

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

**APPLICATION OF MARATHON OIL PERMIAN LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**CASE NO.** \_\_\_\_\_

**APPLICATION**

Pursuant to NMSA § 70-2-17, Marathon Oil Company (“Applicant”) (OGRID No. 372098), through its undersigned attorney, hereby files this Application with the Oil Conservation Division of the State of New Mexico (“Division”) for an order (1) creating a 800-acre, more or less, standard horizontal well spacing unit comprised of the SW/4 Section 31, Township 24 South, Range 29 East, and the W/2 Section 6 and W/2 Section 7, located in Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico (“Unit”), and (2) pooling all uncommitted interest within the Willow Lake; Bone Spring Formation, designated as an oil pool (Pool Code 64450), underlying said Unit. In support of its Application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced Unit to the following wells, referred to collectively as the Wells:
  - a. **Twisted Tea BS Fed Com 551H**, which is an oil well targeting the 3rd Bone Spring Formation that will be horizontally drilled from a surface hole location in the SW/4 of Section 31, Township 24 South, Range 29 East, targeting the 3rd Bone Spring Formation, with the first takepoint being approximately 330 feet FWL, and approximately 2540 feet FSL, to a bottom hole location in the SW/4 of Section 7, Township 25 South, Range 29 East, being approximately 330 feet FWL, and approximately 100 feet FSL;
  - b. **Twisted Tea BS Fed Com 552H**, which is an oil well targeting the 3rd Bone Spring Formation that will be horizontally drilled from a surface hole location in the SW/4 of Section 31, Township 24 South, Range 29 East, with the first takepoint being approximately 1000 feet FWL, and approximately 2540 feet FSL, to a bottom hole location in the SW/4 of Section 7, Township 25 South, Range 29 East, being approximately 1,000 feet FWL, and approximately 100 feet FSL;

- c. **Twisted Tea BS Fed Com 301H**, which is an oil well targeting the 1st Bone Spring Formation that will be horizontally drilled from a surface hole location SW/4 of Section 31, Township 24 South, Range 29 East, with the first takepoint being approximately 1000 feet FWL, and approximately 2540 feet FSL, to a bottom hole location in the SW/4 of Section 7, Township 25 South, Range 29 East, being approximately 1,000 feet FWL, and approximately 100 feet FSL;
        - d. **Twisted Tea BS Fed Com 553H**, which is an oil well targeting the 3rd Bone Spring Formation that will be horizontally drilled from a surface hole located in the SW/4 of Section 31, Township 24 South, Range 29 East, with the first takepoint being approximately 1650 feet FWL, and approximately 2540 feet FSL, to a bottom hole location in the SW/4 of Section 7, Township 25 South, Range 29 East, being approximately 1650 feet FWL, and approximately 100 feet FSL;
        - e. **Twisted Tea BS Fed Com 554H**, which is an oil well targeting the 3rd Bone Spring Formation that will be horizontally drilled from a surface hole located in the SW/4 of Section 31, Township 24 South, Range 29 East, with the first takepoint being approximately 2310 feet FWL, and approximately 2540 feet FSL, to a bottom hole location in the SW/4 of Section 7, Township 25 South, Range 29 East, being approximately 2310 feet FWL, and approximately 100 feet FSL; and
        - f. **Twisted Tea BS Fed Com 302H**, which is an oil well targeting the 1st Bone Spring Formation that will be horizontally drilled from a surface hole located in the SW/4 of Section 31, Township 24 South, Range 29 East, with the first takepoint being approximately 2310 feet FWL, and approximately 2540 feet FSL, to a bottom hole location in the SW/4 of Section 7, Township 25 South, Range 29 East, being approximately 2310 feet FWL, and approximately 100 feet FSL.
3. The completed interval of the Wells will be orthodox and remain within 330-feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed Unit under NMAC 19.15.16.15(B)(1)(6).
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

5. The approval of this Unit and pooling of uncommitted interests within the Unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this Application be set for hearing January 4, 2024, and that after notice and hearing, the Division enter an order

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

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