# **Before the Oil Conservation Division Examiner Hearing August 4, 2022**

Case No. 22951

Ripley 35-26 SB Fed Com 201H Ripley 35-26 SB Fed Com 202H Ripley 35-26 SB Fed Com 203H



#### 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. 22951** 

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### **COMPULSORY POOLING APPLICATION CHECKLIST**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22951	APPLICANT'S RESPONSE					
Date: Hearing Date-August 4, 2022						
Applicant	Marathon Oil Permian LLC					
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC (372098)					
Applicant's Counsel:	Modrall Sperling (Deana Bennett, Bryce Smith)					
Case Title:	Application of Marathon Oil Permian LLC forCompulsory Pooling, Eddy County, New Mexico					
Entries of Appearance/Intervenors:	None					
Well Family	Ripley					
Formation/Pool						
Formation Name(s) or Vertical Extent:	Bone Spring					
Primary Product (Oil or Gas):	Oil					
Pooling this vertical extent:	Second Bone Spring					
Pool Name and Pool Code:	Bone Springs; Willow Lake Pool (Pool Code 96415)					
Well Location Setback Rules:	Statewide rules					
Spacing Unit Size:	640 acres					
Spacing Unit						
Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	640 acres					
Building Blocks:	40 acres					
Orientation:	North-South					
Description: TRS/County	E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y					
Other Situations						
Depth Severance: Y/N. If yes, description	N					
Proximity Tracts: If yes, description	Y					
Proximity Defining Well: if yes, description	The completed interval for the Ripley 35-26 SB Fed Com 202H well is less than 330 feet from the adjoining tracts.					

Applicant's Ownership in Each Tract	Exhibit B.3.
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See C-102s, Exhibit B.2.
Well #1	Ripley 35-26 SB Fed Com 201H API: 30-015-47620 SHL: 320 feet from the South line and 1326 feet from the East line of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. BHL: 100 feet from the North line and 2155 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Completion Target: Bone Spring Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.
Horizontal Well First and Last Take Points	FTP: 100 feet from the South line, 2155 feet from the East line of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. LTP: 100 feet from the North line and 2155 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.  See also Exhibit B.2 for C-102.
Completion Target (Formation, TVD and MD)	Second Bone Spring/ TVD~8,400, MVD~18,900. See also Exhibit B.5 (proposal letter).
Well #2	Ripley 35-26 SB Fed Com 202H API: 30-015-47621 SHL: 320 feet from the South line and 1296 feet from the East line of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.  BHL: 100 feet from the North line and 1320 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Completion Target: Bone Spring Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.

Horizontal Well First and Last Take Points	FTP: 100 feet from the South line, 1320 feet from the East line of of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. LTP: 100 feet from the North line and 1320 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Completion Target: Bone Spring Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.
Completion Target (Formation, TVD and MD)	Second Bone Spring/ TVD~8,400, MVD~18,900. See also Exhibit B.5 (proposal letter).
Well #3	Ripley 35-26 SB Fed Com 203H API: 30-015-47622 SHL: 320 feet from the South line and 1236 feet from the East line of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.  BHL: 100 feet from the North line and 500 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Completion Target: Bone Spring Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.
Horizontal Well First and Last Take Points	FTP: 100 feet from the South line, 500 feet from the East line of of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. LTP: 100 feet from the North line and 500 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Completion Target: Bone Spring Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.
Completion Target (Formation, TVD and MD)	Second Bone Spring/ TVD~9 400 MVD~19 000
	Second Bone Spring/ TVD~8,400, MVD~18,900. See also Exhibit B.5 (proposal letter).
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000/month; see also Exhibit B.5.
Production Supervision/Month \$ OCD Exam  Released to Imaging: 8/2/2022 4:08:04 PM Case	niner Hearing \$800 per month; see also Exhibit B.5.

Justification for Supervision Costs	See Exhibit B, Para. 24.				
Requested Risk Charge	200%; see also Exhibit B, Para 26; Exhibit B.5.				
Notice of Hearing					
Proposed Notice of Hearing	Exhibit B.7.				
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B.7.				
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B.7.				
Ownership Determination					
Land Ownership Schematic of the Spacing Unit	Exhibit B.3.				
Tract List (including lease numbers and owners)	Exhibit B.3.				
Pooled Parties (including ownership type)	Exhibit B.3.				
Unlocatable Parties to be Pooled	N/A				
Ownership Depth Severance (including percentage above & below)	N/A				
Joinder					
Sample Copy of Proposal Letter	Exhibit B.5.				
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3.				
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4.				
Overhead Rates In Proposal Letter	Exhibit B.5.				
Cost Estimate to Drill and Complete	Exhibit B.6.				
Cost Estimate to Equip Well	Exhibit B.6.				
Cost Estimate for Production Facilities	Exhibit B.6.				
Geology					
Summary (including special considerations)	Tab C				
Spacing Unit Schematic	Exhibit C.1				
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2				
Well Orientation (with rationale)	Exhibit C.7; see also Exhibit C, paras. 13-14.				
Target Formation	Exhibit C.5				
HSU Cross Section	Exhibit C.5				
Depth Severance Discussion	N/A				
Forms, Figures and Tables					
C-102	Exhibit B.2				
Tracts	Exhibit B.3				
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3				
General Location Map (including basin)	Exhibit C.1				
Well Bore Location Map OCD Examiner Hea	Exhibit C.1				

Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section (including Landing Zone)	Exhibit C.5
Additional Information	
CERTIFICATION: I hereby certify that the information	provided in this checklist is complete and accurate
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Printed Name (Attorney or Party Representative): Signed Name (Attorney or Party Representative):	

## 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. 22951 (Ripley Second Bone Spring)

#### SELF AFFIRMED DECLARATION OF CHASE RICE

Chase Rice hereby states and declares as follows:

- 1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC ("Marathon"), and I have personal knowledge of the matters stated herein.
- 2. I have previously testified before the Oil Conservation Division ("Division") and my credentials have been accepted as a matter of record.
  - 3. My area of responsibility includes the area of Eddy County in New Mexico.
- 4. I am familiar with the application filed by Marathon in this case, which is attached as **Exhibit B.1**.
  - 5. I am familiar with the status of the lands that are subject to the application.
- 6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
- 7. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.
- 8. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.



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- 9. In this case, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a 640-acre, more or less, horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.
- This spacing unit will be dedicated to the Ripley 35-26 SB Fed Com 201H, Ripley 35-26 SB Fed Com 202H, and Ripley 35-26 SB Fed Com 203H wells, which are Bone Spring wells.
- 11. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 12. The completed interval for the **Ripley 35-26 SB Fed Com 202H** well will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit.
  - 13. Attached as Exhibit B.2 are the proposed C-102s for the wells.
- 14. The C-102s identify the proposed surface hole location, the first take point, and the bottom hole location. The C-102s also identify the pool and pool code.
  - 15. The wells will develop the Bone Springs; Willow Lake pool (Pool code 96415).
  - 16. This pool is an oil pool with 40-acre building blocks.
- 17. This pool is governed by the state-wide horizontal well rules. The producing interval for the wells will be orthodox and will comply with the Division's set back requirements.
  - 18. There are no depth severances within the proposed spacing unit.
- 19. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.
- 20. I have conducted a diligent search of the public records in the county where the wells will be located, and conducted phone directory and computer searches to locate contact

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information for parties entitled to notification, and mailed the working interest owners well

proposals, including an Authorization for Expenditure.

21. In my opinion, Marathon has made a good faith effort to obtain voluntary joinder

of the working interest owners in the proposed wells.

22. **Exhibit B.4** is a summary of my contacts with the working interest owners.

23. **Exhibit B.5** is a sample of the well proposal letter that was sent to all working

interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations

and approximate TVD/MD for the wells.

24. **Exhibit B.6** contains the Authorization for Expenditure for the proposed wells. The

estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs

of other wells of similar depths and length drilled in this area of New Mexico.

25. Marathon requests overhead and administrative rates of \$8000.00/month for

drilling a well and \$800.00/month for a producing well. These rates are fair, and comparable to

the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico.

Marathon requests that these rates be adjusted periodically as provided in the COPAS Accounting

Procedure.

26. Marathon requests the maximum cost plus 200% risk charge be assessed against

non-consenting working interest owners.

27. Marathon requests that it be designated operator of the wells.

28. The parties Marathon is seeking to pool were notified of this hearing.

29. Marathon seeks to pool overriding royalty interest owners, and they were also

provided notice of this hearing.

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30. **Exhibit B.7** is an affidavit of notice prepared by counsel for Marathon that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Carlsbad Current Argus, confirming that notice of the August 4,

2022 hearing was published on July 17, 2022.

31. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

32. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

33. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Chase Rice

Dated: August 1, 2022

Chase Rice

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. No 22951

**APPLICATION** 

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 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 E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 640-acre, more or less, spacing unit.

3. Marathon plans to drill the Ripley 35-26 SB Fed Com 201H, Ripley 35-26 SB Fed Com 202H, and Ripley 35-26 SB Fed Com 203H wells to a depth sufficient to test the Bone Spring formation.

4. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

EXHIBIT B.1

OCD Examiner Hearing 8-4-22 Case No. 22951 11

- 5. The completed interval for the **Ripley 35-26 SB Fed Com 202H** well is less than 330 feet from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.
- 6. Marathon sought, but has been unable to obtain, a voluntary agreement from all mineral interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 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 August 4, 2022, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico;
- B. Designating Marathon as operator of this unit and the wells to be drilled thereon:
- C. Authorizing Marathon to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping 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.

Deana M. Bennett

Bryce H. Smith

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant CASE NO. 22951 : Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Ripley 35-26 SB Fed Com 201H, Ripley 35-26 SB Fed Com 202H, and Ripley 35-26 SB Fed Com 203H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Ripley 35-26 SB Fed Com 202H well will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico.

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



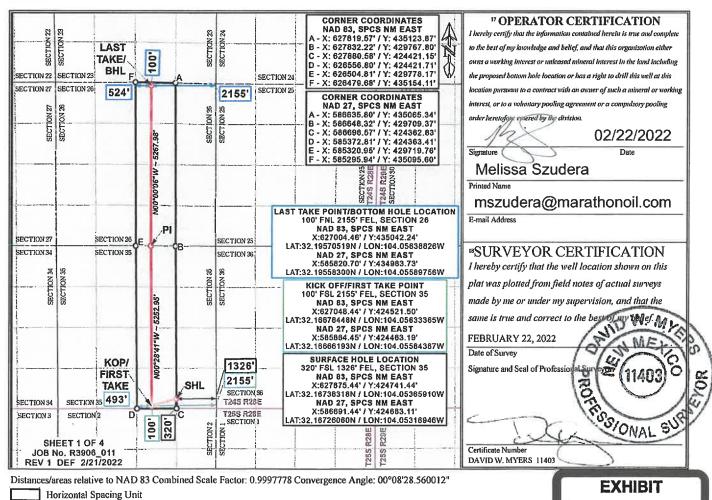
WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Numbe			<sup>2</sup> Pool Code		<sup>3</sup> Pool Name				
30-	015-47	'620		96415		BONE SPRING; WILLOW LAKE				
4 Property	<sup>4</sup> Property Code <sup>5</sup> Property Name						6	Well Number		
			RIPLEY 35-26 SB FED COM 201H							
<sup>7</sup> OGRID	No.				<sup>8</sup> Operator l	<sup>8</sup> Operator Name <sup>9</sup> Eleva				
37209	98			MARA'	THON OIL	NOIL PERMIAN LLC 2955'				
□ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
О	35	24S	28E		320	SOUTH	1326	EAST	EDDY	

" Bottom Hole Location If Different From Surface

Dottom 11010 Bootson in Different 110m Sanace									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	26	24S	28E		100	NORTH	2155	EAST	EDDY
12 Dedicated Acres	13 Joint or	Infill 14 (	Consolidation	Code 15 Or	der No.				
320.0									

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.



