIZZLE FRY 15 WA FC	⁶ Well Number 11H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

¹⁰ Surface Location

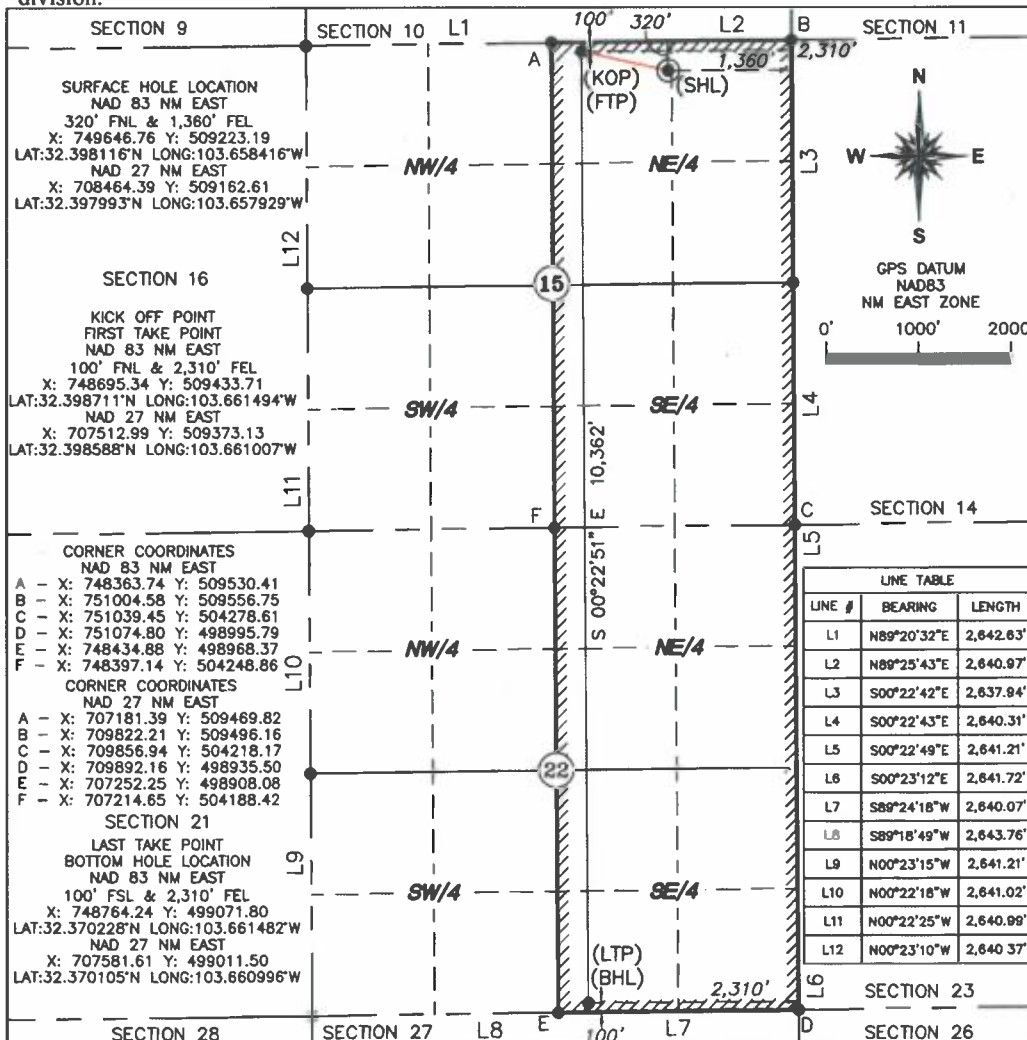
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	22-S	32-E		320'	NORTH	1,360'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	22-S	32-E		100'	SOUTH	2,310'	EAST	LEA

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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¹ API Number	² Pool Code 98166	³ Pool Name WC-025 G-09 S233216K; UPPER WOLFCAMP
⁴ Property Code	⁵ Property Name FRIZZLE FRY 15 WXY FC	⁶ Well Number 18H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN, LLC	⁹ Elevation TBD

" Surface Location

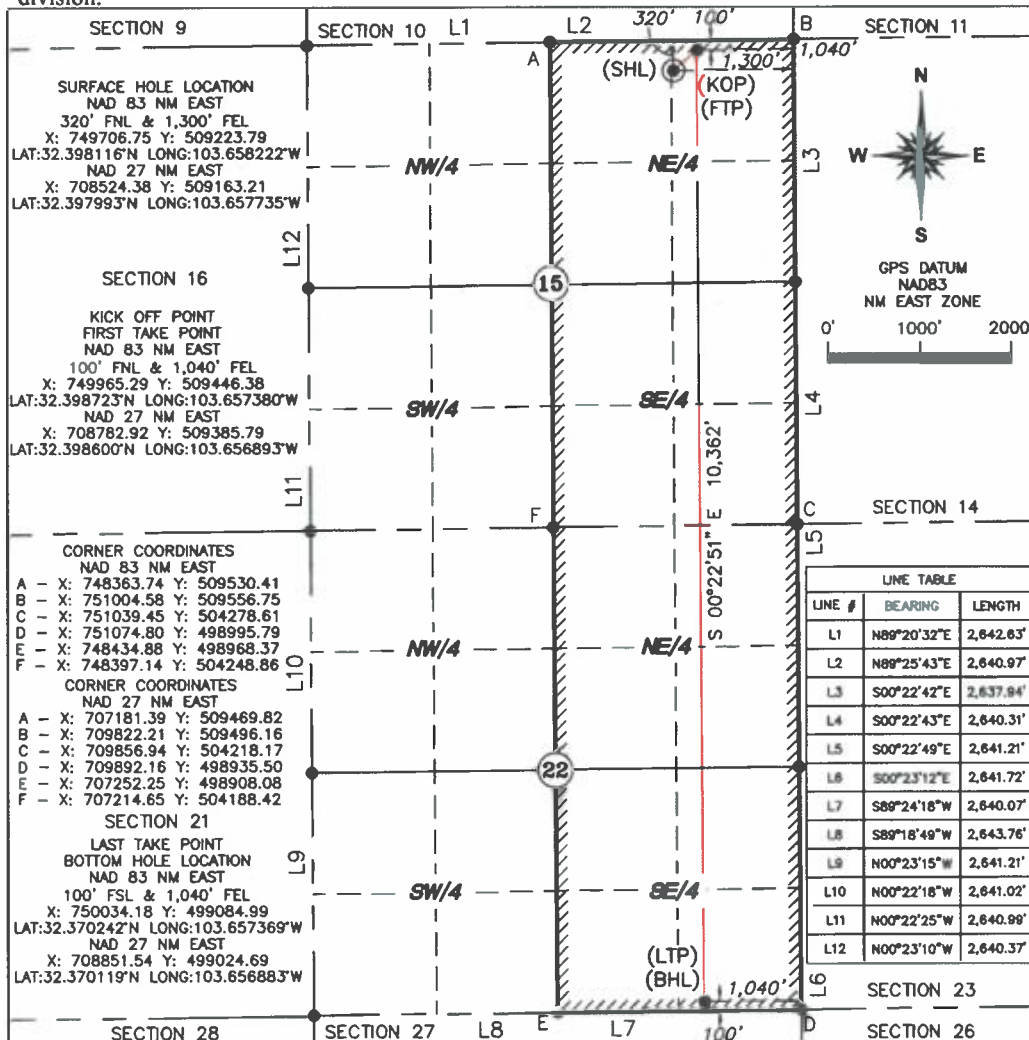
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	22-S	32-E		320'	NORTH	1,300'	EAST	LEA

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	22-S	32-E		100'	SOUTH	1,040'	EAST	LEA

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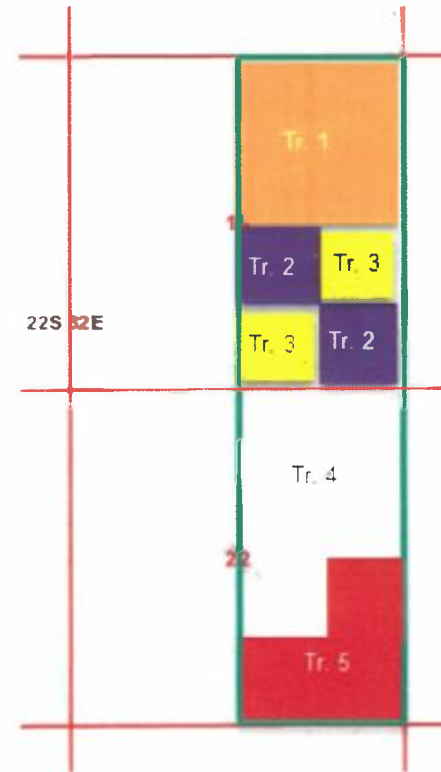
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**Frizzle Fry East Half Development Plans, as proposed to each Working Interest Owner
E/2 of Section 15 and the E/2 of Section 22, T22S-R32E, Lea County, New Mexico;**

Pad	Well Name	SHL	BHL	Proration Unit	Target TVD	Est. MD
1	Frizzle Fry 15 WA FC 11H	1360' FEL & 320' FNL of Sec. 15	2310' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	12,336'	22,986'
1	Frizzle Fry 15 TB FC 14H	1330' FEL & 320' FNL of Sec. 15	1650' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	11,996'	22,614'
1	Frizzle Fry 15 WXY FC 18H	1300' FEL & 320' FNL of Sec. 15	1040' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	12,178'	22,795'
1	Frizzle Fry 15 TB FC 17H	1270' FEL & 320' FNL of Sec. 15	330' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	12,011'	22,662'
2	Frizzle Fry 15 FB FC 30H	1360' FEL & 520' FNL of Sec. 15	1980' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	10,084'	20,723'
2	Frizzle Fry 15 SB FC 15H	1330' FEL & 520' FNL of Sec. 15	1600' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	10,845'	21,468'
2	Frizzle Fry 15 FB FC 31H	1300' FEL & 520' FNL of Sec. 15	660' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	10,099'	20,740'
2	Frizzle Fry 15 SB FC 22H	1270' FEL & 520' FNL of Sec. 15	330' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	10,845'	21,506'
3	Frizzle Fry 15 AV FC 26H	1330' FEL & 720' FNL of Sec. 15	1980' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	9,578'	20,231'
3	Frizzle Fry 15 AV FC 27H	1300' FEL & 720' FNL of Sec. 15	660' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	9,593'	20,247'

Lease Tract Map
Frizzle Fry East Half
E/2 of Section 15 and the E/2 of Section 22, T22S-R32E, Lea County, New Mexico;

- Tract 1: Federal Acreage: NMNM 027805
- Tract 2: Federal Acreage: NMNM 027805
- Tract 3: Federal Acreage: NMNM 027805
- Tract 4: Federal Acreage: NMNM 081272
- Tract 5: Federal Acreage: NMNM 081272



Summary of Interests

Frizzle Fry East Half

E/2 of Section 15 and the E/2 of Section 22, T22S-R32E, Lea County, New Mexico;

Working Interest Owners	WI Decimal
Committed Interest	0.60884070
Marathon Oil Permian LLC	0.59712193
Andes Energy LLC	0.00390628
Read & Stevens, Inc.	0.00781250
Uncommitted Interest	0.39115930
Roden Participants, Ltd.	0.00150221
Roden Associates, Ltd.	0.00030044
MCM Energy Partners, LLC	0.00585938
Javelina Partners	0.00390624
Zorro Partners, Ltd.	0.00390624
HighPoint Operating Corporation	0.08593750
Warwick Energy Group	0.03125000
Francis Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994	0.00585938
WPX Energy	0.04290522
EOG Resources, Inc.	0.02223270
OXY USA Inc.	0.18750000
Unleased Interest	0.00000000
Total	1.00000000



Jeffrey Broussard
Landman



Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056
Telephone: 713-296-3159
jbroussard1@marathonoil.com

August 20, 2019

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED
7019 0700 0000 8791 1800

Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002
6300 Ridglea Place, Suite 1005-A
Fort Worth, TX 76116

Re: Frizzle Fry 15 FC 11H, 14H, 15H, 17H, 18H, 22H, 26H, 27H, 30H & 31H Well Proposals
E/2 of Sections 15 and 22, Township 22 South, Range 32 East
Lea County, New Mexico

Dear Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002:

Marathon Oil Permian LLC ("Marathon") proposes the drilling of the following wells located in Sections 15 & 22, 22S-32E, Lea County, New Mexico, all to be drilled from three surface pad locations.

Pad	Well Name	SHL	BHL	Proration Unit	Target TVD	Est. MD
1	Frizzle Fry 15 WA FC 11H	1360' FEL & 320' FNL of Sec. 15	2310' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	12,336'	22,986'
1	Frizzle Fry 15 TB FC 14H	1330' FEL & 320' FNL of Sec. 15	1650' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	11,996'	22,614'
1	Frizzle Fry 15 WXY FC 18H	1300' FEL & 320' FNL of Sec. 15	1040' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	12,178'	22,795'
1	Frizzle Fry 15 TB FC 17H	1270' FEL & 320' FNL of Sec. 15	330' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	12,011'	22,662'
2	Frizzle Fry 15 FB FC 30H	1360' FEL & 520' FNL of Sec. 15	1980' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	10,084'	20,723'
2	Frizzle Fry 15 SB FC 15H	1330' FEL & 520' FNL of Sec. 15	1600' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	10,845'	21,468'
2	Frizzle Fry 15 FB FC 31H	1300' FEL & 520' FNL of Sec. 15	660' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	10,099'	20,740'
2	Frizzle Fry 15 SB FC 22H	1270' FEL & 520' FNL of Sec. 15	330' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	10,845'	21,506'
3	Frizzle Fry 15 AV FC 26H	1330' FEL & 720' FNL of Sec. 15	1980' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	9,578'	20,231'
3	Frizzle Fry 15 AV FC 27H	1300' FEL & 720' FNL of Sec. 15	660' FEL & 100' FSL of Sec. 22	E/2 of Secs. 15 & 22	9,593'	20,247'

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

Marathon proposes drilling the wells under the terms of the 1989 AAPL JOA. Enclosed is a draft of the JOA covering the contract area. The JOA has the following general provisions:



- 100%/300%/300% non-consent penalty
- \$7,000/\$700 drilling and producing rates
- Contract area of the E/2 of Sections 15 & 22, 22S-32E, covering all depths

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

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

This term assignment offer terminates on September 20, 2019 and is subject to due diligence and title verification satisfactory to Marathon.

