

## 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**

**TABLE OF CONTENTS**

Tab A: Compulsory Pooling Checklist

Tab B: Declaration of Chase Rice Land Professional

- Exhibit B.1: Application
- Exhibit B.2: C-102s
- Exhibit B.3: Lease Tract Map/Summary of Interests/Parties to Be Pooled
- Exhibit B.4: Summary of Contacts
- Exhibit B.5: Sample Well Proposal
- Exhibit B.6: AFEs
- Exhibit B.7: Notice Declaration

Tab C: Affidavit of Elizabeth Scully, Geologist

- Exhibit C.1: Locator Map
- Exhibit C.2: Wellbore Schematic
- Exhibit C.3: Structure Map
- Exhibit C.4: Cross-reference Well Locator Map
- Exhibit C.5: Stratigraphic Cross Section
- Exhibit C.6: Isochore Map
- Exhibit C.7: Regional Stress Orientation Justification
- Exhibit C.8: Resume

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

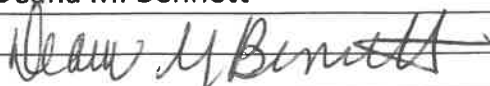
<b>Case: 22951</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: Hearing Date-August 4, 2022</b>	
Applicant	<b>Marathon Oil Permian LLC</b>
Designated Operator & OGRID (affiliation if applicable)	<b>Marathon Oil Permian LLC (372098)</b>
Applicant's Counsel:	Modrall Spering (Deana Bennett, Bryce Smith)
Case Title:	Application of Marathon Oil Permian LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Ripley
<b>Formation/Pool</b>	
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
<b>Spacing Unit</b>	
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
<b>Other Situations</b>	
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.
<b>Well(s)</b>	
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	<p>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.</p>
Horizontal Well First and Last Take Points	<p>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.</p>
Completion Target (Formation, TVD and MD)	<p>Second Bone Spring/ TVD~8,400, MVD~18,900.                      See also Exhibit B.5 (proposal letter).</p>
Well #2	<p>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.</p>

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~8,400, MVD~18,900. See also Exhibit B.5 (proposal letter).
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000/month; see also Exhibit B.5.
Production Supervision/Month \$	\$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.
<b>Notice of Hearing</b>	
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.
<b>Ownership Determination</b>	
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
<b>Joinder</b>	
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.
<b>Geology</b>	
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
<b>Forms, Figures and Tables</b>	
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	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
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Deana M. Bennett
<b>Signed Name (Attorney or Party Representative):</b>	
<b>Date: August 2, 2022</b>	

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.





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.

10. 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

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.

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.

Dated: August 1, 2022

*Chase Rice*

---

Chase Rice

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

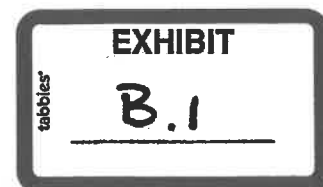
APPLICATION OF MARATHON  
OIL PERMIAN LLC FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

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.



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.

By: Deana M. Bennett

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47620	<sup>2</sup> Pool Code 96415	<sup>3</sup> Pool Name BONE SPRING; WILLOW LAKE
<sup>4</sup> Property Code	<sup>5</sup> Property Name RIPLEY 35-26 SB FED COM	<sup>6</sup> Well Number 201H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 2955'