OCD Examiner Hearing 8-4-22 Case No. 22951 15 District 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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District III
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Phone: (505) 334-6178 Fax: (505) 334-6170
District IIV
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

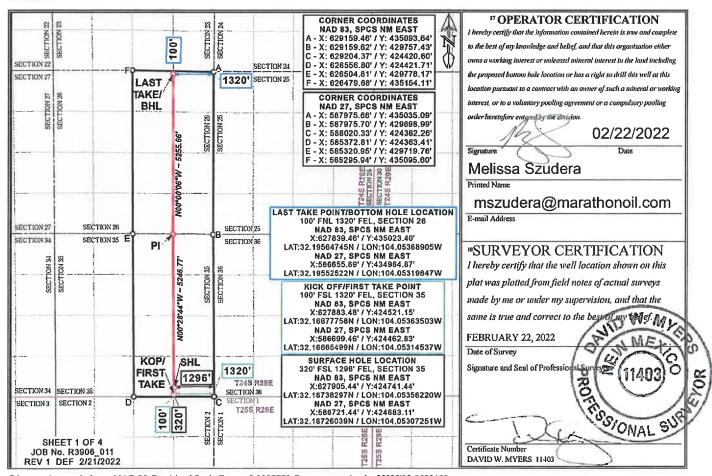
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

			W DDD DC	CILLO	I THI ID TICK		TITIOTTI			
1,	<sup>1</sup> API Number <sup>2</sup> Pool C					<sup>3</sup> Pool Name				
30-	015-47	15-47621 964				BONE SPRING; WILLOW LAKE				
<sup>4</sup> Property Code					5 Property !	Vame			<sup>6</sup> Well Number	
RIPLEY 35-26 SB FED COM							202H			
7 OGRID	OGRID No. Soperator Name Selevation							<sup>9</sup> Elevation		
37209	8			MARA	THON OIL	N OIL PERMIAN LLC 2955'				2955'
					<sup>n</sup> Surface I	Location				
UL or lot no.	Section	Township	Range	Let Idn	Feet from the	North/South line	Feet from the	East/\	Vest line	County
P	35	24S	28E		320	SOUTH	1296	EAST		EDDY
			" Bo	ttom Ho	le Location If	Different Fron	1 Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/\	Vest line	County
Α	26	24S	28E		100	NORTH	1320	EAS'	EDDY	
12 Dedicated Acres	Joint or	r Infilt	Consolidation	Code 15 Or	der No.					
640.0										

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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997778 Convergence Angle: 00°08'28.560012"

Horizontal Spacing Unit

District 1
1625 N. French Dr., Hobbs, NM 88240
Pitone: (575) 393-6161 Fax: (575) 393-0720
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1000 Rio Brazos Road, Aztec, NM 87410
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

320.0

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

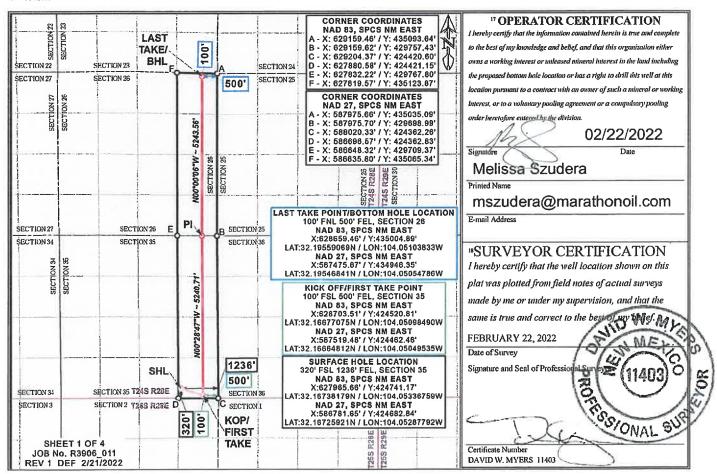
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office



WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number			<sup>2</sup> Pool Code	1		<sup>3</sup> Pool Na				
										_	
30-	015-47	<b>7622</b>   96				BONE SPRING; WILLOW LAKE				E	
4 Property	Code				5 Property N	lame			<sup>6</sup> Well Number		
RIPLEY 35-26 SB FED COM									203H		
<sup>7</sup> OGRID	No.				8 Operator N	lame			9	Elevation	
37209	98	MA			THON OIL I	N OIL PERMIAN LLC 2955'				2955'	
					" Surface I	ocation					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County	
P	35	24S	28E		320	SOUTH	1236	EAST		EDDY	
" 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	East/West line County		
Α	26	24S	28E		100	NORTH	500	EAS	EDDY		
12 Dedicated Acre	s 13 Joint o	r Infill <sup>14</sup> C	onsolidation (	Code 15 Ore	der No.						

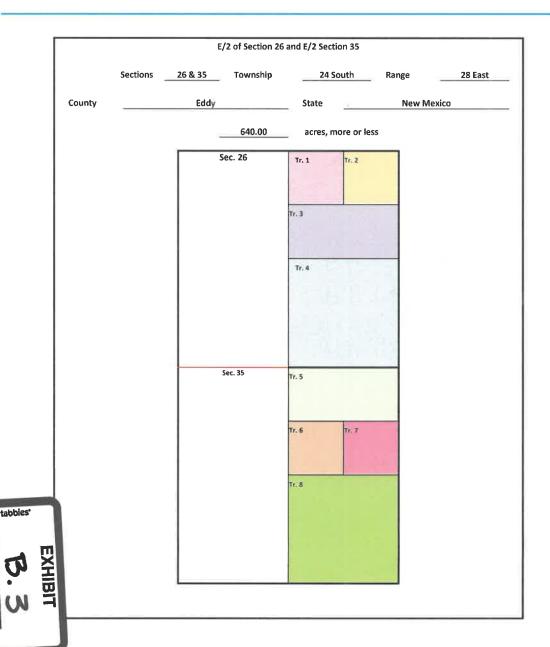
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997778 Convergence Angle: 00°08'28.560012"

Horizontal Spacing Unit

#### **Lease Tract Map** Ripley 35-26 SB Fed Com 201H, 202H & 203H E/2 of Section 35 & E/2 Section 26 T24S-R28E: 640 acres



- Tract 1: Fee
- Tract 2: Fee
- Tract 3: State of NM (V-5319)
- Tract 4: Federal (NM-112919
- Tract 5: Federal (NM-13412)
- Tract 6: Fee
- Tract 7: Fee
- Tract 8: Fee



## **Summary of Interests** Ripley 35-26 SB Fed Com 201H, 202H & 203H E/2 of Section 35 & E/2 Section 26 T24S-R28E: 640 acres

Committed Working Interest:	34.375%
Marathon Oil Permian LLC	34.375%
I line a many little of VM a plainter for the country	
Uncommitted Working Interest:	<u>65.625%</u>
EOG Resources, Inc.	42.500%
Mammoth Exploration LLC	4.946762%
Shadowfeet, LLC	0.075731%
Pandora Partners, L.P.	0.077261%
Owl Exploration, LLC	0.421875%
Adley Properties, LLC	0.421875%
Laughlin Company Services, Inc	0.093750%
Isramco Resources, LLC	0.212746%
RKC, Inc.	06.250%
<ul> <li>Devon Energy Production Company, L.P.</li> </ul>	09.375%
OXY Y-1 Company	01.250%



## Parties to Be Pooled

#### **Uncommitted Working Interest**

- EOG Resources, Inc.
- Mammoth Exploration LLC
- Shadowfeet, LLC
- Pandora Partners, L.P.
- Owl Exploration, LLC
- Adley Properties, LLC
- Laughlin Company Services, Inc.
- Isramco Resources, LLC
- RKC, Inc.
- Devon Energy Production Company, L.P.
- OXY Y-1 Company

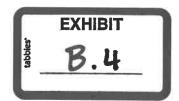
#### **ORRI Owners**

- David H. Essex
- William R. Bergman
- Curtis Anderson and Edna I. Anderson, Trustees of The Edna and Curtis Anderson Revocable Trust dated 8/31/2021
- Patrick Cole Qualls
- Matthew Porter Qualls
- John W. Wolf
- Gary Green
- Norma D. Green
- Gene H. Davis
- McCombs Energy, Ltd.
- Gene Shumate
- Chi Energy, Inc
- Redbird Royalty, L.P.
- Bole Resources, LLC
- Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust
- Stephen C. and Doris J. Baxter, Joint Tenants
- Ranchito AD4, L.P.
- KT Energy, Inc.
- Outdoor Entourage, Inc.
- Mel Energy, Inc.
- Thunderbolt Petroleum, LLC
- Jim Ikard
- Jami Huber Owen
- O.D. Albright III
- **GK Partners**
- Sisbro Oil and Gas, LLC
- Mizel Resources, A Trust
- Williamson Oil & Gas, LLC
- Dolores McCall
- Arlen Edgar
- Scott T. Peterson
- M.D. Abel Co.
- Bishop-Windham Family Ltd. Partnership
- Dorothy Hockaday Trust
- Christa Hinojosa
- Sempra Energy Production Company
- Sanford Starman and Shirley Starman, Co-Trustees of the Sanford and Shirley Starman 1991 Revocable Trust dated May 23, 1991
- Rubicon Oil & Gas I. LP
- Michael D. Hays and Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust



### **Summary of Attempted Contacts**

- Marathon conducted extensive title work to determine the working interest owners and other interest owners.
- Marathon searched public records, phone directory, and various different types of internet searches.
- Marathon sent well proposal letters to the working interest owners on or around May 25, 2022.
- Marathon proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Marathon had multiple communications with the uncommitted working interest owners.
- In particular, Marathon communicated with EOG, the largest other working interest owner, as follows:
  - o Marathon and EOG have been in trade negotiations concerning EOG's acreage within the Ripley spacing unit area for several months. The transaction in which Marathon would acquire all of EOG's interest is near completion with an expected closing by the end of the month.
- Marathon also had communications with the other working interest owners as follows:
  - o We have exchanged emails and phone calls with RKC, Inc concerning their interest. We have made an offer to purchase, but RKC, Inc seemed to be inclined to participate in the wells.
  - o Shadowfeet, LLC, Pandora Partners, LP and Owl Exploration, LLC have elected to participate in the Ripley 35-26 Fed Com 201H, 202H, & 203H wells by returning the initial well proposal letter.
  - o Finalizing JOA edits with OXY Y-1 that would encompass both the Wolfcamp and Bone Springs Spacing units.
- Marathon filed applications to force pool parties who had not entered in to an agreement.
- Marathon's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Marathon also published notice in a newspaper of general circulation in the county where the wells will be located.



Marathon Oil

Chase Rice Staff Land Professional - Permian

Marathon Oil Company 990 Town & Country Blvd. Houston, Texas 77024 713.296.3055 (o) cfrice@marathonoil.com

May 26, 2022

RKC, Inc. 1527 Hillside Road Fairfield, CT 06490

Re: Ripley 35-26 SB Fed Com 201H, 202H & 203H (the "Wells") Participation Proposal

E/2 of Section 26 and the E/2 of Section 35

Township 24 South, Range 28 East

Eddy County, New Mexico

Dear Sir/Madam:

Marathon Oil Permian LLC ("Marathon") proposes the drilling, completion, and equipping of the Wells, at a legal location in the E/2 of Section 26 and the E/2 of Section 35, Township 24 South, Range 28 East, Eddy County, New Mexico (the "Subject Lands"), as follows:

#### 1) Ripley 35-26 SB Fed Com 201H

SHL: SESE of Section 35, 24S-28E

First take point: 2155' FEL & 100' FSL of Section 35, 24S-28E Last take point: 2155' FEL & 100' FNL of Section 26, 24S-28E

The Well will be drilled horizontally within the Bone Springs formation to an approximate true vertical depth of 8,400' and an approximate measured depth of 18,900'.

#### 2) Ripley 35-26 SB Fed Com 202H

SHL: SESE of Section 35, 24S-28E

First take point: 1320' FEL & 100' FSL of Section 35, 24S-28E Last take point: 1320' FEL & 100' FNL of Section 26, 24S-28E

The Well will be drilled horizontally within the Bone Springs formation to an approximate true vertical depth of 8,400' and an approximate measured depth of 18,900'.

#### 3) Ripley 35-26 SB Fed Com 203H

SHL: SESE of Section 35, 24S-28E

First take point: 500' FEL & 100' FSL of Section 35, 24S-28E Last take point: 500' FEL & 100' FNL of Section 26, 24S-28E

The Well will be drilled horizontally within the Bone Springs formation to an approximate true vertical depth of 8,400' and an approximate measured depth of 18,900'.



#### Authority for Expenditure (AFEs)

Enclosed with this letter is an Authority for Expenditure ("AFE") for each of the proposed Wells. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred, and by electing to participate, you shall be responsible for your proportionate share of all actual costs incurred.

#### **Voluntary Agreement of Compulsory Pooling**

Marathon will provide, upon request, a proposed Joint Operating Agreement ("JOA") for development of the Subject Lands that will include the following basic terms:

- Marathon Oil Permian LLC to be named as Operator
- Contract Area begin the Subject Lands
- As a charge for the risk involved in drilling the well, 300% of the above costs
- \$8,000 per month drilling overhead rates and \$800 per month producing overhead rates, adjusted annually pursuant to Section III.1.A.3 of COPAS form titled "Accounting Procedure-Joint Operations."

If you would like to discuss a farmout, an assignment of interest, an acreage trade or other form of agreement for your interests in the Subject Lands, please contact the undersigned. If Marathon is unable to reach a voluntary agreement for the development of the Subject Lands with all the interest owners in the proposed spacing unit, Marathon will file an application with the New Mexico Oil Conservation Division for an order pooling the Subject Lands.

#### **Election Instructions**

Please use the attached ballot to indicate your desire to participate in each of the proposed wells and return a signed AFE for each well in which you elect to participate. If we do not receive a response form you within thirty (30) days, we will proceed with the necessary proceedings to pool your interests in the proposed spacing unit for the initial wells.

Should you elect to participate, your interest will automatically be covered by the Operator's insurance unless and until you provide written notice to Operator to the contrary, together with a valid, current insurance certificate from your insurance carrier in compliance with Operator's minimum insurance requirements.

Should you have any questions regarding the above, please do not hesitate to contact me at the information provided in the top of this letter.

