

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

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

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

**APPLICATION**

Pursuant to NMSA 1978, Section 70-2-17, Marathon Oil Permian LLC (OGRID No. 372098) ("Marathon" or "Applicant") applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 1,266.6-acre, more or less, standard horizontal spacing unit comprised of irregular Section 7 and Section 8, Township 24 South, Range 27 East, Eddy County, New Mexico ("Unit"). In support of this application, Marathon states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following wells ("Wells"):
  - a. **Atreides Federal Com 701H**, which will be drilled from a surface hole location in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 7 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 8;
  - b. **Atreides Federal Com 702H**, which will be drilled from a surface hole location in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 7 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 8;
  - c. **Atreides Federal Com 703H**, which will be drilled from a surface hole location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 7 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 8; and
  - d. **Atreides Federal Com 704H**, which will be drilled from a surface hole location in

Lot 4 (SW/4 SW/4 equivalent) of irregular Section 7 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 8.

3. The completed intervals of the Wells will be orthodox.
4. The completed interval of the **Atreides Federal Com 702H** well will be located within 330' of the half-section line separating the N/2 and S/2 of Sections 7 and 8 to allow for the creation of a 1,266.6-acre standard horizontal spacing unit.
5. 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.
6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
7. 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 that this application be set for hearing before an Examiner of the Oil Conservation Division on January 8, 2026, and, after notice and hearing as required by law, 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 to be drilled thereon;
- 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,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Jaime R. Kennedy

Yarithza Peña

125 Lincoln Ave., Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

[dhardy@hardymclean.com](mailto:dhardy@hardymclean.com)

[jmclean@hardymclean.com](mailto:jmclean@hardymclean.com)

[jkennedy@hardymclean.com](mailto:jkennedy@hardymclean.com)

[ypena@hardymclean.com](mailto:ypena@hardymclean.com)

COUNSEL FOR MARATHON OIL PERMIAN LLC