<sup>10</sup> Surface Location

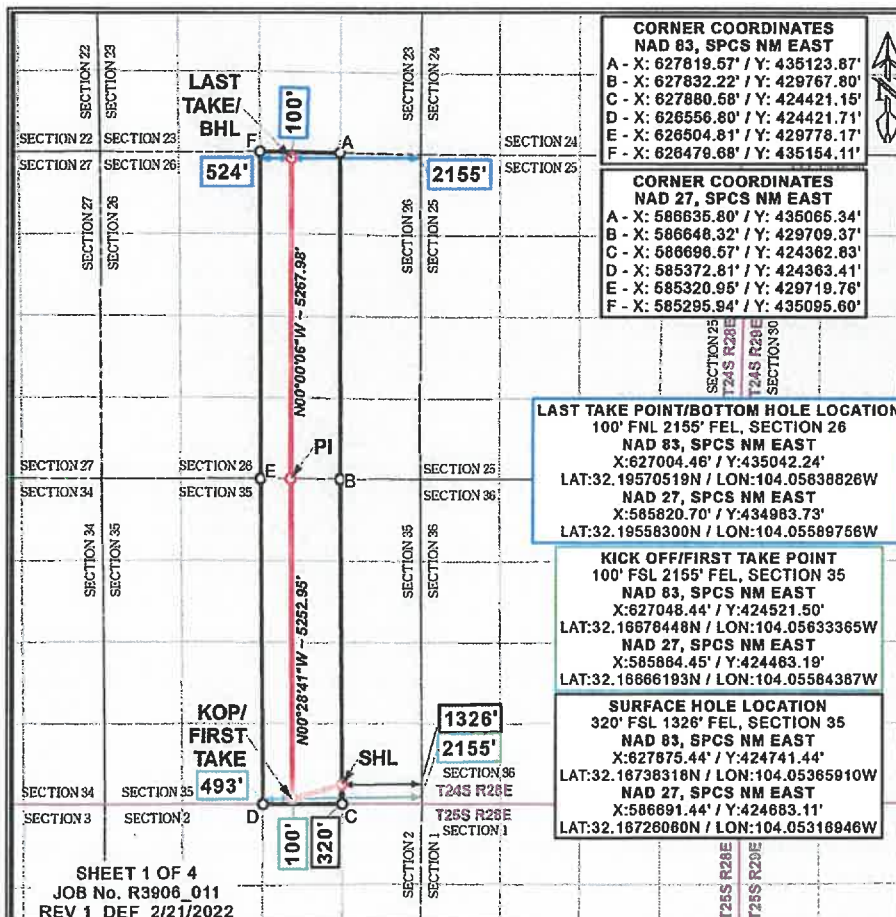
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	35	24S	28E		320	SOUTH	1326	EAST	EDDY

<sup>11</sup> 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/West line	County
B	26	24S	28E		100	NORTH	2155	EAST	EDDY

<sup>12</sup> Dedicated Acres 320.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.



**<sup>17</sup> OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: 02/22/2022  
Printed Name: Melissa Szudera  
E-mail Address: mszudera@marathonoil.com

**<sup>18</sup> SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: FEBRUARY 22, 2022  
Signature and Seal of Professional Surveyor: *[Signature]*  
Certificate Number: DAVID W. MYERS 11403

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

Horizontal Spacing Unit



**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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47621	<sup>2</sup> Pool Code 96415	<sup>3</sup> Pool Name BONE SPRING; WILLOW LAKE
<sup>4</sup> Property Code	<sup>5</sup> Property Name RIPLEY 35-26 SB FED COM	<sup>6</sup> Well Number 202H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 2955'

<sup>10</sup> Surface Location

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	1296	EAST	EDDY

<sup>11</sup> 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/West line	County
A	26	24S	28E		100	NORTH	1320	EAST	EDDY

<sup>12</sup> Dedicated Acres 640.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.

**CORNER COORDINATES NAD 83, SPCS NM EAST**  
A - X: 629159.46' / Y: 435093.64'  
B - X: 629159.62' / Y: 429757.43'  
C - X: 629204.37' / Y: 424420.60'  
D - X: 626556.80' / Y: 424421.71'  
E - X: 626504.81' / Y: 429778.17'  
F - X: 626479.68' / Y: 435154.11'

**CORNER COORDINATES NAD 27, SPCS NM EAST**  
A - X: 587975.66' / Y: 435035.09'  
B - X: 587975.70' / Y: 429698.99'  
C - X: 588020.33' / Y: 424362.26'  
D - X: 585372.81' / Y: 424363.41'  
E - X: 585320.95' / Y: 429719.76'  
F - X: 585295.94' / Y: 435095.60'

**LAST TAKE POINT/BOTTOM HOLE LOCATION**  
100' FNL 1320' FEL, SECTION 26  
NAD 83, SPCS NM EAST  
X: 627839.48' / Y: 435023.40'  
LAT: 32.19564745N / LON: 104.05368905W  
NAD 27, SPCS NM EAST  
X: 586655.69' / Y: 434964.87'  
LAT: 32.19552522N / LON: 104.05319847W

**KICK OFF/FIRST TAKE POINT**  
100' FSL 1320' FEL, SECTION 35  
NAD 83, SPCS NM EAST  
X: 627883.48' / Y: 424521.15'  
LAT: 32.16677758N / LON: 104.05363503W  
NAD 27, SPCS NM EAST  
X: 586699.46' / Y: 424462.83'  
LAT: 32.16665499N / LON: 104.05314537W