Best Regards,

Chase Rice

Marathon Oil Permian LLC

Chase Rice

Staff Land Professional

#### **PARTICIPATION BALLOT**

RKC, Inc hereby elects to:
Not to participate in the Ripley 35-26 SB Fed Com 201H Well.
Participate in the <b>Ripley 35-26 SB Fed Com 201H</b> Well by paying its proportionate share of all actual costs.
Not to participate in the Ripley 35-26 SB Fed Com 202H Well.
Participate in the <b>Ripley 35-26 SB Fed Com 202H</b> Well by paying its proportionate share of all actual costs.
Not to participate in the Ripley 35-26 SB Fed Com 203H Well.
Participate in the <b>Ripley 35-26 SB Fed Com 203H</b> Well by paying its proportionate share of all actual costs.
By:
Print Name:
Title:
Date:

MARATHON OIL PERS AUTHORITY FOR EXP		DATE:	
DETAIL OF ESTIMATE		COMPLETION PREPARED BY	KRISTEN DRAIN
		FACILITIES PREPARED BY ARTIFICIAL LIFT PREPARED BY	
Asset Team	PERMIAN		
Field	Bone Spring Willow Lake 466 FORMATION: 2ND BONE SPRINGS WI		EXPLORATION
Lease/Facility Location			RECOMPLETION WORKOVER
Prospect	MALAGA		
Est Total Depth	18,500 Est Drilling Days 15.7	Est Completion Days	2.6
LOCATION COST -	INTANGIBLE		
GL CODE	DESCRIPTION		ESTIMATED COST
7001250	Location and Access		40,200
7001270	Land Broker Fees and Services		27,90
	TOTAL LOCATION COST - INTANGIBLE	2	67,500
DRILLING COST - T	ANGIBLE		
7012040 7012050	Casing & Tubing Access Surface Casing		24,000
7012050	Intermediate Casing 1		106,000
7012050 7012050	Intermediate Casing 2 Production Casing		466,000
7012050 7012350	Drig Liner Kanger, Tieback II & Cas Accessories Water (possible)		10,000
7012550	Drilling Wellhead Equipment		65,000
7001270	Conductor Plane		25,000
	TOTAL DRILLING - TANGIBLE		722,000
DRILLING COST - U	NTANGIBLE		
7000030			20.44
7000030	Contract Labor - general Contract Labor - Operations		30,000
7001110 7001120	Telecommunications Services Consulting Services Surface		5,000 76,440
7001160	Contract Services - Disposel/Non-Hazardous Wa: Intermediate 1		80,000
7001200 7001400	Contract Services - Facilities Intermediate 2  Safety and Environmental Production		10,000
7001440	Vacuum Trucks		10,000
7001460 7001460	Water (non possible)   Water hauling and disposel (includes see farming)		25,800 60,000
7011010 7012020	8% Contingency & Yaxas Bits		201,010
7012310	Solida Control equipment		32,760
7016180 7016350	Freight - Transportation Services Fuel (Rig)		25,000 100,100
7019000 7019010	Well Lagging Services		40,000
7019020	Cement and Cementing Service		34,000
7019020 7019020	Cement and Cementing Service Cement and Cementing Service		25,000
7019020	Cement and Comenting Service		140,000 118,200
7019040 7019110	Otrectional Drifling Services Casing inspection/cleaning		15,000
7019110 7019140	Dritt pipe/collar inspection services  Mud Fluids & Services		10,000
7019140	Puel (Mud)		36,000
7019150 7019250	Mud Logging - geostaming Stabilizers, Hole Openers, Underreamers, Agitators (OH rentals)		9,675
7019300 7019310	Well Services - Well Control Services Coring (sidewalts & analysis)		18,471
7019350	Well Services - Well/Weithead Services		10,000
7260001 7290002	Lesse Exp Oper-Gas Process/Liquid Extret Orilling Rig Mob/Demob		3,00,000
7290002	Drilling Rig - day work/tootage		435,800 9,100
7290003 7350002	Rental Tools and Equipment (surface rentals) Rental Buildings (trailers)		9,100
7360001	flig Equipment and Misc.	=	72,800
	TOTAL DRILLING - INTANGIBLE		1,991,640
	TOTAL DRILLING COST		\$2,713,64
COMPLETION - TAI	NGIBLE		
GL CODE	DESCRIPTION		ESTIMATED COST
7012040 7012550	Tubing Accessories (nipple, wirefine entry) Welthead Equip		40,000
7012560	Packers - Compiletion Equipment		
7012580	Tobing		
	TOTAL COMPLETION - TANGIBLE	2	40,000
COMPLETION - IN1	PANCIDIE		
COMPLETION - (N	The state of the s		
7000030	Contract Labor - general	. ,	25,000
7000030 7001110	Contract Labor - Purping (pump-down pump) Telecommunications Services		10,000
7001120 7001270	Consulting Services  Location and Access Idress location after rig move, set anthons		132,276
7001400	Safety and Environmental		94,000
7001460 7011010	Water Hauling & Disputel (Frac Rules) STS Contingency & Taxes		371,000
7016180	Freight - Truck (hauf pipe; drig & compli)		
7016190 7016350	Freight [Transportation Services] Fuel (from drig)		4,800
7019010 7019020	Cement and Cementing Services		
7019030	Colled Tubing Services		22,000
7019080 7019140	Well Testing Services (flow hand & mulin) Mud Fluids & Services		183,434
7019240	Snubbling Services		
7019270 7019300	Pulling/Swith Units Frack Stack Rentals		85,000
7019330 7019360	Perforating Wireline Services		148,160
7260001	Lease Exp Oper-Gas Process/Liquid Extrct		
7290002 7290003	Drilling Rig During Completion BOP Rental & 7+ Ming		
7290003	Rental Tools and Equipment (Incl drig: lightplant, hydra-walk)		العالم ا
7290003 7290003	CT Downhole Rental Equipment (le. Bit, BHA) Zipper Manifold		25,000
7330002 7390002	Rental Buildings (trailers) Fracturing Services		2,278,885
, , , , , , , , , , , , , , , , , , , ,	Equipment Rental ( w/o operator, frac tanks, lightplants)		181,182
	TOTAL COMPLETION - INTANGIBLE		1,567,743
	TOTAL COMPLETION COST		\$3,607,74



SLIBEACE	FOLLIPMEN	T. TANGIRI

Contract Labor - General		125,000
Telecommunication aquip (Telemetry)		
Flectrical Labor		60,000
		125,000
Contract Engineering		8,500
		10.000
		12,000
		87,500
		32,000
Metering and Instrumentation		180,000
I&E Materials		105,000
Electrical Power Jelectrical emoperative construction costs		24,000
Misc. Fining Fittings & Valves		105,000
Line Pine & Accessories		30,000
		186,000
		29,605
		42,000
Yapar Kecawary Unit		
		12,710
Freight-truck		10,454
AL SURFACE EQUIPMENT - TANGIBLE		\$1,182,769
TAL SURFACE EQUIPMENT COST	\$	1,182,769
Contract I shoe		4,000
Consultant		2,000
Time Writing/Overhead		5,000
		20.000
		13,000
Production Tree		
		99,000
Freight		2,700
Rentals		6,000
KRI Fluid		2,000
Well Services & Ru		15,700
		175,400
AL ANTIFFICIAL LIFT		272,400
TAL ARTIFICIAL UFT COST	\$ .	175,400
THE ARTITIONE BY T COOT	•	1/5,400
SUMMARY OF ESTIMATED DRILLING WELL COSTS		OTAL COST
SUMMARY OF ESTIMATED DRILLING WELL COSTS	1	OTAL COST
SUMMARY OF ESTIMATED DRILLING WELL COSTS	\$	OTAL COST 67,500
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST  TOTAL DRILLING COST	\$ \$	OTAL COST 67,500 2,713,640
SUMMARY OF ESTIMATED DRILLING WELL COSTS	\$	OTAL COST 67,500
SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$ \$ \$	67,500 2,713,640 3,607,743
SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ \$ \$ \$	67,500 2,713,640 3,607,743 1,182,769
SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$ \$ \$	67,500 2,713,640 3,607,743
SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ \$ \$ \$	67,500 2,713,640 3,607,743 1,182,769 175,400
SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SUFFACE FQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST	\$ \$ \$ \$	67,500 2,713,640 3,607,743 1,182,769 175,400
SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST  TOTAL DRILLING COST  TOTAL COMPLETIONS COST  TOTAL SURFACE EQUIPMENT COST  TOTAL SURFACE EQUIPMENT COST  GRAND TOTAL COST  Z	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST  E  List to be a costed by open of the base and received and year to specify the cost of well costrol, data up and radio	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST  TOTAL DRILLING COST  TOTAL COMPLETIONS COST  TOTAL SURFACE EQUIPMENT COST  TOTAL SURFACE EQUIPMENT COST  TOTAL ARTHRICAL LIFT COST  GRAND TOTAL COST  Z  Line 1 to be a cost of by Circumstance convening costs of well control, dean up and and estimated in Line 60 580 4185.	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST  E  List to be a costed by open of the base and received and year to specify the cost of well costrol, data up and radio	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST  TOTAL DRILLING COST  TOTAL COMPLETIONS COST  TOTAL SURFACE EQUIPMENT COST  TOTAL SURFACE EQUIPMENT COST  TOTAL ARTHRICAL LIFT COST  GRAND TOTAL COST  Z  Line 1 to be a cost of by Circumstance convening costs of well control, dean up and and estimated in Line 60 580 4185.	S S S S S S S S S S S S S S S S S S S	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL SUMPLETIONS COST TOTAL SUMPLETIONS COST TOTAL SUMPLETIONS COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST  E  Liest to be at costed by Operator's bridge Laggers from use or help by mycoop Operator has secured for a Expense Insurance covering costs of well control, clean up and redictionated in line from 0.650-0.165.	S S S S S S S S S S S S S S S S S S S	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL DRILLING COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST  E  Livel 10 be a created by diparation's linker and grants for an according by the appropriate has secured forth Expense Insurance covering costs of well control, clean up and radio estimated in Line from 1080 0185.  Colocitio purposition working interest covered depth Operation's well control interest covering costs to be covered by Operation's well-control interest.	S S S S S S S S S S S S S S S S S S S	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL DRILLING COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST  E  Livel 10 be a created by diparation's linker and grants for an according by the appropriate has secured forth Expense Insurance covering costs of well control, clean up and radio estimated in Line from 1080 0185.  Colocitio purposition working interest covered depth Operation's well control interest covering costs to be covered by Operation's well-control interest.	S S S S S S S S S S S S S S S S S S S	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL DRILLING COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST  E  Livel 10 be a created by diparation's linker and grants for an according by the appropriate has secured forth Expense Insurance covering costs of well control, clean up and radio estimated in Line from 1080 0185.  Colocitio purposition working interest covered depth Operation's well control interest covering costs to be covered by Operation's well-control interest.	S S S S S S S S S S S S S S S S S S S	67,500 2,713,640 3,607,743 1,182,769 175,400 \$7,747,052
	Electrical Power [electrical assepance construction costs] Miss. Pulsar Enthings & Valves Une Pigus & Accessories Separator & orbina pressure vessels (504 colls, xMM BTU unit) Mode Pumple unit & Paid Tanks Vaper Reseavery Unit Filare & Accessories Freight - RUNA AL SURFACE EQUIPMENT - TANGIBLE  TAL SURFACE EQUIPMENT - TANGIBLE  TOO Constulant Time Writing/Overhead Artifical Unit Equipment Metarists & Supplies Production Tiree Young Filared Fi	Contract Engineering SCADA Compressor Heater Treater Pumping Unit Engine Motering and Instrumentation International Internationa

