

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Marathon Oil Permian LLC **OGRID Number:** 372098
Well Name: Frizzle Fry 15 TB Federal Com 1H; WA Federal Com 2H; WXY Federal Com 7H **API:** 30-025-45887; 30-025-45890; 30-025-45892
Pool: Red Tank; Bone Spring; WC-025 G-09 S233216K; Upr Wolfcamp; WC-025 S223203A; Lwr Wolfcamp **Pool Code:** 51683; 98166; 98258

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adrian Covarrubias

Print or Type Name

Signature

4/8/2021

Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com

e-mail Address

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. Multiple
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Frizzle Fry Federal Com
8. Well Number Multiple
9. OGRID Number 372098
10. Pool name or Wildcat Multiple

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Marathon Oil Permian LLC	
3. Address of Operator 5555 San Felipe St., Houston, TX 77056	
4. Well Location Unit Letter <u>D</u> : _____ feet from the _____ line and _____ feet from the _____ line Section <u>15</u> Township <u>22S</u> Range <u>32E</u> NMPM County <u>LEA</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input type="checkbox"/>	P AND A <input type="checkbox"/>
CLOSED-LOOP SYSTEM <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: Surface Commingle <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Marathon Oil Permian LLC request approval to commingle production on the following wells at a common central tank battery located on the Frizzle Fry Federal CTB located in the NWNW, of Sec. 15, T22S, R32E. The facility and wells are in the same lease and share the same pad. The value of the oil and gas will not be affected with the approval of this commingle request. Wells will be accurately measured with daily measurement at separation.

Frizzle Fry 15 TB Federal Com 1H; Lease# NMNM027805; NWNW Sec.15-T22S-R32E; API 30-025-45887
 Frizzle Fry 15 WA Federal Com 2H; Lease# NMNM027805; NWNW Sec.15-T22S-R32E; API 30-025-45890
 Frizzle Fry 15 WXY Federal Com 7H; Lease# NMNM027805; NWNW Sec.15-T22S-R32E; API 30-025-45892

Please see the attached Commingle proposal.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Adrian Covarrubias TITLE Regulatory Professional DATE 4/8/2021
 Type or print name Adrian Covarrubias E-mail address: acovarrubias@marathonoil.com PHONE: 713-296-3368

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____

Marathon Oil Permian, LLC is requesting to Surface Commingle the oil and gas production from the following wells:

Wells	API	Pool
Frizzle Fry 15 TB Federal Com 1H	30-025-45887	Red Tank; Bone Spring (51683)
Frizzle Fry 15 WA Federal Com 2H	30-025-45890	WC-025 G-09 S233216K; Upr Wolfcamp (98166)
Frizzle Fry 15 WXY Federal Com 7H	30-025-45892	WC-025 S223203A; Lwr Wolfcamp (98258)

Leases Involved (See attached Lease Map for details):

CA# NMNM141287

CA# NMNM141286

The commingling of this production is the most effective, economic means of producing the reserves and will not result in reduced royalty or improper measurement of production.

Flow Descriptions and Measurement:

The central tank battery is located on the Frizzle Fry Federal Com multi-well pad location in UL. D of Sec 15, T22S, R35E. The tank battery has six oil tanks, and six water tanks. The three wells have a common CDP, (Central Delivery Point) which is located on the northeast side of the site.

The production from each well will flow through its own three phase metering separator with a Coriolis Meter to meter the oil, Mag meter to meter the water, and an orifice meter to meter the gas. VRU gas will be allocated back to each well utilizing a percentage of each wells monthly oil production.

Oil production is measured on each separator via the Coriolis meter. This gives a percent of allocated oil per well. That percent is allocated off of the Pipeline LACT meter, truck LACT tickets, or hauler tickets. (Plus tank delta).

Water production is measured on each separator via the mag meter. This gives a percent of allocated water per well. That percent is allocated off of the third party salt water disposal meter and checked with the water transfer meter.

Gas production is measured on each separator via the orifice meter. If gas lift is used then we subtract that metered volume to get the net gas produced. This net volume is used to calculate a percent of allocated gas per well. That percent is allocated off of the third party gas sales meter and checked with the sales check meter.

Please see attached facility diagram for details.

Attachments:

- Identical Ownership Certification Statement
- BLM Notice
- Lease Map
- Facility Diagram
- C-102 Plats
- CA Agreements
- Oil and Gas Analysis

Jeff Broussard
Land Professional



Marathon Oil Permian LLC
5555 San Felipe Street
Houston, TX 77056
Telephone: 713.296.3159 Mobile: 409.351.2656
Fax: 713.513.4006
Jbroussard1@marathonoil.com

April 8, 2021

Mr. Michael McMillan
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, NM 87505

Re: Marathon Oil Permian LLC - Pool Commingling
Frizzle Fry 1H, 2H & 7H Wells
Section 15 & 22, T22S-R32E
Lea County, New Mexico

Mr. McMillan,

Marathon Oil Permian LLC ("Marathon") has filed the attached application with the New Mexico Oil Conservation Division ("Division") for administrative approval to pool commingle production according to the provisions of NMAC 19.15.12.10.C from the Frizzle Fry 15 TB Federal Com #001H well (API# 30-025-45887), the Frizzle Fry 15 WA Federal Com #002H well (API# 30-025-45890), and the Frizzle Fry 15 WXY Federal Com #007H well (API# 30-025-45892) located in Section 15, T22S-R32E, Lea County, New Mexico. The interest in all three wells is identical.

Should you have any questions please do not hesitate to contact me at 713-296-3159 or by email at jbroussard1@marathonoil.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Broussard', with a stylized flourish at the end.

Jeff Broussard
Land Professional
Lea County, New Mexico

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
FRIZZLE FRY F C	7H	3002545892	NMNM27805	NMNM27805	MARATHON OIL
FRIZZLE FRY F C	1H	3002545887	NMNM27805	NMNM27805	MARATHON OIL
FRIZZLE FRY F C	2H	3002545890	NMNM27805	NMNM141286	MARATHON OIL

Date Sundry Submitted: 04/08/2021

Time Sundry Submitted: 02:14

Date proposed operation will begin: 04/07/2021

Procedure Description: Marathon Oil Permian, LLC is requesting to surface commingle of oil and gas production from CA Leases listed below. Lease# Royalty Rate% CA NMNM141287 12.5% CA NMNM141286 12.5% The commingle proposal applies under 43 CFR 3173.14(a)(1)(iii). The Federal CAs proposed for commingling have the same proportion of Federal interest, and interest is subject to the same fixed royalty rate and revenue distribution. The CAA will not negatively affect the royalty revenue of the federal government Please see attached for details.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

BLM_Commingling_Package___Frizzle_Fry_1H_2H_7H_20210408141340.pdf

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
FRIZZLE FRY F C	7H	3002545892	NMNM27805	NMNM27805	MARATHON OIL
FRIZZLE FRY F C	1H	3002545887	NMNM27805	NMNM27805	MARATHON OIL
FRIZZLE FRY F C	2H	3002545890	NMNM27805	NMNM141286	MARATHON OIL

or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: COVARRUBIAS

Signed on: APR 08, 2021 02:13 PM

Name: MARATHON OIL PERMIAN LLC

Title: regulatory Compliance Representative

Street Address: 5555 SAN FELIPE ST.

City: HOUSTON

State: TX

Phone: (713) 296-3368

Email address: acovarrubias@marathonoil.com

Field Representative

Representative Name:

Street Address:

City:

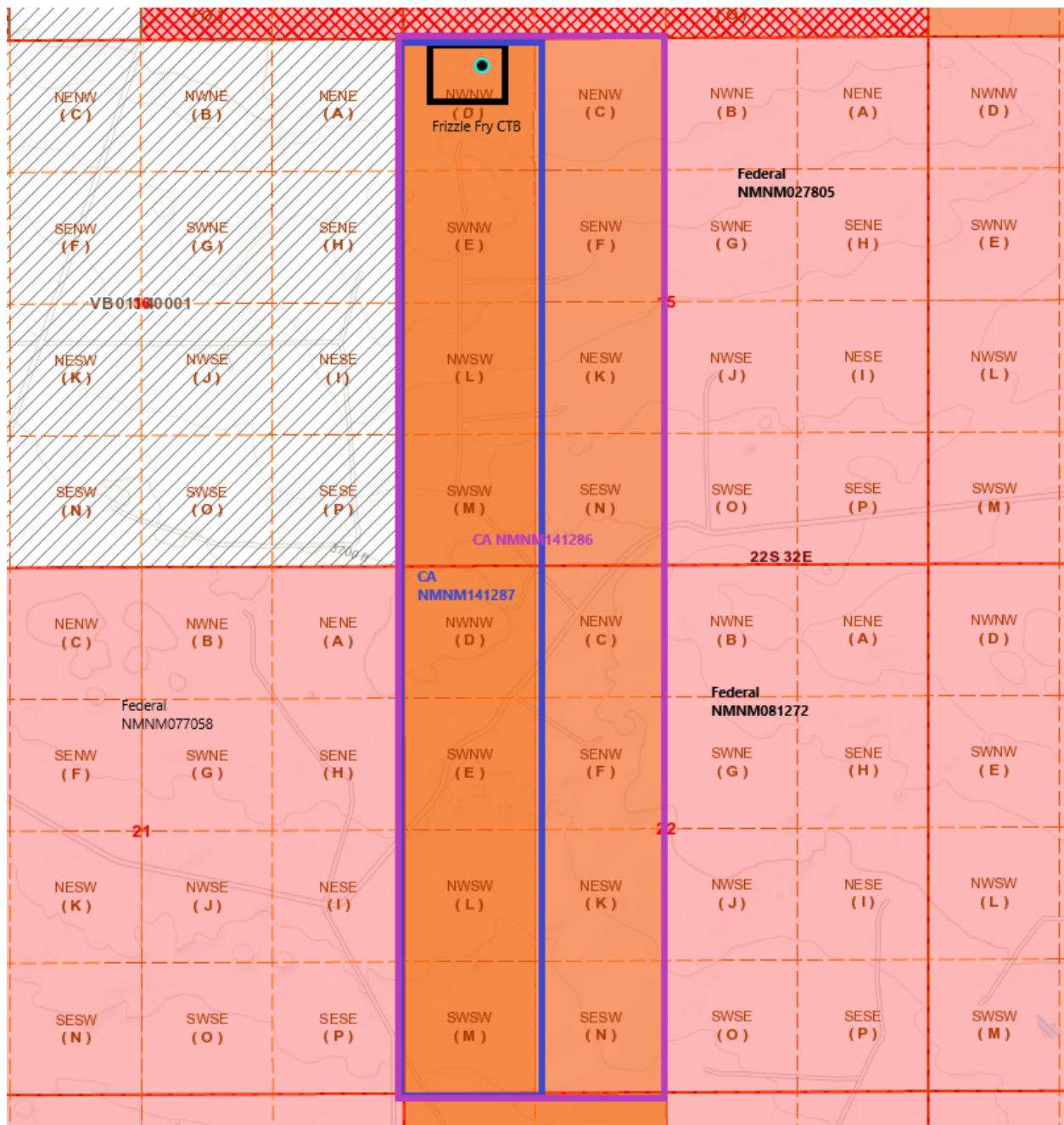
State:

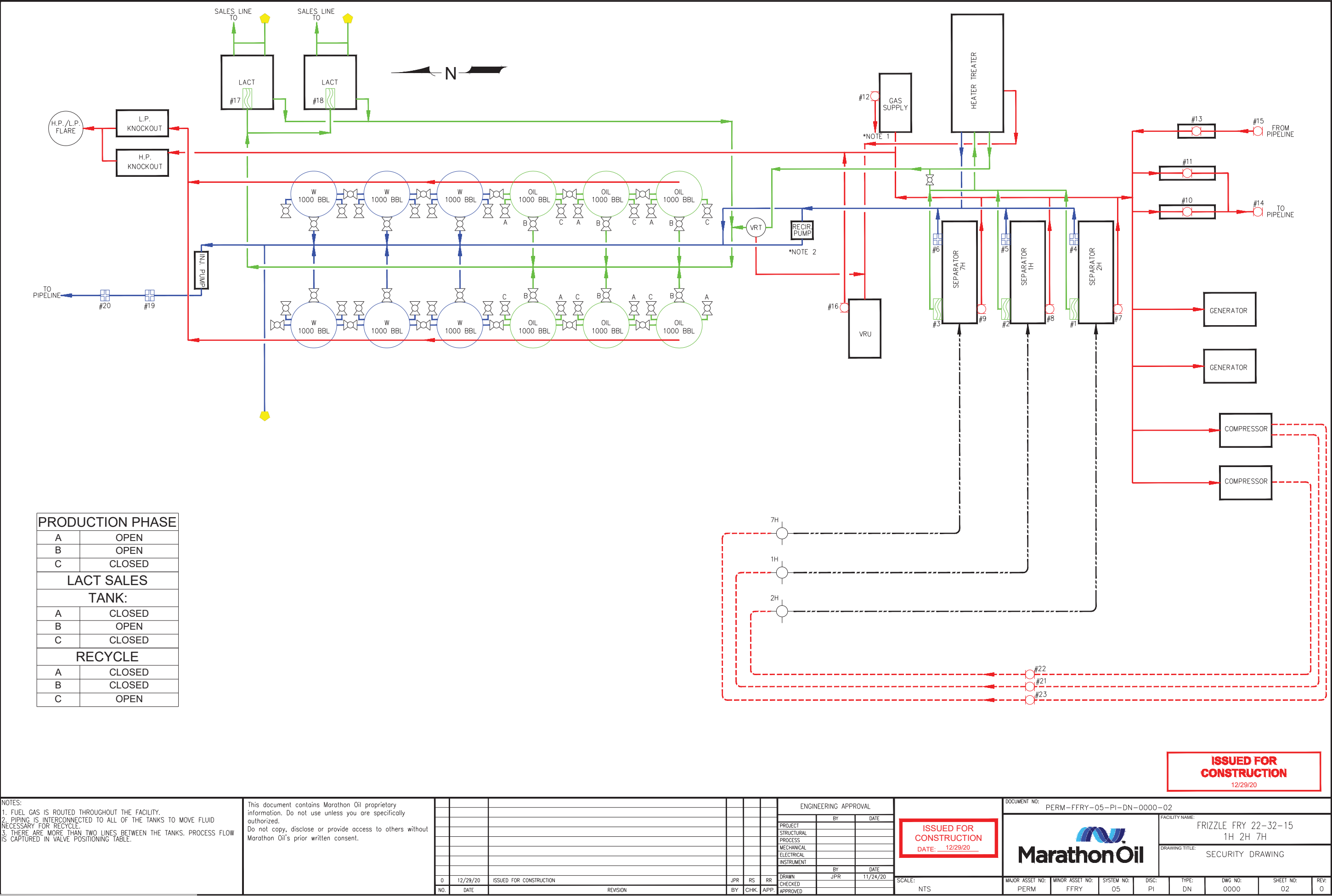
Zip:

Phone:

Email address:

Lease Map:





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
As-Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45887	² Pool Code 51683	³ Pool Name RED TANK (BONE SPRING)
⁴ Property Code 325471	Property Name FRIZZLE FRY 15 TB FEDERAL COM	
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁶ Well Number 1H ⁹ Elevation 3791'

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
D	15	22S	32E		273	NORTH	792	WEST	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
M	22	22S	32E		101	SOUTH	993	WEST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320.00			

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

<p>¹⁶</p> <p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 745721.08' / Y: 509499.99' B - X: 747042.38' / Y: 509515.12' C - X: 747112.98' / Y: 498952.52' D - X: 745791.02' / Y: 498936.67'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 704538.75' / Y: 509439.40' B - X: 705860.05' / Y: 509454.53' C - X: 705930.36' / Y: 498892.22' D - X: 704608.41' / Y: 498876.37'</p> <p>SURFACE HOLE LOCATION 273' FNL 792' FWL SECTION 15 NAD 83, SPCS NM EAST X: 746514.43' / Y: 509236.09' LAT: 32.39820492N / LON: 103.66856407W NAD 27, SPCS NM EAST X: 705332.09' / Y: 509175.51' LAT: 32.39808202N / LON: 103.66807661W</p> <p>KICK OFF POINT 11,341' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 746725.46' / Y: 509350.89' LAT: 32.39851685N / LON: 103.66787806W NAD 27, SPCS NM EAST X: 705543.12' / Y: 509290.30' LAT: 32.39839394N / LON: 103.66739060W</p> <p>FIRST TAKE POINT 7,114' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 746717.96' / Y: 509411.40' LAT: 32.39868328N / LON: 103.66790114W NAD 27, SPCS NM EAST X: 705535.62' / Y: 509350.81' LAT: 32.39856039N / LON: 103.66741367W</p> <p>LAST TAKE POINT/BOTTOM HOLE LOCATION 21,990' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X: 746782.31' / Y: 499048.57' LAT: 32.37019838N / LON: 103.66790151W NAD 27, SPCS NM EAST X: 705599.70' / Y: 498988.27' LAT: 32.37007537N / LON: 103.66741509W</p> <p>CROSSING DEPTHS CROSSING #1 MEASURED DEPTH = 11,715' CROSSING #2 MEASURED DEPTH = 15,069' CROSSING #3 MEASURED DEPTH = 15,484' CROSSING #4 MEASURED DEPTH = 16,900' CROSSING #5 MEASURED DEPTH = 17,908' CROSSING #6 MEASURED DEPTH = 18,742' CROSSING #7 MEASURED DEPTH = 20,045' CROSSING #8 MEASURED DEPTH = 20,403' CROSSING #9 MEASURED DEPTH = 21,000' CROSSING #10 MEASURED DEPTH = 21,438'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature: <i>Adrian Covarrubias</i> Date: 2/5/2020</p> <p>Printed Name: Adrian Covarrubias</p> <p>E-mail Address:</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R-Squared Global. DECEMBER 18, 2019</p> <p>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: <i>Lloyd P. Short</i></p> <p>Certificate Number: LLOYD P. SHORT 21653</p>

DISTANCES/AREAS RELATIVE TO NAD83 COMBINED SCALE FACTOR: 0.999957308
CONVERGENCE: 00°21'22.36285"; NOTE: ALL DIMENSIONS IN U.S. FEET

1	12/18/2019	DEF
REV.	DATE	BY

SHEET 1 OF 1
R3833_001

Page 10 of 98
Received by OCD: 4/8/2021 2:36:43 PM
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1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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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
As-Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45890		² Pool Code 98166		³ Pool Name WC-025 G-09 S233216K; UPR WOLFCAMP					
⁴ Property Code 325473		Property Name FRIZZLE FRY 15 WA FEDERAL COM			⁶ Well Number 2H				
⁷ OGRID No. 372098		⁸ Operator Name MARATHON OIL PERMIAN LLC			⁹ Elevation 3790'				
¹⁰ Surface Location									
UL or lot no. D	Section 15	Township 22S	Range 32E	Lot Idn	Feet from the 273	North/South line NORTH	Feet from the 762	East/West line WEST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 22	Township 22S	Range 32E	Lot Idn	Feet from the 101	North/South line SOUTH	Feet from the 333	East/West line WEST	County LEA
¹² Dedicated Acres 640.0		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

¹⁶ 		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 2/5/2020 Date Adrian Covarrubias Printed Name E-mail Address	
¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R-Squared Global. DECEMBER 18, 2019 Signature and Seal of Professional Surveyor LLOYD P. SHORT 21653 Certificate Number			

DISTANCES/AREAS RELATIVE TO NAD83 COMBINED SCALE FACTOR: 0.999957308
CONVERGENCE: 00°21'22.36285\"/>

1	12/18/2019	DEF
REV.	DATE	BY

SHEET 1 OF 1
R3833_002

Page 11 of 98
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-45892	² Pool Code 98258	³ Pool Name WC-025 S223203A; LWR WOLFCAMP
⁴ Property Code 325474	Property Name FRIZZLE FRY 15 WXY FEDERAL COM	⁶ Well Number 7H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 3791'

¹⁰ Surface Location

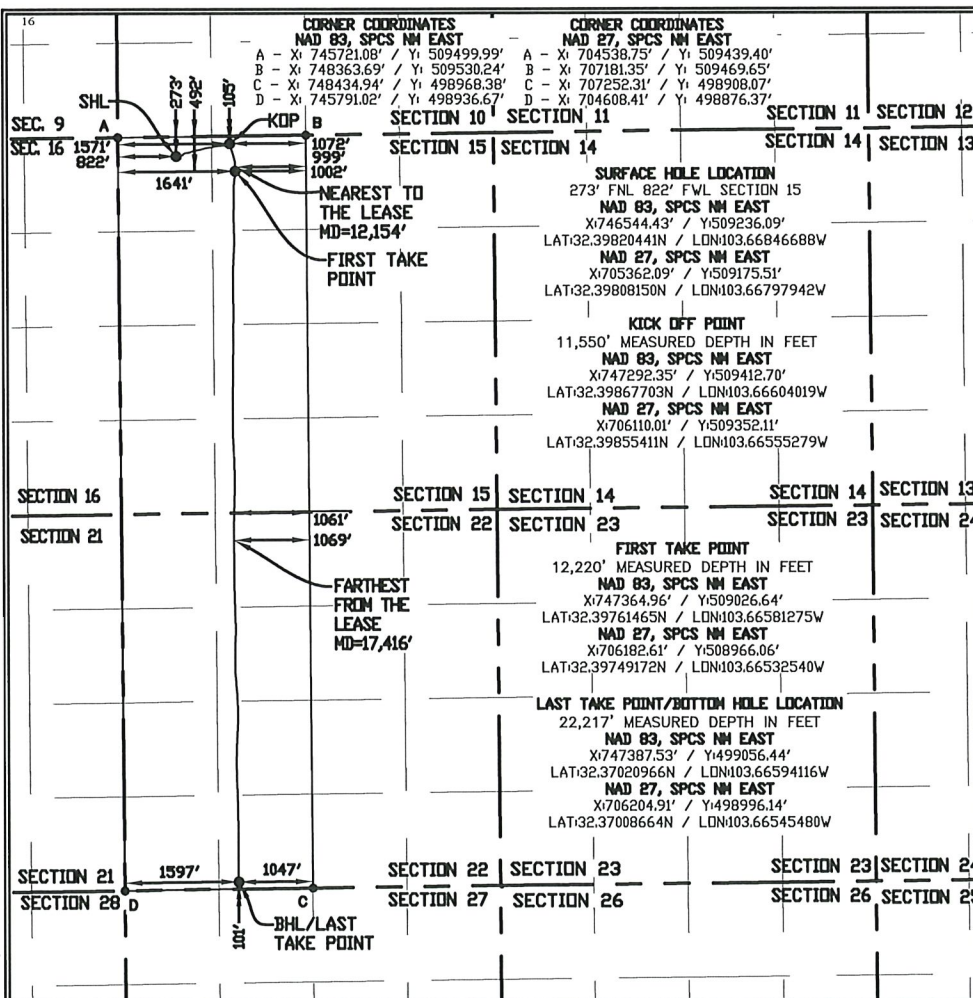
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	22S	32E		273	NORTH	822	WEST	LEA

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
N	22	22S	32E		101	SOUTH	1597	WEST	LEA

¹² Dedicated Acres 640.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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: *Adrian Covarrubias* Date: 2/5/2020

Printed Name: Adrian Covarrubias

E-mail Address

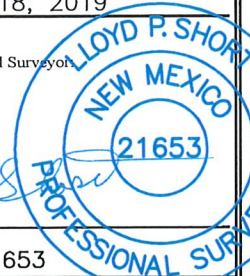
¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R-Squared Global. DECEMBER 18, 2019

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number
LLOYD P. SHORT 21653



DISTANCES/AREAS RELATIVE TO NAD83 COMBINED SCALE FACTOR: 0.999957308
CONVERGENCE: 00°21'22.36285"; NOTE: ALL DIMENSIONS IN U.S. FEET

1	12/18/2019	DEF
REV.	DATE	BY

SHEET 1 OF 1
R3833_002



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:

MAR 10 2021

NMNM141287
3105.2 (NM920)

Reference:
Communitization Agreement
Frizzle Fry 15 TB FED COM 1H
Section 15: W2W2
Section 22: W2W2
T. 22 S., R. 32 E., N.M.P.M.
Lea County, NM

Marathon Oil Permian LLC
Attn: Travis Prewett
5555 San Felipe
Houston, TX 77056

Mr. Prewett:

Enclosed is an approved copy of Communitization Agreement NMNM141287 involving 160 acres of Federal land in lease NMNM027805 and 160 acres of Federal land in lease NMNM077058, , Lea County, New Mexico, which comprise a 320 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W2W2 of Sec. 15 and the W2W2 of Sec. 22, T. 22 S., R. 32 E., NMPM, Lea County, NM, and is effective October 23, 2019. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

INTERIOR REGION 5 · MISSOURI BASIN
Kansas, Most of Montana, North Dakota,
Nebraska, South Dakota

INTERIOR REGION 6 · ARKANSAS-
RIO GRANDE-TEXAS GULF
Oklahoma, Texas

INTERIOR REGION 7 · UPPER
COLORADO BASIN
Colorado, New Mexico, Utah, Wyoming

2

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sheila Mallory".

Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

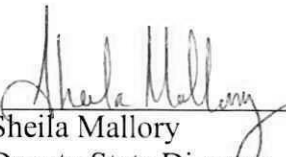
Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the W2W2 of sec. 15 and the W2W2 of sec. 22, T. 22 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

MAR 10 2021


Sheila Mallory
Deputy State Director
Division of Minerals

Effective: October 23, 2019

Contract No.: Com. Agr. NMNM141287

Travis Prewett
Senior Land Professional



Marathon Oil Permian, LLC
5555 San Felipe Street
Houston, Texas 77056
Telephone: (713) 296 - 3696
THPrewett@marathonoil.com

BLM-NMSO
JAN:8:2020 12:47:52
RECEIVED

January 3, 2020

Bureau of Land Management
Land Law Examiner – Lauren Leib
New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508

NM NM
141287



Re: Communitization Agreements
Frizzle Fry Federal well
Section 15 and 22, T22S-R32E
Lea County, New Mexico

3002545827

Dear Lauren:

Please find enclosed six (6) executed Federal Communitization Agreements, three (3) for the Wolfcamp Formation and three (3) for the Bone Spring formation, that need to be filed on behalf of Marathon Oil Permian, LLC.

In addition, a copy of the Order of the Division, Order Nos. R-20697 (Amended R-20762) and R-20695 (Amended R-20761), has been attached to each respective copy of the Communitization Agreements in place of the signatures of Working Interest Owners included in the communitized area.

Once the filing process is complete, please mail a copy back to:

Marathon Oil Permian LLC
Attn: Travis Prewett
5555 San Felipe
Houston, TX 77056

Should you have any questions or need additional information, please do not hesitate to contact me at the above listed number or THPrewett@marathonoil.com

Sincerely,

A handwritten signature of Travis Prewett in dark ink.