**SURFACE HOLE LOCATION**  
320' FSL 1296' FEL, SECTION 35  
NAD 83, SPCS NM EAST  
X: 627905.44' / Y: 424741.44'  
LAT: 32.16738297N / LON: 104.05356220W  
NAD 27, SPCS NM EAST  
X: 586721.44' / Y: 424683.11'  
LAT: 32.16726039N / LON: 104.05307251W

**<sup>17</sup> OPERATOR CERTIFICATION**  
*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

02/22/2022  
Signature: *[Signature]* Date  
Printed Name: **Melissa Szudera**  
E-mail Address: **mszudera@marathonoil.com**

**<sup>18</sup> SURVEYOR CERTIFICATION**  
*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge.*

FEBRUARY 22, 2022  
Date of Survey  
Signature and Seal of Professional Surveyor: *[Signature]*  
Certificate Number: **DAVID W. MYERS 11403**

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

Horizontal Spacing Unit

**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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-47622	<sup>2</sup> Pool Code 96415	<sup>3</sup> Pool Name BONE SPRING; WILLOW LAKE
<sup>4</sup> Property Code	<sup>5</sup> Property Name RIPLEY 35-26 SB FED COM	<sup>6</sup> Well Number 203H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 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
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/West line	County
A	26	24S	28E		100	NORTH	500	EAST	EDDY

<sup>12</sup> Dedicated Acres 320.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order 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.

**CORNER COORDINATES NAD 83, SPCS NM EAST**  
A - X: 629159.46' / Y: 435093.64'  
B - X: 629159.62' / Y: 429757.43'  
C - X: 628204.37' / Y: 424420.60'  
D - X: 627880.58' / Y: 424421.15'  
E - X: 627832.22' / Y: 429767.80'  
F - X: 627819.57' / Y: 435129.87'

**CORNER COORDINATES NAD 27, SPCS NM EAST**  
A - X: 587975.66' / Y: 435035.09'  
B - X: 587975.70' / Y: 429698.99'  
C - X: 588020.33' / Y: 424362.26'  
D - X: 586698.67' / Y: 424362.83'  
E - X: 586648.32' / Y: 429709.37'  
F - X: 586635.80' / Y: 435065.34'

**LAST TAKE POINT/BOTTOM HOLE LOCATION**  
100' FNL 500' FEL, SECTION 26  
NAD 83, SPCS NM EAST  
X: 628659.46' / Y: 435004.89'  
LAT: 32.19559069N / LON: 104.05103833W  
NAD 27, SPCS NM EAST  
X: 587475.67' / Y: 434946.35'  
LAT: 32.19546841N / LON: 104.05054786W

**KICK OFF/FIRST TAKE POINT**  
100' FSL 500' FEL, SECTION 35  
NAD 83, SPCS NM EAST  
X: 628703.51' / Y: 424520.81'  
LAT: 32.16677075N / LON: 104.05098490W  
NAD 27, SPCS NM EAST  
X: 587519.48' / Y: 424462.46'  
LAT: 32.16664812N / LON: 104.05049535W

**SURFACE HOLE LOCATION**  
320' FSL 1236' FEL, SECTION 35  
NAD 83, SPCS NM EAST  
X: 627965.66' / Y: 424741.17'  
LAT: 32.16738179N / LON: 104.05336759W  
NAD 27, SPCS NM EAST  
X: 586781.65' / Y: 424682.84'  
LAT: 32.16725821N / LON: 104.05287792W

**17 OPERATOR CERTIFICATION**  
*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Signature: *[Signature]* Date: 02/22/2022  
Printed Name: Melissa Szudera  
E-mail Address: mszudera@marathonoil.com

**18 SURVEYOR CERTIFICATION**  
*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

DAVID W. MYERS  
NEW MEXICO  
PROFESSIONAL SURVEYOR  
11403

Signature and Seal of Professional Surveyor: *[Signature]*  
Date of Survey: FEBRUARY 22, 2022  
Certificate Number: DAVID W. MYERS 11403