DETAIL OF ESTIMAT	ENDITURE DRILLING & LOCATION PREPARED BY	
	D WELL COSTS COMPLETION PREPARED BY FACILITIES PREPARED BY	
	ARTIFICIAL LIFT PREPARED BY	
Asset Team	PERMIAN	
ield .ease/Facility	Bone Spring: WIRD LAW 164 FORMATION 2ND BONE SPRINGS WILDCAT RIPLET 1 2 STATE COM 202H DEVELOPMENT	EXPLORATION RECOMPLETION
Location	X_EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Depth	18,900 Est Drilling Days 15.7 Est Completion Days	2.6
LOCATION COST	INTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001250	Location and Access	40,20
7001270	Land Broker Fees and Services	27,00
	TOTAL LOCATION COST - INTANGIBLE	67,20
DRILLING COST -	ANGIBLE	
7012040 7012050	Casin & Tubi Access Surface Casi	24 D
7012050	Intermediate Casing 1	106,00
7012050 7012050	Intermediate Casing # Production Casing	466.0
7012050	Drig Liner Manger, Tieback Em & Con Accessories	
7012350 7012550	Water potable  Drillio Wellhead Equipment	10,00
7001270	Conductor Pipe	25 D
	TOTAL DRILLING - TANGIBLE	722,00
DRILLING COST -	WIMMIDLE	
7000030 7000030	Contract Labor - general Contract Labor - Operations	30, Di
7001110	Telecommunications Services	5,00
7001120	Consulting Services Surface Contract Services - Dispusal/Non-Hazardous Wa: Intermediate 1	76.4 80.0
7001200	Contract Services - Facilities Intermediate 2	10,0
7001400 7001440	Safe iy and Environmental Production Vacuum Trucks	25,4 10,0
7001460 7001460	Water pon putable	25,0
7011010	Water hauling and disposal lindudes soil farming 3% Contingency & Taxes	201,0
7012020 7012310	Bits Solids Control equipment	128.0 32,7
7016188	Freight - Transportation Services	25.0
7016350 7019000	Fuel (Rigi	100,1
7019010	Casin Crew and Services	40,0
7019020 7019020	Cement and Cementing Service Cement and Cementing Service	34,0 25,0
7019020 7019020	Cement and Cementing Service Cement and Cementing Service	140.0
7019040	Directional Drilling 5 reic s	118,2
7019110 7019110	Casin_ins_ction /cleanin   Drill pipe/collar inspection services	15,0
7019140	Mud Fluids & Services	60,7
7019140 7019150	Fuel Mud   Mud Lo ging posteering	36,0 9,6
7019250 7019300	Stabilizers, Hole Oliveners, Underreamers, Aprilitors (DH rentals)	35.0 18.4
7019310	Well Services - Well Control Services Corin     sidewalls & analysis	10,4
7019350 7260001	Well Services - Well, Wellhead Services  Lease Exp Oper-Gas Process/Liquid Extrct	10,0
7290002	Orillin Ri Mob/Demob	100,0
7290002 7290003	Orillin R' - da work foots   Rental Tools and E uniment (surface rentals)	436.8
7330002 7360001	Rental Buildings (trailers) Ris Equipment and Misc.	9,1 72,8
7500002		
	TOTAL DRILLING - INTANGIBLE	1 991 6
	TOTAL DRILLING COST	\$2,713,6
COMPLETION - 7.	NGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7012040 7012550	Tubing Accessories (nipple, wireline entry) Wellhead Equip	40,0
7012560	Packers - Completion Equipment	
	Tubing	
7012580	1847/8	
		40.0
	TOTAL COMPLETION - TANGIBLE	40,0
	TOTAL COMPLETION - TANGIBLE	40,01
7912580 COMPLETION - IP	TOTAL COMPLETION - TANGIBLE TANGIBLE	
7012580 COMPLETION - IN 7000030 7000030	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - general  Contract Labor - Pumping	25.0
7012580 COMPLETION - IP 7000030 7000110	TOTAL COMPLETION - TANGIBLE  TANGIBLE  ContractLabor - general  ContractLabor - general  Talkcommunications Services	25,0 10.0
7012588 COMPLETION - IN 700003B 7000110 7001128 7001278	TOTAL COMPLETION - TANGIBLE  Contract Labor - general  Contract Labor - general  Telecommunications Services  Consulting Services  Lucation and Access jures location after rig more, set anchors)	25.0 10.0 132.2 7.0
7012588 COMPLETION - IP 700003B 7000110 7001128	TOTAL COMPLETION - TANGIBLE  Contract Labor - general  Contract Labor - general  Contract Labor - general  Telecommunications Services  Consulting Services  Location and Access juress location after ris move, set anchors)  Safe to and projecommental	25.0 10.0 132.2 7.0 94.0
7012588  COMPLETION - IP  700003B  7000030  7001120  7001270  7001400  7001460  7011010	TOTAL COMPLETION - TANGIBLE  Contract Labor - general Contract Labor - general Contract Labor - general Telecommunications Services Consulting Services Location and Access juress location after ris move, set anchors) Safety and Reprisonmental Mater Hauding E. Delico all Prac Floids) 8% Contract Laboration Trac Floids) 8% Contract Laboration Trac Floids) 8% Contract Laboration Trac Floids)	25.0 100.0 132.2 7.0 94.0
7012580  COMPLETION - IP  7000030 7000030 7001120 700128 7001400 7001460	TOTAL COMPLETION - TANGIBLE  ContractLabor - general  ContractLabor - general  ContractLabor - general  Tels communications Services  Consulting Services  Location and Access jutes location after rig move, set anchors)  Safe ty and Environmental  Water Kauding & Delivous liver (folids)	25.0 10.0 132.2 7.0 94.0
7012588  COMPLETION - IP  7000038 7000039 700110 7001120 7001400 7001400 70116180 7016180 7016180 7016180	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - general  Contract Labor - Pumping	25.0 10.0 132.2 7.0 94.0 971.0
7012588  COMPLETION - IN  7000038  7000039  7001110  700120  7001406  7011010  7016188  7016190	TOTAL COMPLETION - TANGIBLE  Contract Labor - general Contract Labor - general Contract Labor - general Telecommunication Services Consulting Services Location and Access juress location after ris move, set anchors) Safety and Reprisonmental Mater Hauding B. Delico all Place fields SM. Contraction by a Taxes Freight - Truck than jure cafe & compil Freight Truck than jure cafe & compil Freight Truck pass prices	25.0.2 10.0. 13.2 7 7.0. 94.0 371.0
7012588  COMPLETION - IN  7000038  7001109  7001279  7001409  7001409  7011619  7016180  7016190  7019020  7019020	TOTAL COMPLETION - TANGIBLE  Contract Labor - general Contract Labor - general Contract Labor - general I Telecommunication Services Consulting Services Location and Access juress location after ris move, set anchors) Safety and prodocommand Mater Hasting II, Stational Prac Floids BM. Contraction Prac Taxes Freight - Trust had jure data & compil Freight Contractions Trust Location Contractions Facel Brown data Casina Contractions Canada Contractions	25,0 10,0 132,2 7,0 94,0 971,0
7012580  COMPLETION - IN  2000030  700110  700110  700140	TOTAL COMPLETION - TANGIBLE  Contract Labor - general  Contract Labor - dumining   jumin-diswn   juminig   Telecommunication Services  Consulting Services  Location and Access   directs location after ris move, set anchors   Safety and projecommanal  Water Madeling   Delipsool   first floation   Water Madeling   Delipsool   first floation   First   first floating   Delipsool   first floation   First   first floating   Delipsool   first floation   First   first floating   Delipsool   first floation   Casina (new and Services)  Cented tanger contained Services  Cented tanger (see the Services)  Cented tanger (see the Services)  Well Teathin Services   Order (see the Services)  Mult Fluids & Services	25.0.2 10.0. 13.2 7 7.0. 94.0 371.0
7012580  COMPLETION - IN 7000130 7000130 7000110 7001120 7001120 700120 7001460 7001460 701460 70156180 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010 7015010	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - general  Contract Labor - Porniting	25,0 10,0 132,2 7,0 94,0 971,0
70012580  COMPLETION - IN  7000030  7000130  7001130  7001140  7001460  7001460  7001460  7015600	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - general  Contract Labor - Punning	25,6,0 10,0 132,2 7,2 94,0 971,0 4,8 22,0 183,4
7012580  COMPLETION - IN  700003B  700003B  700003B  7000110  7001100  7001100  7001100  7011010	TOTAL COMPLETION - TANGIBLE  Contract Labor - general  Contract Labor - dumining   jumin dinen   juminig  Telecommunication Services  Consulting Services  Location and Access   directs location after ris move, set anchors  Safety and fenviconmental  Water Hashing & Districts   first fields  BX Contract   Stational   first fields  BX Contract   Stational   first fields  BX Contract   Stational   first fields  Freight - Truck had   piec data & compil   Freight   first particular   First   Fuel   first particular   first   Fuel   first particular   first   Casina (new and Services   Cented tand Centerolina   Services   Center Jumin Services   Multi Tractal Services   Smubbling Services   Smubblin	25,5,1 10,6 132,2 7,2 94,6 971,6 4,8 22,6 183,4
7012580  COMPLETION - IN  700003B  700003B  700003B  7000130  7001100  7001100  7001100  7001100  70110100  70110100  70110100  70110000  7011000  7011000  7011000  7011000  7011000  70110000  70110000  70110000  70110000  70110000  70110000  70110000  70110000  7	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - general  Contract Labor - dumining   jump-disson   jumpig   Telecommunication Services  Consulting Services  Location and Access   deep tocation after ris move, set anchors   Safety and Environmental  Water Madeling   Delitocal   first floation   Water Madeling   Delitocal   first floation   Set Compligation   Taxes  Freight - Truck had   piec data & compligation   freight   first floating    Freight   from delight    Cosini (see and Services)  Content and Commention Services  Content and Commention Services  Well Teating Services  Soubbilly Se	25,5,1 10,6 132,2 7,2 94,6 971,6 4,8 22,6 183,4
7012580  ZOMPLETION - IP  ZOMO038  ZOMO038  ZOMO128  ZOM1128  ZOM1	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - Pramiting illumin dinon shumps!  Telecommunications Services  Consoling Services  Lucetion and Access fixes to training affecting move, set anchors)  Selvicy and Environmental  Water Heading & Boilson affect rig move, set anchors)  Selvicy and Environmental  Water Heading & Colling and Thee Roids)  SK Contrainers is Traces  Freight Tensiveration Services    Freight Tensiveration Services    Jouint Crew and Services    Contrainers Services    Contrainers Services    Medi Tensind Services    Medi Tensind Services    Shubbing Services    Shubbing Services    Shubbing Services    Shubbing Services    Publicut Services    Publicut Services    Definition    Wiching Services    Definition    Wiching Services    Least Eur Other Geat Process (Upined Entret  Definition	25,5,1 10,6 132,2 7,2 94,6 971,6 4,8 22,6 183,4
7012580  200018 200018 200018 200118	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - general  Contract Labor - Punning	25,5, 10,6 132,2 14,2 24,2 24,2 24,2 24,1 24,1 24,1 2
7012580  COMPLETION - IN  7000038  7000038  7000038  7001110  7001103  7001103  7001103  70110100  70110100  70110100  70110000  70110000  70110000  70110000  70110000  70110000  70110000  70110000  70110000  70110000  70110000  70110000  70110000  701100	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - punning	25,5, 10,6 132,2 14,2 24,2 24,2 24,2 24,1 24,1 24,1 2
7012580  COMPLETION - IN  7000038  2000038  20001110  2001127  2001127  2001127  2001127  2001127  2001127  2011010  2015189  201	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - punning	25.6 10.0 132.2 7.1 94.4 971.6 4.8 22.2 181.4 85.6 188.4
70912580  7090038  7090038  7090038  7090138  7091138  7091149  7091469  70	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - punning	25.6 10.0 132.2 7.0 94.4 971.6 4.8 22.2 181.4 85.6 198.1 25.6 2.2788.1
7012580  COMPLETION - IN  7000038  2000038  20001110  2001127  2001127  2001127  2001127  2001127  2001127  2011010  2015189  201	TOTAL COMPLETION - TANGIBLE  TANGIBLE  Contract Labor - Punning	25,6 10,0 13,2 7,6 94,0 371,0 4.8 22,0 183,4

#### SURFACE EQUIPMENT - TANGIBLE

7000030	Contract Labor - General	_	125,000
7001110	Telecommunication equip (Telemetry)	-	
7000010	Electrical Labor	_	60,000
7000010	Mechanical Labor	8	125,000
7001190 7008060	Contract Engineering	_	6,500 10,000
7012010		-	12,000
7012010	Compressor Heater Treater		87 500
7012180	Pumping Unit Engine		07,300
7012270	Miscellaneous Materials containment system		32 000
7012290	Metering and Instrumentation		180 DOO
7012290	I&E Materials		105,000
7012350	Electrical Power electrical cooperative construction costs		24,000
7012350	Misc. Plaing Fitting & Valves	57	105,000
7012410	Line Pipe & Accessories		30,000
7012440	Segurator & other pressure vessels  xM coils  xMM BTU unit		186,000
7012480	Rod Pumping unit & Pad		
7012500	Tanks		29,605
7012610	Va por Recovery Unit		42,000
7012540	Flare & Accessories		12,710
7016180	Frei ht - truck		10,454
	TOTAL SURFACE EQUIPMENT - TANGIBLE		
	TOTAL SURFACE EQUIPMENT - TANGIBLE		51,182,761
	TOTAL SURFACE EQUIPMENT COST	\$	1,182,769
ARTIFICIAL LIFT			
7000030	Contract Labor		4,000
7001120	Consultant	-	4
		-	2,000
7008230	Time Writing/Overhead		5,000
7012180	Artificial Lift Equipment		20,000
7012350	Materials & Supplies		13,000
7012550	Production Tree		
7012580	Tubing		99,000
7016190	Freight	-	8,700
7018150	Rentals	_	6,000
7019130	Kill Fluid		2,000
7019220	Well Services & Rig	-	15,700
	TOTAL ARTIFICIAL LIFT		175,400
			475.440
	TOTAL ARTIFICIAL LIFT COST	\$	175,400
	SUMMARY OF ESTIMATED DRILLING WELL COSTS	Т	OTAL COST
	TOTAL LOCATION COST	\$	67,200
	TOTAL DRILLING COST	\$	2,713,640
	TOTAL COMPLETIONS COST	\$	3,607,743
	TOTAL SURFACE EQUIPMENT COST	\$	1,182,769
	TOTAL ARTIFICIAL LIFT COST	\$	175,400
		-	
	GRAND TOTAL COST		57,746,752
EXTRA EXPENSE INSU	RANCE		
	l elect to be covered by Operator's Extra Expense insurance and pay my proportionate	share of the	premium.
	Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as		
	estimated in Line item 0180-0185. I elect to purchase my own well control insurance policy.		
	conserve becoming till ann men control mentime banelt		
If neither box is check	ed above, non-operating working interest owner elects to be covered by Operator's well control insurance.		
Joint Owner Name	Date:		
Signed by	*		
Signed by			