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

Sincerely,



Jeffrey Broussard
Marathon Oil Permian LLC

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 WA FC 11H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 WA FC 11H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 TB FC 14H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 TB FC 14H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 SB FC 15H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 SB FC 15H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 TB FC 17H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 TB FC 17H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 WXY FC 18H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 WXY FC 18H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 SB FC 22H

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 SB FC 22H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 AV FC 26H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 AV FC 26H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 AV FC 27H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 AV FC 27H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 FB FC 30H

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 FB FC 30H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects to participate in the drilling, completing, and equipping of the Frizzle Fry 15 FB FC 31H.

_____ Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002 elects NOT to participate in the drilling, completing, and equipping of the Frizzle Fry 15 FB FC 31H.

Delmar Hudson Lewis, Trustee of the Delmar Hudson Living Trust u/t/a dated September 9, 2002

By: _____

Print Name: _____

Title: _____

Date: _____

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

DATE 7/30/2019

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY RICK LINDSAY
ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team	PERMIAN			
Field	Red Tank: Bone Sp.	FORMATION: Avalon	WILOCAT	EXPLORATION
Lease/Facility	Frizzle Fry 15 AV FC 26H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	RANGER			

Est Total Depth 20,231 Est Drilling Days Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,500
7001250	Land Broker Fees and Services	67,500
TOTAL LOCATION COST - INTANGIBLE		168,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	227,000
7012050	Production Casing	144,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		707,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	65,000
7019220	Drilling Rig - day work/footage	735,750
7019040	Directional Drilling Services	240,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	70,500
7012310	Solids Control equipment	48,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	84,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging-geosteering	23,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	23,625
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	109,000
7018150	Rig Equipment and Misc.	13,625
7001110	Telecommunications Services	5,000
7001120	Consulting Services	128,075
7001400	Safety and Environmental	43,600
7018120	Rental Buildings (trailers)	21,800
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	203,558
TOTAL DRILLING - INTANGIBLE		\$2,404,533

TOTAL DRILLING COST

\$3,111,533

COMPLETION - TANGIBLE

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

EXHIBIT

6

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

DATE 7/30/2019

Asset Team PERMIAN
Field Red Tank; Bone Spr FORMATION: Avalon
Lease/Facility Fizzle Fry 15 AV TC 26H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	358,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant, hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bt, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frac Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,143,000
TOTAL COMPLETION COST		\$6,158,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Pumps	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7013500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149
TOTAL SURFACE EQUIPMENT COST		\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000
TOTAL ARTIFICIAL LIFT COST		\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 3,111,533
TOTAL COMPLETIONS COST	\$ 6,158,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000
GRAND TOTAL COST	\$10,387,682

Participant's Approval

Name of Company: _____
Signature: _____
Title: _____ Date: _____

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

DATE 7/30/2019

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY RICK LINDSAY
ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team	PERMIAN			
Field	Red Tank; Bone Sp	FORMATION: Avalon	WILDCAT	EXPLORATION
Lease/Facility	Frizzle Fry 15 AV FC 27H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	RANGER			

Est Total Depth 20,247 Est Drilling Days Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,500
7001250	Land Broker Fees and Services	67,500
TOTAL LOCATION COST - INTANGIBLE		168,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	227,000
7012050	Production Casing	144,000
7012050	Orig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		707,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	65,000
7019220	Drilling Rig - day work/footage	735,750
7019040	Directional Drilling Services	240,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	70,500
7012310	Solids Control equipment	48,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	84,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging/geosteering	23,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	23,625
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	109,000
7018150	Rig Equipment and Misc.	13,625
7001110	Telecommunications Services	5,000
7001120	Consulting Services	128,075
7001400	Safety and Environmental	43,600
7018120	Rental Buildings (trailers)	21,800
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	203,558

TOTAL DRILLING - INTANGIBLE \$2,404,533

TOTAL DRILLING COST \$3,111,533

COMPLETION - TANGIBLE

7012580	Tubing	-
7012040	Tubing Accessories (nipple, wireline entry)	-
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	-

TOTAL COMPLETION - TANGIBLE \$15,000

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

DATE 7/30/2019

Asset Team PERMIAN
 Field Red Tank; Bone Sp FORMATION: Avalon
 Lease/Facility Fuzzle Fry 15 AV FC 27H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	358,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bt, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,143,000

TOTAL COMPLETION COST

\$6,158,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I/E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST

\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST

\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 3,111,533
TOTAL COMPLETIONS COST	\$ 6,158,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000

GRAND TOTAL COST

\$10,387,682

Participant's Approval

Name of Company: _____

Signature: _____

Title: _____ Date: _____

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

DATE 7/30/2019

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
 COMPLETION PREPARED BY JOSH SHANNON
 FACILITIES PREPARED BY RICK LINDSAY
 ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team	PERMIAN			
Field	Red Tank; Bone Sp	FORMATION: 3RD BONE SPRINGS	W/LOCAT	EXPLORATION
Lease/Facility	Fizzle Fry 15 TB FC 14H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	RANGER			
Est Total Depth	22,614	Est Drilling Days		Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,250
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		84,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	280,000
7012050	Production Casing	144,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		760,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	853,875
7019040	Directional Drilling Services	290,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	75,500
7012310	Solids Control equipment	57,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	97,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging-geosteering	28,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	25,813
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	126,500
7018150	Rig Equipment and Misc.	15,813
7001110	Telecommunications Services	5,000
7001120	Consulting Services	148,638
7001400	Safety and Environmental	50,600
7018120	Rental Buildings (trailers)	25,300
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	222,708
TOTAL DRILLING - INTANGIBLE		\$2,644,245

TOTAL DRILLING COST

\$3,404,245

COMPLETION - TANGIBLE

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

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

DATE 7/30/2019

Asset Team PERMIAN
Field Red Tank; Bone Sp FORMATION: 3RD BONE SPRINGS
Lease/Facility Frizzle Fry 15 TB FC 14H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
701270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drig)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	412,000
7016180	Freight - Truck (haul pipe; drig & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (Incl drig; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,197,000

TOTAL COMPLETION COST

\$6,212,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST

\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST

\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 84,000
TOTAL DRILLING COST	\$ 3,404,245
TOTAL COMPLETIONS COST	\$ 6,212,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000

GRAND TOTAL COST

\$10,650,394

Participant's Approval

Name of Company: _____

Signature: _____

Title: _____ Date: _____

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

DATE 7/30/2019

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY RICK LINDSAY
ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team	PERMIAN			
Field	Red Tank; Bone Sp.	FORMATION: 2ND BONE SPRINGS	WILDCAT	EXPLORATION
Lease/Facility	Fizzle Fy 15 58 FC 15H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	RANGER			
Est Total Depth	21,468	Est Drilling Days		Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,250
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		84,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	227,000
7012050	Production Casing	144,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		707,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	718,875
7019040	Directional Drilling Services	240,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	70,500
7012310	Solids Control equipment	48,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	82,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging/geosteering	23,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	23,313
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	106,500
7018150	Rig Equipment and Misc.	13,313
7001110	Telecommunications Services	5,000
7001120	Consulting Services	125,138
7001400	Safety and Environmental	42,600
7018120	Rental Buildings (trailers)	21,300
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	199,433
TOTAL DRILLING - INTANGIBLE		\$2,341,470

TOTAL DRILLING COST

\$3,048,470

COMPLETION - TANGIBLE

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

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

DATE 7/30/2019

Asset Team PERMIAN
Field Red Tank; Bone Sp FORMATION: 2ND BONE SPRINGS
Lease/Facility Frizzle Fry 15 SB FC 15H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	358,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant, hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,143,000

TOTAL COMPLETION COST

\$6,158,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST

\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST

\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 84,000
TOTAL DRILLING COST	\$ 3,048,470
TOTAL COMPLETIONS COST	\$ 6,158,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000

GRAND TOTAL COST

\$10,240,619

Participant's Approval

Name of
Company: _____

Signature: _____

Title: _____ Date: _____

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

DATE 7/30/2019

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
 COMPLETION PREPARED BY JOSH SHANNON
 FACILITIES PREPARED BY RICK LINDSAY
 ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team	PERMIAN			
Field	Red Tank; Bone Sp.	FORMATION: 3RD BONE SPRINGS	WILDCAT	EXPLORATION
Lease/Facility	Frizzle Fry 15 TB FC 17H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	RANGER			
Est Total Depth	22,662	Est Drilling Days		Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,250
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		84,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	280,000
7012050	Production Casing	144,000
7012050	Orig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		760,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	853,875
7019040	Directional Drilling Services	290,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	75,500
7012310	Solids Control equipment	57,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	97,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging/geosteering	28,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	25,813
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	126,500
7018150	Rig Equipment and Misc.	15,813
7001110	Telecommunications Services	5,000
7001120	Consulting Services	148,638
7001400	Safety and Environmental	50,600
7018120	Rental Buildings (trailers)	25,300
7019310	Coring (sidewalls & analysts)	-
7011010	7% Contingency & Taxes	222,708
TOTAL DRILLING - INTANGIBLE		\$2,644,245

TOTAL DRILLING COST

\$3,404,245

COMPLETION - TANGIBLE

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

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

DATE 7/30/2019

Asset Team PERMIAN
Field Red Tank; Bone Sp FORMATION: 3RD BONE SPRINGS
Lease/Facility Frizzle Fry 15 TB FC 17H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	412,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. BHT, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,197,000

TOTAL COMPLETION COST

\$6,212,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST

\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Ret Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST

\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 84,000
TOTAL DRILLING COST	\$ 3,404,245
TOTAL COMPLETIONS COST	\$ 6,212,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000

GRAND TOTAL COST

\$10,650,394

Participant's Approval

Name of Company: _____

Signature: _____

Title: _____ Date: _____

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

DATE 7/30/2019

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY RICK LINDSAY
ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team PERMIAN
Field Red Tank; Bone Spu FORMATION: 2ND BONE SPRINGS WILDCAT EXPLORATION
Lease/Facility Frizzle Fry 15 SB FC 22H DEVELOPMENT RECOMPLETION
Location LEA COUNTY X EXPLOITATION WORKOVER
Prospect RANGER

Est Total Depth 21,506 Est Drilling Days Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,250
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		84,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	227,000
7012050	Production Casing	144,000
7012050	Orig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		707,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	718,875
7019040	Directional Drilling Services	240,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	70,500
7012310	Solids Control equipment	48,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	82,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	23,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	23,313
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	106,500
7018150	Rig Equipment and Misc.	13,313
7001110	Telecommunications Services	5,000
7001120	Consulting Services	125,138
7001400	Safety and Environmental	42,600
7018120	Rental Buildings (trailers)	21,300
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	199,433
TOTAL DRILLING - INTANGIBLE		\$2,341,470

TOTAL DRILLING COST \$3,048,470

COMPLETION - TANGIBLE

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

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

DATE 7/30/2019

Asset Team PERMIAN
Field Red Tank; Bone Sp FORMATION: 2ND BONE SPRINGS
Lease/Facility Frizzle Fry 15 SB FC 22H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	358,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (Incl drlg: lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. BH, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,143,000

TOTAL COMPLETION COST

\$6,158,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST

\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST

\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 84,000
TOTAL DRILLING COST	\$ 3,048,470
TOTAL COMPLETIONS COST	\$ 6,158,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000
GRAND TOTAL COST	\$10,240,619

Participant's Approval

Name of
Company: _____
Signature: _____
Title: _____ Date: _____

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

DATE 7/30/2019
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY RICK LINDSAY
ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team PERMIAN
Field Red Tank; Bone Sp. FORMATION: 1ST BONE SPRINGS WILDCAT EXPLORATION
Lease/Facility Fritzie Fry 15 FB FC 30H DEVELOPMENT RECOMPLETION
Location LEA COUNTY X EXPLOITATION WORKOVER
Prospect RANGER

Est Total Depth 20,723 Est Drilling Days Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,250
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		84,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	227,000
7012050	Production Casing	144,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		707,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	718,875
7019040	Directional Drilling Services	240,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	70,500
7012310	Solids Control equipment	48,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	82,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	23,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	23,313
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	106,500
7018150	Rig Equipment and Misc.	13,313
7001110	Telecommunications Services	5,000
7001120	Consulting Services	125,138
7001400	Safety and Environmental	42,600
7018120	Rental Buildings (trailers)	21,300
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	199,433
TOTAL DRILLING - INTANGIBLE		\$2,341,470

TOTAL DRILLING COST \$3,048,470

COMPLETION - TANGIBLE

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

Asset Team PERMIAN
 Field Red Tank; Bone Sp FORMATION: 1ST BONE SPRINGS
 Lease/Facility Frizzle Fry 15 FB FC 30H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	358,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. BR, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,143,000