Travis Prewett
Land Professional – Permian Asset

District I
1025 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 Arriba 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

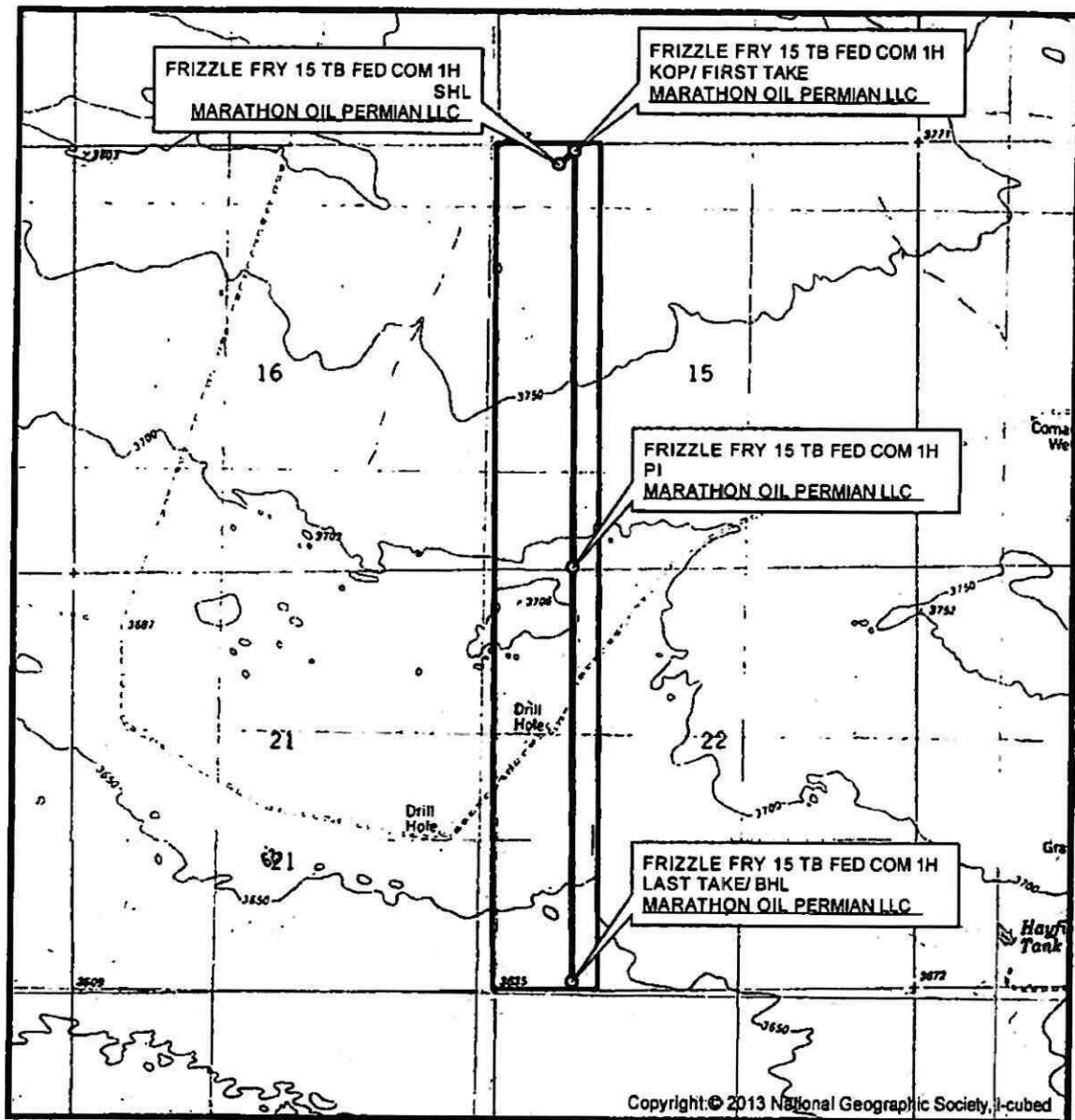
1 API Number 30-025-45887		2 Pool Code 51683		3 Pool Name RED TANK (BONE SPRING)	
4 Property Code 325471		5 Property Name FRIZZLE FRY 15 TB FED COM		6 Well Number 1H	
7 OGRID No. 372098		8 Operator Name MARATHON OIL PERMIAN LLC		9 Elevation 3791'	
10 Surface Location					
UL or lot no. D	Section 15	Township 22S	Range 32E	Lot Idn 273	Feet from the North/South line NORTH
				Feet from the East/West line 792	County WEST
11 Bottom Hole Location If Different From Surface					
UL or lot no. M	Section 22	Township 22S	Range 32E	Lot Idn 100	Feet from the North/South line SOUTH
				Feet from the East/West line 992	County WEST
12 Dedicated Acres 320.0		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

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.

Defining Well SEC. 9 991' 991' 792' SHL 273' 100' 100' SEC. 10 330' 330' KOP/ FIRST TAKE SEC. 11 SEC. 12 SEC. 13 SEC. 14 SEC. 15 SEC. 16 SEC. 21 SEC. 22 SEC. 23 SEC. 24 SEC. 25 SEC. 26 SEC. 27 SEC. 28 992' 330' C 100' SHEET 1 OF 3 JOB No. R3633_001 REV 3 JCS 6/8/2019		CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 745721.08' / Y: 509499.99' B - X: 747042.38' / Y: 509515.12' C - X: 747112.98' / Y: 498952.52' D - X: 745791.02' / Y: 498936.67'	CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 704538.75' / Y: 509439.40' B - X: 705860.05' / Y: 509454.53' C - X: 705930.38' / Y: 498892.22' D - X: 704608.41' / Y: 498876.37'	" 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 surface mineral interest in the land including the proposed bottom hole location or has a right to drill this well in this location pursuant to a contract with an owner of such a mineral or working interest, or a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Jennifer Van Curen</i> Date: 6/12/19 JENNIFER VAN CUREN Printed Name E-mail Address:
SURFACE HOLE LOCATION 273' FNL 792' FWL, SECTION 15 NAD 83, SPCS NM EAST X: 746514.43' / Y: 509236.08' LAT: 32.39820492N / LON: 103.68858407W NAD 27, SPCS NM EAST X: 705332.09' / Y: 509175.51' LAT: 32.39808202N / LON: 103.68807661W		KICK OFF POINT 100' FNL 991' FWL, SECTION 15 NAD 83, SPCS NM EAST X: 746713.08' / Y: 509411.34' LAT: 32.39868321N / LON: 103.68791701W NAD 27, SPCS NM EAST X: 705530.72' / Y: 509350.75' LAT: 32.39858031N / LON: 103.68742955W	"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: JUNE 10, 2019 Signature and Seal of Professional Surveyor: LLOYD P. SHORT 21653 Certificate Number: LLOYD P. SHORT 21653	
FIRST TAKE POINT 100' FNL 991' FWL, SECTION 15 NAD 83, SPCS NM EAST X: 746713.08' / Y: 509411.34' LAT: 32.39868321N / LON: 103.68791701W NAD 27, SPCS NM EAST X: 705530.72' / Y: 509350.75' LAT: 32.39858031N / LON: 103.68742955W		LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FSL 992' FWL, SECTION 22 NAD 83, SPCS NM EAST X: 746782.31' / Y: 4989048.57' LAT: 32.37018838N / LON: 103.68780151W NAD 27, SPCS NM EAST X: 705599.89' / Y: 498988.28' LAT: 32.37007538N / LON: 103.68741510W		

Distances/areas relative to NAD 83 Combined Scale Factor: 0.999957308 Convergence: 00°21'22.36285"

LOCATION VERIFICATION MAP



SEC. 15 TWP. 22-S RGE. 32-E
 SURVEY: N.M.P.M.
 COUNTY: LEA
 OPERATOR: MARATHON OIL PERMIAN LLC
 DESCRIPTION: 273' FNL & 792' FWL
 ELEVATION: 3791'
 LEASE: FRIZZLE FRY 15 FED COM
 U.S.G.S. TOPOGRAPHIC MAP: THE DIVIDE, NM.

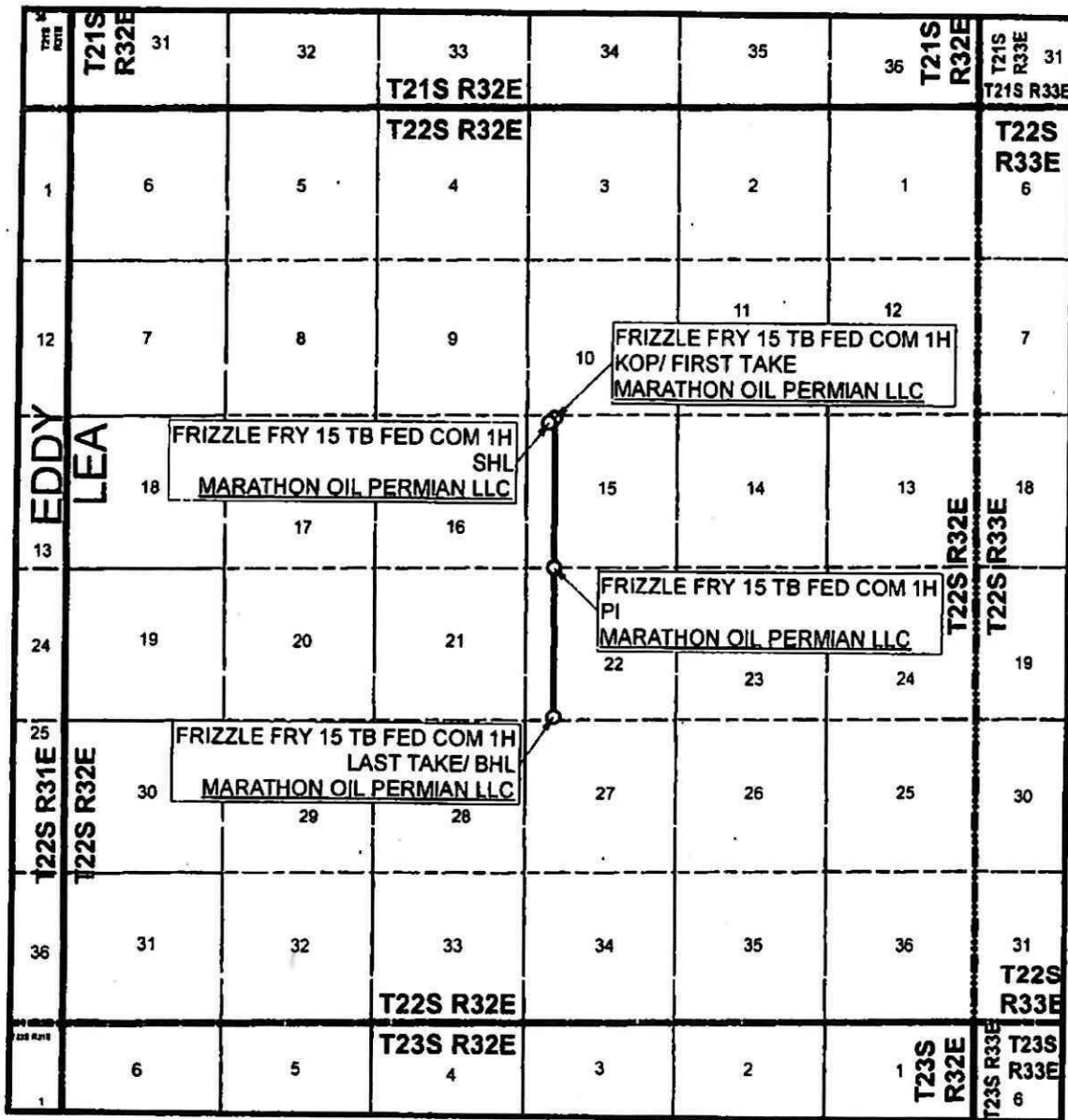
1" = 2,000'
 CONTOUR INTERVAL = 10'



SHEET 2 OF 3

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6900 OFFICE
 JOB No. R3833_001

VICINITY MAP



SEC. 15 TWP. 22-S RGE. 32-E

SURVEY: N.M.P.M.

COUNTY: LEA

OPERATOR: MARATHON OIL PERMIAN LLC

DESCRIPTION: 273' FNL & 792' FWL

ELEVATION: 3791'

LEASE: FRIZZLE FRY 15 FED COM

U.S.G.S. TOPOGRAPHIC MAP: THE DIVIDE, NM.

1" = 1 MILE



SHEET 3 OF 3

PREPARED BY:
R-SQUARED GLOBAL, LLC
1309 LOUISVILLE AVENUE, MONROE, LA 71201
318-323-8900 OFFICE
JOB No. R3833_001

Federal Communitization AgreementContract No. NM NM 141287

THIS AGREEMENT, entered into as of the 23rd of October 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico:
Section 15: W/2 W/2
Section 22: W/2 W/2

Containing 320.00 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons or oil hereinafter referred to as "communitized substances," producible from such formation.

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 5555 San Felipe St., Houston, TX, 77056. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the

communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding-or-step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person

or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is October 23, 2019 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

OPERATOR/WORKING INTEREST OWNER

I, the undersigned, hereby certify, on behalf of **Marathon Oil Permian LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

10/23/19
Date

By: Matthew D. Brown
Matthew D. Brown, Attorney-in-fact

ACKNOWLEDGEMENT

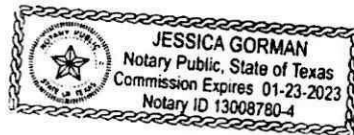
STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

On this 23rd day of October, 2019, before me, a Notary Public for the State of Texas, personally appeared Matthew D. Brown, known to me to be the Attorney-in-fact for **Marathon Oil Permian LLC**, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

1/23/2023
My Commission Expires

Jessica Gorman
Notary Public



LESSEE OF RECORD

12/12/2019
Date

^{BJ}
By: Edwin S. Ryan, Jr.
Name: Edwin S Ryan, Jr.
Title: Agent and Attorney-in-Fact

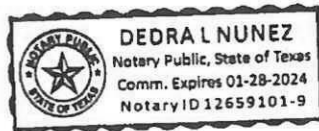
ACKNOWLEDGEMENT

STATE OF TEXAS)

COUNTY OF Harris ss.

On this 12th day of December, 2019, before me, a Notary Public for the State of Texas, personally appeared Edwin S Ryan, Jr. known to me to be Agent and Attorney-in-Fact of **XTO Holdings LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



1/28/24

My Commission Expires

Dedra L Nunez
Notary Public

WORKING INTEREST OWNER

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

) ss.

COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public for the State of Texas,
personally appeared _____, known to me to be _____
for **EOG Resources, Inc.**, the corporation that executed the foregoing instrument and
acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Date _____

By: _____

Name: _____

Title: _____

STATE OF TEXAS)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public for the State of Texas, personally appeared _____, known to me to be _____ for **Andes Energy, LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

WORKING INTEREST OWNER

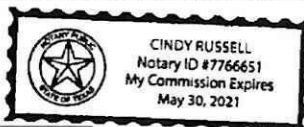
11/21/19
DateBy: Ben Kinney
Name: Benjamin K. Kinney,
V.P., Tillex Co., L.L.C.
Title: Managing Partner

ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF Harris) ss.