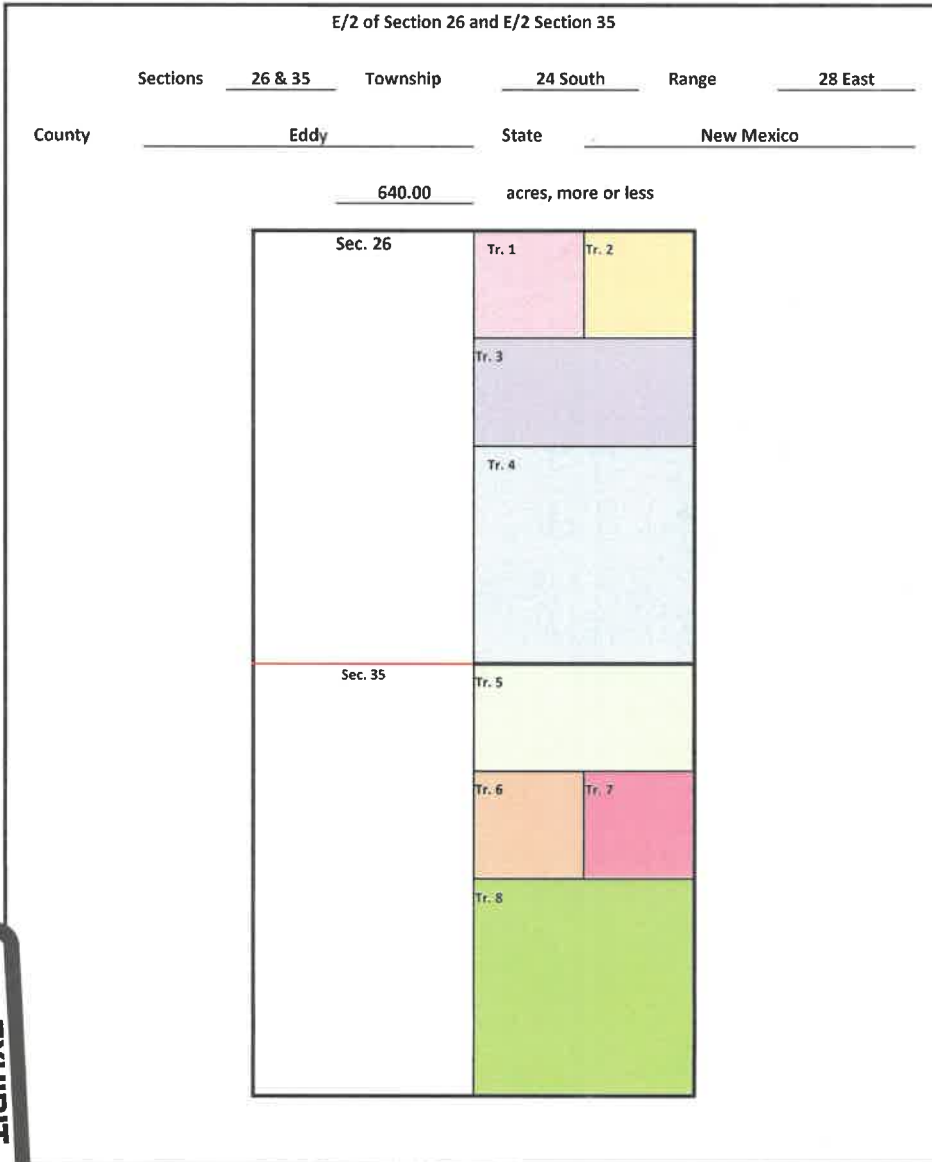
Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997778 Convergence Angle: 00°08'28.560012"

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**

<b><u>Committed Working Interest:</u></b>	<b>34.375%</b>
• Marathon Oil Permian LLC	34.375%
<b><u>Uncommitted Working Interest:</u></b>	<b>65.625%</b>
• 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%
• Devon Energy Production Company, L.P.	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

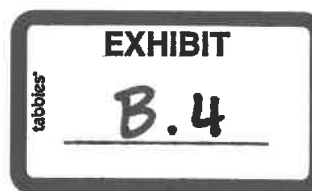
- David H. Essex
- William R. Bergman
- Curtis Anderson and Edna I. Anderson, Trustees of The Edna and Curtis Anderson Revocable Trust dated 8/31/2021
- Patrick Cole Qualls
- Matthew Porter Qualls
- John W. Wolf
- Gary Green
- Norma D. Green
- Gene H. Davis
- McCombs Energy, Ltd.
- Gene Shumate
- Chi 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



**Marathon Oil**

## 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:
  - 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:
  - 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.
  - 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.
  - 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.