TOTAL COMPLETION COST

\$6,158,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST

\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST

\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

	TOTAL COST
TOTAL LOCATION COST	\$ 84,000
TOTAL DRILLING COST	\$ 3,048,470
TOTAL COMPLETIONS COST	\$ 6,158,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000
GRAND TOTAL COST	\$10,240,619

Participant's Approval

Name of Company: _____
 Signature: _____
 Title: _____ Date: _____

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

DATE 7/30/2019
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY RICK LINDSAY
ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team	PERMIAN			
Field	Red Tank; Bone Sp	FORMATION: 1ST BONE SPRINGS	WILDCAT	EXPLORATION
Lease/Facility	Frizzle Fry 15 FB FC 31H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	RANGER			

Est Total Depth	20,740	Est Drilling Days		Est Completion Days	11
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,250
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		84,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	227,000
7012050	Production Casing	144,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		707,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	718,875
7019040	Directional Drilling Services	240,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	70,500
7012310	Solids Control equipment	48,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	82,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging-geosteering	23,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	23,313
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	106,500
7018150	Rig Equipment and Misc.	13,313
7001110	Telecommunications Services	5,000
7001120	Consulting Services	125,138
7001400	Safety and Environmental	42,600
7018120	Rental Buildings (trailers)	21,300
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	199,433
TOTAL DRILLING - INTANGIBLE		\$2,341,470

TOTAL DRILLING COST	\$3,048,470
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COMPLETION - TANGIBLE

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

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

DATE 7/30/2019

Asset Team PERMIAN
Field Red Tank- Bone Sp. FORMATION: 1ST BONE SPRINGS
Lease/Facility Frizzle Fry 15 FB FC 31M

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	358,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg, lightplant, hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bht, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frac Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,143,000

TOTAL COMPLETION COST

\$6,158,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST

\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST

\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

	TOTAL COST
TOTAL LOCATION COST	\$ 84,000
TOTAL DRILLING COST	\$ 3,048,470
TOTAL COMPLETIONS COST	\$ 6,158,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000
GRAND TOTAL COST	\$10,240,619

Participant's Approval

Name of
Company: _____
Signature: _____
Title: _____ Date: _____

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

DATE 7/30/2019

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY RICK LINDSAY

ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team	PERMIAN			
Field	WC-025 G-09 52332	FORMATION: WOLFCAMP A	WILDCAT	EXPLORATION
Lease/Facility	Frizzle Fry 15 WA FC 11H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	FRIZZLE			

Est Total Depth	22,986	Est Drilling Days		Est Completion Days	11
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,250
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		84,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	280,000
7012050	Production Casing	144,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		760,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	853,875
7019040	Directional Drilling Services	290,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	75,500
7012310	Solids Control equipment	57,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	97,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	28,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	25,813
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	126,500
7018150	Rig Equipment and Mtlac.	15,813
7001110	Telecommunications Services	5,000
7001120	Consulting Services	148,638
7001400	Safety and Environmental	50,600
7018120	Rental Buildings (trailers)	25,300
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	222,708
TOTAL DRILLING - INTANGIBLE		\$2,644,245

TOTAL DRILLING COST

\$3,404,245

COMPLETION - TANGIBLE

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

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

DATE 7/30/2019

Asset Team PERMIAN
Field WC-025 G-09 S2332 FORMATION: WOLFCAMP A
Lease/Facility Fizzle Fry 15 WA FC 11H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	412,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. BIt, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,197,000

TOTAL COMPLETION COST

\$6,212,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST

\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST

\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 84,000
TOTAL DRILLING COST	\$ 3,404,245
TOTAL COMPLETIONS COST	\$ 6,212,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000
GRAND TOTAL COST	\$10,650,394

Participant's Approval

Name of Company: _____
Signature: _____
Title: _____ Date: _____

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

DATE 7/30/2019
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY RICK LINDSAY
ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team PERMIAN
Field WC-025 G-09 S2332 FORMATION: WOLF CAMP XY WILDCAT EXPLORATION
Lease/Facility Frizzle Fry 15 WXY FC 18H DEVELOPMENT RECOMPLETION
Location LEA COUNTY X EXPLOITATION WORKOVER
Prospect RANGER

Est Total Depth 22,795 Est Drilling Days Est Completion Days 11

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	50,250
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		84,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	41,000
7012050	Intermediate Casing 1	133,000
7012050	Intermediate Casing 2	280,000
7012050	Production Casing	144,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		760,000

DRILLING COST - INTANGIBLE

7019300	Drilling Rig Mob/Demob	37,500
7019320	Drilling Rig - day work/footage	853,875
7019040	Directional Drilling Services	290,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	80,000
7019140	Mud Fluids & Services	75,500
7012310	Solids Control equipment	57,000
7012020	Bits	72,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	97,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging/geosteering	28,000
7019250	Stabilizers, Hole Openers, Underreamers (OH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	25,813
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	126,500
7018150	Rig Equipment and Misc.	15,813
7001110	Telecommunications Services	5,000
7001120	Consulting Services	148,638
7001400	Safety and Environmental	50,600
7018120	Rental Buildings (trailers)	25,300
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	222,708
TOTAL DRILLING - INTANGIBLE		\$2,644,245

TOTAL DRILLING COST

\$3,404,245

COMPLETION - TANGIBLE

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

Asset Team PERMIAN
 Field WC-025 G-09 S2332 FORMATION: WOLFCAMP XY
 Lease/Facility Frizzle Fry 15 WXY FC 18H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	470,000
7019320	Fracturing Services	3,452,600
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	412,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg, lightplant, hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. BH, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	100,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	220,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental w/o operator, frac tanks, lightplants	100,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	407,400
TOTAL COMPLETION - INTANGIBLE		\$6,197,000

TOTAL COMPLETION COST \$6,212,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149

TOTAL SURFACE EQUIPMENT COST \$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000

TOTAL ARTIFICIAL LIFT COST \$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

	TOTAL COST
TOTAL LOCATION COST	\$ 84,000
TOTAL DRILLING COST	\$ 3,404,245
TOTAL COMPLETIONS COST	\$ 6,212,000
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000
GRAND TOTAL COST	\$10,650,394

Participant's Approval

Name of Company: _____
 Signature: _____
 Title: _____ Date: _____

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


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

CASE NOS. 20822 & 20823
(FRIZZLE FRY)

AFFIDAVIT

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

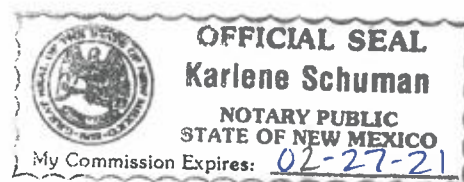
Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were sent under a notice letter, example included, and that proof of receipt and an affidavit of publication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


Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 28th day of October, 2019 by Deana M. Bennett.


Notary Public

My commission expires: 02-27-21





MODRALL SPERLING

L A W Y E R S

September 12, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Deana M. Bennett
505-848-1834
Deana.Bennett@modrall.com

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC FOR
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
CASE NO. 20822**

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC FOR
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
CASE NO. 20823**

TO: AFFECTED PARTIES

This letter is to advise you that Marathon Oil Permian LLC ("Marathon") has filed the above-listed applications.

In Case No. 20822, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the underlying the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to **Frizzle Fry 15 TB FC 14H; Frizzle Fry 15 TB FC 17H; Frizzle Fry 15 FB FC 30H; Frizzle Fry 15 SB FC 15H; Frizzle Fry 15 FB FC 31H; 15 Frizzle Fry SB FC 22H; Frizzle Fry 15 AV FC 26H; Frizzle Fry AV FC 27H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the wells are completed.

In Case No. 20823, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the underlying the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Frizzle Fry 15 WA FC 11H and the Frizzle Fry 15 WXY FC 18H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the wells are completed.

These cases have been set for hearing before a Division Examiner on October 3, 2019 starting at 8:15 a.m. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in the cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in the cases at a later date.

You are further notified that if you desire to appear in the cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "Deana M. Bennett". The signature is written in dark ink and is positioned above a horizontal line.

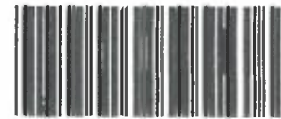
Deana M. Bennett

Attorney for Applicant

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
09/12/2019



Firm Mailing Book ID: 174476

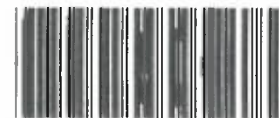
SEP 12 2019

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0063 2266 70	Michael S. Richardson P.O. Box 819 Roswell NM 88202	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
2	9314 8699 0430 0063 2266 87	Dennis Susaeta 9378 S. Sneddon Dr. Salt Lake City UT 84070	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
3	9314 8699 0430 0063 2266 94	Wendy Susaeta 9378 S. Sneddon Dr. Salt Lake City UT 84070	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
4	9314 8699 0430 0063 2267 00	Howard L. Mathie 877 S. Main Street Salt Lake City UT 84111	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
5	9314 8699 0430 0063 2267 17	States Royalty Limited Partnership P.O. Box 911 Breckenridge TX 76424	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
6	9314 8699 0430 0063 2267 24	Alan Jochimsen 4209 Cardinal Lane Midland TX 79707	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
7	9314 8699 0430 0063 2267 31	Monty D. McLane P. O. Box 9451 Midland TX 79708	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
8	9314 8699 0430 0063 2267 48	Trustee of the Susan S. Murphy Marital Trust u/t/a dated 11/15/2012 P.O. Box 2484 Roswell NM 88202	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
9	9314 8699 0430 0063 2267 55	Mark B. Murphy, Trustee of the Mark B. Murphy Irrevocable Trust u/t/a of 12/11/2012 P.O. Box 2484 Roswell NM 88202	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
10	9314 8699 0430 0063 2267 62	Frank S. Morgan and wife, Robin L. Morgan 135 W. Cottonwood Road Artesia NM 88210	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
11	9314 8699 0430 0063 2267 79	Hutchings Oil Company P.O. Box 1216 Albuquerque NM 87103	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
12	9314 8699 0430 0063 2267 86	Colony Resources, Inc. 12406 Seahaven Dr. Richmond VA 23233	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
13	9314 8699 0430 0063 2267 93	Strata Production Company 700 Petroleum Bldg. Roswell NM 88201	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
14	9314 8699 0430 0063 2268 09	Peter Balog, Trustee of the Balog Family Trust u/t/a dated 8/15/2002 P.O. Box 111890 Anchorage AK 99511	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice

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

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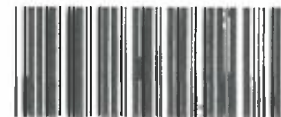
SEP 17 2019

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0063 2268 16	Bane Bigbie and wife, Melania Bigbie P.O. Box 998 Ardmore OK 73402	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
16	9314 8699 0430 0063 2268 23	Duane Brown and wife, Pilar Vaile 1110 El Alhambra Circle NW Albuquerque NM 87107	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
17	9314 8699 0430 0063 2268 30	Wade P. Carrigan and wife, Beth Carrigan P.O. Box 1908 Gilbert AZ 85299	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
18	9314 8699 0430 0063 2268 47	James K. Lusk & Martha L. Lusk Trust u/t/a dated April 29, 1992 2020 Osceola St. Denver CO 80212	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
19	9314 8699 0430 0063 2268 54	Scott-Winn LLC P.O. Box 1834 Roswell NM 88202	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
20	9314 8699 0430 0063 2268 61	Winn Investments, Inc. 706 West Brazos Roswell NM 88201	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
21	9314 8699 0430 0063 2268 78	Drusilla Cieszinski-Trustee J.E. Cieszinski Trust 22 Riverside Dr. Roswell NM 88201	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
22	9314 8699 0430 0063 2268 85	Sealy Hutchings Cavin, Inc. P.O. Box 1125 Roswell NM 88202	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
23	9314 8699 0430 0063 2268 92	Nortex Corporation Nortex Corporation Houston TX 77056	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
24	9314 8699 0430 0063 2269 08	Westway Petro, a Texas Joint Venture 6440 N. Central Expwy, #615, LB76 Dallas TX 75206	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
25	9314 8699 0430 0063 2269 15	Roden Participants, Ltd. 2603 Augusta Dr., Suite 430 Houston TX 77057	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
26	9314 8699 0430 0063 2269 22	Roden Associates, Ltd. 2603 Augusta Dr., Suite 430 Houston TX 77057	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
27	9314 8699 0430 0063 2269 39	MCM Energy Partners, LLC 223 W. Wall Street, Ste. 400 Midland TX 79701	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
28	9314 8699 0430 0063 2269 46	Andes Energy LLC 209 West 2nd St., Ste 143 Fort Worth TX 76102	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
29	9314 8699 0430 0063 2269 53	Javelina Partners 616 Texas Street Fort Worth TX 76102	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice

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

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Firm Mailing Book ID: 174476

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
30	9314 8699 0430 0063 2269 60	Zorro Partners, Ltd. 616 Texas Street Fort Worth TX 76102	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
31	9314 8699 0430 0063 2269 77	HighPoint Operating Corporation 1099 18th Street, Suite 2300 Denver CO 80202	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
32	9314 8699 0430 0063 2269 84	Nortex Corporation 3009 Post Oak Blvd., Ste 1212 Houston TX 77056	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
33	9314 8699 0430 0063 2269 91	Francis Hill Hudson, Trustee of Lindy's Living Trust w/t/a dated July 8, 1994 616 Texas Street Fort Worth TX 76102	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
34	9314 8699 0430 0063 2270 04	WPX Energy 3500 One Williams Center Tulsa OK 74172	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
35	9314 8699 0430 0063 2270 11	EOG Resources, Inc. P.O. Box 4362 Houston TX 77270	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
36	9314 8699 0430 0063 2270 28	Read & Stevens, Inc. P.O. Box 1518 Roswell NM 88202	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
37	9314 8699 0430 0063 2270 35	OXY USA Inc 10899 Wilshire Boulevard Los Angeles CA 90024	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
38	9314 8699 0430 0063 2270 42	XTO Holdings, LLC 810 Houston Street Fort Worth TX 76102	\$1.15	\$3.50	\$1.60	\$0.00	81363-0162 Notice
Totals:			\$43.70	\$133.00	\$60.80	\$0.00	
			Grand Total:		\$237.50		

