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

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

CASE NO. _____

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, Marathon states as follows:

1.   Marathon is an interest owner in the subject lands and has a right to drill a well thereon.

2.   Marathon seeks to dedicate the E/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.

3.   Marathon plans to drill the **Colossus 18-19 TB Federal Com 3H** well to a depth sufficient to test the Bone Spring formation. This well will be horizontally drilled and will be drilled at an orthodox location under the Division's rules.

4.   The first take point will be 594 feet from the East line, 100 feet from the North line of Section 18, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

5.   The last take point will be 594 feet from the East line, 100 feet from the South line of Section 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

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

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

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 2, 2021, and after notice and hearing as required by law, the Division enter its order:

A.   Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

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

C.   Authorizing Marathon to recover its costs of drilling, equipping and completing the well;

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

E.   Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

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Respectfully submitted,

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

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CASE NO. _____: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Colossus 18-19 TB Federal Com 3H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

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