On this 21 day of November, 2019, before me, a Notary Public for the State of Texas, personally appeared Ben Kinney, known to me to be V.P. for Roden Associates, Ltd., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

5:30:21
My Commission ExpiresCindy Russell
Notary Public

WORKING INTEREST OWNER

11/21/19
DateBy: *Benjamin K. Kinney*
Name: Benjamin K. Kinney,
V.P., Tiltex Co., L.L.C.
Title: Managing Partner

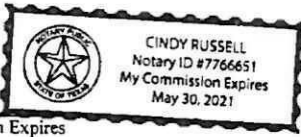
ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF Harris) ss.

On this 21 day of November, 2019, before me, a Notary Public for the State of Texas,
personally appeared Ben Kinney, known to me to be V.P.
for Roden Participants, Ltd., the corporation that executed the foregoing instrument and
acknowledged to me such corporation executed the same.

(SEAL)

5-30-21
My Commission Expires

*Cindy Russell*
Notary Public

WORKING INTEREST OWNER**WARWICK-ARTEMIS, LLC**

Date _____

By: _____

Name: Michael BrownTitle: General Counsel**ACKNOWLEDGEMENT**STATE OF OKLAHOMA
TEXAS)

) ss.

COUNTY OF OKLAHOMA

Warwick-Artemis, LLC

Oklahoma

On this ____ day of _____, 2019, before me, a Notary Public for the State of ~~Texas~~, personally appeared Michael Brown, known to me to be General Counsel for ~~Warwick Energy Group~~, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

11/30/21
My Commission Expires

Lauren Blanchard
Notary Public


WORKING INTEREST OWNER

10-29-19

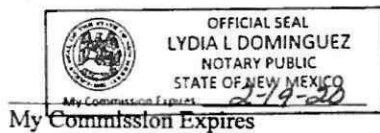
Date

By: Betty R. YoungName: Betty R. Young *me*Title: Executive VP**ACKNOWLEDGEMENT**

STATE OF New Mexico)
) ss.
 COUNTY OF Chaves)

On this 29th day of October, 2019, before me, a Notary Public for the State of ~~TEXAS~~ ^{New Mexico},
 personally appeared Betty R. Young, known to me to be Executive VP
 for **Read & Stevens, Inc.**, the corporation that executed the foregoing instrument and
 acknowledged to me such corporation executed the same.

(SEAL)



Lydia L. Dominguez
 Notary Public

WORKING INTEREST OWNER

10/29/19
Date

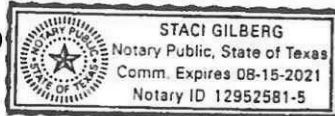
By: W.A. Hudson, II
Name: W. A. Hudson, II
Title: M&P

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF Tarrant)

On this 29th day of October, 2019, before me, a Notary Public for the State of Texas, personally appeared W.A. Hudson, II, known to me to be Managing Partner for Zorro Partners, Ltd., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



8-15-21
My Commission Expires

Staci Gilberg
Notary Public

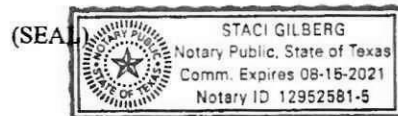
WORKING INTEREST OWNER

Date 10/31/19By: [Signature]
Name: E. Randall Hudson III
Title: MP

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF Tarrant)

On this 31st day of October, 2019, before me, a Notary Public for the State of Texas, personally appeared E. Randall Hudson III, known to me to be Managing Partner for Javelina Partners, LP, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

8-15-21
My Commission Expires[Signature]
Notary Public

WORKING INTEREST OWNER

11.12.19
Date

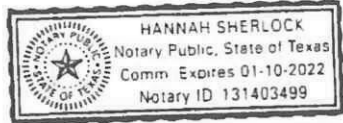
By: [Signature]
Name: Miles McPherran
Title: manager

ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF midland) ss.

On this 12th day of November, 2019, before me, a Notary Public for the State of Texas, personally appeared Miles McPherran, known to me to be as manager for MCM Permian, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



1.10.22
My Commission Expires

[Signature]
Notary Public

Date _____

By: _____

Name: _____

Title: _____

STATE OF TEXAS)
) ss.
COUNTY OF _____)

(SEAL)

Notary Public

WORKING INTEREST OWNER

Date

By: _____
Francis Hill Hudson
Trustee of Lindy's Living Trust

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public for the State of Texas, personally appeared Francis Hill Hudson, known to me to be Trustee of **Lindy's Living Trust u/t/a July 8, 1994**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Date _____

By: _____

Name: _____

Title: _____

STATE OF TEXAS)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public for the State of Texas, personally appeared _____, known to me to be _____ for **WPX Energy Permian, LLC on behalf of RKI Exploration & Production LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

EXHIBIT "A"

Attached to the Communitization Agreement dated October 23, 2019.

Plat of communitized area covering 320 acres in Township 22 South, Range 32 East, N.M.P.M.,
Lea County, New Mexico
Section 15: W/2 W/2
Section 22: W/2 W/2

WELL NAME/ NO.

- Frizzle Fry 15 TB Fed Com 1H

Communitized Area
W/2 W/2 Section 15
&
W/2 W/2 Section 22
T22S-R32E – 320 acres

Tract 1A
W/2 NW
Section 15

BLM Lease NMNM 027805
80 acres

Tract 1B
NW/SW
Section 15

NMNM 027805
40 acres

Tract 1C
SW/SW
Section 15

NMNM 027805
40 acres

Tract 2
W/2 W/2
Section 22

BLM Lease NMNM 077058
160 acres

EXHIBIT "B"

Attached to the Communitization Agreement dated October 23, 2019 embracing the W/2 W/2 of Section 15 and the W/2 W/2 of Section 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

OPERATOR OF COMMUNITIZED AREA:

Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED**Tract No. 1A**

Lease Serial No.:	NMNM 027805																						
Lessor:	Bureau of Land Management																						
Name of Lessee of Record:	XTO Holdings, LLC																						
Description of Land Committed:	<u>Township 22 South, Range 32 East, N.M.P.M.</u> Section 15: W/2 NW Lea County, New Mexico																						
Number of Acres:	80.00																						
Name of Working Interest Owners:	<table border="0"> <tr> <td>Marathon Oil Permian LLC.....</td> <td>57.69293%</td> </tr> <tr> <td>HighPoint Operating Corporation.....</td> <td>17.18750%</td> </tr> <tr> <td>Warwick Energy Group.....</td> <td>12.50000%</td> </tr> <tr> <td>EOG Resources Inc.....</td> <td>4.807070%</td> </tr> <tr> <td>Read & Stevens, Inc.</td> <td>3.125000%</td> </tr> <tr> <td>MCM Permian, LLC</td> <td>1.171875%</td> </tr> <tr> <td>Francis Hill Hudson, Trustee of Lindy's Living Trust...1.171875%</td> <td></td> </tr> <tr> <td>Andes Energy, LLC.....</td> <td>0.781255%</td> </tr> <tr> <td>Zorro Partners, Ltd.....</td> <td>0.781247%</td> </tr> <tr> <td>Javelina Partners</td> <td>0.781248%</td> </tr> <tr> <td></td> <td><u>100.000000%</u></td> </tr> </table>	Marathon Oil Permian LLC.....	57.69293%	HighPoint Operating Corporation.....	17.18750%	Warwick Energy Group.....	12.50000%	EOG Resources Inc.....	4.807070%	Read & Stevens, Inc.	3.125000%	MCM Permian, LLC	1.171875%	Francis Hill Hudson, Trustee of Lindy's Living Trust...1.171875%		Andes Energy, LLC.....	0.781255%	Zorro Partners, Ltd.....	0.781247%	Javelina Partners	0.781248%		<u>100.000000%</u>
Marathon Oil Permian LLC.....	57.69293%																						
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Zorro Partners, Ltd.....	0.781247%																						
Javelina Partners	0.781248%																						
	<u>100.000000%</u>																						
Name of ORRI Owners:	<table border="0"> <tr> <td>Henry Mazorow.....</td> <td>1.500000%</td> </tr> <tr> <td>Dennis Susaeta.....</td> <td>0.875000%</td> </tr> <tr> <td>Wendy Susaeta.....</td> <td>0.875000%</td> </tr> <tr> <td>Howard L. Mathie.....</td> <td>1.000000%</td> </tr> <tr> <td>States Royalty Limited Partnership.....</td> <td>0.250000%</td> </tr> <tr> <td>Alan Jochimsen.....</td> <td>0.250000%</td> </tr> <tr> <td>Monthy D. McLane.....</td> <td>0.250000%</td> </tr> <tr> <td>XTO Holdings, LLC.....</td> <td>3.634655%</td> </tr> </table>	Henry Mazorow.....	1.500000%	Dennis Susaeta.....	0.875000%	Wendy Susaeta.....	0.875000%	Howard L. Mathie.....	1.000000%	States Royalty Limited Partnership.....	0.250000%	Alan Jochimsen.....	0.250000%	Monthy D. McLane.....	0.250000%	XTO Holdings, LLC.....	3.634655%						
Henry Mazorow.....	1.500000%																						
Dennis Susaeta.....	0.875000%																						
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Howard L. Mathie.....	1.000000%																						
States Royalty Limited Partnership.....	0.250000%																						
Alan Jochimsen.....	0.250000%																						
Monthy D. McLane.....	0.250000%																						
XTO Holdings, LLC.....	3.634655%																						

Tract No. 1B

Lease Serial No.: NMNM 027805

Lessor: Bureau of Land Management

Name of Lessee of Record: XTO Holdings, LLC

Description of Land Committed: **Township 22 South, Range 32 East, N.M.P.M.**
 Section 15: NW/SW
 Lea County, New Mexico

Number of Acres: 40.00

Name of Working Interest Owners:

Marathon Oil Permian LLC.....	38.993752%
RKI Exploration & Production, LLC.....	34.324178%
HighPoint Operating Corporation.....	17.187500%
EOG Resources Inc.....	4.086009%
MCM Permian LLC	1.171875%
Francis Hill Hudson, Trustee of Lindy's Living Trust..	1.171875%
Andes Energy, LLC.....	0.781255%
Zorro Partners, Ltd.....	0.781247%
Javelina Partners	0.781248%
Roden Participants, Ltd.....	0.600884%
Roden Associates, Ltd.....	0.120177%
	100.000000%

Name of ORRI Owners:

Michael S. Richardson.....	0.250000%
Dennis Susaeta.....	0.875000%
Wendy Susaeta.....	0.875000%
Howard L. Mathie.....	1.000000%
States Royalty Limited Partnership.....	0.250000%
Alan Jochimsen.....	0.250000%
Monthy D. McLane.....	0.250000%
Susan S. Murphy, Trustee of Susan S. Murphy Trust.....	2.170452%
Mark B. Murphy, Trustee of Mark B. Murphy Irr Trust...	2.170452%
Frank S. Morgan and Robin L. Morgan.....	1.160067%
Hutchings Oil Company.....	0.374214%
Colony Resources, Inc.	0.353743%
Unknown successor of B&B Oil Ventures, Inc..	1.518953%
Strata Production Company.....	1.028756%
Peter Balog, Trustee of Balog Family Trust.....	0.026425%
Bane Bigbie and Melanie Bigbie.....	0.026425%
Duane Brown and wife, Pilar Vaile.....	0.050735%
Wade P. Carrigan and Beth Carrigan.....	0.046030%
James K. Lusk and Martha L. Lusk Trust.....	0.013212%
Scott-Winn LLC.....	0.026425%
Winn Investments, Inc.	0.101470%
Drusilla Cieszinski, Trustee of J.E. Cieszinski Trust...	0.025367%
Sealy Hutchings Cavin, Inc.	0.052850%
Warwick Energy Group.....	0.937500%
Westway Petro, Texas JV.....	0.234375%

Tract No. 1C

Lease Serial No.: NMNM 027805

Lessor: Bureau of Land Management

Name of Lessee of Record: XTO Holdings, LLC

Description of Land Committed: **Township 22 South, Range 32 East, N.M.P.M.**
 Section 15: SW/SW
 Lea County, New Mexico

Number of Acres: 40.00

Name of Working Interest Owners:

Marathon Oil Permian LLC.....	73.317930%
HighPoint Operating Corporation.....	17.187500%
EOG Resources Inc.....	4.086009%
MCM Permian LLC	1.171875%
Francis Hill Hudson, Trustee of Lindy's Living Trust..	1.171875%
Andes Energy, LLC.....	0.781255%
Zorro Partners, Ltd.....	0.781247%
Javelina Partners	0.781248%
Roden Participants, Ltd.....	0.600884%
Roden Associates, Ltd.....	0.120177%
	100.000000%

Name of ORRI Owners:

Michael S. Richardson.....	0.250000%
Dennis Susaeta.....	0.875000%
Wendy Susaeta.....	0.875000%
Howard L. Mathie.....	1.000000%
States Royalty Limited Partnership.....	0.250000%
Alan Jochimsen.....	0.250000%
Monthy D. McLane.....	0.250000%
Susan S. Murphy, Trustee of Susan S. Murphy Trust.....	0.853830%
Mark B. Murphy, Trustee of Mark B. Murphy Irr Trust...	0.853830%
Frank S. Morgan and Robin L. Morgan.....	0.456356%
Hutchings Oil Company.....	0.147211%
Colony Resources, Inc.	0.353743%
Strata Production Company.....	2.860025%
Peter Balog, Trustee of Balog Family Trust.....	0.046599%
Bane Bigbie and Melanie Bigbie.....	0.046599%
Duane Brown and wife, Pilar Vaile.....	0.089469%
Wade P. Carrigan and Beth Carrigan.....	0.081172%
James K. Lusk and Martha L. Lusk Trust.....	0.023299%
Scott-Winn LLC	0.046599%
Winn Investments, Inc.	0.178938%
Drusilla Cieszinski, Trustee of J.E. Cieszinski Trust...	0.044734%
Sealy Hutchings Cavin, Inc.	0.093198%
Warwick Energy Group.....	0.937500%
Westway Petro, Texas JV.....	0.234375%

Tract No. 2

Lease Serial No.: NMNM 077058
Lessor: Bureau of Land Management
Name of Lessee of Record: XTO Holdings, LLC
Description of Land Committed: **Township 22 South, Range 32 East, N.M.P.M.**
Section 22: W/2 W/2
Lea County, New Mexico
Number of Acres: 160.00
Name of Working Interest Owners: Marathon Oil Permian LLC.....100.000000%
Name of ORRI Owners: XTO Holdings, LLC.....10.305255%

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No. 1A	<u>80.00</u>	<u>25.0000%</u>
Tract No. 1B	<u>40.00</u>	<u>12.5000%</u>
Tract No. 1C	<u>40.00</u>	<u>12.5000%</u>
Tract No. 2	<u>160.00</u>	<u>50.0000%</u>
Total	320.00	100.0000%

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

**CASE NO. 20055
ORDER NO. R-20761
(Nunc Pro Tunc to Order No. R-20695)**

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

ORDER OF THE DIVISION

BY THE DIVISION:

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

On July 12, 2019, the Division Director issued Order No. R-20695 in this case.

