

Exhibit "A"

Applicant: Marathon Oil Permian LLC
Operator: Marathon Oil Permian LLC (OGRID 372098)

Spacing Unit: Horizontal oil
Building Blocks: quarter/quarter sections
Spacing Unit Size: 160 acres (more or less)
Orientation of Unit: North to South

Spacing Unit Description:

E/2 W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico

Pooled Depth Interval: From +/- 11,051' MD as show in the logs for the Government "L" No. 1 well (API No. 30-025-25604) to the base of the Bone Spring formation.

Depth Severance? (Yes/No): Yes – See above.

Pool: Red Hills; Bone Spring, North Pool (Pool code 96434)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: horizontal oil well rules – 19.15.16.15.C NMAC

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7,000; While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

Proposed Well:

Ned Pepper 18 TB Federal Com 4H, API No. Pending

SHL: 645 feet from the South line and 2394 feet from the West line,
(Unit N) of Section 18, Township 24 South, Range 34 East, NMPM.

BHL: 100 feet from the North line and 1972 feet from the West line,
(Unit C) of Section 18, Township 24 South, Range 34 East, NMPM.

Completion Target: 3rd Bone Spring Formation, at approximately 16,842 feet TVD
Well Orientation: South to North
Completion Location expected to be: Standard