

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC FOR COMPULSORY POOLING,  
EDDY 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 Wolfcamp horizontal spacing unit underlying Sections 32, 33, and 34, Township 22 South, Range 28 East, NMPM, Eddy 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 Sections 32, 33, and 34, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 1920-acre, more or less, standard spacing unit.
3. Marathon plans to drill the **Chaos WC Fed Com 701H, Chaos WC Fed Com 702H, Chaos WC Fed Com 703H, Chaos WC Fed Com 704H, Chaos WC Fed Com 801H, Chaos WC Fed Com 802H, Chaos WC Fed Com 803H, Chaos WC Fed Com 804H, Chaos WC Fed Com 805H, and Chaos WC Fed Com 806H** wells to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled.
4. These wells will be located within the Purple Sage Wolfcamp Gas Pool, which is subject to special pool rules that establish 330 foot setback requirements.

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

6. The completed interval for the **Chaos WC Fed Com 804H** well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed standard spacing unit for the wells.

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

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

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Approving a standard 1920-acre Wolfcamp spacing unit;

B. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within Sections 32, 33, and 34, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico;

C. Designating Marathon as operator of this unit and the wells to be drilled thereon;

D. Authorizing Marathon to recover its costs of drilling, equipping and completing the wells;

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

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

Respectfully submitted,

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

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**CASE NO. \_\_\_\_\_: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying Sections 32, 33, and 34, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Chaos WC Fed Com 701H, Chaos WC Fed Com 702H, Chaos WC Fed Com 703H, Chaos WC Fed Com 704H, Chaos WC Fed Com 801H, Chaos WC Fed Com 802H, Chaos WC Fed Com 803H, Chaos WC Fed Com 804H, Chaos WC Fed Com 805H, and Chaos WC Fed Com 806H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the **Chaos WC Fed Com 804H** well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3 ½ miles North of Loving, New Mexico.