NOW, on this 8th day of August, 2019, the Division Director

FINDS THAT:

(1) Exhibit A attached to Order No. R-20695 contains a clerical error, in that the bottom hole location within the legal description of the proposed well was inadvertently stated incorrectly.

IT IS THEREFORE ORDERED THAT:

(1) Exhibit A's description of the Frizzle Fry Federal Com 223215 TB Well No. 1H issued in Case No. 20055 on July 12, 2019, is hereby amended, *nunc pro tunc*, effective as of the date of this order, with the following correction:

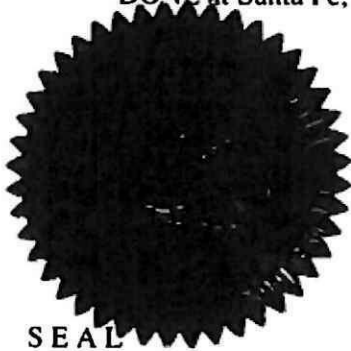
"BHL: 330 feet from the South line" is hereby corrected to read "BHL: 100 feet from the South line"

(2) In all other respects, Order No. R-20695 shall remain in full force and effect as originally written.

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

Case No. 20055
Order No. R-20761 *Nunc Pro Tunc*
Page 2 of 2

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval.

ADRIENNE SANDOVAL
Director

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

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

**CASE NO. 20055
ORDER NO. R-20695**

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

ORDER OF THE DIVISION

BY THE DIVISION:

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

NOW, on this 12th day of July 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks approval of a Spacing Unit and to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) ConocoPhillips Company entered an appearance in the case. No other party appeared or otherwise opposed this application.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

Case No. 20055
Order No. R-20695
Page 2 of 7

- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

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

(7) The request for approval of a Spacing Unit is no longer needed under the new horizontal well rules and should be dismissed.

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

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

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

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

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

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

(14) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable

Case No. 20055
Order No. R-20695
Page 3 of 7

well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

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

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

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

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

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

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

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

Case No. 20055
Order No. R-20695
Page 4 of 7

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

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

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

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

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

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for

Case No. 20055
Order No. R-20695
Page 5 of 7

supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

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

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

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

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

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

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

Case No. 20055
Order No. R-20695
Page 6 of 7

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Adrienne Sandoval".

ADRIENNE SANDOVAL
Director

Case No. 20055
Order No. R-20695
Page 7 of 7

Exhibit "A"

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

Combined Cases: 20055, 20056, 20057. Separate orders being issued for each case.

Spacing Unit: Horizontal Oil
Building Blocks: quarter-quarter section equivalents
Unit Size: 320 acres (more or less)
Orientation of Unit: North/South

Unit Description:

W/2 W/2 of Sections 15 and 22,
Township 22 South, Range 32 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation
Depth Severance? (Yes/No): No

Pool: Red Tank; Bone Spring (Pool code 51683)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included
Proximity Defining Well: None

Monthly charge for supervision: While drilling: \$8000 While producing: \$800
As the charge for risk, 200 percent of reasonable well costs.

Proposed Well:

Frizzle Fry Federal Com 223215 TB Well No. 1H, API No. 30-025-45887

SHL: 273 feet from the North line and 762 feet from the West line,
(Unit D) of Section 15, Township 22 South, Range 32 East, NMPM.
BHL: 330 feet from the South line and 330 feet from the West line,
(Unit M) of Section 22, Township 22 South, Range 32 East, NMPM.

Completion Target:

3rd Bone Spring Sand at approx 11962 feet TVD and 22152 feet MD.
Well Orientation: North to South
Completion Location expected to be: standard

Federal Communitization Agreement**Contract No. _____**

THIS AGREEMENT, entered into as of the 23rd of October 2019, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico:

Section 15: W/2

Section 22: W/2

Containing 640.00 acres, more or less, and this agreement shall include only the Wolfcamp Formation underlying said lands and the natural gas and associated liquid hydrocarbons or oil hereinafter referred to as "communitized substances," producible from such formation.

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 5555 San Felipe St., Houston, TX, 77056. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the

communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding-or-step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person

or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is October 23, 2019 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

OPERATOR/WORKING INTEREST OWNER

I, the undersigned, hereby certify, on behalf of **Marathon Oil Permian LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

10/23/19
Date

By: Matthew D. Brown
Matthew D. Brown, Attorney-in-fact

ACKNOWLEDGEMENT

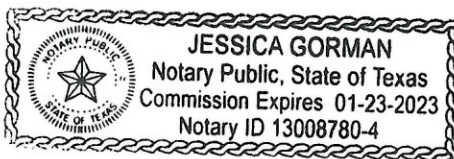
STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

On this 23rd day of October, 2019, before me, a Notary Public for the State of Texas, personally appeared Matthew D. Brown, known to me to be the Attorney-in-fact for **Marathon Oil Permian LLC**, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

1/23/2023
My Commission Expires

Jessica Gorman
Notary Public



LESSEE OF RECORD

12/12/19
Date

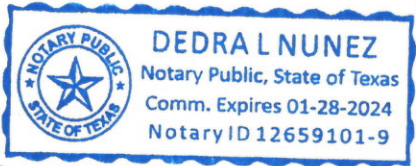
^{BW}
^{BK} By: Edwin S. Ryan Jr.
Name: Edwin S. Ryan Jr.
Title: Agent and Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF Harris) ss.

On this 12th day of December, 2019, before me, a Notary Public for the State of Texas, personally appeared Edwin S. Ryan Jr., known to me to be Agent and Attorney-in-Fact of **XTO Holdings LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



1/28/24
My Commission Expires

Dedra L Nunez
Notary Public

WORKING INTEREST OWNER

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public for the State of Texas, personally appeared _____, known to me to be _____ for **EOG Resources, Inc.**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

WORKING INTEREST OWNER

Date _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public for the State of Texas, personally appeared _____, known to me to be _____ for **Andes Energy, LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.


(SEAL)

My Commission Expires

Notary Public

WORKING INTEREST OWNER

10/28/19
Date

By: 
Name: Benjamin K. Kinney,
V.P., Tiltex Co., L.L.C.
Title: Managing Partner

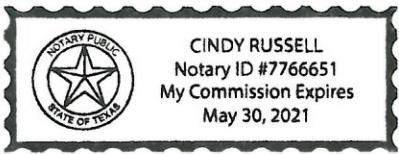
ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF HARRIS) ss.

On this 26 day of OCTOBER, 2019, before me, a Notary Public for the State of Texas, personally appeared Ben Kinney, known to me to be V.P. for **Roden Associates, Ltd.**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)


5-30-21
My Commission Expires




Notary Public

WORKING INTEREST OWNER

10/28/19
Date

By: 
Name: Benjamin K. Kinney,
V.P., Tiltex Co., L.L.C.
Title: Managing Partner

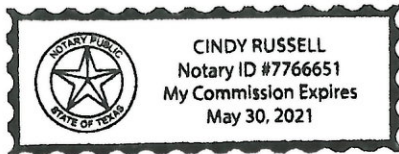
ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF HARRIS) ss.

On this 28 day of OCTOBER, 2019, before me, a Notary Public for the State of Texas, personally appeared Ben Kinney, known to me to be V.P. for **Roden Participants, Ltd.**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

5-30-21
My Commission Expires




Notary Public

WARWICK-ARTEMIS, LLC

Title: General Counsel

Date _____

Artemis, LLC

Oklahoma

On this 20 day of December, 2019, before me, a Notary Public for the State of ~~Texas~~, personally appeared Michael Brown, known to me to be General Counsel for Warwick Energy Group, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

11/30/21
My Commission Expires

Lauren Blanchard
Notary Public



WORKING INTEREST OWNER

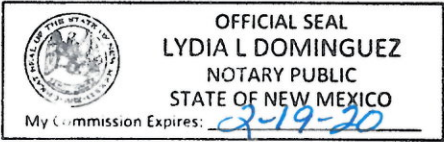
10-29-19
Date

By: Betty R. Young
Name: Betty R. Young
Title: Executive VP

ACKNOWLEDGEMENT

STATE OF New Mexico)
) SS.
COUNTY OF Chaves)

On this 29th day of October, 2019, before me, a Notary Public for the State of ~~Texas~~ ^{New Mexico},
personally appeared Betty R. Young, known to me to be Executive VP
for **Read & Stevens, Inc.**, the corporation that executed the foregoing instrument and
acknowledged to me such corporation executed the same.

(SEAL) 

My Commission Expires

Lydia L. Dominguez
Notary Public

WORKING INTEREST OWNER

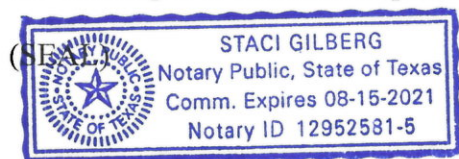
10-29-19
Date

By: W.A. Hudson, II
Name: W.A. Hudson, II
Title: MP

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF Tarrant)

On this 29th day of October, 2019, before me, a Notary Public for the State of Texas, personally appeared W.A. Hudson, II, known to me to be Managing Partner for **Zorro Partners, Ltd.**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



8-15-21
My Commission Expires

Staci Gilberg
Notary Public

WORKING INTEREST OWNER


12/31/19
Date

By: [Signature]
Name: E. Randall Hudson III
Title: MP

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF Tarrant)

On this 31st day of October, 2019, before me, a Notary Public for the State of Texas, personally appeared E. Randall Hudson III, known to me to be Managing Partner for Javelina Partners, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL) 
8-15-21
My Commission Expires

[Signature]
Notary Public

WORKING INTEREST OWNER

11-12-19
Date

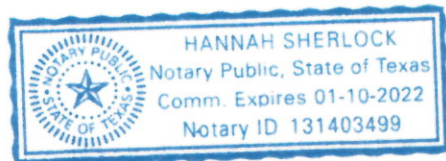
By: [Signature]
Name: Miles McPherrin
Title: manager

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF midland)

On this 12th day of November, 2019, before me, a Notary Public for the State of Texas, personally appeared Miles McPherrin, known to me to be as manager for **MCM Permian, LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

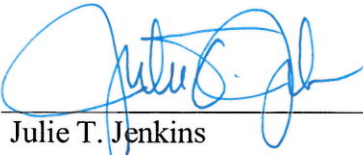


1-10-22
My Commission Expires

[Signature]
Notary Public

WORKING INTEREST OWNER

HighPoint Operating Corporation

By: 
Julie T. Jenkins
V.P. Land and Regulatory BD
..Bcm

Date: 1/2/2020

STATE OF COLORADO)
CITY AND) §
COUNTY OF DENVER)

On the 2nd day of January, 2020, before me, a Notary Public in and for said State and County, personally appeared Julie T. Jenkins, known to me to be the V.P. Land and Regulatory of HighPoint Operating Corporation, a Delaware Corporation, the corporation that executed the above instrument or the person who executed the instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

BRYCE DOTY
Notary Public
State of Colorado
Notary ID # 20174002931
My Commission Expires 01-19-2021


Notary Public

WORKING INTEREST OWNER

11-12-19
Date

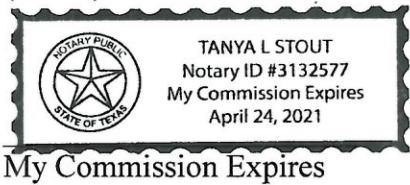
By: Francis Hill Hudson
Francis Hill Hudson
Trustee of Lindy's Living Trust

ACKNOWLEDGEMENT

STATE OF TEXAS)
COUNTY OF Tarrant) ss.

On this 12 day of November, 2019, before me, a Notary Public for the State of Texas, personally appeared Francis Hill Hudson, known to me to be Trustee of **Lindy's Living Trust u/t/a July 8, 1994**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



Tanya L Stout
Notary Public

WORKING INTEREST OWNER

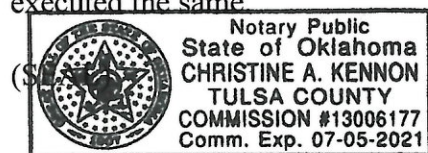
15 JANUARY 2020
Date

By: [Signature]
Name: GREGORY J. GEIST # 91
Title: VICE PRESIDENT, LAND

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
TEXAS) ss.
COUNTY OF TULSA)

On this 15 day of JANUARY, 2020, before me, a Notary Public for the State of OKLAHOMA ~~Texas~~, personally appeared GREGORY J. GEIST, known to me to be VICE PRESIDENT, LAND for **WPX Energy Permian, LLC on behalf of RKI Exploration & Production LLC**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.



07-05-2021
My Commission Expires

[Signature]
Notary Public

EXHIBIT “A”

Attached to the Communitization Agreement dated October 23, 2019.

