Case No. 20705 Order No. R-

Exhibit "A"

Applicant: <u>Marathon Oil Permian LLC</u>

Operator: <u>Marathon Oil Permian LLC (OGRID 372098)</u>

Spacing Unit: Horizontal Oil

Building Blocks: <u>quarter-quarter sections</u>
Spacing Unit Size: <u>160</u> acres, more or less

Orientation of Unit: North to South

Spacing Unit Description:

W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New

Mexico

Pooling this Vertical Extent: Bone Spring Formation

Depth Severance? (Yes/No): No

Pool: Pearl; Bone Spring, East (Pool code 49690)

Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7000 While producing: \$700 As the charge for risk, 200 percent of reasonable well costs.

Proposed Well:

Mead 32 SB State 3H, API No. Pending

SHL: 270 feet from the South line and 1372 feet from the East line, (Unit O) of Section 32, Township 19 South, Range 35 East, NMPM. BHL: 100 feet from the North line and 1980 feet from the East line, (Unit B) of Section 32, Township 19 South, Range 35 East, NMPM.

Completion Target: Second Bone Spring at approx 10,480 feet TVD.

Well Orientation: South to North

Completion Location expected to be: standard