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

38

Transaction Report Details - CertifiedPro.net
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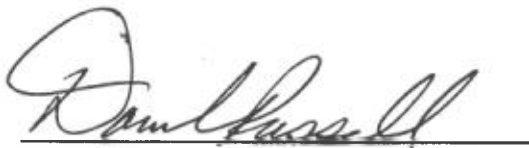
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9314869904300063227042	2019-09-12 8:05 AM	XTO Holdings, LLC		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063227035	2019-09-12 8:05 AM	OXY USA Inc		Los Angeles	CA	90024	Lost	Return Receipt - Electronic, Certified Mail	171938	
9314869904300063227028	2019-09-12 8:05 AM	Read & Stevens, Inc.		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063227011	2019-09-12 8:05 AM	EOG Resources, Inc.		Houston	TX	77270	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-17-2019
9314869904300063227004	2019-09-12 8:05 AM	WPX Energy		Tulsa	OK	74172	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226991	2019-09-12 8:05 AM	Francis Hill Hudson, Trustee of Lindy's Living	Trust u/t/a dated July 8, 1994	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226984	2019-09-12 8:05 AM	Nortex Corporation		Houston	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-17-2019
9314869904300063226977	2019-09-12 8:05 AM	HighPoint Operating Corporation		Denver	CO	80202	Delivered	Return Receipt - Electronic, Certified Mail	171938	10-07-2019
9314869904300063226960	2019-09-12 8:05 AM	Zorro Partners, Ltd.		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226953	2019-09-12 8:05 AM	Javelina Partners		Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226946	2019-09-12 8:05 AM	Andes Energy LLC		Fort Worth	TX	76102	Lost	Return Receipt - Electronic, Certified Mail	171938	
9314869904300063226939	2019-09-12 8:05 AM	MCM Energy Partners, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226922	2019-09-12 8:05 AM	Roden Associates, Ltd.		Houston	TX	77057	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226915	2019-09-12 8:05 AM	Roden Participants, Ltd.		Houston	TX	77057	Lost	Return Receipt - Electronic, Certified Mail	171938	
9314869904300063226908	2019-09-12 8:05 AM	Westway Petro, a Texas Joint Venture		Dallas	TX	75206	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-17-2019
9314869904300063226892	2019-09-12 8:05 AM	Nortex Corporation		Houston	TX	77056	Undelivered	Return Receipt - Electronic, Certified Mail	171938	
9314869904300063226885	2019-09-12 8:05 AM	Sealy Hutchings Cavin, Inc.		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-17-2019
9314869904300063226878	2019-09-12 8:05 AM	Drusilla Cieszinski-Trustee J.E. Cieszinski Trust		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-23-2019
9314869904300063226861	2019-09-12 8:05 AM	Winn Investments, Inc.		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-20-2019
9314869904300063226854	2019-09-12 8:05 AM	Scott-Winn LLC		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-17-2019
9314869904300063226847	2019-09-12 8:05 AM	James K. Lusk & Martha L. Lusk Trust	u/t/a dated April 29, 1992	Denver	CO	80212	Lost	Return Receipt - Electronic, Certified Mail	171938	
9314869904300063226830	2019-09-12 8:05 AM	Wade P. Carrigan and wife, Beth Carrigan		Gilbert	AZ	85299	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-25-2019
9314869904300063226823	2019-09-12 8:05 AM	Duane Brown and wife, Pilar Vaile		Albuquerque	NM	87107	Delivered	Return Receipt - Electronic, Certified Mail	171938	10-15-2019
9314869904300063226816	2019-09-12 8:05 AM	Bane Bigbie and wife, Melania Bigbie		Ardmore	OK	73402	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-19-2019
9314869904300063226809	2019-09-12 8:05 AM	Peter Balog, Trustee of the Balog Family Trust	u/t/a dated 8/15/2002	Anchorage	AK	99511	Lost	Return Receipt - Electronic, Certified Mail	171938	
9314869904300063226793	2019-09-12 8:05 AM	Strata Production Company		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-23-2019
9314869904300063226786	2019-09-12 8:05 AM	Colony Resources, Inc.		Richmond	VA	23233	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-18-2019
9314869904300063226779	2019-09-12 8:05 AM	Hutchings Oil Company		Albuquerque	NM	87103	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-17-2019
9314869904300063226762	2019-09-12 8:05 AM	Frank S. Morgan and wife, Robin L. Morgan		Artesia	NM	88210	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226755	2019-09-12 8:05 AM	Mark B. Murphy, Trustee of the Mark B. Murphy	Irrevocable Trust u/t/a of 12/11/2012	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-17-2019
9314869904300063226748	2019-09-12 8:05 AM	Trustee of the Susan S. Murphy	Marital Trust u/t/a dated 11/15/2012	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-17-2019
9314869904300063226731	2019-09-12 8:05 AM	Monty D. McLane		Midland	TX	79708	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226724	2019-09-12 8:05 AM	Alan Jochimsen		Midland	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226717	2019-09-12 8:05 AM	States Royalty Limited Partnership		Breckenridge	TX	76424	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-16-2019
9314869904300063226700	2019-09-12 8:05 AM	Howard L. Mathie		Salt Lake City	UT	84111	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-23-2019
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9314869904300063226687	2019-09-12 8:05 AM	Dennis Susaeta		Salt Lake City	UT	84070	To be Returned	Return Receipt - Electronic, Certified Mail	171938	
9314869904300063226670	2019-09-12 8:05 AM	Michael S. Richardson		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	171938	09-23-2019

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
September 19, 2019
and ending with the issue dated
September 19, 2019.



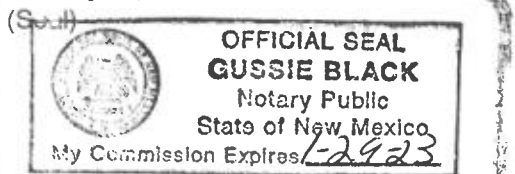
Publisher

Sworn and subscribed to before me this
19th day of September 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 NOTICE SEPTEMBER 19, 2019

CASE NO. 20822: Notice to all affected parties, as well as the heirs and devisees of Michael S. Richardson, Dennis Susaeta, Wendy Susaeta, Howard L. Mathie, States Royalty Limited Partnership, Alan Jochimsen, Monty D. McLane, Susan S. Murphy Trustee of the Susan S. Murphy Marital Trust u/t/a/ dated 11-15-12, Mark B. Murphy Trustee of the Mark B. Murphy Irrevocable Trust u/t/a/ dated 12-11-12, Frank S. Morgan and wife Robin L. Morgan, Hutchings Oil Company, Colony Resources Inc., Unknown Successors of B&B Oil Ventures Inc.3, Strata Production Company, Peter Balog Trustee of the Balog Family Trust u/t/a/ dated 8-15-02, Bane Bigbie and wife Melania Bigbie, Duane Brown and wife Pilar Valle, Wade P. Carrigan and wife Beth Carrigan, James K. Lusk and Martha L. Lusk Trust u/t/a/ dated 4-29-92, Scott Winn LLC, Winn Investments Inc., Drusilla Cieszinski Trustee of the J.E. Cieszinski Trust, Sealy Hutchings Cavin Inc. Nortex Corporation, Westway Petro a Texas Joint Venture, Roden Participants Ltd., Roden Associates Ltd., MCM Energy Partners LLC, Andes Energy LLC, Javelina Partners, Zorro Partners Ltd., HighPoint Operating Corporation, Nortex Corporation, Francis Hill Hudson Trustee of Lindy's Living Trust u/t/a/ dated 7-8-94, WPX Energy, EOG Resources Inc., Read & Stevens Inc., OXY USA Inc., XTO Holdings LLC of Marathon Oil Permian LLC's application for compulsory pooling, 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 October, 3, 2019, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the underlying the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to Frizzle Fry 15 TB FC 14H; Frizzle Fry 15 TB FC 17H; Frizzle Fry 15 FB FC 30H; Frizzle Fry 15 SB FC 15H; Frizzle Fry 15 FB FC 31H; 15 Frizzle Fry SB FC 22H; Frizzle Fry 15 AV FC 26H; Frizzle Fry AV FC 27H wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one-year period between when the wells are drilled and when the wells are completed. Said area is located approximately 33 miles east of Carlsbad, New Mexico.

CASE NO. 20823: Notice to all affected parties, as well as the heirs and devisees of Michael S. Richardson, Dennis Susaeta, Wendy Susaeta, Howard L. Mathie, States Royalty Limited Partnership, Alan Jochimsen, Monty D. McLane, Susan S. Murphy Trustee of the Susan S. Murphy Marital Trust u/t/a/ dated 11-15-12, Mark B. Murphy Trustee of the Mark B. Murphy Irrevocable Trust u/t/a/ dated 12-11-12, Frank S. Morgan and wife Robin L. Morgan, Hutchings Oil Company, Colony Resources Inc., Unknown Successors of B&B Oil Ventures Inc.3, Strata Production Company, Peter Balog Trustee of the Balog Family Trust u/t/a/ dated 8-15-02, Bane Bigbie and wife Melania Bigbie, Duane Brown and wife Pilar Valle, Wade P. Carrigan and wife Beth Carrigan, James K. Lusk and Martha L. Lusk Trust u/t/a/ dated 4-29-92, Scott Winn LLC, Winn Investments Inc., Drusilla Cieszinski Trustee of the J.E. Cieszinski Trust, Sealy Hutchings Cavin Inc. Nortex Corporation, Westway Petro a Texas Joint Venture, Roden Participants Ltd., Roden Associates Ltd., MCM Energy Partners LLC, Andes Energy LLC, Javelina Partners, Zorro Partners Ltd., HighPoint Operating Corporation, Nortex Corporation, Francis Hill Hudson Trustee of Lindy's Living Trust u/t/a/ dated 7-8-94, WPX Energy, EOG Resources Inc., Read & Stevens Inc., OXY USA Inc., XTO Holdings LLC of Marathon Oil Permian LLC's application for compulsory pooling, 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 October, 3, 2019, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the underlying the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the Frizzle Fry 15 WA FC 11H and the Frizzle Fry 15 WXY FC 18H wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one-year period between when the wells are drilled and when the wells are completed. Said area is located approximately 33 miles east of Carlsbad, New Mexico.
#34713

01104570

00233606

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

Frizzle Fry E/2				
ORRI Owner in Section 15				
Michael S. Richardson	P.O. Box 819	Roswell	NM	88202
Dennis Susaeta	9378 S. Sneddon Dr.	Salt Lake City	UT	84070
Wendy Susaeta	9378 S. Sneddon Dr.	Salt Lake City	UT	84070
Howard L. Mathie	877 S. Main Street	Salt Lake City	UT	84111
States Royalty Limited Partnership	P.O. Box 911	Breckenridge	TX	76424
Alan Jochimsen	4209 Cardinal Lane	Midland	TX	79707
Monty D. McLane	P. O. Box 9451	Midland	TX	79708
Susan S. Murphy, Trustee of the Susan S. Murphy Marital Trust u/t/a dated 11/15/2012	P.O. Box 2484	Roswell	NM	88202
Mark B. Murphy, Trustee of the Mark B. Murphy Irrevocable Trust u/t/a dated 12/11/2012	P.O. Box 2484	Roswell	NM	88202
Frank S. Morgan and wife, Robin L. Morgan	135 W. Cottonwood Road	Artesia	NM	88210
Hutchings Oil Company	P.O. Box 1216	Albuquerque	NM	87103
Colony Resources, Inc.	12406 Seahaven Dr.	Richmond	VA	23233
Unknown Successors of B&B Oil Ventures, Inc.3				
Strata Production Company	700 Petroleum Bldg.	Roswell	NM	88201
Peter Balog, Trustee of the Balog Family Trust u/t/a dated 8/15/2002	P.O. Box 111890	Anchorage	AK	99511
Bane Bigbie and wife, Melania Bigbie	P.O. Box 998	Ardmore	OK	73402
Duane Brown and wife, Pilar Vaile	1110 El Alhambra Circle NW	Albuquerque	NM	87107
Wade P. Carrigan and wife, Beth Carrigan	P.O. Box 1908	Gilbert	AZ	85299
James K. Lusk & Martha L. Lusk Trust u/t/a dated April 29, 1992	2020 Osceola St.	Denver	CO	80212
Scott-Winn LLC	P.O. Box 1834	Roswell	NM	88202
Winn Investments, Inc.	706 West Brazos	Roswell	NM	88201
Drusilla Cieszinski, Trustee of the J.E. Cieszinski Trust	22 Riverside Dr.	Roswell	NM	88201
Sealy Hutchings Cavin, Inc.	P.O. Box 1125	Roswell	NM	88202

Nortex Corporation	Nortex Corporation	Houston	TX	77056
Westway Petro, a Texas Joint Venture	6440 N. Central Expwy, #615, LB76	Dallas	TX	75206
Contractual Interest Owners in Section 15				
Marathon				
Roden Participants, Ltd.	2603 Augusta Dr., Suite 430	<i>Houston</i>	TX	77057
Roden Associates, Ltd.	2603 Augusta Dr., Suite 430	<i>Houston</i>	TX	77057
MCM Energy Partners, LLC	223 W. Wall Street, Ste. 400	Midland	TX	79701
Andes Energy LLC	209 West 2nd St., Ste 143	Fort Worth	TX	76102
Javelina Partners	616 Texas Street	Fort Worth	TX	76102
Zorro Partners, Ltd.	616 Texas Street	Fort Worth	TX	76102
HighPoint Operating Corporation	1099 18th Street, Suite 2300	Denver	CO	80202
Nortex Corporation	3009 Post Oak Blvd., Ste 1212	Houston	TX	77056
Francis Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994	616 Texas Street	Fort Worth	TX	76102
WPX Energy	3500 One Williams Center	Tulsa	OK	74172
EOG Resources, Inc.	P.O. Box 4362	Houston	TX	77270
Read & Stevens, Inc.	P.O. Box 1518	Roswell	NM	88202
Record Title for Section 22				
Marathon				
OXY USA Inc	10899 Wilshire Boulevard	Los Angeles	CA	90024
ORRI for Section 22				
XTO Holdings, LLC	810 Houston Street	Fort Worth	TX	76102

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

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

CASE NOS. 20822 & 20823
(FRIZZLE FRY)

AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Thomas Lockwood, being duly sworn, deposes and states:

1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC, and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum geologist.