Plat of communitized area covering 640 acres in Township 22 South, Range 32 East, N.M.P.M.,
Lea County, New Mexico,
Section 15: W/2
Section 22: W/2

WELL NAME/ NO.

- Frizzle Fry 15 WA Fed Com 2H

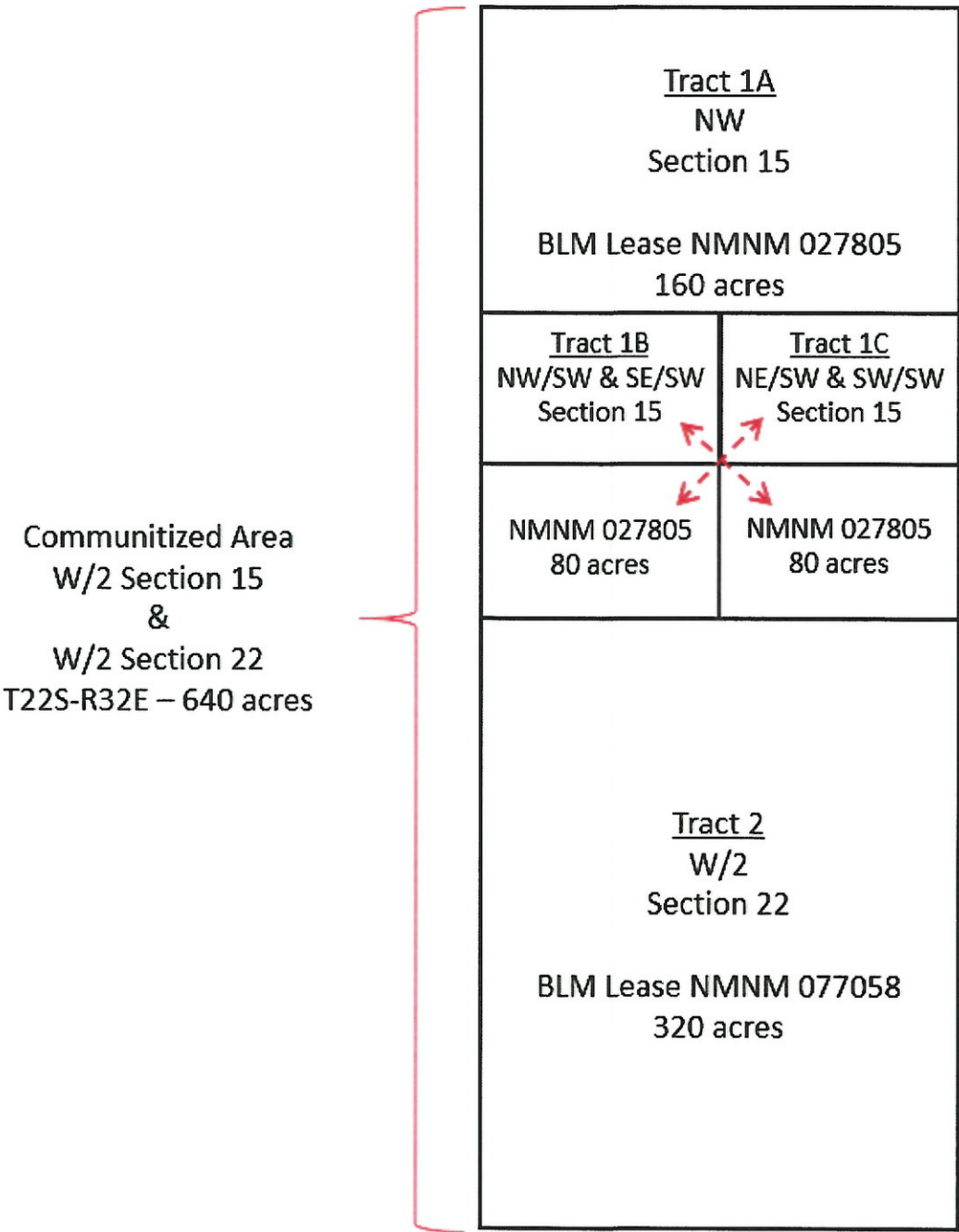


EXHIBIT "B"

Attached to the Communitization Agreement dated October 23, 2019 embracing the W/2 of Section 15 and the W/2 of Section 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

OPERATOR OF COMMUNITIZED AREA:

Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1A

Lease Serial No.:	NMNM 027805
Lessor:	Bureau of Land Management
Name of Lessee of Record:	XTO Holdings, LLC
Description of Land Committed:	<u>Township 22 South, Range 32 East, N.M.P.M.</u> Section 15: NW Lea County, New Mexico
Number of Acres:	160.00
Name of Working Interest Owners:	Marathon Oil Permian LLC.....57.69293% HighPoint Operating Corporation.....17.18750% Warwick Energy Group.....12.50000% EOG Resources Inc.....4.807070% Read & Stevens, Inc.3.125000% MCM Permian, LLC1.171875% Francis Hill Hudson, Trustee of Lindy’s Living Trust...1.171875% Andes Energy, LLC.....0.781255% Zorro Partners, Ltd.....0.781247% Javelina Partners 0.781248% 100.000000%
Name of ORRI Owners:	Henry Mazorow.....1.500000% Dennis Susaeta.....0.875000% Wendy Susaeta.....0.875000% Howard L. Mathie.....1.000000% States Royalty Limited Partnership.....0.250000% Alan Jochimsen.....0.250000% Monthly D. McLane.....0.250000% XTO Holdings, LLC.....3.634655%

Tract No. 1B

Lease Serial No.: NMNM 027805

Lessor: Bureau of Land Management

Name of Lessee of Record: XTO Holdings, LLC

Description of Land Committed: **Township 22 South, Range 32 East, N.M.P.M.**
Section 15: NW/SW and SE/SW
Lea County, New Mexico

Number of Acres: 80.00

Name of Working Interest Owners:

Marathon Oil Permian LLC.....	38.993752%
RKI Exploration & Production, LLC.....	34.324178%
HighPoint Operating Corporation.....	17.187500%
EOG Resources Inc.....	4.086009%
MCM Permian LLC	1.171875%
Francis Hill Hudson, Trustee of Lindy’s Living Trust...1.171875%	
Andes Energy, LLC.....	0.781255%
Zorro Partners, Ltd.....	0.781247%
Javelina Partners	0.781248%
Roden Participants, Ltd.....	0.600884%
Roden Associates, Ltd.....	0.120177%
	100.000000%

Name of ORRI Owners:

Michael S. Richardson.....	0.250000%
Dennis Susaeta.....	0.875000%
Wendy Susaeta.....	0.875000%
Howard L. Mathie.....	1.000000%
States Royalty Limited Partnership.....	0.250000%
Alan Jochimsen.....	0.250000%
Monthy D. McLane.....	0.250000%
Susan S. Murphy, Trustee of Susan S. Murphy Trust.....2.170452%	
Mark B. Murphy, Trustee of Mark B. Murphy Irr Trust...2.170452%	
Frank S. Morgan and Robin L. Morgan..... ..1.160067%	
Hutchings Oil Company.....	0.374214%
Colony Resources, Inc.	0.353743%
Unknown successor of B&B Oil Ventures, Inc..1.518953%	
Strata Production Company.....	1.028756%
Peter Balog, Trustee of Balog Family Trust.....0.026425%	
Bane Bigbie and Melanie Bigbie.....	0.026425%
Duane Brown and wife, Pilar Vaile.....	0.050735%
Wade P. Carrigan and Beth Carrigan.....	0.046030%
James K. Lusk and Martha L. Lusk Trust.....	0.013212%
Scott-Winn LLC.....	0.026425%
Winn Investments, Inc.	0.101470%
Drusilla Cieszinski, Trustee of J.E. Cieszinski Trust...0.025367%	
Sealy Hutchings Cavin, Inc.	0.052850%
Warwick Energy Group.....	0.937500%
Westway Petro, Texas JV.....	0.234375%

Tract No. 1C

Lease Serial No.: NMNM 027805

Lessor: Bureau of Land Management

Name of Lessee of Record: XTO Holdings, LLC

Description of Land Committed: **Township 22 South, Range 32 East, N.M.P.M.**
Section 15: NE/SW and SW/SW
Lea County, New Mexico

Number of Acres: 80.00

Name of Working Interest Owners:

Marathon Oil Permian LLC.....	73.317930%
HighPoint Operating Corporation.....	17.187500%
EOG Resources Inc.....	4.086009%
MCM Permian LLC	1.171875%
Francis Hill Hudson, Trustee of Lindy’s Living Trust...1.171875%	
Andes Energy, LLC.....	0.781255%
Zorro Partners, Ltd.....	0.781247%
Javelina Partners	0.781248%
Roden Participants, Ltd.....	0.600884%
Roden Associates, Ltd.....	0.120177%
	100.000000%

Name of ORRI Owners:

Michael S. Richardson.....	0.250000%
Dennis Susaeta.....	0.875000%
Wendy Susaeta.....	0.875000%
Howard L. Mathie.....	1.000000%
States Royalty Limited Partnership.....	0.250000%
Alan Jochimsen.....	0.250000%
Monthy D. McLane.....	0.250000%
Susan S. Murphy, Trustee of Susan S. Murphy Trust.....	0.853830%
Mark B. Murphy, Trustee of Mark B. Murphy Irr Trust...0.853830%	
Frank S. Morgan and Robin L. Morgan.....	0.456356%
Hutchings Oil Company.....	0.147211%
Colony Resources, Inc.	0.353743%
Strata Production Company.....	2.860025%
Peter Balog, Trustee of Balog Family Trust.....	0.046599%
Bane Bigbie and Melanie Bigbie.....	0.046599%
Duane Brown and wife, Pilar Vaile.....	0.089469%
Wade P. Carrigan and Beth Carrigan.....	0.081172%
James K. Lusk and Martha L. Lusk Trust.....	0.023299%
Scott-Winn LLC	0.046599%
Winn Investments, Inc.	0.178938%
Drusilla Cieszinski, Trustee of J.E. Cieszinski Trust...0.044734%	
Sealy Hutchings Cavin, Inc.	0.093198%
Warwick Energy Group.....	0.937500%
Westway Petro, Texas JV.....	0.234375%

Tract No. 2

Lease Serial No.: NMNM 077058

Lessor: Bureau of Land Management

Name of Lessee of Record: XTO Holdings, LLC

Description of Land Committed: **Township 22 South, Range 32 East, N.M.P.M.**
Section 22: W/2
Lea County, New Mexico

Number of Acres: 320.00

Name of Working Interest Owners: Marathon Oil Permian LLC.....100.000000%

Name of ORRI Owners: XTO Holdings, LLC.....10.305255%

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No. 1A	<u>160.00</u>	<u>25.0000%</u>
Tract No. 1B	<u>80.00</u>	<u>12.5000%</u>
Tract No. 1C	<u>80.00</u>	<u>12.5000%</u>
Tract No. 2	<u>320.00</u>	<u>50.0000%</u>
Total	640.00	100.0000%



Certificate of Analysis

Number: 6030-21010069-002A

Artesia Laboratory

200 E Main St.

Artesia, NM 88210

Phone 575-746-3481

Matt Erickson
Marathon Oil Corporation
4111 S. Tidwell
Carlsbad, NM 88220

Jan. 12, 2021

Station Name: Frizzle Fry 1,2,7 Facility Sales Check 1
Station Number: 22820SC1
Station Location: Marathon
Sample Point: RGA
Type of Sample: Spot-Cylinder
Heat Trace Used: N/A
Sampling Method: Fill and Purge
Sampling Company: SPL
Analyzed: 01/12/2021 10:52:46 by PGS

Sampled By: Jonah Reza
Sample Of: Gas Spot
Sample Date: 01/11/2021 10:34
Sample Conditions: 85.97 psig, @ 56.82 °F Ambient: 43 °F
Effective Date: 01/11/2021 10:34
Method: GPA-2261M
Cylinder No: 5030-03274
Instrument: 70104124 (Inficon GC-MicroFusion)
Last Inst. Cal.: 01/11/2021 0:00 AM

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia		
Hydrogen Sulfide	0.000	0.00000	0.000		GPM TOTAL C2+	7.044
Nitrogen	1.261	1.25792	1.597		GPM TOTAL C3+	3.207
Methane	73.680	73.48842	53.419		GPM TOTAL iC5+	0.467
Carbon Dioxide	0.149	0.14811	0.295			
Ethane	14.410	14.37203	19.581	3.837		
Propane	6.874	6.85623	13.699	1.886		
Iso-butane	0.757	0.75493	1.988	0.247		
n-Butane	1.934	1.92847	5.079	0.607		
Iso-pentane	0.351	0.34989	1.144	0.128		
n-Pentane	0.385	0.38380	1.255	0.139		
Hexanes Plus	0.461	0.46020	1.943	0.200		
	100.262	100.00000	100.000	7.044		

Calculated Physical Properties

Relative Density Real Gas	Total	C6+
	0.7648	3.2176
Calculated Molecular Weight	22.07	93.19
Compressibility Factor	0.9960	

GPA 2172 Calculation:

Calculated Gross BTU per ft³ @ 14.65 psia & 60°F

Real Gas Dry BTU	1311	5113
Water Sat. Gas Base BTU	1288	5024
Ideal, Gross HV - Dry at 14.65 psia	1305.4	5113.2
Ideal, Gross HV - Wet	1282.6	5023.7

Comments: H₂S Field Content 0 ppm
Mcf/day 1471.227

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 6030-20090227-002A

Artesia Laboratory

200 E Main St.

Artesia, NM 88210

Phone 575-746-3481

Matt Erickson
Marathon Oil Corporation
4111 S. Tidwell
Carlsbad, NM 88220

Sep. 29, 2020

Station Name: Frizzle Fry 1H Production
Station Number: 22810GP
Station Location: Marathon
Sample Point: RGA
Type of Sample: Spot-Cylinder
Heat Trace Used: N/A
Sampling Method: Fill and Purge
Sampling Company: SPL
Analyzed: 09/29/2020 09:56:31 by KNF