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 (AFE)**

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,  
**Marathon Oil Permian LLC**

*Chase Rice*

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 **Ripley 35-26 SB Fed Com 201H 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 **Ripley 35-26 SB Fed Com 202H 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 **Ripley 35-26 SB Fed Com 203H Well** by paying its proportionate share of all actual costs.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

MARATHON OIL PERMIAN LLC  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

DATE: 4/26/2022  
 DRILLING & LOCATION PREPARED BY COURT NELSON  
 COMPLETION PREPARED BY KRISTEN DRAIN  
 FACILITIES PREPARED BY AARON HUTCHISON  
 ARTIFICIAL LIFT PREPARED BY Craig Plante

Asset Team PERMIAN  
 Field Bone Springs Willow Lake-M&S FORMATION 2ND BONE SPRINGS WILDCAT EXPLORATION  
 Lease/Facility RUPLEY 35-28 SB FLD LOM 202H DEVELOPMENT RECOMPLETION  
 Location MALAGA 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	40,000
7001270	Land Broker Fees and Services	27,500
<b>TOTAL LOCATION COST - INTANGIBLE</b>		<b>67,500</b>

DRILLING COST - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012040	Casing & Tubing Access	24,000
7012050	Surface Casing	26,000
7012090	Intermediate Casing 3	106,000
7012090	Intermediate Casing 2	-
7012050	Production Casing	466,000
7012090	Drill Liner Hanger, Tieback Eq & Csg Accessories	-
7012350	Water (potable)	10,000
7012550	Drilling Wellhead Equipment	65,000
7001270	Conductor Pipe	25,000
<b>TOTAL DRILLING - TANGIBLE</b>		<b>722,000</b>

DRILLING COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services - Surface	76,440
7001160	Contract Services - Disposal/Non-Hazardous Wa. Intermediate 1	80,000
7001200	Contract Services - Facilities Intermediate 2	10,000
7001400	Safety and Environmental Production	25,460
7001440	Vacuum Trucks	10,000
7001460	Water (non potable)	25,000
701460	Water hauling and disposal (includes soil farming)	60,000
7011010	Risk Contingency & Taxes	201,010
7012020	Blts	128,000
7012310	Solids Control equipment	32,760
7016180	Freight - Transportation Services	25,000
7016350	Fuel (Hgl)	100,100
7019000	Well Logging Services	-
7019010	Casing Crew and Services	40,000
7019020	Cement and Cementing Service	34,000
7019020	Cement and Cementing Service	25,000
7019020	Cement and Cementing Service	-
7019020	Cement and Cementing Service	140,000
7019040	Directional Drilling Services	118,200
7019110	Casing Inspection/Cleaning	15,000
7019110	Drill pipe/Toolbar Inspection services	10,000
7019140	Mud Fluids & Services	60,700
7019140	Fuel (Mud)	36,000
7019150	Mud Logging/geosteering	9,675
7019250	Stabilizers, Hole Openers, Underreamers, Agitators (OH rentals)	35,000
7019300	Well Services - Well Control Services	18,475
7019310	Coring (bitwalls & samples)	-
7019350	Well Services - Well/Wellhead Services	10,000
7260001	Lease Exp Oper-Gas Process/Liquid Extract	-
7290002	Drilling Rig Mob/Demob	100,000
7290002	Drilling Rig - day work/footage	436,800
7290003	Rental Tools and Equipment (surface rentals)	9,380
7350002	Rental Buildings (trailers)	9,100
7360001	Rig Equipment and Misc.	72,800
<b>TOTAL DRILLING - INTANGIBLE</b>		<b>1,991,640</b>
<b>TOTAL DRILLING COST</b>		<b>\$2,713,640</b>

COMPLETION - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012040	Tubing Accessories (nipple, wireline entry)	-
7012550	Wellhead Equip	40,000
7012560	Packers - Completion Equipment	-
7012580	Tubing	-
<b>TOTAL COMPLETION - TANGIBLE</b>		<b>40,000</b>