MARATHON OIL PE		DATE:	4/26/2022
DETAIL OF ESTIMA		COMPLETION PREPARED BY KR	
		FACILITIES PREPARED BY AA	RON HUTCHISON
		ARTIFICIAL LIFT PREPARED BY Cra	a's Plante
Asset Team	PERMIAN		
Field Lease/Facility	Serve turning, Willow Lake 964 FORMATION THE BOWNE SPRINGS		PLORATION COMPLETION
Location	x		ORKOVER
Prospect	MALAGA		
Est Total Depth	18 900 Est Drilling Days 15.7	Est Completion Days	2.6
	West and the second sec		
LOCATION COST	- INTANGIBLE		
GL CODE	DESCRIPTION		ESTIMATED COST
7001250	Location and Access  Land Broker Fees and Services		40,20
1001210	Carlo Stere Trees and Services		27,00
	TOTAL LOCATION COST - INTANGIBLE	<u></u>	67,20
DRILLING COST -	TANGIRIF		
7012040	Casing & Tubing Access		24.00
7012050 7012050	Surface Casing 1		25,00 106,00
7012050	Intermediate Casing 2		100,00
7012050	Production Casing		466_00
7012050 7012350	Drij Liner Hamer Tieback E. & Car Accessories Water (potable)		10,00
7012550	Drilling Wellhead Equipment		65,00
7001270	Conductor Pipe		25,00
	TOTAL DRILLING - TANGIBLE	_	722 00
DRILLING COST	INTANGIBLE		
7000030	Contract Labor - seneral		30.00
7000030	Contract Labor - general Contract Labor - O grations		3,00
7001110	Telecommunications Services		5.00
7001120 7001160	Consulting Services Surface Contract Services - Dispusal/Non-Hazardous Wa: Intermediate 1		76 44 80 00
7001200	Contract Services • Facilities Intermediate 2		10,00
7001400	Safe and Environmental Production		25,48 10,00
7001440	Vacuum Trucks Water   non potable		10 00 25 00
7001460	Water hauling and disposal (includes soil farming)		60,00
7011010 7012020	8% Continuency & Taxes Bits		201 D1:
7012310	Solids Control = prigment		32.76
7016180	Freight - Transportation Services		25,00
7016350	Fuel Rig   Well Log in Services		100,10
7019010	Casing Crew and Services		40,00
7019020 7019020	Cement and Cementing Service Cement and Cementing Service		34,00 25,00
7019020	Cement and Cementing Service		2500
7019020	Cement and Cementing Service		140.00
7019040 7019110	Directional Drilling Services Casi inspection/deanin		118.20 15.00
7019110	Drill pipe callar inspection services		10,00
7019140 7019140	Mud Fluids & Services Fuel (Mud)		60.70 36,00
7019150	Mud Louin - geosteerin		9,67
7019250	Stabilizers, Hole Ogeners, Underreamers, Agitators   DH rentals		35,000
7019300 7019310	Well Services - Well Control Services Coring isidewalls & analysis		18,47
7019350	Well Services - Well/Wellhead Services		10 00
7260001 7290002	Lease Ex # Oner-Gas Process/Liquid Extrct Drilling Rig Mob/Demob		100,00
7290002	Drilling Rig - day work footage		436,80
7250003 7330002	Rental Tools and Equipment (surface rentals) Rental Buildings (trailers)		9,10
7360002	Rig I quipment and Misc.		72,80
	TOTAL DRILLING - INTANGIBLE		1,991,64
	TOTAL DRILLING COST		¢2 712 64
	TOTAL DRILLING COST	_	\$2,713,64
COMPLETION - 1	ANGIBLE		
GL CODE 7012040	DESCRIPTION		ESTIMATED COST
7012550	Tubing Accessories in pile, wireline entry) Wellhead Equip		40,000
7012560	Packers - Completion Equipment		.,
7012580	Tubin		
	TOTAL COMPLETION TANCES		
	TOTAL COMPLETION - TANGIBLE		40,000
COMPLETION - I	NTANGIBLE		
	·		
7000030	Contract Labor - general		25,000
7000039	Contract Labor - Pumpling (pump-down plimps)		10,000
7001110	Telecommunications Services Consulting Services		132 27
7001270	Location and Access  dress location after rig move, set anchors		7,00
7001400 7001460	Safe : and Environmental  Water Hauling & Disposal [frac fluids]		94.00 371.00
7011010	8% Contingency & Taxes		3/100
7016180	Freight - Truck (hauf pige; drig & compl)		
7016190 7016350	Freight (Transportation Services) Fuel (from drig)		4,80
7019010	Casing Crew and Services		
7019020 7019030	Cement and Cementing Services		22.00
7019030 7019080	Colled Tubing Services Well Testing Services (flow hand & equip)		22.00 183.43
7019140	Mud Fluids & Services		
7019240 7019270	Snubbin Services Pulling Swab Units		
7019300	Frack Stack Rentals		85,00
7019330	Perforating		148 16
7019360 7260001	Wireline Services Lease Ex. Open-Gas Process, Liquid Extrct		
7290002	Drilling Rig During Completion		
7290003 7290003	BOP Rental & Testing		
7290003 7290003	Rental Tools and E. pi ment lincl dr. : light, land hydra-walk CT Downhole Rental E. pi ment (e. Bit, BHA)		25,00
7290003	Zigger Manifold		
7330002 7390002	Rental Buildings (trailers)		2,278,88
, , , , , , , , , , , , , , , , , , , ,	Fracturing Services  Equipment Rental ( w/o operator, frac tanks, lightplants)		181 18
	TOTAL COMPLETION - INTANGIBLE		3,567,74
	TOTAL COMPLETION COST	-	\$3,607,74

#### SURFACE EQUIPMENT - TANGIBLE

	Contract Labor - General		125,00
7001110	Telecommunication equip (Telemetry)		
7000010	Electrical Labor		60,00
		_	
7000010	Mechanical Labor	_	125.00
	Contract En ineerin	_	
7008060	SCADA		10.00
7012010	Compressor	_	12,00
7012100	Heater Treater	_	87,50
7012180	Pumping Unit Engine		
7012270	Miscellaneous Materials   containment   yelem		32.00
7012250	Metering and Instrumentation		180,00
7012290	I&E Materials		105.0
7012350	Electrical Power electrical cooperative construction costs		24,0
7012350	Misc. Piping Fittings & Valves		105.0
7012410	Line Pipe & Accessories		30,0
7012440	Se parator & other pressure vessels  xM coils  xMM BTU unit		186.0
7012480	Rod Pum in unit & Pad		1000
7012500	Tanks		29.6
7012610	Vapor Recovery Unit	-	42.0
7012640	Flare & Accessories		12,7
7015180	Freight - truck		10.4
10	TAL SURFACE EQUIPMENT - TANGIBLE		\$1,182,7
TO	OTAL SURFACE EQUIPMENT COST	\$	1,182,76
TIFICIAL LIFT			
7000030	Contract Labor		
	CONTRACT CARDY		4,0
7001120	Consultant		2,0
7008230	Time Writing/Overhead		5,0
7012180	Artificial Lift Equipment		20,0
		-	
7012350	Materials & Supplies	_	13,0
7012550	Production Tree		
7012580	Tubing		99.0
7015190	Freight		8.7
7018150	Rentals		6,0
7019130	Kill Fluid		2.0
7019130 7019220			2.0 15.7
7019130 7019220 TD	Kill Fluid Well Services & Reg	\$	6,0 2,0 15,7 175,40
7019130 7019220 TD	KRI Fizid Well Services & Rig TAL ARTIFICIAL UFT	\$	2.0 15.7 175.4
7019130 7019220 TD	KRI Fizid Well Services & Rig TAL ARTIFICIAL UFT		2.0 15.7 175.4
7019130 7019220 TD	Mel Facil Well Services & Rig TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS	т	2.0 15.7 175.4 175.4C
7019130 7019220 TD	Mel Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST	T \$	2.0 15.7 175.4 175.4C OTAL COST
7019130 7019220 TD	Meli Fari Well Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST  TOTAL DRILLING COST	\$ \$ \$	2.0 18.7 175,40 OTAL COST 67,20 2,713,64
7019130 7019220 TD	Mel Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST	\$ \$ \$	2.0 15.7 175.4 175.4C OTAL COST
7019130 7019220 TD	Mel Faid Well Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST	\$ \$ \$	2.0 15.7 175,40 OTAL COST 67,20 2,713,64 3,607,74
7019138 7019228 TD	Meli Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST	\$ \$ \$ \$	2.6 15.7 175,40 OTAL COST 67,21 2,713,66 3,607,74 1,182,76
7019138 7019228 TD	Meli Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SUMMERIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST	\$ \$ \$	2.5 175,40 175,40 OTAL COST 67,22 2,713,66 3,607,74 1,182,76 175,40
7019130 7019220 TD	Meli Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ \$ \$ \$	2.5 175,40 175,40 OTAL COST 67,22 2,713,66 3,607,74 1,182,76 175,40
7019138 7019228 TO	Meli Fari Meli Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ \$ \$ \$	2.1 175.4 175.4 OTAL COST 67,2( 2,713,6 3,607,7 1,182,7( 175,4(
7019130 7019220 TD	Meli Faid Well Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.4 175,4
7019138 7019228 TO	Meli Fari Meli Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2. 13. 175,4 175,4 OTAL COST 67,2 2,713,6 3,607,7 1,182,7 175,4
7019130 7019220 TO TO	Meli Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL DRILLING COST TOTAL DRILLING COST TOTAL SUMPLETIONS COST TOTAL SUMPLETIONS COST TOTAL SUMPLETIONS COST TOTAL ARTIFICIAL LIFT COST GRAND TOTAL COST  GRAND TOTAL COST  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Coparator has secured lists a Expense Insurance covering costs of well control, clean up and redrilling as	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.4 175,4
7019130 TO TO TO	Well Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST GRAND TOTAL COST  GRAND TOTAL COST  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Cognator has secured tate Expense Insurance covering costs of well control, dean up and redrilling as estimated in Line stem Oslab-Oslas.	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.4 175,4
7019130 7019220 TO TO TO	Well Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURRACE EQUIPMENT COST TOTAL SURRACE EQUIPMENT COST TOTAL SURRACE EQUIPMENT COST GRAND TOTAL COST  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Operator has secured Litra Expense Insurance covering costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Covering Costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Covering Costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.5 15.2 175.44
7019138 7019228 TO	Well Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURRACE EQUIPMENT COST TOTAL SURRACE EQUIPMENT COST TOTAL SURRACE EQUIPMENT COST GRAND TOTAL COST  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Operator has secured Litra Expense Insurance covering costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Covering Costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Covering Costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.5 15.2 175.44
7019130 7019220 TO TO TO	Well Services & Rig  TAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS  TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURRACE EQUIPMENT COST TOTAL SURRACE EQUIPMENT COST TOTAL SURRACE EQUIPMENT COST GRAND TOTAL COST  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Operator has secured Litra Expense Insurance covering costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Covering Costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.  Lelect to be covered by Operator's Extra Expense Insurance and pay my proportional Covering Costs of well control, dean up and redrilling as estimated in Line seem Older-Dists.	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	2.4 175,4

# 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. 22951** 

#### SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, declares as follows:

- 1) The above-referenced Application was provided under a notice letter, dated July 14, 2022, and attached hereto, as Exhibit D.
- 2) Exhibit A is the mailing list, which shows the notice letter was delivered to the USPS for mailing on July 14, 2022.
- 3) Exhibit B is the certified mailing tracking information, which is automatically complied by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.
- 4) Exhibit C is the Affidavit of Publication from the Carlsbad Current Argus, confirming that notice of the August 4, 2022 hearing was published on July 17, 2022.
- 5) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: August 1, 2022

Deana M. Rennett



## karlene Schuman Mariene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 300 Fourth Street, Suite 1000 Mbuquerque NM 87102

#### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 07/14/2022

Mo	rlene Schundrall Sperli Fourth Str uquerque M Line 1	ing Roehl Harris & Sisk P.A.	Type of Mailing:	orm 3877 CERTIFIED MAIL 14/2022			Firm Mail	Received by OCD: 8/2/2022  Reference Contents  81363.204.22951.
: 8/2	Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
/2022 4	1	9314 8699 0430 0097 3273 43	EOG Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.44	\$4.00	\$2.00	\$0.00	
1:08:04	2	9314 8699 0430 0097 3273 50	Mammoth Exploration LLC 200 North Lorraine, Suite 1100 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	Notice 4:07:26 PM
PM	3	9314 8699 0430 0097 3273 67	Shadowfeet, LLC 4533 Golf Vista Dr. Austin TX 78730	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	4	9314 8699 0430 0097 3273 74	Pandora Partners, LP 400 W. Illinois, Suite 950 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	5	9314 8699 0430 0097 3273 81	OWL Exploration, LLC P.O. Box 1610 Midland TX 79702	\$1,44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	6	9314 8699 0430 0097 3273 98	Adley Properties LLC P.O. Box 3327 Midland TX 79702	\$1.44 JUL 14	20\$4200	\$2.00	\$0.00	81363.204.22951. Notice
	7	9314 8699 0430 0097 3274 04	Laughlin Company Services, Inc. 3106 Elma Dr. Midland TX 79707	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	8	9314 8699 0430 0097 3274 11	Isramco Resources, LLC 4801 Woodway, Suite 100E Houston TX 77056	\$1.44 OFFI	CE \$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	9	9314 8699 0430 0097 3274 28	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	10	9314 8699 0430 0097 3274 35	RKC, Inc. 1527 Hillside Road Fairfield CT 06490	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	11	9314 8699 0430 0097 3274 42	Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City OK 73102	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	12	9314 8699 0430 0097 3274 59	David H. Essex P.O. Box 50577 Midland TX 79710	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	13	9314 8699 0430 0097 3274 66	William R. Bergman P.O. Box 1799	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	tabbles*	314 8699 0430 0097 3274 73	Midland TX 79702 Trustees of Edna & Curtis Anderson Revocable Trust dated 8/31/2021 3807 South County Rd. 1135 Midland TX 79706	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	EXHIBIT	9314 8699 0430 0097 3274 80	Patrick Cole Qualls 4801 Rustic Trail Midland TX 79707	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	1			niner Hearing 8-4-22				Page 1
			Cas	se No. 22951 32				2022 Walz CertifiedPro.net

#### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 07/14/2022

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Releas	rlene Schu	man	PS Form	n 3877				
<b>₩</b> .c	odrall Speri	ing Roehl Harris & Sisk P.A.	Type of Mailing: Cl		L			
Mag.	buquerque !	NM 87102	07/14/	2022			Firm Mailin	g Book ID: 230645
oing:								Defenere
8/2	Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
2022 4	Line 16 17	9314 8699 0430 0097 3274 97	Matthew Porter Qualls 5417 Marshall St. Unit A Lubbock TX 74916	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
:08:04	17	9314 8699 0430 0097 3275 03	John W. Wolf P.O. Box f1799 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
PM	18	9314 8699 0430 0097 3275 10	Gary Green 508 West Wall, Suite 500 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	19	9314 8699 0430 0097 3275 27	Norma D. Green 5121 King Richards Row Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	20	9314 8699 0430 0097 3275 34	Gene H. Davis 5605 Drexel Court Midland TX 79707	\$1.44	\$4.00 QUERQUA	\$2.00 E, NM	\$0.00	81363.204.22951. Notice
	21	9314 8699 0430 0097 3275 41	McCombs Energy, Ltd. 5599 San Felipe, Suite 1200 Houston TX 77056	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	22	9314 8699 0430 0097 3275 58	Gene Shumate P.O. Box 2473 Midland TX 79702	\$1.44	\$4,90 1 6	\$2.00	\$0.00	81363.204.22951. Notice
	23	9314 8699 0430 0097 3275 65	Chi Energy, Inc. 212 Main St. Midland TX 79701	\$1.44	\$4.00	\$2.00 EUSPS	\$0.00	81363.204.22951. Notice
	24	9314 8699 0430 0097 3275 72	Redbird Royalty, LP. 19837 East Woodhaven Road Owasso OK 74055	\$1.44	\$4.00 OFFI	\$2.00	\$0.00	81363.204.22951. Notice
	25	9314 8699 0430 0097 3275 89	Bole Resources, LLC. P.O. Box 1116 Williston ND 58802	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	26	9314 8699 0430 0097 3275 96	Jan Baxter Taylor & Gregory S. Taylor, Trustees of the Taylor Mineral Trust P.O. Box 1737 Ada OK 74820	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	27	9314 8699 0430 0097 3276 02	Stephen C. Baxter & Doris June Baxter as Joint Tenants P.O. Box 906 Ada OK 74821	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	28	9314 8699 0430 0097 3276 19	Ranchito AD4, LP. 2100 Ross Avenue, Suite 1870, LB-9 Dallas TX 75201	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	29	9314 8699 0430 0097 3276 26	KT Energy, Inc. P.O. Box 727 Spearfish SD 57783	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice

#### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 07/14/2022

Fourth	erling Roehl Harris & Sisk P.A. Street, Suite 1000 ue NM 87102		: CERTIFIED MAI /14/2022	L		Firm Maili	ing Book ID: 230645
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fe	e RR Fee	Rest.Del.Fee	Reference Contents
30	9314 8699 0430 0097 3276 33	Outdoor Entourage, Inc. 912 Alberta Ave. Bismarck ND 58503	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
31	9314 8699 0430 0097 3276 40	MEL Energy, Inc. 4721 Kites Lane Bismarck ND 58503	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
32	9314 8699 0430 0097 3276 57	Thunderbolt Petroleum, LLC P.O. Box 10523 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
33	9314 8699 0430 0097 3276 64	Jim Ikard P.O. Box 331 Carlsbad NM 88220	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
34	9314 8699 0430 0097 3276 71	Jami Huber Owen 3323 Providence Dr. Midland TX 79707	\$1,44	\$4.00	My \$2.00	\$0.00	81363.204.22951 Notice
35	9314 8699 0430 0097 3276 88	O.D. Albright III P.O. Box 10981 Midland TX 79702	\$1.44	JUL 14 20	\$2.00	\$0.00	81363.204.22951 Notice
36	9314 8699 0430 0097 3276 95	GK Partners 550 W. Texas, Suite 600 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
37	9314 8699 0430 0097 3277 01	Sisbro Oil & Gas, LLC 4350 South Monaco St., 5th Floor Denver CO 80237	\$1.44	AN OFFICE US	\$2.00	\$0.00	81363.204.22951 Notice
38	9314 8699 0430 0097 3277 18	Mizel Resources, A Trust 4350 South Monaco St., 5th Floor Denver CO 80237	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
39	9314 8699 0430 0097 3277 25	Williamson Oil & Gas, LLC 303 Veteran's Airpark Ln., Suite 1100 Midland TX 79705	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
40	9314 8699 0430 0097 3277 32	Dolores McCall P.O. Box 931 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
41	9314 8699 0430 0097 3277 49	Arlen Edgar 414 West Texas, Suite 208 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
42	9314 8699 0430 0097 3277 56	Scott T. Peterson P.O. Box 1112 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
43	9314 8699 0430 0097 3277 63	M.D. Abel Co. P.O. Box 949 Lampasas TX 76550	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951 Notice
44	9314 8699 0430 0097 3277 70	Bishop-Windham Family Ltd. Partnership P.O. Box 2698 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.2295 Notice

### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 07/14/2022

Firm Mailing Book ID: 230645

3: 8/2	Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
	45	9314 8699 0430 0097 3277 87	Dorothy L. Hockaday Trust 731 Last Arrow Dr. Houston TX 77079	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
2022 4:08:04 PM	46	9314 8699 0430 0097 3277 94	Christa Hinojosa 1443 Scenic Ridge Houston TX 77043	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
PM	47	9314 8699 0430 0097 3278 00	Griffin Petroleum Company 550 W. Texas, Suite 600 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	48	9314 8699 0430 0097 3278 17	Sempra Energy Production Company 8235 Douglas Ave., Suite 525 Dallas TX 75225	\$1.44	\$4.00 EUQUERQ	\$2.00 UE, NA	\$0.00	81363.204.22951. Notice
	49	9314 8699 0430 0097 3278 24	Co-Trustees of Sanford & Shirley Starman 1991 Revocable Trust dated May 23, 1991 P.O. Box 3606 Westlake Village CA 91360	\$1.44	JUL 14	\$2.000	\$0.00	81363.204.22951. Notice
	50	9314 8699 0430 0097 3278 31	Rubicon Oil & Gas I, LP 508 W. Wall St., Suite 500 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	51	9314 8699 0430 0097 3278 48	Michael D. Hays & Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust 500 West Texas, Suite 1020 Midland TX 79701	\$1.44	SA.00 OFFICE	\$2.00 USPS	\$0.00	81363.204.22951. Notice
	52	9314 8699 0430 0097 3278 55	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	53	9314 8699 0430 0097 3278 62	New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
			Tota	als: \$76.32	\$212.00	\$106.00	\$0.00	
					Grand	Total:		

List Number of Pieces Listed by Sender

53

Total Number of Pieces Received at Post Office Postmaster:

Dated:

Name of receiving employee

			Tra	nsaction Report Details - CertifiedPro.ne	1			Production.		113570
				Firm Mail Book ID= 230645 Generated: 8/1/2022 9:50:52 AM						
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Data
9314869904300097327862	2022-07-14 10:47 AM		New Mexico State Land Office	NBINE 2	Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	7022-07-18 6:57 AM
9314869904300097327855	2022-07-14 10:47 AM	81363.204.22951.	Bureau of Land Management		Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 1:37 PM
9314869904300097327848	2022-07-14 10:47 AM	81363.204.22951.	Michael D. Hays & Kathryn Hayes, Co-Trustees of	the Hayes Revocable Trust	Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097327831	2022-07-14 10:47 AM	81363.204.22951.	Rubicon Oil & Gas I, LP		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-21 12:55 PM
9314869904300097327824	2022-07-14 10:47 AM	81363.204.22951.	Co-Trustees of Sanford & Shirley Starman 1991	Revocable Trust dated May 23, 1991	Westlake Village	CA	91360	Delivered	Return Receipt - Electronic, Certified Mail	. 022-07-18 2:56 PM
9314869904300097327817	2022-07-14 10:47 AM	81363.204.22951.	Sempra Energy Production Company		Dallas	TX	75225	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097327800	2022-07-14 10:47 AM	81363.204.22951.	Griffin Petroleum Company		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097327794	2022-07-14 10:47 AM	81363.204.22951.	Christa Hinojosa		Houston	TX	77043	Delivered	Return Receipt - Electronic, Certified Mail	. 022-07-20 1:39 PM
9314869904300097327787	2022-07-14 10:47 AM	81363.204.22951.	Dorothy L. Hockaday Trust		Houston	TX	77079	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327770	2022-07-14 10:47 AM	81363.204.22951.	Bishop-Windham Family Ltd. Partnership		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	: 022-07-26 5:03 PM
9314869904300097327763	2022-07-14 10:47 AM	81363.204.22951.	M.D. Abel Co.		Lampasas	TX	76550	Delivered	Return Receipt - Electronic, Certified Mail	:022-07-25 9:36 AM
9314869904300097327756	2022-07-14 10:47 AM	81363.204.22951.	Scott T. Peterson		Midfand	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	. 022-07-28 2:20 PM
9314869904300097327749	2022-07-14 10:47 AM	81363.204.22951.	Arlen Edgar		Midland	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327732	2022-07-14 10:47 AM	81363.204.22951.	Dolores McCall		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-25 9:15 AM
9314869904300097327725	2022-07-14 10;47 AM	81363.204.22951.	Williamson Oil & Gas, LLC		Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 10:02 AM
9314869904300097327718	2022-07-14 10:47 AM	81363.204.22951.	•		Denver	CO	80237	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327701	2022-07-14 10:47 AM				Denver	co	80237	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327695	2022-07-14 10:47 AM	81363.204.22951.	GK Partners		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097327688	2022-07-14 10:47 AM	81363.204.22951.			Midland	TX	79702	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097327671	2022-07-14 10:47 AM	81363.204.22951.	Jami Huber Owen		Midland	TX	79707	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327664	2022-07-14 10:47 AM	81363.204.22951.	Jim Ikard		Carisbad	NM	88220	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-25 11:17 AM
9314869904300097327657	2022-07-14 10:47 AM	81363.204.22951.	Thunderbolt Petroleum, LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-25 12:19 PM
9314869904300097327640	2022-07-14 10:47 AM	81363.204.22951.	MEL Energy, Inc.		Bismarck	ND	58503	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 12:00 AM
9314869904300097327633	2022-07-14 10:47 AM	81363.204.22951.	Outdoor Entourage, Inc.		Bismarck	ND	58503	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 3:37 PM
9314869904300097327626	2022-07-14 10:47 AM	81363.204.22951.	5,,		Spearfish	\$D	57783	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-19 10:55 AM
9314869904300097327619	2022-07-14 10:47 AM	81363.204.22951.	Ranchito AD4, LP.		Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-28 11:03 AM
9314869904300097327602	2022-07-14 10:47 AM	81363.204.22951.	Stephen C. Baxter & Doris June Baxter	as Joint Tenants	Ada	OK	74821	Delivered	Return Receipt - Electronic, Certified Mail	7022-07-19 3:44 PM
9314869904300097327596	2022-07-14 10:47 AM	81363.204.22951.	Jan Baxter Taylor & Gregory S. Taylor, Trustees of	the Taylor Mineral Trust	Ada	OK	74820	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327589	2022-07-14 10:47 AM	81363.204.22951.	Bole Resources, LLC.		Williston	ND	58802	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 10:36 AM
9314869904300097327572	2022-07-14 10:47 AM	81363.204.22951.	Redbird Royalty, LP.		Owasso	OK	74055	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327565	2022-07-14 10:47 AM	81363.204.22951.	Chi Energy, Inc.		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 12:00 PM
9314869904300097327558	2022-07-14 10:47 AM 2022-07-14 10:47 AM	81363.204.22951.	Gene Shumate		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	. 022-07-25 1:37 PM
9314869904300097327541	2022-07-14 10:47 AM 2022-07-14 10:47 AM	81363.204.22951. 81363.204.22951.	McCombs Energy, Ltd. Gene H. Davis		Houston	TX	77056	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097327534 9314869904300097327527	2022-07-14 10:47 AM 2022-07-14 10:47 AM	81363.204.22951.	Norma D. Green		Midland Midland	TX TX	79707 <b>79701</b>	Undelivered - Forwarded Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 10:47 AM
9314869904300097327510	2022-07-14 10:47 AM	81363.204.22951.	Gary Green		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail Return Receipt - Electronic, Certified Mail	2022-07-18 10:47 AM 2022-07-21 12:55 PM
9314869904300097327503	2022-07-14 10:47 AM	81363.204.22951.	John W. Wolf		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-21 12:55 PM
9314869904300097327497	2022-07-14 10:47 AM	81363.204.22951.	Matthew Porter Qualis		Lubbock	TX	74916	Undelivered	Return Receipt - Electronic, Certified Mail	20/22-07-25 11:12 AM
9314869904300097327480	2022-07-14 10:47 AM	81363.204.22951.	Patrick Cole Qualis		Midland	TX.	79707	Delivered	Return Receipt - Electronic, Certified Mail	1'022-07-18 1:30 PM
9314869904300097327473	2022-07-14 10:47 AM	81363.204.22951.	Trustees of Edna & Curtis Anderson Revocable	Trust dated 8/31/2021	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 12:49 PM
9314869904300097327466	2022-07-14 10:47 AM	81363.204.22951.	William R, Bergman	11 ust dated 6/31/2021	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-25 11:12 AM
9314869904300097327459	2022-07-14 10:47 AM	81363.204.22951.	David H. Essex		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-19 8:46 AM
9314869904300097327442	2022-07-14 10:47 AM	81363,204,22951.	Devon Energy Production Company, L.P.		Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 7:56 AM
9314869904300097327435	2022-07-14 10:47 AM	81363.204.22951.	RKC, Inc.		Fairfield	CT	06490	Delivered	Return Receipt - Electronic, Certified Mail	2'022-07-18 2:59 PM
9314869904300097327428	2022-07-14 10:47 AM		OXY Y-1 Company		Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	. JEZ-U7-10 Z.J3 PW
9314869904300097327411	2022-07-14 10:47 AM	81363.204.22951.	Isramco Resources, LLC		Houston	TX	77056	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097327404	2022-07-14 10:47 AM	81363,204,22951,	Laughlin Company Services, Inc.		Midland	TX	79707	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327398	2022-07-14 10:47 AM		Adley Properties LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-26 11:20 AM
9314869904300097327381	2022-07-14 10:47 AM		OWL Exploration, LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-26 11:20 AM
9314869904300097327374	2022-07-14 10:47 AM		Pandora Partners, LP		Midland	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097327367	2022-07-14 10:47 AM	81363.204.22951.	Shadowfeet, LLC		Austin	TX	78730	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
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## **Carlsbad Current Argus.**