Sampled By: Jonah Reza
Sample Of: Gas Spot
Sample Date: 09/25/2020 12:43
Sample Conditions: 118.94 psig, @ 100.58 °F Ambient: 95 °F
Effective Date: 09/25/2020 12:43
Method: GPA-2261M
Cylinder No: 5030-03880
Instrument: 70104124 (Inficon GC-MicroFusion)
Last Inst. Cal.: 09/28/2020 0:00 AM

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia		
Nitrogen	1.567	1.56936	2.006		GPM TOTAL C2+	6.717
Methane	74.332	74.46283	54.506		GPM TOTAL C3+	3.105
Carbon Dioxide	0.136	0.13664	0.274		GPM TOTAL iC5+	0.533
Ethane	13.505	13.52837	18.560	3.612		
Propane	6.377	6.38812	12.853	1.757		
Iso-butane	0.717	0.71776	1.903	0.234		
n-Butane	1.844	1.84765	4.900	0.581		
Iso-pentane	0.360	0.36103	1.188	0.132		
n-Pentane	0.407	0.40772	1.342	0.148		
Hexanes Plus	0.580	0.58052	2.468	0.253		
	99.825	100.0000	100.000	6.717		

Calculated Physical Properties

Relative Density Real Gas	Total	C6+
Calculated Molecular Weight	0.7594	3.2176
Compressibility Factor	21.92	93.19
	0.9961	

GPA 2172 Calculation:

Calculated Gross BTU per ft³ @ 14.65 psia & 60°F

Real Gas Dry BTU	1297	5113
Water Sat. Gas Base BTU	1275	5024
Ideal, Gross HV - Dry at 14.65 psia	1292.3	5113.2
Ideal, Gross HV - Wet	1269.7	5023.7

Comments: H₂S Field Content 0 ppm
Mcf/day 1412.41

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 6030-21010008-001A

Artesia Laboratory

200 E Main St.

Artesia, NM 88210

Phone 575-746-3481

Matt Erickson
Marathon Oil Corporation
4111 S. Tidwell
Carlsbad, NM 88220

Jan. 05, 2021

Station Name: Frizzle Fry 2H Production
Station Number: 22806GP
Station Location: Marathon
Sample Point: RGA
Type of Sample: Spot-Cylinder
Heat Trace Used: N/A
Sampling Method: Fill and Purge
Sampling Company: SPL
Analyzed: 01/05/2021 12:39:59 by PGS

Sampled By: Jonah Reza
Sample Of: Gas Spot
Sample Date: 12/31/2020 01:54
Sample Conditions: 101.59 psig, @ 77.05 °F Ambient: 39 °F
Effective Date: 12/31/2020 01:54
Method: GPA-2261M
Cylinder No: 5030-02339
Instrument: 70104251 (Inficon GC-MicroFusion)
Last Inst. Cal.: 01/04/2021 0:00 AM

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia		
Hydrogen Sulfide	0.000	0.00000	0.000		GPM TOTAL C2+	7.241
Nitrogen	1.288	1.29134	1.622		GPM TOTAL C3+	3.358
Methane	72.610	72.79815	52.368		GPM TOTAL iC5+	0.519
Carbon Dioxide	0.159	0.15891	0.314			
Ethane	14.504	14.54191	19.608	3.883		
Propane	7.043	7.06146	13.963	1.942		
Iso-butane	0.795	0.79656	2.076	0.260		
n-Butane	2.017	2.02233	5.271	0.637		
Iso-pentane	0.389	0.38951	1.260	0.142		
n-Pentane	0.433	0.43402	1.404	0.157		
Hexanes Plus	0.505	0.50581	2.114	0.220		
	99.743	100.00000	100.000	7.241		

Calculated Physical Properties

Relative Density Real Gas	Total	C6+
	0.7728	3.2176
Calculated Molecular Weight	22.30	93.19
Compressibility Factor	0.9959	

GPA 2172 Calculation:

Calculated Gross BTU per ft³ @ 14.65 psia & 60°F

Real Gas Dry BTU	1322	5113
Water Sat. Gas Base BTU	1300	5024
Ideal, Gross HV - Dry at 14.65 psia	1317.0	5113.2
Ideal, Gross HV - Wet	1293.9	5023.7

Comments: H2S Field Content 0 ppm
Mcf/day 792.8918

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 6030-20090227-003A

Artesia Laboratory

200 E Main St.

Artesia, NM 88210

Phone 575-746-3481

Matt Erickson
Marathon Oil Corporation
4111 S. Tidwell
Carlsbad, NM 88220

Sep. 29, 2020

Station Name: Frizzle Fry 7H Production
Station Number: 22802GP
Station Location: Marathon
Sample Point: RGA
Type of Sample: Spot-Cylinder
Heat Trace Used: N/A
Sampling Method: Fill and Purge
Sampling Company: SPL
Analyzed: 09/29/2020 09:48:22 by KNF

Sampled By: Jonah Reza
Sample Of: Gas Spot
Sample Date: 09/25/2020 12:00
Sample Conditions: 114.64 psig, @ 90.08 °F Ambient: 91 °F
Effective Date: 09/25/2020 12:00
Method: GPA-2261M
Cylinder No: 1111-001274
Instrument: 70104251 (Inficon GC-MicroFusion)
Last Inst. Cal.: 09/28/2020 0:00 AM

Analytical Data

Components	Un-normalized Mol %	Mol. %	Wt. %	GPM at 14.65 psia		
Nitrogen	1.426	1.42536	1.809		GPM TOTAL C2+	7.010
Methane	73.495	73.45625	53.379		GPM TOTAL C3+	3.231
Carbon Dioxide	0.136	0.13573	0.271		GPM TOTAL iC5+	0.456
Ethane	14.162	14.15481	19.280	3.779		
Propane	6.915	6.91109	13.804	1.901		
Iso-butane	0.776	0.77520	2.041	0.253		
n-Butane	1.973	1.97227	5.193	0.621		
Iso-pentane	0.358	0.35801	1.170	0.131		
n-Pentane	0.390	0.38950	1.273	0.141		
Hexanes Plus	0.422	0.42178	1.780	0.184		
	100.053	100.0000	100.000	7.010		

Calculated Physical Properties

	Total	C6+
Relative Density Real Gas	0.7650	3.2176
Calculated Molecular Weight	22.08	93.19
Compressibility Factor	0.9960	

GPA 2172 Calculation:

Calculated Gross BTU per ft³ @ 14.65 psia & 60°F

Real Gas Dry BTU	1309	5113
Water Sat. Gas Base BTU	1286	5024
Ideal, Gross HV - Dry at 14.65 psia	1303.3	5113.2
Ideal, Gross HV - Wet	1280.5	5023.7

Comments: H2S Field Content 0 ppm
Mcf/day 1037.583

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 5030-21040090-001A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 7H
Sample Point: SEPARATOR
Method: GPA 2103M
Analyzed: 04/05/2021 14:31:13 by DMA

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/05/2021
Sample Conditions:

Analytical Data

Components	Mol. %	MW	Wt. %	Sp. Gravity	L.V. %
Nitrogen	0.036	28.013	0.007	0.8069	0.007
Methane	3.242	16.043	0.363	0.3000	0.941
Carbon Dioxide	0.039	44.010	0.012	0.8172	0.011
Ethane	4.646	30.069	0.975	0.3563	2.129
Propane	8.173	44.096	2.515	0.5072	3.857
Iso-Butane	1.943	58.122	0.788	0.5628	1.089
n-Butane	7.096	58.122	2.878	0.5842	3.832
Iso-Pentane	2.953	72.149	1.487	0.6251	1.850
n-Pentane	4.314	72.149	2.172	0.6307	2.679
i-Hexanes	3.029	85.574	1.809	0.6651	2.115
n-Hexane	2.814	86.175	1.692	0.6641	1.982
2,2,4-Trimethylpentane	0.065	114.229	0.052	0.6964	0.058
Benzene	0.609	78.112	0.332	0.8844	0.292
Heptanes	9.248	100.202	6.467	0.6882	7.309
Toluene	1.084	92.138	0.697	0.8719	0.622
Octanes	9.845	114.229	7.848	0.7066	8.639
Ethylbenzene	0.313	106.165	0.232	0.8716	0.207
Xylenes	0.680	106.167	0.504	0.8761	0.447
Nonanes	6.290	128.255	5.630	0.7222	6.063
Decanes Plus	33.581	271.151	63.540	0.8846	55.871
	100.000		100.000		100.000

Calculated Physical Properties

	Total	C10+
Specific Gravity at 60°F	0.7778	0.8846
API Gravity at 60°F	50.423	28.466
Molecular Weight	143.297	271.151
Pounds per Gallon (in Vacuum)	6.485	7.375
Pounds per Gallon (in Air)	6.478	7.367
Cu. Ft. Vapor per Gallon @ 14.696 psia	17.173	10.321

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 5030-21040090-001A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 7H
Sample Point: SEPARATOR
Method: GPA 2103M
Analyzed: 04/05/2021 14:31:13 by DMA

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/05/2021
Sample Conditions:

Analytical Data

Components	Mol. %	Wt. %	L.V. %
Nitrogen	0.036	0.007	0.007
Methane	3.242	0.363	0.941
Carbon Dioxide	0.039	0.012	0.011
Ethane	4.646	0.975	2.129
Propane	8.173	2.515	3.857
Iso-Butane	1.943	0.788	1.089
n-Butane	7.096	2.878	3.832
Iso-Pentane	2.953	1.487	1.850
n-Pentane	4.314	2.172	2.679
i-Hexanes	3.029	1.809	2.115
n-Hexane	2.814	1.692	1.982
2,2,4-Trimethylpentane	0.065	0.052	0.058
Benzene	0.609	0.332	0.292
Heptanes	9.248	6.467	7.309
Toluene	1.084	0.697	0.622
Octanes	9.845	7.848	8.639
Ethylbenzene	0.313	0.232	0.207
Xylenes	0.680	0.504	0.447
Nonanes	6.290	5.630	6.063
C10	4.656	5.085	4.734
C11	3.630	4.355	3.999
C12	2.983	3.899	3.539
C13	2.689	3.805	3.420
C14	2.293	3.492	3.111
C15	2.118	3.454	3.057
C16	1.763	3.065	2.722
C17	1.511	2.789	2.468
C18	1.399	2.732	2.406
C19	1.229	2.533	2.206
C20	0.897	1.945	1.687
C21	0.904	2.059	1.778
C22	0.788	1.879	1.617
C23	0.708	1.765	1.550
C24	0.584	1.518	1.299
C25	0.536	1.452	1.239
C26	0.499	1.404	1.234
C27	0.474	1.385	1.215
C28	0.401	1.214	1.029
C29	0.387	1.214	1.027
C30 Plus	3.132	12.496	10.534
	100.000	100.000	100.000



Certificate of Analysis

Number: 5030-21040090-001A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 7H
Sample Point: SEPARATOR
Method: GPA 2103M
Analyzed: 04/05/2021 14:31:13 by DMA

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/05/2021
Sample Conditions:

Calculated Physical Properties	Total	C30+
Specific Gravity at 60°F	0.7778	0.9606
API Gravity at 60°F	50.423	15.798
Molecular Weight	143.297	519.777
Pounds per Gallon (in Vacuum)	6.485	8.009
Pounds per Gallon (in Air)	6.478	8.000
Cu. Ft. Vapor per Gallon @ 14.696 psia	17.173	5.847

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 5030-21040090-003A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 2H
Sample Point: SEPARATOR
Cylinder No: 5030-03346
Analyzed: 04/06/2021 18:30:48 by JAS

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/01/2021
Sample Conditions: 114 psig, @ 72 °F
Method: GPA 2103M

Analytical Data

Components	Mol. %	MW	Wt. %	Sp. Gravity	L.V. %
Nitrogen	0.026	28.013	0.005	0.8069	0.005
Methane	3.051	16.043	0.332	0.3000	0.859
Carbon Dioxide	0.023	44.010	0.007	0.8172	0.007
Ethane	4.119	30.069	0.840	0.3563	1.830
Propane	7.683	44.096	2.298	0.5072	3.517
Iso-Butane	2.037	58.122	0.803	0.5628	1.107
n-Butane	7.468	58.122	2.944	0.5842	3.912
Iso-Pentane	3.075	72.149	1.505	0.6251	1.869
n-Pentane	4.540	72.149	2.222	0.6307	2.735
i-Hexanes	3.046	85.577	1.768	0.6652	2.063
n-Hexane	2.862	86.175	1.673	0.6641	1.956
2,2,4-Trimethylpentane	0.068	114.229	0.053	0.6964	0.059
Benzene	0.589	78.112	0.312	0.8844	0.274
Heptanes	9.943	100.202	6.758	0.6882	7.622
Toluene	1.154	92.138	0.721	0.8719	0.642
Octanes	10.485	114.229	8.124	0.7066	8.925
Ethylbenzene	0.282	106.165	0.203	0.8716	0.181
Xylenes	0.825	106.167	0.594	0.8761	0.526
Nonanes	6.465	128.255	5.624	0.7222	6.044
Decanes Plus	32.259	288.903	63.214	0.8782	55.867
	100.000		100.000		100.000

Calculated Physical Properties

	Total	C10+
Specific Gravity at 60°F	0.7762	0.8782
API Gravity at 60°F	50.798	29.617
Molecular Weight	147.429	288.903
Pounds per Gallon (in Vacuum)	6.471	7.322
Pounds per Gallon (in Air)	6.464	7.314
Cu. Ft. Vapor per Gallon @ 14.696 psia	16.658	9.618

Hydrocarbon Laboratory Manager

Quality Assurance:

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 5030-21040090-003A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 2H
Sample Point: SEPARATOR
Cylinder No: 5030-03346
Analyzed: 04/06/2021 18:30:48 by JAS

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/01/2021
Sample Conditions: 114 psig, @ 72 °F
Method: GPA 2103M