2. **Exhibit 8** is a locator maps showing the approximate location of the proposed units in relation to the Capitan Reef.

3. **Exhibit 9** is a wellbore schematic showing the proposed wells laterals within the unit.

4. The exhibits behind **Tab 10** are the geology study I prepared for the Avalon and Bone Spring wells.

5. **Exhibit 10-A** is structure map of the top of the Bone Spring. The proposed project area is identified by a black-dashed box, and the proposed Avalon wells are identified by purple lines. The contour interval used this exhibit is 25 feet. This exhibit shows that the structure is fairly flat.



6. **Exhibit 10-B** is structure map of the top of the First Bone Spring Sand. The proposed project area is identified by a black-dashed box, and the proposed First Bone Spring wells are identified by green lines. The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips to the northeast.

7. **Exhibit 10-C** is structure map of the base on the Second Bone Spring Sand. The proposed project area is identified by a black-dashed box, and the proposed Second Bone Spring wells are identified by blue lines. The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips to the northeast.

8. **Exhibit 10-D** is structure map of the top of the Wolfcamp. The proposed project area is identified by a black-dashed box, and the proposed Third Bone Spring wells are identified by orange lines. The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips to the northeast.

9. **Exhibit 10-E** identifies three wells in the vicinity of the proposed Avalon and Bone Spring wells, shown by a line of cross-section running from A to A'.

10. **Exhibit 10-F** is a stratigraphic cross section for the Bone Spring wells hung on the top of the Wolfcamp. The well logs on the cross-section provide a representative cross section of the Bone Spring Formation in the area. The target zone for the various producing areas is identified by the words "Producing Zone" and the shaded area across the cross section, along with a red arrow. I conclude that the production zones appear to be consistent across the unit, the Avalon shale thickening slightly to the south.

11. **Exhibit 10-G** is a Gross Interval Isochore of the Avalon Shale. The Avalon ranges in thickness from 450' in the north to 525' towards the south.

12. **Exhibit 10-H** is a Gross Interval Isochore of the First Bone Spring Sand. The First Bone Spring sand is consistently ~275' thick across the Frizzle Fry unit.

13. **Exhibit 10-I** is a Gross Interval Isochore of Second Bone Spring Sand. The Second Bone Spring sand is about 425' thick across the Frizzle Fry unit, thinning in the middle to ~400' thick.

14. **Exhibit 10-J** is a Gross Interval Isochore of Third Bone Spring Sand. The Third Bone Spring sand thins from 375' in the north to 350' thick in the south.

15. The exhibits behind **Tab 11** are the geology study I prepared for the Wolfcamp wells.

16. **Exhibit 11-A** is structure map of the top of the Wolfcamp A. The proposed project area is identified by a black-dashed box, and the proposed wells are identified by a blue and a red line. The contour interval used for this exhibit is 25 feet. This exhibit shows that the structure dips to the northeast.

17. **Exhibit 11-B** identifies three wells in the vicinity of the proposed Wolfcamp wells, shown by a line of cross-section running from A to A'.

18. **Exhibit 11-C** is a stratigraphic cross section hung on the top of the Wolfcamp. The well logs on the cross-section provide a representative cross section of the Wolfcamp Formation in the area. The target zone is identified by the words "Producing Zone" and the shaded area across the cross section, along with a red arrow.

19. In my opinion, the Wolfcamp XY and Wolfcamp A appear to have consistent thickness across the proposed unit.

20. **Exhibit 11-D** is a Gross Interval Isochore of the Wolfcamp X and Y Sands. The X & Y sands thin from ~160' thick in the north to 125' in the south.

21. **Exhibit 11-E** is a Gross Interval Isochore of the Wolfcamp A. The Wolfcamp A remains at about 200' thick across the Frizzle Fry unit, thickening slightly to 230' in the middle of the unit.

22. I conclude from the maps that:

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

23. **Exhibit 12** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

24. The preferred well orientation in this area is North/South. This is because the S_{Hmax} is at approximately 60-80 degrees in mid-Lea County.

25. Exhibits 8-12 were prepared by my or under my supervision or compiled from company business records.

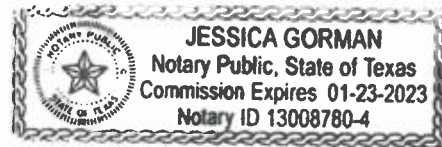
26. In my opinion, the granting of Marathon's applications is in the interests of conservation and the prevention of waste.

Thomas Lockwood
Thomas Lockwood

SUBSCRIBED AND SWORN to before me this 30th day of October, 2019 by Thomas Lockwood, on behalf of Marathon Oil Permian LLC.

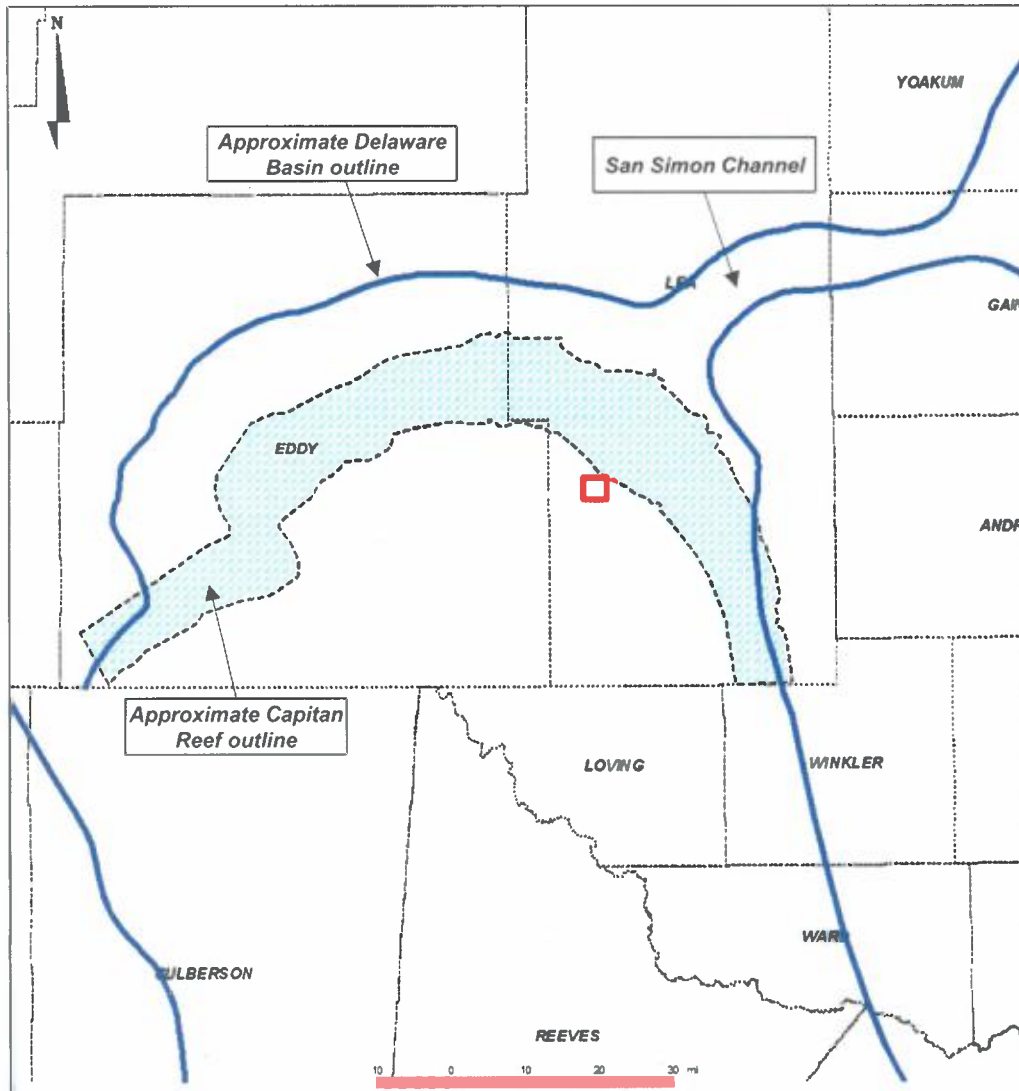
Jessica Gorman
Notary Public

My commission expires: 1/23/2023



Frizzle Fry 15 Fed Com Unit

Locator Map

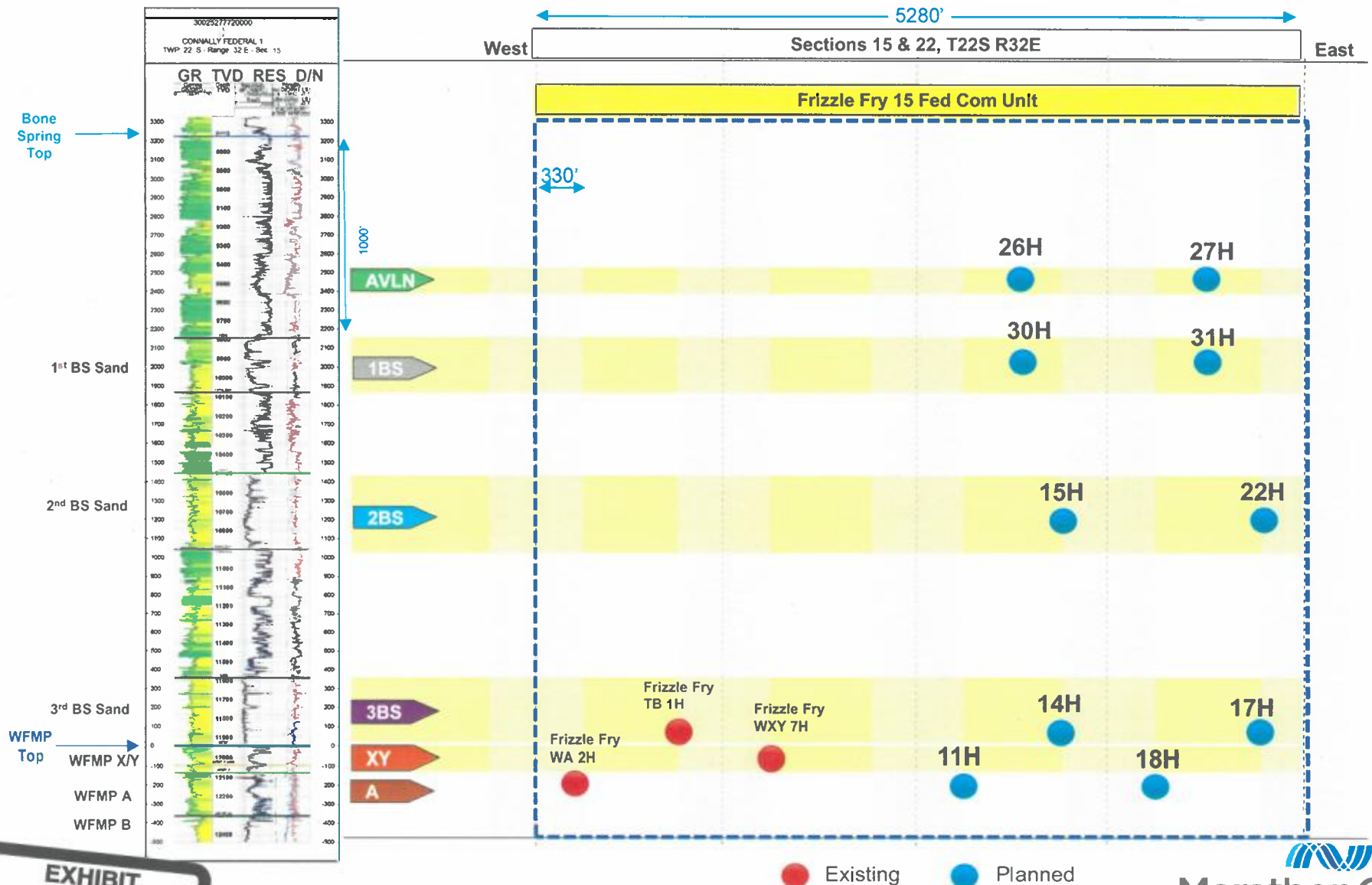


- Approximate location of proposed Frizzle Fry 15 Fed Com well locations shown with red box
- Located just basinward of the Capitan Reef
- Mid Lea county