# Affidavit of Publication Ad # 0005339196 This is not an invoice

MODRALL SPERLING POBOX 2168

**ALBUQUERQUE, NM 87103** 

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

07/17/2022

Legal Clerk

Subscribed and sworn before me this July 17, 2022:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

SARAH BERTELSEN Notary Public State of Wisconsin

Ad # 0005339196 PO #: 22950 & 22951 # of Affidavits1

This is not an invoice



CASE NO. 22950: Notice to all affected parties, as well as the heirs and devisees of Bureau of Land Management; New Mexico State Land Office; EOG Resources, Inc.; Mammoth Exploration LLC; Shadowfeet, LLC; Pandora Partners, LP; OWL Exploration, LLC; Adley Properties LLC: Laughlin Company Services, Inc.; Isramco Resources, LLC; OXY Y-1 Company, RKC, Inc.; Devon Energy Production Company, L.P.; Chi Energy, Inc.; Redbird Royalty, L.P.; Bole Resources, LLC; Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust; Stephen C. Baxter and Doris June Baxter, as Joint Tenants; Ranchito AD4, LP; KT Energy, Inc.; Outdoor Entourage, Inc.; MEL Energy, Inc.; Sempra Energy Production Company; Sanford Starman and Shirley Starman 1991 Revocable Trust dated May 23, 1991; Rubicon Oil & Gas I, LP; Michael D. Hayes and Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust; Union Oil Company of California; The Superior Oil Company & Mobile Producing Texas & New Mexico, Inc. (Exxon); Mewbourne Development Corporation; 3MG Corporation; and Mewbourne Oil Company of Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on August 4, 2022. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Ripley 35-26 WXY Fed Com 3H and the Ripley 35-26 WXY Fed Com 5H wells to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and 200

CASE NO. 22951: Notice to all affected parties, as well as the heirs and devisees of Bureau of Land Management; New Mexico State Land Office; EOG Resources, Inc.; Mammoth Exploration LLC; Shadowfeet, LLC; Pandora Partners, LP; OWL Exploration, LLC; Adley Properties LLC: Laughlin Company Services, Inc.; Isramco Resources, LLC; OXY Y-1 Company; RKC, Inc.; Devon Energy Production Company, LP.; David H. Essex; William R. Bergman; Cardonal Anderson Thirteen of the Education Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated 8/31/21; Patrick Cole Anderson and Edna I. Anderson, Irustees of the Edna and Curtis Anderson Revocable Trust dated 8/31/21; Patrick Cole Qualls; Matthew Porter Qualls; John W. Wolf; Gary Green; Norma D. Green; Gene H. Davis; McCombs Energy, Ltd.; Gene Shumate; Chi Energy, Inc.; Redbird Royalty, LP; Bole Resources, LLC; Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust; Stephen C. Baxter and Doris June Baxter, as Joint Tenants; Ranchito AD4, LP; KT Energy, Inc.; Outdoor Entourage, Inc.; MEL Energy, Inc.; Outdoor Entourage, Inc.; MEL Energy, Inc.; O.D. Albright III; GK Partners; Sisbro Oil & Gas, LLC; Mizel Roesources, A Trust; Williamson Oil & Gas, LLC; Mizel Roesources, A Trust; Williamson Oil & Gas, LLC; Dolores McCall; Arlen Edgar; Scott T. Peterson; M.D. Abel Co.; Bishop-Windham Family Ltd. Partnership; Dorothy L. Hockaday Trust; Christa Hinojosa; Griffin Petroleum Company; Sempra Energy Production Company; Sanford Starman and Shirley Starman, Co-Trustees of the Sanford and Shirley Starman 1991 Revocable Trust dated May 23, 1991; Rubicon Oil & Gas I, LP; Michael D. Hayes and Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust of Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division hereby giv County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on August 4, 2022. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Ripley 35-26 SB Fed Com 201H, Ripley 35-26 SB Fed Com 202H, and Ripley 35-26 SB Fed Com 203H wells to be horizontally drilled. The producing area for the wells will be orthodox. and Ripley 35-26 SB Fed Com 203H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Ripley 35-26 SB Fed Com 202H well will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating. costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico. #5339196, Current Argus, July 17, 2022



July 14, 2022

Deana M. Bennett 505.848.1834 dmb@modrall.com

## <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

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

**CASE NO. 22951** 

TO: AFFECTED PARTIES

This letter is to advise you that Marathon Oil Permian LLC ("Marathon") has filed the enclosed application.

In Case No. 22951, Marathon seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Ripley 35-26 SB Fed Com 201H, Ripley 35-26 SB Fed Com 202H, and Ripley 35-26 SB Fed Com 203H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Ripley 35-26 SB Fed Com 202H well will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on August 4, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="http://www.emnrd.state.nm.us/OCD/hearings.html">http://www.emnrd.state.nm.us/OCD/hearings.html</a>.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com



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As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Deana M. Bennett Deana M. Bennett

Attorney for Applicant

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. No 22951

**APPLICATION** 

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 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 E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 640-acre, more or less, spacing unit.
- 3. Marathon plans to drill the Ripley 35-26 SB Fed Com 201H, Ripley 35-26 SB Fed Com 202H, and Ripley 35-26 SB Fed Com 203H wells to a depth sufficient to test the Bone Spring formation.
- 4. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

- 5. The completed interval for the Ripley 35-26 SB Fed Com 202H well is less than 330 feet from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.
- 6. Marathon sought, but has been unable to obtain, a voluntary agreement from all mineral interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 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 August 4, 2022, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico;
- B. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Marathon to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping 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.

Deana M. Bennett

Bryce H. Smith

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant CASE NO. 22951 : Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Ripley 35-26 SB Fed Com 201H, Ripley 35-26 SB Fed Com 202H, and Ripley 35-26 SB Fed Com 203H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Ripley 35-26 SB Fed Com 202H well will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico.

# 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. 22951 (Ripley Bone Spring)

### SELF AFFIRMED DECLARATION OF ELIZABETH SCULLY

Elizabeth Scully hereby states and declares as follows:

- 1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC ("Marathon"), and have personal knowledge of the matters stated herein. I have not previously testified before the Oil Conservation Division ("Division")
- 2. I received a Master of Science in Geology from the University of Oklahoma, which I received in 2014. I have worked as a petroleum geologist since 2014. I have worked for Marathon as a geologist for 8 years. My resume summarizing my educational and work experience is attached to this Declaration as **Exhibit C.8.** 
  - 3. My area of responsibility includes the area of Eddy County in New Mexico.
  - 4. I am familiar with the application filed by Marathon in this case.
- 5. I conducted a geological study of the areas embracing Marathon's Ripley Development Area.
- 6. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
  - 7. **Exhibit C.2** is a wellbore schematic showing Marathon's development plan.
- 8. **Exhibit C3** is structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a black dashed box. The proposed Ripley wells are the red lines, and



each well is identified by a number. The contour interval used this exhibit is 50 feet. This exhibit shows that the structure dips gently to the east.

- 9. **Exhibit C.4** is a cross section reference map that identifies two wells in the vicinity of the proposed well, shown by a line of cross-section running from A to A'.
- 10. **Exhibit C.5** is a stratigraphic cross section hung on the base of the Second Bone Sand formation. The well logs on the cross-section give a representative sample of the Second Bone Spring formation in the area. The target zone is identified by green shading and a red arrow. In my opinion, the gross interval thickness is near constant thickness across the project area.
- 11. **Exhibit C.6** is a Gross Sand Isochore of the Second Bone Spring formation. The gross interval thickness is near constant thickness.
  - 12. I conclude from the maps that:
    - a. The horizontal spacing unit is justified from a geologic standpoint.
    - b. There are no structural impediments or faulting that will interfere with horizontal development.
    - c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.
- 13. **Exhibit C.7** provides an overview of the stress orientation in the area based on the 2020 Snee-Zoback paper.
- 14. There is no preferred well orientation in this area given SHmax is at approximately 45 degrees in mid Eddy County. Marathon's preferred well orientation is north/south to maximize lateral length with respect to Marathon's acreage.
- 15. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

- 16. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.
- 17. In my opinion, the granting of Marathon's application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: July 28, 2022

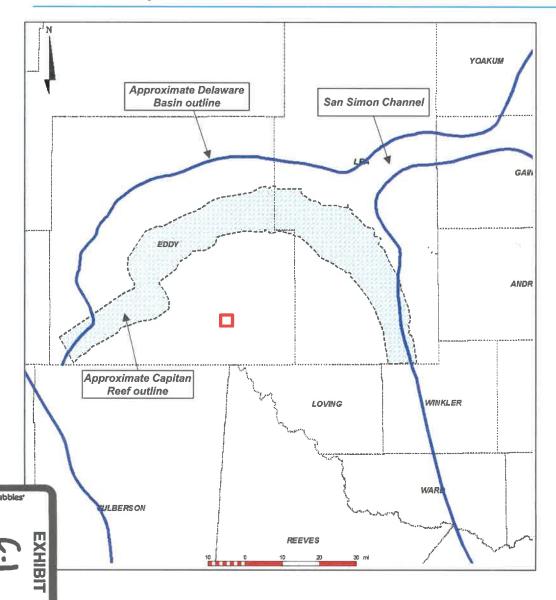
Elizabeth/Scully

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## Ripley 35-26 Fed Com Unit

## **Locator Map**

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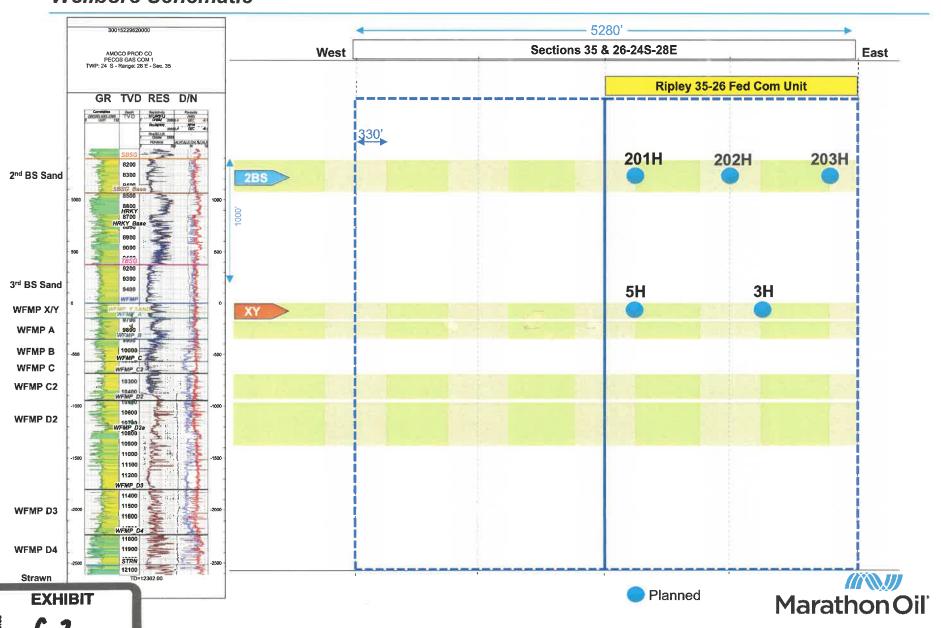