Analytical Data

Components	Mol. %	Wt. %	L.V. %
Nitrogen	0.026	0.005	0.005
Methane	3.051	0.332	0.859
Carbon Dioxide	0.023	0.007	0.007
Ethane	4.119	0.840	1.830
Propane	7.683	2.298	3.517
Iso-Butane	2.037	0.803	1.107
n-Butane	7.468	2.944	3.912
Iso-Pentane	3.075	1.505	1.869
n-Pentane	4.540	2.222	2.735
i-Hexanes	3.046	1.768	2.063
n-Hexane	2.862	1.673	1.956
2,2,4-Trimethylpentane	0.068	0.053	0.059
Benzene	0.589	0.312	0.274
Heptanes	9.943	6.758	7.622
Toluene	1.154	0.721	0.642
Octanes	10.485	8.124	8.925
Ethylbenzene	0.282	0.203	0.181
Xylenes	0.825	0.594	0.526
Nonanes	6.465	5.624	6.044
C10	4.903	5.624	5.257
C11	3.280	4.134	3.811
C12	2.884	3.960	3.609
C13	2.678	3.980	3.592
C14	2.260	3.614	3.233
C15	2.178	3.730	3.315
C16	1.601	2.922	2.606
C17	1.478	2.865	2.545
C18	1.392	2.855	2.524
C19	1.035	2.240	1.958
C20	0.924	2.105	1.833
C21	0.856	2.048	1.776
C22	0.710	1.778	1.537
C23	0.613	1.605	1.416
C24	0.595	1.625	1.396
C25	0.453	1.288	1.104
C26	0.475	1.403	1.238
C27	0.426	1.307	1.152
C28	0.356	1.134	0.966
C29	0.341	1.125	0.955
C30 Plus	2.821	11.872	10.044
	100.000	100.000	100.000



Certificate of Analysis

Number: 5030-21040090-003A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 2H
Sample Point: SEPARATOR
Cylinder No: 5030-03346
Analyzed: 04/06/2021 18:30:48 by JAS

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/01/2021
Sample Conditions: 114 psig, @ 72 °F
Method: GPA 2103M

Calculated Physical Properties	Total	C30+
Specific Gravity at 60°F	0.7762	0.9571
API Gravity at 60°F	50.798	16.350
Molecular Weight	147.429	521.982
Pounds per Gallon (in Vacuum)	6.471	7.979
Pounds per Gallon (in Air)	6.464	7.970
Cu. Ft. Vapor per Gallon @ 14.696 psia	16.658	5.801

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 5030-21040090-004A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 1H
Sample Point: SEPARATOR
Cylinder No: 5030-00185
Analyzed: 04/06/2021 19:08:52 by JAS

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/01/2021
Sample Conditions: 127 psig, @ 80 °F
Method: GPA 2103M

Analytical Data

Components	Mol. %	MW	Wt. %	Sp. Gravity	L.V. %
Nitrogen	0.043	28.013	0.008	0.8069	0.008
Methane	2.667	16.043	0.283	0.3000	0.741
Carbon Dioxide	0.055	44.010	0.016	0.8172	0.015
Ethane	3.720	30.069	0.740	0.3563	1.631
Propane	6.730	44.096	1.963	0.5072	3.039
Iso-Butane	1.691	58.122	0.650	0.5628	0.907
n-Butane	6.391	58.122	2.457	0.5842	3.302
Iso-Pentane	2.766	72.149	1.320	0.6251	1.658
n-Pentane	4.115	72.149	1.964	0.6307	2.445
i-Hexanes	2.770	85.578	1.568	0.6652	1.851
n-Hexane	2.628	86.175	1.498	0.6641	1.771
2,2,4-Trimethylpentane	0.067	114.229	0.051	0.6964	0.058
Benzene	0.662	78.112	0.342	0.8844	0.304
Heptanes	9.971	100.202	6.609	0.6882	7.540
Toluene	1.268	92.138	0.773	0.8719	0.696
Octanes	10.802	114.229	8.162	0.7066	9.071
Ethylbenzene	0.295	106.165	0.207	0.8716	0.186
Xylenes	0.730	106.167	0.513	0.8761	0.460
Nonanes	6.334	128.255	5.374	0.7222	5.842
Decanes Plus	36.295	272.837	65.502	0.8796	58.475
	100.000		100.000		100.000

Calculated Physical Properties

	Total	C10+
Specific Gravity at 60°F	0.7852	0.8796
API Gravity at 60°F	48.709	29.376
Molecular Weight	151.176	272.837
Pounds per Gallon (in Vacuum)	6.546	7.333
Pounds per Gallon (in Air)	6.539	7.325
Cu. Ft. Vapor per Gallon @ 14.696 psia	16.433	10.199

Hydrocarbon Laboratory Manager

Quality Assurance:

The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.



Certificate of Analysis

Number: 5030-21040090-004A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 1H
Sample Point: SEPARATOR
Cylinder No: 5030-00185
Analyzed: 04/06/2021 19:08:52 by JAS

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/01/2021
Sample Conditions: 127 psig, @ 80 °F
Method: GPA 2103M

Analytical Data

Components	Mol. %	Wt. %	L.V. %
Nitrogen	0.043	0.008	0.008
Methane	2.667	0.283	0.741
Carbon Dioxide	0.055	0.016	0.015
Ethane	3.720	0.740	1.631
Propane	6.730	1.963	3.039
Iso-Butane	1.691	0.650	0.907
n-Butane	6.391	2.457	3.302
Iso-Pentane	2.766	1.320	1.658
n-Pentane	4.115	1.964	2.445
i-Hexanes	2.770	1.568	1.851
n-Hexane	2.628	1.498	1.771
2,2,4-Trimethylpentane	0.067	0.051	0.058
Benzene	0.662	0.342	0.304
Heptanes	9.971	6.609	7.540
Toluene	1.268	0.773	0.696
Octanes	10.802	8.162	9.071
Ethylbenzene	0.295	0.207	0.186
Xylenes	0.730	0.513	0.460
Nonanes	6.334	5.374	5.842
C10	5.412	5.639	5.331
C11	3.557	4.072	3.797
C12	3.164	3.946	3.637
C13	2.866	3.869	3.532
C14	2.576	3.743	3.386
C15	2.444	3.801	3.417
C16	1.785	2.960	2.669
C17	1.648	2.902	2.607
C18	1.552	2.892	2.585
C19	1.200	2.360	2.086
C20	1.056	2.186	1.925
C21	0.989	2.147	1.883
C22	0.829	1.886	1.649
C23	0.712	1.693	1.510
C24	0.612	1.519	1.319
C25	0.629	1.625	1.408
C26	0.493	1.325	1.182
C27	0.517	1.441	1.283
C28	0.445	1.286	1.107
C29	0.397	1.190	1.022
C30 Plus	3.412	13.020	11.140
	100.000	100.000	100.000



Certificate of Analysis

Number: 5030-21040090-004A

Midland Laboratory

2200 East I-20

Midland, TX 79706

Phone 432-689-7252

MATT ERICKSON
MARATHON OIL COMPANY
4111 S TILDEN RD
CARLSBAD, NM 88220

Apr. 08, 2021

Station Name: FRIZZLE FRY 1H
Sample Point: SEPARATOR
Cylinder No: 5030-00185
Analyzed: 04/06/2021 19:08:52 by JAS

Sampled By: BRIAN PORTER
Sample Of: Oil Spot
Sample Date: 04/01/2021
Sample Conditions: 127 psig, @ 80 °F
Method: GPA 2103M

Calculated Physical Properties

	Total	C30+
Specific Gravity at 60°F	0.7852	0.9545
API Gravity at 60°F	48.709	16.743
Molecular Weight	151.176	520.950
Pounds per Gallon (in Vacuum)	6.546	7.958
Pounds per Gallon (in Air)	6.539	7.949
Cu. Ft. Vapor per Gallon @ 14.696 psia	16.433	5.797

Hydrocarbon Laboratory Manager

Quality Assurance: The above analyses are performed in accordance with ASTM, UOP, GPA guidelines for quality assurance, unless otherwise stated.

From: [Engineer, OCD, EMNRD](#)
To: [Covarrubias, Adrian \(MRO\)](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle Q](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-759
Date: Saturday, July 17, 2021 12:24:52 PM
Attachments: [PLC759 Order.pdf](#)

NMOCD has issued Administrative Order PLC-759 which authorizes Marathon Oil Permian, LLC (372098) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-45887	Frizzle Fry 15 TB Federal Com #1H	W/2 W/2	15-22S-32E	51683
		W/2 W/2	22-22S-32E	
30-025-45890	Frizzle Fry 15 WA Federal Com #2H	W/2	15-22S-32E	98166
		W/2	22-22S-32E	
30-025-45892	Frizzle Fry 15 WXY Federal Com #7H	W/2	15-22S-32E	98258
		W/2	22-22S-32E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

From: [Covarrubias, Adrian \(MRO\)](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: surface commingling application PLC-759
Date: Monday, July 12, 2021 2:35:43 PM
Attachments: [image001.png](#)

Hi Dean,

Here is the information I was able to get:

Well Name	Pool Code	Pool Oil API
Frizzle Fry 15 TB Federal Com 1H 51683	49.22	Red Tank (Bone Spring)
Frizzle Fry 15 WA Federal Com 2H 98166	51.12	WC-025 G-09 S233216K; Upr Wolfcamp
Frizzle Fry 15 WXY Federal Com 7H 98258	50.30	WC-025 S223203A; LWR Wolfcamp

Regards,

Adrian Covarrubias

Regulatory Professional | Permian Asset
Marathon Oil Company | 5555 San Felipe, Houston, TX 77056
O: 713.296.3368 | M: 713.962.7591

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, July 12, 2021 10:50 AM
To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Subject: [External] RE: surface commingling application PLC-759

Beware of links/attachments.

Hello Adrian,

I will need known or estimated individual gravities for each of the 3 pools involved in this commingling project; I'm not sure which pool the measurement below is for or diversely if that is the commingled gravity:

Pool Name	Pool Code
RED TANK; BONE SPRING	51683
WC-025 G-09 S233216K; UPR WOLFCAMP	98166
WC-025 S223203A; LWR WOLFCAMP (GAS)	98258

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Sent: Monday, July 12, 2021 8:02 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: RE: surface commingling application PLC-759

Good morning Dean,

Please see the image below for API Density:


Meter: FRIZZLE_FRY_A - 3BEAR 113016001

Field Location:

Reason: Maintenance

Date Performed: 3/3/2021 1:59:05PM

(210)355-6513



Identification			
Customer: 3BEAR_ENERGY		Operator: MARATHON	
Federal ID:			
Meter			
Characteristics			
Brand:	MICRO MOTION	Nominal K-Factor:	10000.0000 N/bbl
Model:	CMF 200	Nominal Size:	3.00 in
Serial:	14949179	Passes Per Run:	1
Proving Mode:	Volumetric	Tmp. Compensated:	No
MF Calc. Method:	Avg. Meter Factor	Interface:	Manual
Track Factor:	Meter Factor	Density Mode:	Manual
Proving Acceptance Criteria			
Repeatability:	0.050 %	Consistency Req.:	5 out of 5
Prior Dev Check:	Prior	Historical	Baseline
	Yes	No	No
Max Deviation:	0.25 %		
No. Prev. Factors:			
Prior Cutoff:	No	No	
Product Dependent:	No		
Use Failed Proving:	Yes		
Proven/Proving			
Prover			
Prover Class:	Displacement	Cubical Coeff. (Gg):	2.65E-5 1/F
Displacer:	Sphere	Elasticity:	2.8E7 psi
Brand:		Base Prover Vol.:	3.11405 bbl
Serial:		Cert. Date:	
Pipe ID:	10.020 in		
Pipe Thickness:	0.365 in		
Product Data			
Product:	Crude		
Product Table:	Table A - Crude Oil (2004)		
Hydro. Correction:	Yes		
Density:	45.1 °API		
@ Temperature:	80.0 °F	Quill. Vapor Pres.:	
@ Pressure:	0.0 psi	Base Density:	43.3 °API
Product Batch #:			
Norm. Op. Press.:	36.0 psig		

Let me know if there's any other items needed.

Regards,

Adrian Covarrubias

Regulatory Professional | Permian Asset
 Marathon Oil Company | 5555 San Felipe, Houston, TX 77056
 O: 713.296.3368 | M: 713.962.7591

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, July 09, 2021 3:35 PM
To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Subject: [External] surface commingling application PLC-759

Beware of links/attachments.

Mr. Covarrubias,

I am reviewing surface commingling application PLC-759 which involves the Frizzle Fry Federal CTB operated by Marathon Oil Permian, LLC (372098).

Please provide the gravity of the oil produced by these wells.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MARATHON OIL PERMIAN, LLC**

ORDER NO. PLC-759

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Marathon Oil Permian, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

CONCLUSIONS OF LAW

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12 NMAC, and 19.15.23 NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) and (6) NMAC, as applicable.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
4. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).

9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: 7/16/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-759**

Operator: **Marathon Oil Permian, LLC (372098)**

Central Tank Battery: **Frizzle Fry Federal Central Tank Battery**

Central Tank Battery Location: **Unit D Section 15, Township 22 South, Range 32 East**

Gas Title Transfer Meter Location: **Unit D Section 15, Township 22 South, Range 32 East**

Pools

Pool Name	Pool Code
RED TANK; BONE SPRING	51683
WC-025 G-09 S233216K; UPR WOLFCAMP	98166
WC-025 S223203A; LWR WOLFCAMP (GAS)	98258

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 141287	W/2 W/2	15-22S-32E
	W/2 W/2	22-22S-32E
CA Wolfcamp NMNM 141286	W/2	15-22S-32E
	W/2	22-22S-32E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-45887	Frizzle Fry 15 TB Federal Com #1H	W/2 W/2	15-22S-32E	51683
		W/2 W/2	22-22S-32E	
30-025-45890	Frizzle Fry 15 WA Federal Com #2H	W/2	15-22S-32E	98166
		W/2	22-22S-32E	
30-025-45892	Frizzle Fry 15 WXY Federal Com #7H	W/2	15-22S-32E	98258
		W/2	22-22S-32E	

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 23511

CONDITIONS

Operator: MARATHON OIL PERMIAN LLC 5555 San Felipe St. Houston, TX 77056	OGRID: 372098
	Action Number: 23511
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	7/17/2021