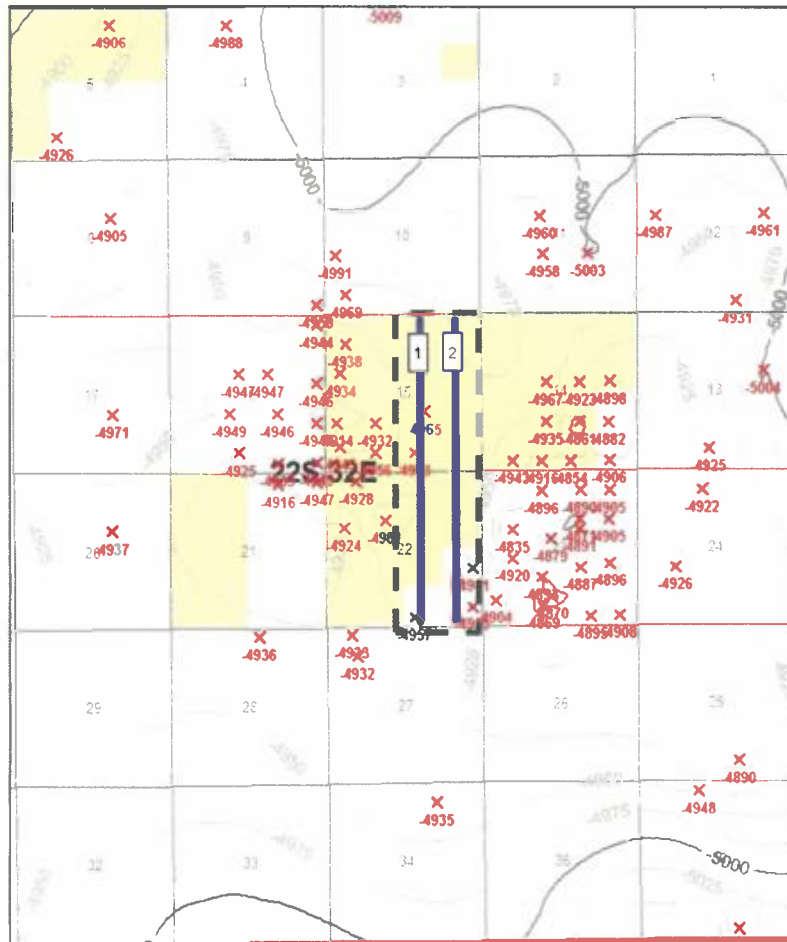
Frizzle Fry 15 Fed Com Unit

Wellbore Schematic



Frizzle Fry 15 Fed Com Unit

Structure Map – Top of Bone Spring (TVDSS)



C.I. = 25'

1 mile


Map Legend

 Avalon

MRO – Horizontal
Location

 Frizzle Fry 15 AV FC 26H

 Frizzle Fry 15 AV FC 27H


Project Area


MRO Acreage

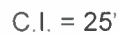


Structure Map – Top of First Bone Spring Sand (TVDSS)



Project Area

Structure Map – Base of Second Bone Spring Sand (TVDS)



1 mile

SBSG

MRO – Horizontal
Location

1 *Frizzle Fry 15 SB FC 15H*

2 Frizzle Fry 15 SB FC 22H

MRO Acreage

Project Area

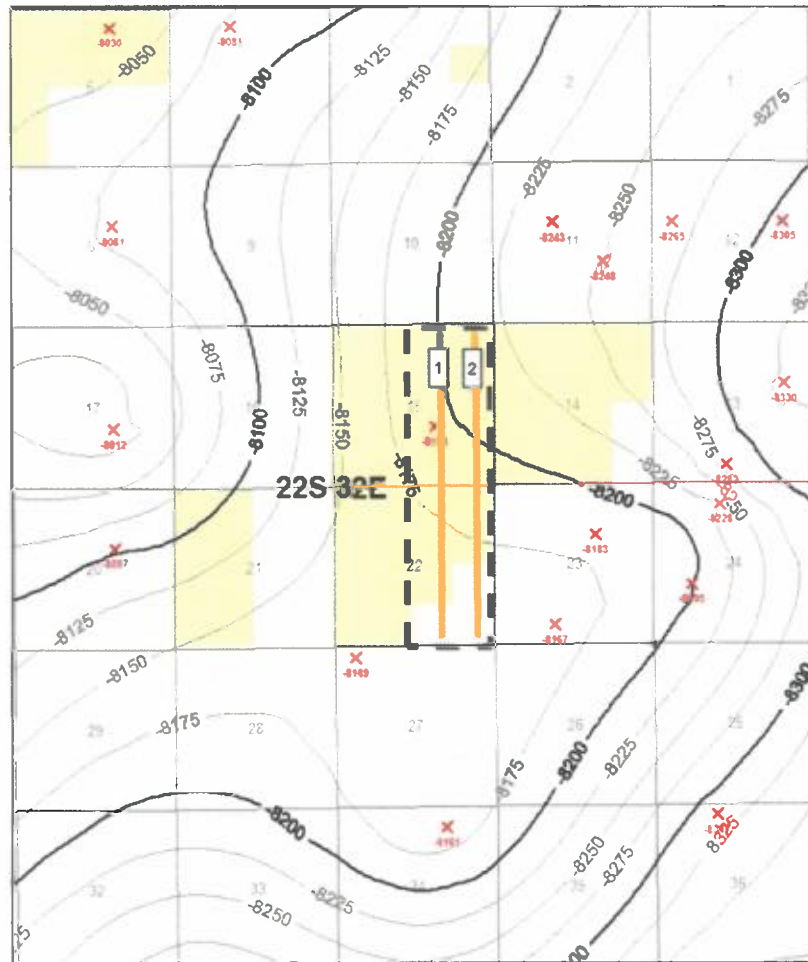


EXHIBIT

10-6

Frizzle Fry 15 Fed Com Unit

Structure Map – Top of Wolfcamp (TVDSS)



C.I. = 25'

1 mile

Map Legend

 TBSG

MRO – Horizontal
Location

1 Frizzle Fry 15 TB FC 14H

2 Frizzle Fry 15 TB FC 17H



MRO Acreage

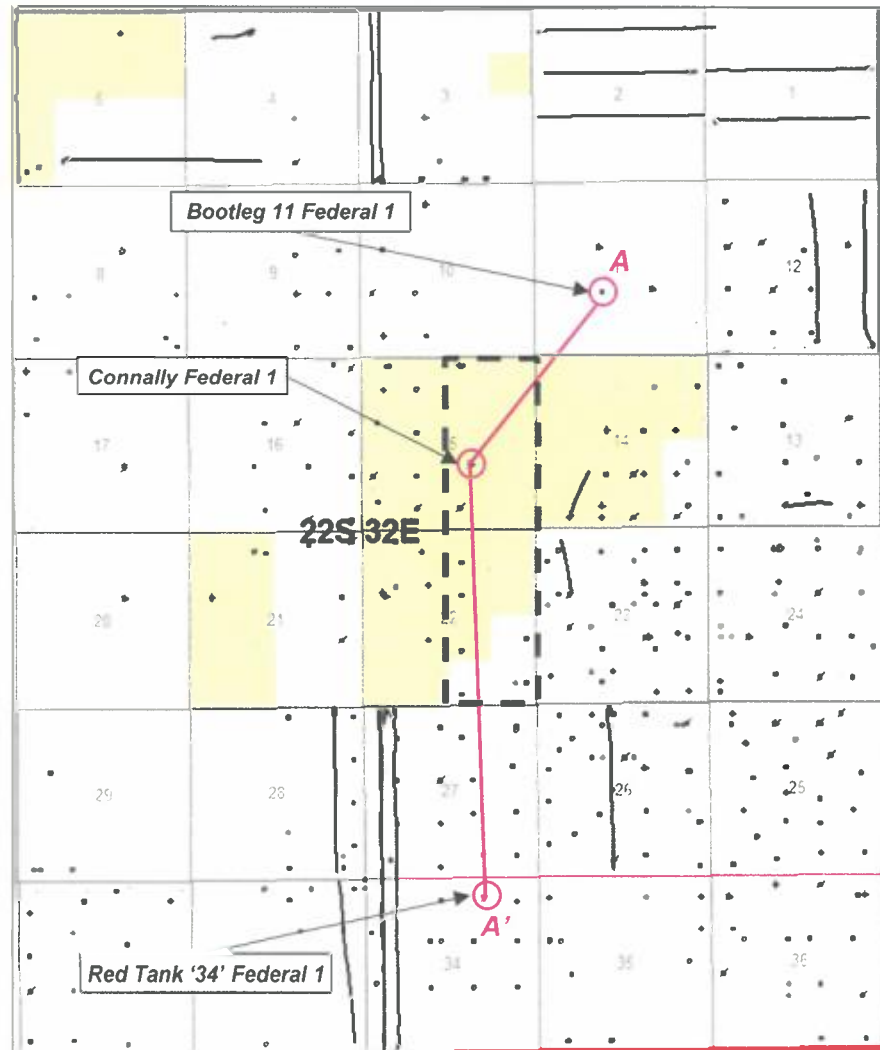


Project Area

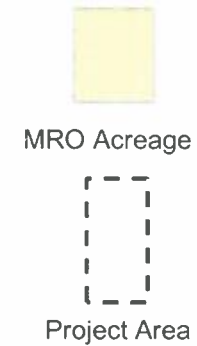


Frizzle Fry 15 Fed Com Unit

Reference Map for Cross Section –Bone Spring Wells

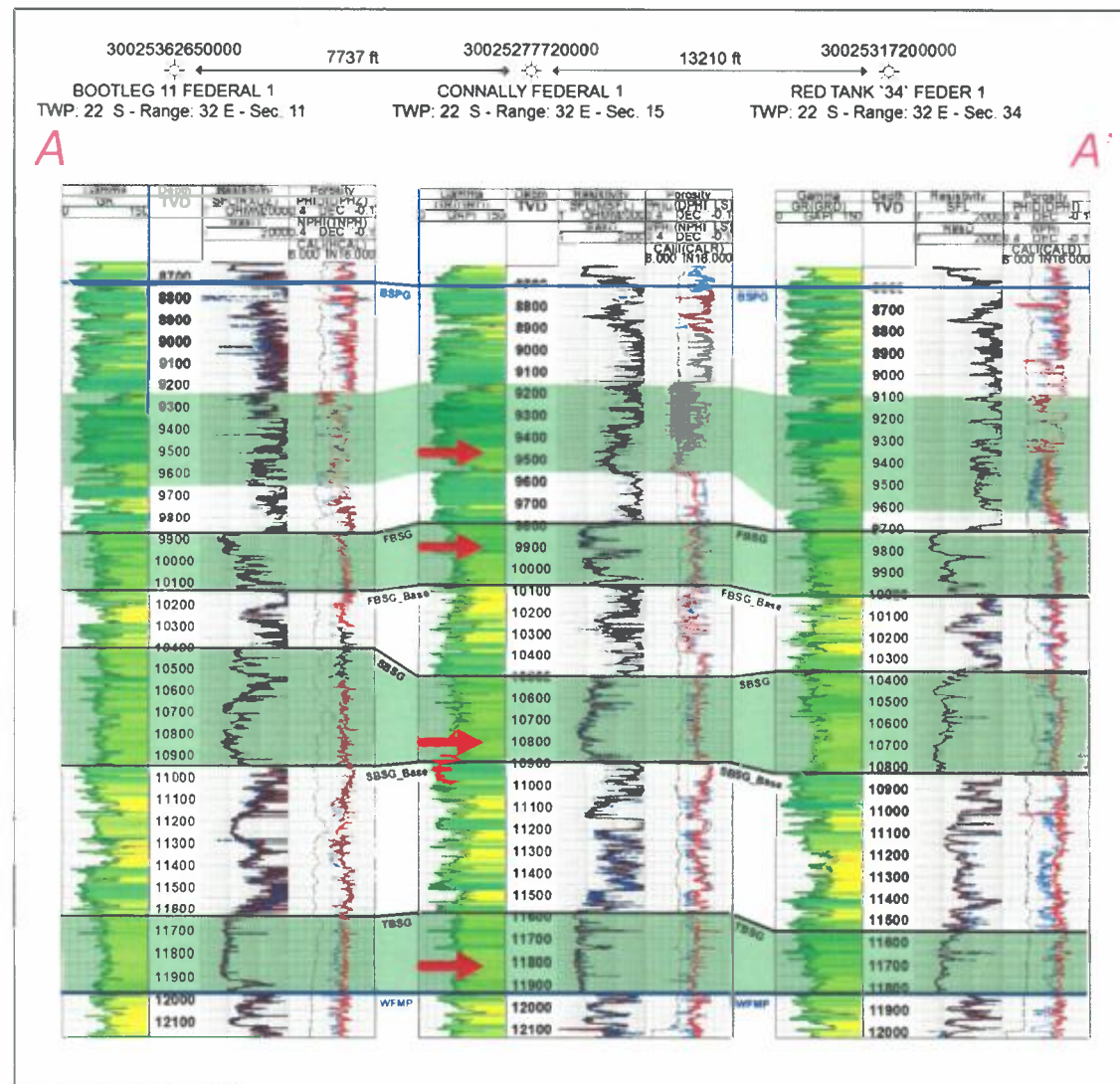


Map Legend



Frizzle Fry 15 Fed Com Unit

Stratigraphic Cross Section for Bone Spring Wells (Top of Wolfcamp Datum)



**Producing Zone –
Avalon Shale**

**Producing Zone –
First Bone Spring Sand**

**Producing Zone –
Second Bone Spring Sand**

**Producing Zone –
Third Bone Spring Sand**

Each zone
appears to have
consistent
thickness across
the unit.