- Approximate location of proposed Ripley 35-26 Fed Com well locations shown with red box
- Located basinward of the Capitan Reef
- Mid Eddy county



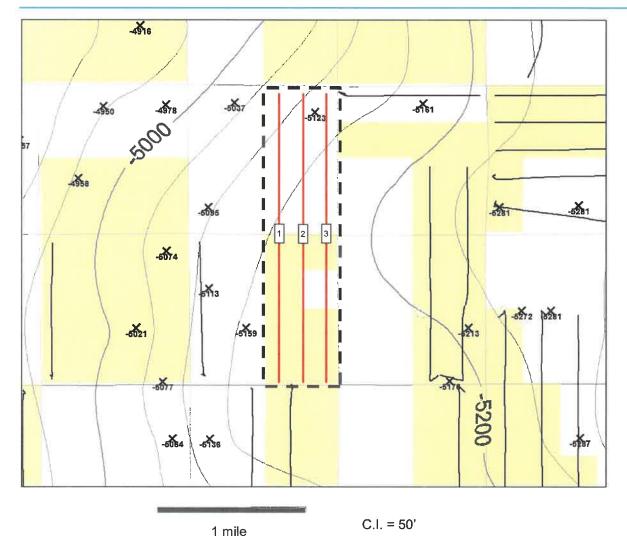
# Ripley 35-26 Fed Com Unit

### Wellbore Schematic



## Ripley 35-26 Fed Com Unit

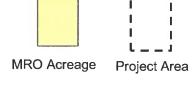
Structure Map for Bone Spring Wells – Top of Second Bone Spring Sand (TVDSS)

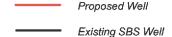


## Map Legend

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- Ripley 35-26 SB Fed Com 201H
- Ripley 35-26 SB Fed Com 202H
- Ripley 35-26 SB Fed Com 203H

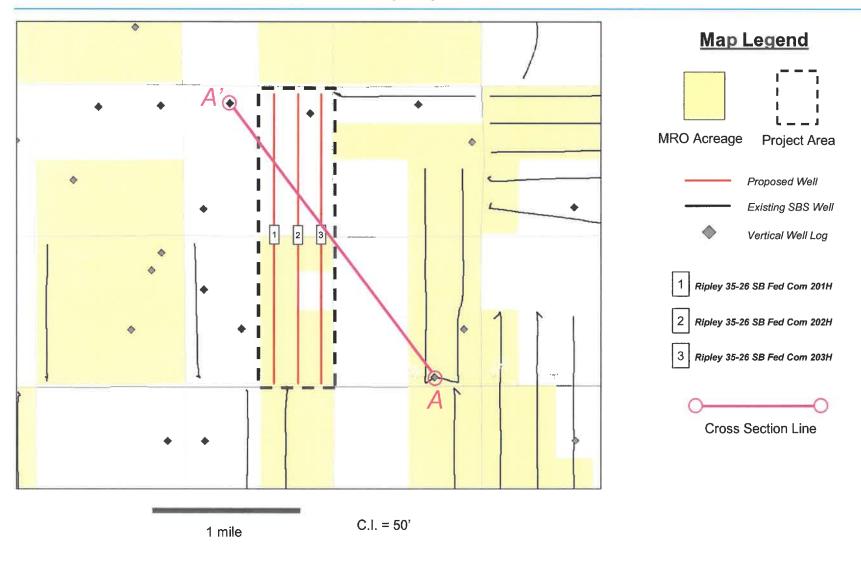




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## Ripley 35-26 Fed Com Unit

Reference Map for Cross Section – Bone Spring Wells

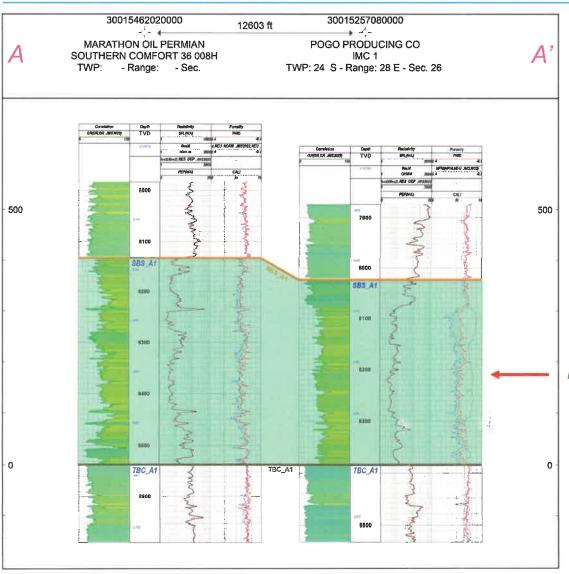


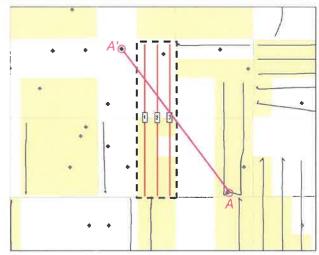




## Ripley 35-26 Fed Com Unit

## Stratigraphic Cross Section (Base Second Bone Spring Sand Datum)





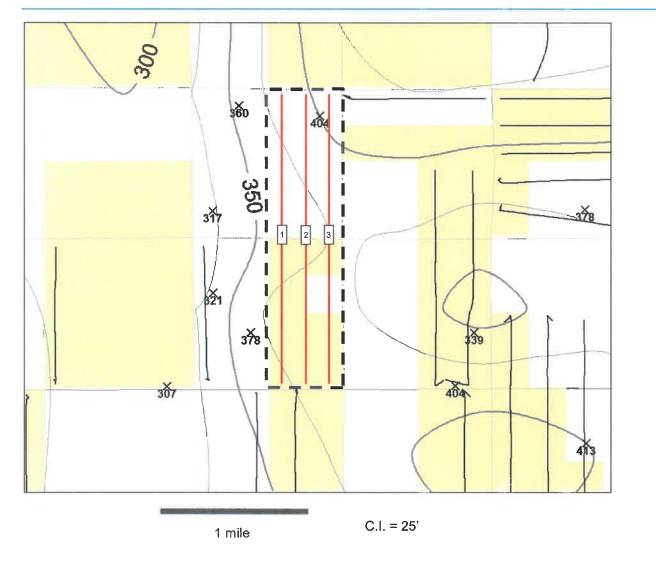
Producing Zone - Second Bone Spring Sand



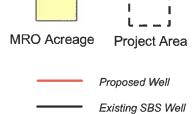
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# Ripley 35-26 Fed Com Unit

Gross Interval Isochore - Second Bone Spring Sand



## Map Legend



- Ripley 35-26 SB Fed Com 201H
- Ripley 35-26 SB Fed Com 202H
- 3 Ripley 35-26 SB Fed Com 203H

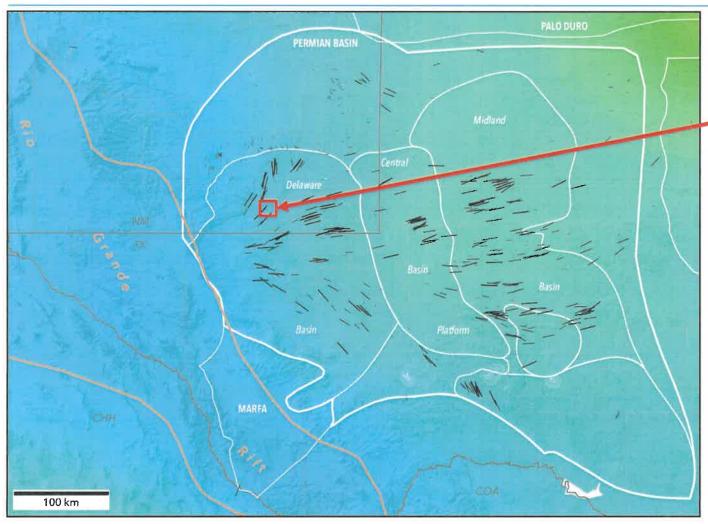


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## Ripley 35-26 Fed Com Unit

## Preferred Well Orientation - SHmax



Preferred well orientation N/S to maximize lateral length with respect to Marathon's acreage.

SHmax is at approximately 45 degrees in mid Eddy county. Therefore, hydraulic fractures will propagate out at ~45 degrees. Production is expected to be the same for wells oriented either N/S or E/W.

- Plate boundaries (USGS ScienceBase)
- Urban areas

 $S_{Hmax}$  orientation quality:

- A
- Faulting regime (A<sub>4</sub>):



Lund Snee & Zoback (2020)

Previous stress data from Lund Snee & Zoback (2016), Alt & Zoback (2017), Heidbach et al. (2018), Lund Snee & Zoback (2018), and sources therein.

Gulf of Mexico salt boundary from Pindeli & Kennan (2009).

Lund Snee and Zoback (2020)





## **Elizabeth Mann Scully**

#### **EXPERIENCE**

#### Marathon Oil Corporation; Houston, TX; Development Geologist - Permian, Delaware Basin (July 2021 - present)

- Oversee operations geologists and drilling & completions activity for Lea County, NM acreage position
- Communicate and interact daily with reservoir, drilling, and regulatory teams to pursue federal & state permits
- Integrate well log, seismic, production, and land data to understand basin history and resource capture
- Collaborate with petrophysicists & geophysicists on evergreen petrophysical & seismic models

#### Marathon Oil Corporation; Houston, TX; Development Geologist - Eagle Ford (July 2018 - July 2021)

- Sole geologist responsible for development of 90,000+ gross acres spanning 5 counties, including new Rocky Creek acreage
- Create long term drill schedule with other development geologists and present pads to Regional VP for execution
- · Prepare staking requests and consult with land, regulatory, drilling, completions, & production teams regarding feasibility
- Ensure well designs optimize drainage and provide support throughout well life for drilling, completions, & production teams
- Maintain area maps, seismic attributes, and reservoir models to quantify trends in performance for evergreen POD

#### Marathon Oil Corporation; Houston, TX; Operations Geologist – Resource Plays (March 2017 – July 2018)

- Considered well planning & operations geology subject matter expert at Marathon Oil
- Organized centralized team for all resource play operations, personally led transition for Bakken, SCOOP, & STACK asset teams
- Lead Operations Geologist for multiple tight hole projects with Resource Exploration Team
- Led data acquisitions onsite including mudlogging, casing/core point, core preservation, wireline, lateral image logging, etc.
- In total, responsible for 1 million+ feet of lateral length placed in zone in Eagle Ford, Bakken, SCOOP, STACK & Permian plays

### Marathon Oil Corporation; Houston, TX; Operations Geologist - Eagle Ford (July 2014 - March 2017)

- Planned and geosteered 100+ wells targeting Eagle Ford and Austin Chalk with 99% of 450,000'+ total lateral length in zone
- · Responsible for geologic prognosis, including detailed geologic mapping and identification of potential drilling hazards
- Thrived in a team environment, daily communication with drilling engineers and field personnel including 24/7 availability
- Volunteered for 4-month night rotation overseeing geologic operations of all 9 Eagle Ford and Bakken drilling rigs at the time

#### Marathon Oil Corporation; Houston, TX; Exploration Geology Intern (Summer 2013)

- Built Eagle Ford bottom-hole temperature correction model for paleotemperature prediction
- Mapped play fairway temperature, thickness, vitrinite reflectance, total organic carbon, API gravity, pressure, porosity, permeability, gas-oil ratio, clay volume, Poisson's Ratio, and Young's Modulus
- Modeled geologic sweet spots of the Lower Eagle Ford and generated risk maps focusing on liquids-rich recovery
- Generated 8 maps from sweet spot model to be used in Eagle Ford on-boarding session for the company's incoming CEO

### Indigo Minerals, LLC; Houston, TX; Geoscience Intern (Summer 2012)

- Correlated and mapped approximately 15 horizons over more than 2,000 wells in northern Louisiana
- Reviewed perforation and production history of 1,500 wells to highlight target horizons and trends
- Interpreted 3-D seismic & mapped 10 horizons and 12 faults over Vernon/Ansley field in Jackson Parish, LA
- Evaluated locations of booked PUDs, PROBs, and POSs, adding 12 wells to the company's reserve base

#### **SKILLS & AFFILIATIONS**

- Experienced in ArcGIS, GeoGraphix, Petrel, StarSteer, IHS/Enverus, Spotfire, Microsoft Office
- Led Marathon Oil's StarSteer license procurement and adoption company-wide
- Member of the Houston Geological Society and American Association of Petroleum Geologists

#### **EDUCATION**

### University of Oklahoma; Norman, OK; M.S. Geology (May 2014)

M.S. Geology Thesis: "Stratigraphic study of organic-rich microfacies of the Woodford Shale, Anadarko basin, Oklahoma" Advisors: Dr. R. Douglas Elmore, Dr. Roger M. Slatt, and Dr. Joan M. Spaw

Washington and Lee University; Lexington, VA; B.S. Geology (May 2012)