The Avalon shale
thickens slightly to
the south.



Frizzle Fry 15 Fed Com Unit

Gross Interval Isochore – Avalon Shale



C.I. = 25'

1 mile

Map Legend

 Avalon

MRO – Horizontal
Location

1 Frizzle Fry 15 AV FC 26H

2 Frizzle Fry 15 AV FC 27H

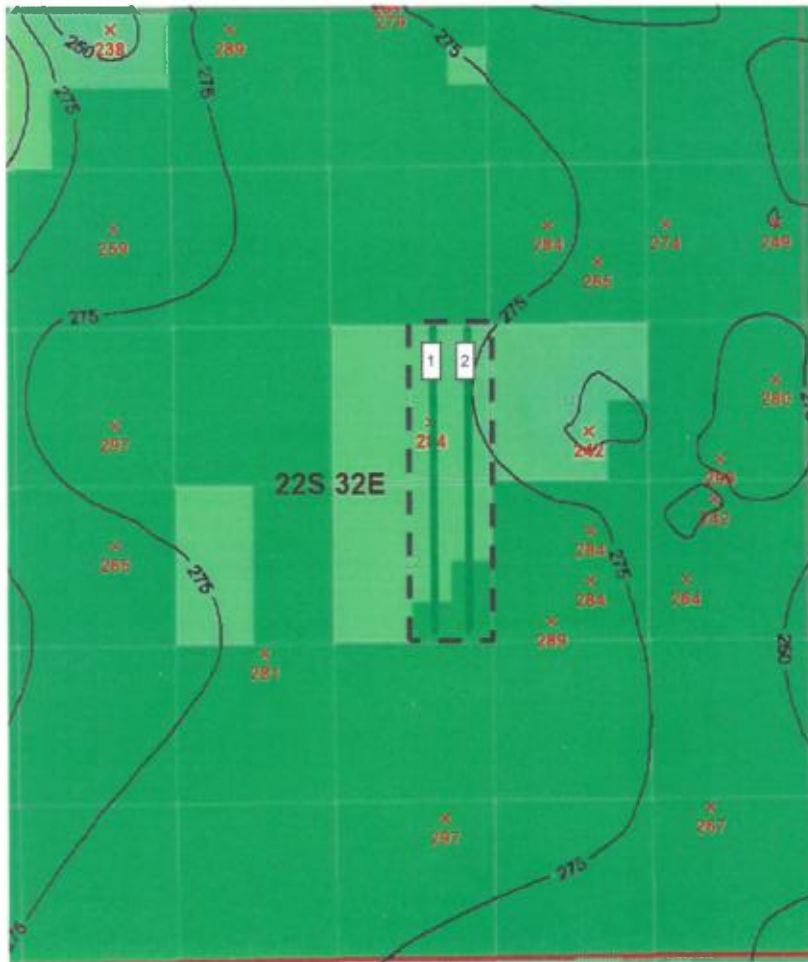

Project Area


MRO Acreage



Frizzle Fry 15 Fed Com Unit

Gross Interval Isochore – First Bone Spring Sand



Map Legend

— FBSG

MRO – Horizontal
Location

1 Frizzle Fry 15 FB FC 30H

2 Frizzle Fry 15 FB FC 31H



MRO Acreage



Project Area

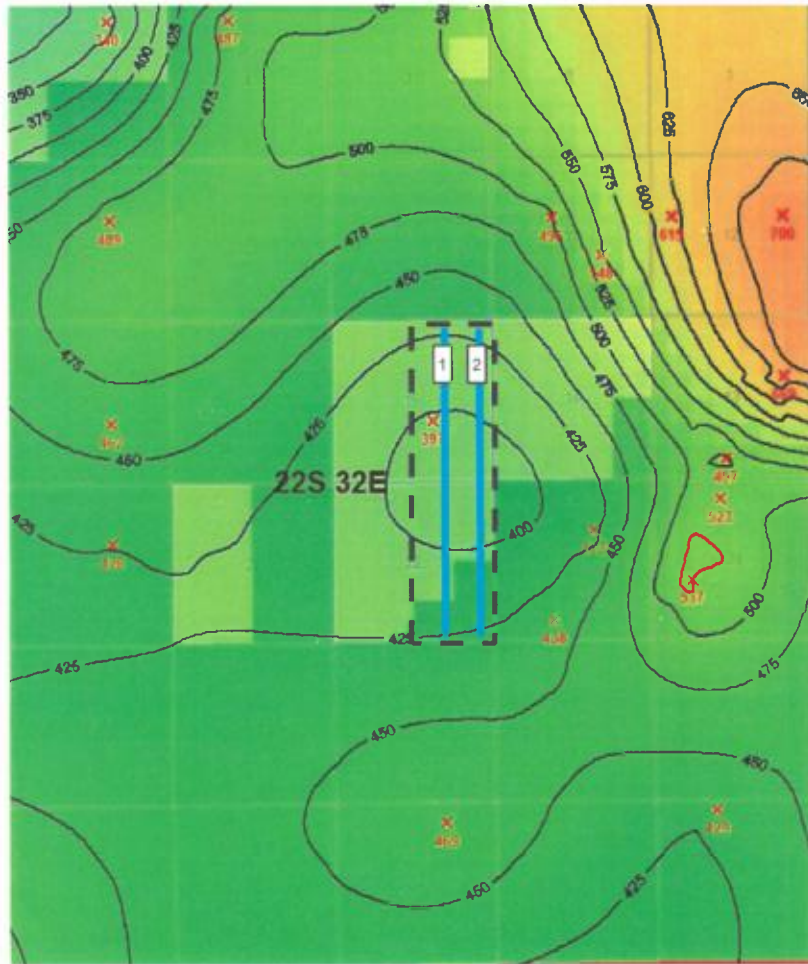
C.I. = 25'

1 mile



Frizzle Fry 15 Fed Com Unit

Gross Interval Isochore – Second Bone Spring Sand



C.I. = 25'

1 mile

Map Legend

 SBSG

MRO – Horizontal
Location

1 Frizzle Fry 15 SB FC 15H

2 Frizzle Fry 15 SB FC 22H



MRO Acreage

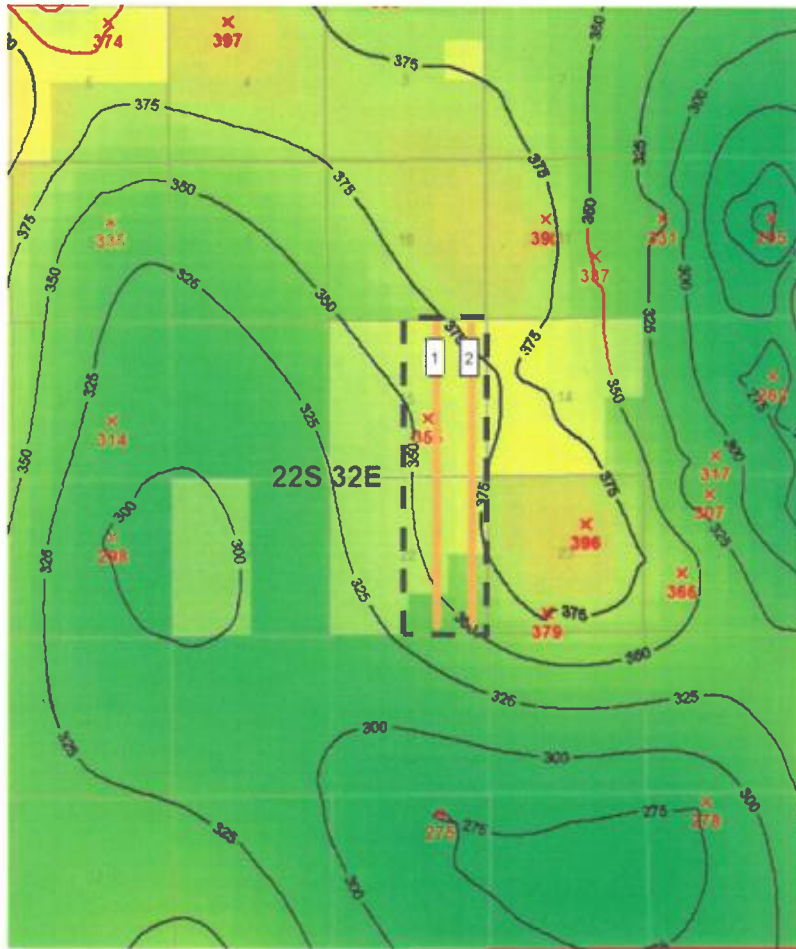


Project Area



Frizzle Fry 15 Fed Com Unit

Gross Interval Isochore – Third Bone Spring Sand



C.I. = 25'

1 mile

Map Legend

 TBSG

MRO – Horizontal
Location

1 Frizzle Fry 15 TB FC 14H

2 Frizzle Fry 15 TB FC 17H



MRO Acreage

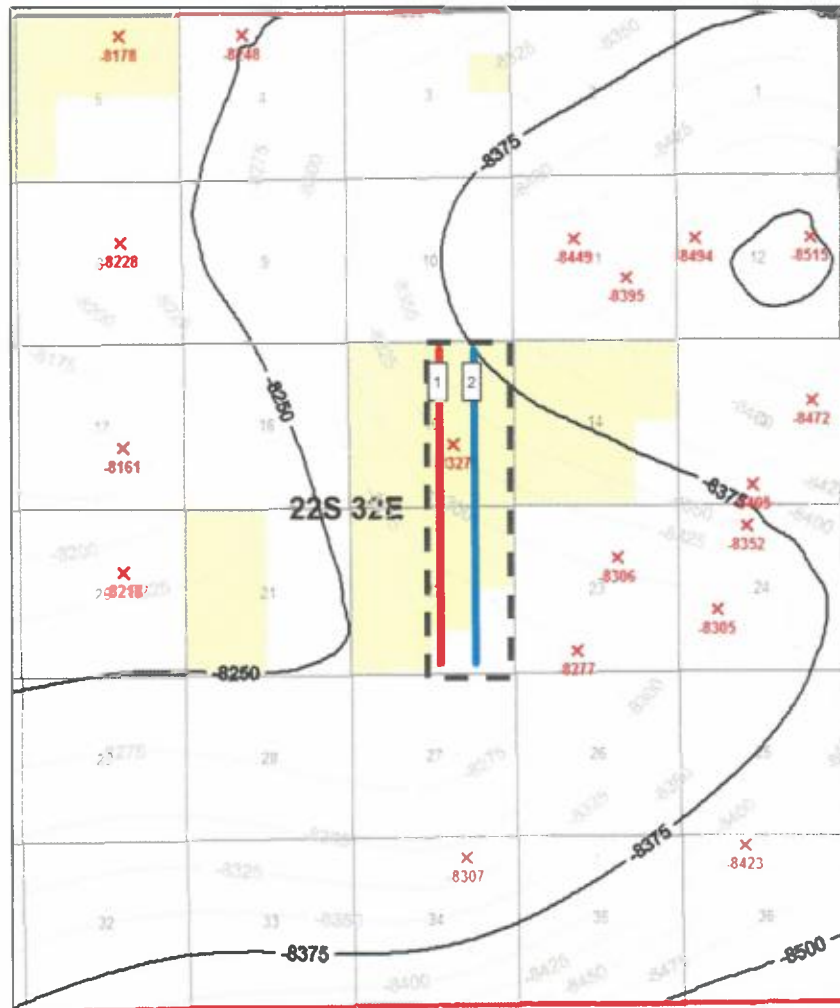


Project Area



Frizzle Fry 15 Fed Com Unit

Structure Map – Top of Wolfcamp A (TVDSS)



C.I. = 25'

1 mile

Map Legend

WFMP XY

WFMP A

MRO – Horizontal
Location

1 Frizzle Fry 15 WA FC 11H

2 Frizzle Fry 15 WXY FC 18H

MRO Acreage

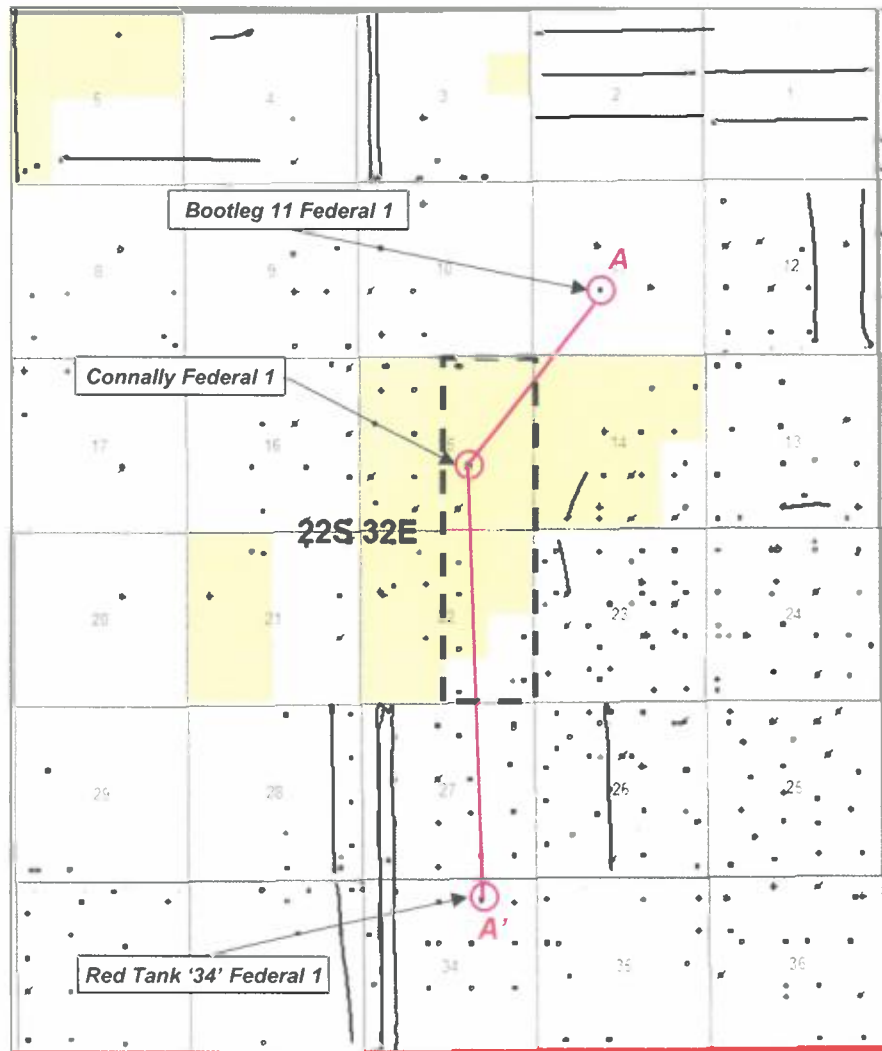
Project Area

EXHIBIT

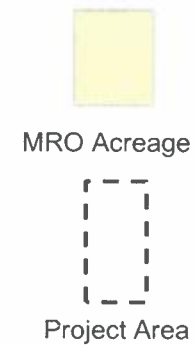
11-A

Frizzle Fry 15 Fed Com Unit

Reference Map for Cross Section –Wolfcamp Wells



Map Legend



1 mile

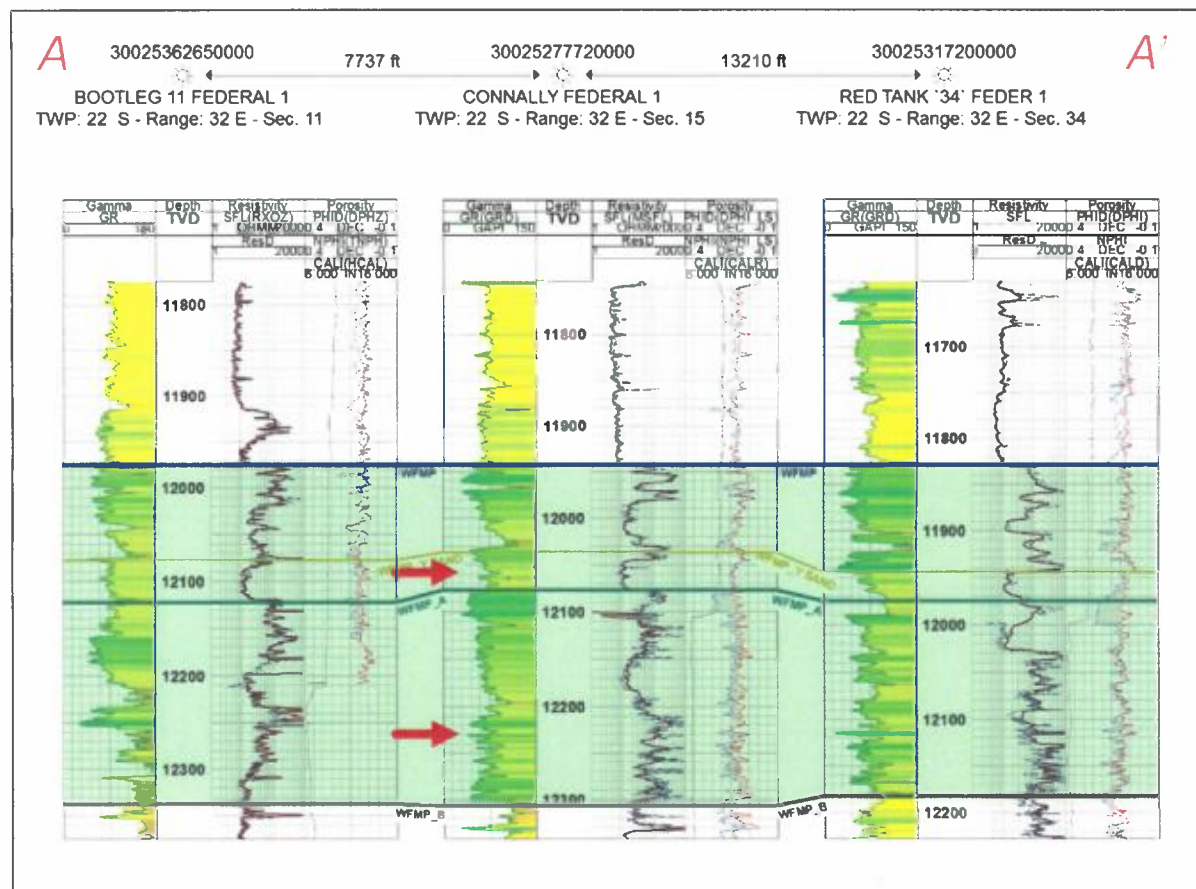
EXHIBIT

11. B

tabbles

Frizzle Fry 15 Fed Com Unit

Stratigraphic Cross Section (Top Wolfcamp Datum)



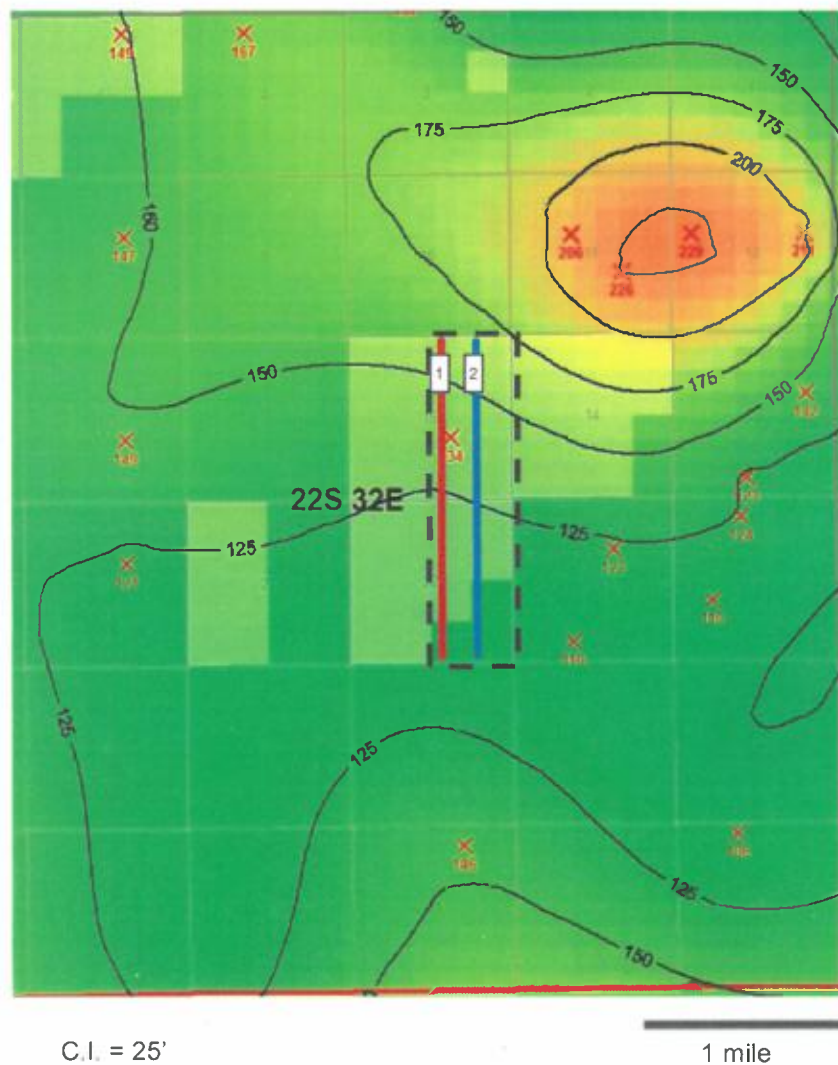
**Producing Zone –
Wolfcamp XY & WFMP A**

*The Wolfcamp XY
Sands and WFMP A
appear to have
consistent thickness
across the unit.*



Frizzle Fry 15 Fed Com Unit

Gross Interval Isochore – Wolfcamp X & Y Sands



Map Legend

WFMP XY

WFMP A

MRO – Horizontal
Location

1 Frizzle Fry 15 WA FC 11H

2 Frizzle Fry 15 WXY FC 18H



MRO Acreage



Project Area



Frizzle Fry 15 Fed Com Unit

Gross Interval Isochore – Wolfcamp A



C.I. = 25'

1 mile

Map Legend

— WFMP XY

— WFMP A

MRO – Horizontal
Location

1 Frizzle Fry 15 WA FC 11H

2 Frizzle Fry 15 WXY FC 18H



MRO Acreage

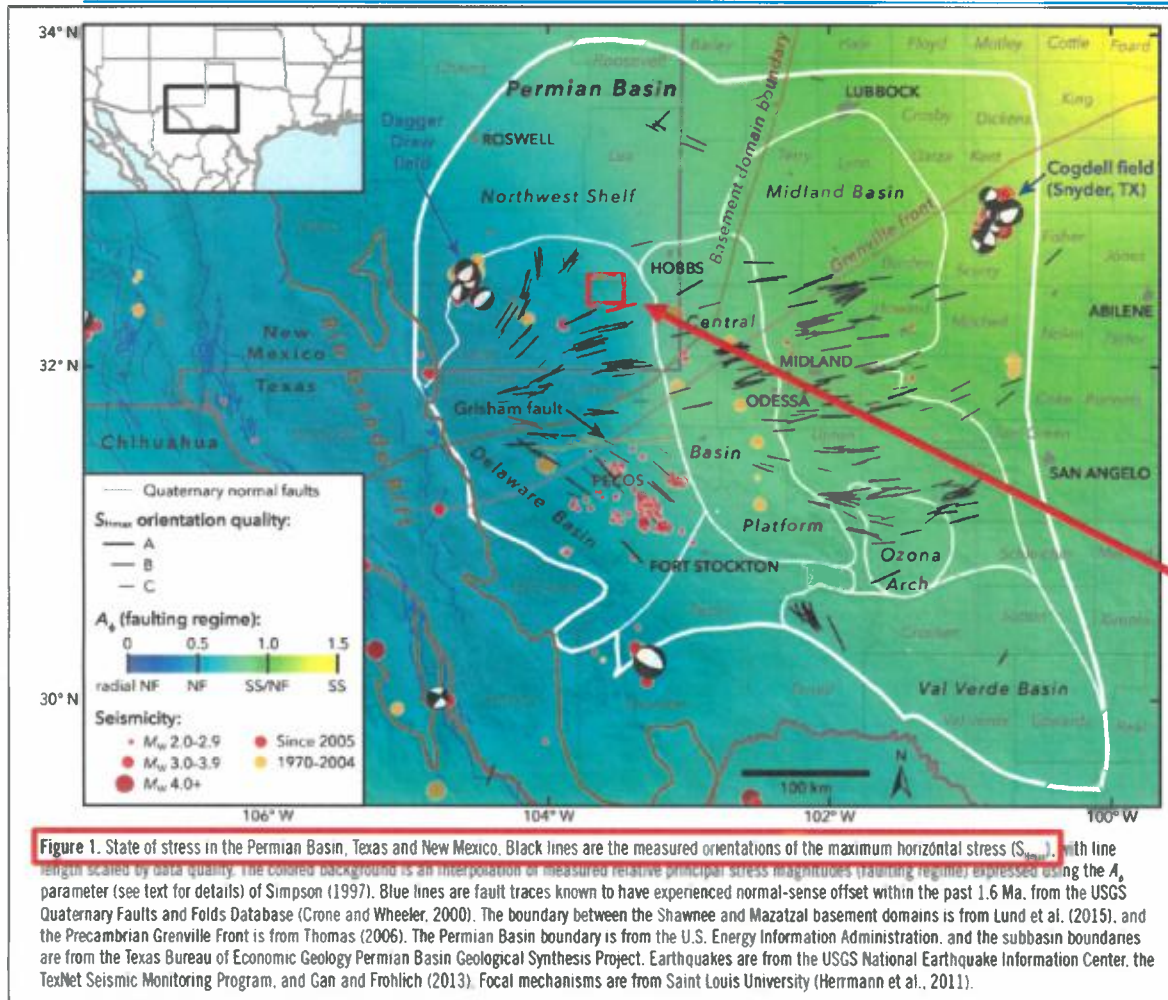


Project Area



Frizzle Fry 15 Fed Com Unit

Preferred Well Orientation - SHmax



Preferred well orientation is N/S.

Channelized Bone Spring sands are predominately oriented N/S in mid Lea County (NE Delaware basin), as a result of sediment input from the San Simon channel to the north/northeast.

Additionally, as outlined in Snee & Zoback (2018), S_{Hmax} is at approximately 60-80 degrees in mid Lea county. It is preferable to have N/S oriented wellbores at the Frizzle Fry 15 Fed Com proposed location (outlined with red box) since hydraulic fractures will prefer to propagate outwards at 60-80 degrees.

Source:

Snee, J.L. & M.D. Zoback, 2018, *State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge*, 810-819, <https://doi.org/10.1190/tle37020810.1>.