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7000030	Contract Labor - general	25,000
7000030	Contract Labor - Pumping (pump-down pumps)	10,000
7001110	Telecommunications Services	-
7001120	Consulting Services	132,278
7001270	Location and Access (dress location after rig move, set anchors)	7,000
7001400	Safety and Environmental	94,000
701460	Water Hauling & Disposal (frac fluids)	373,000
7011010	Risk Contingency & Taxes	-
7016180	Freight - Truck (haul pipe, rig & comp)	-
7016180	Freight (Transportation Services)	4,800
7016350	Fuel (from drill)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019030	Coiled Tubing Services	22,000
7019080	Well Taming Services (flow hand & equip)	189,434
7019140	Mud Fluids & Services	-
7019240	Scrubbing Services	-
7019270	Pulling/hoist Uplifts	-
7019300	Track Stack Rentals	85,000
7019330	Perforating	148,160
7019360	Wireline Services	-
7260001	Lease Exp Oper-Gas Process/Liquid Extract	-
7290002	Drilling Rig During Completion	-
7290003	BOP Rental & Towing	-
7290003	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7290003	CT Downhole Rental Equipment (ie, Btl, BHA)	25,000
7290003	Zipper Manifold	-
7350002	Rental Buildings (trailers)	-
7360001	Fracturing Services	2,278,880
7390002	Equipment Rental ( w/o operator, frac tanks, lightplants)	181,182
<b>TOTAL COMPLETION - INTANGIBLE</b>		<b>3,567,743</b>
<b>TOTAL COMPLETION COST</b>		<b>\$3,607,743</b>



**SURFACE EQUIPMENT - TANGIBLE**

7000030	Contract Labor - General	125,000
7001110	Telecommunication equip (Telermetry)	-
7000010	Electrical Labor	60,000
7000010	Mechanical Labor	125,000
7001190	Contract Engineering	8,500
7000060	SCADA	10,000
7012050	Compressor	12,000
7012100	Heater/Treater	87,000
7012180	Pumping Unit Engine	-
7012270	Miscellaneous Materials (containment systems)	33,000
7012290	Metering and Instrumentation	180,000
7012290	I&E Materials	105,000
7012350	Electrical Power (electrical cooperative construction costs)	24,000
7012350	Misc. Piping, Fittings & Valves	105,000
7012410	Line Pipe & Accessories	30,000
7012440	Separator & other pressure vessels (254 coils, 1dRM RTU unit)	185,000
7012480	Rod Pumping unit & Pad	-
7012500	Tanks	29,605
7012610	Vapor Recovery Unit	43,000
7012640	Flare & Accessories	13,710
7016180	Freight - truck	10,454
<b>TOTAL SURFACE EQUIPMENT - TANGIBLE</b>		<b>\$1,182,769</b>

**TOTAL SURFACE EQUIPMENT COST \$ 1,182,769**

**ARTIFICIAL LIFT**

7000030	Contract Labor	4,000
7001120	Consultant	2,000
7008230	Time Writing/Overhead	5,000
7012180	Artificial Lift Equipment	20,000
7012350	Materials & Supplies	13,000
7012550	Production Tree	-
7012540	Tubing	99,000
7016190	Freight	8,700
7018150	Rentals	5,000
7039130	Kill Fluid	2,000
7039120	Well Services & Rig	15,700
<b>TOTAL ARTIFICIAL LIFT</b>		<b>175,400</b>

**TOTAL ARTIFICIAL LIFT COST \$ 175,400**

**SUMMARY OF ESTIMATED DRILLING WELL COSTS**

**TOTAL COST**

<b>TOTAL LOCATION COST</b>	<b>\$ 67,500</b>
<b>TOTAL DRILLING COST</b>	<b>\$ 2,713,640</b>
<b>TOTAL COMPLETIONS COST</b>	<b>\$ 3,607,743</b>
<b>TOTAL SURFACE EQUIPMENT COST</b>	<b>\$ 1,182,769</b>
<b>TOTAL ARTIFICIAL LIFT COST</b>	<b>\$ 175,400</b>

**GRAND TOTAL COST \$7,747,052**

**EXTRA EXPENSE INSURANCE**

- I elect to be covered by operator's surface equipment liability policy and pay my own cost for the above items.
- 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.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Joint Owner Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signed by: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_

MARATHON OIL PERMIAN LLC  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

DATE: 8/26/2022  
 DRILLING & LOCATION PREPARED BY COURT NELSON  
 COMPLETION PREPARED BY KRISTEN DRAIN  
 FACILITIES PREPARED BY AARON HUTCHISON  
 ARTIFICIAL LIFT PREPARED BY Craig Plante

Asset Team PERMIAN  
 Field Bone Spring With 2nd Bone Springs WILDCAT EXPLORATION  
 Lease/Facility RIPE 2021-2022 COM 202H DEVELOPMENT 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	40,200
7001270	Land Broker Fees and Services	27,000
<b>TOTAL LOCATION COST - INTANGIBLE</b>		<b>67,200</b>

DRILLING COST - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012040	Casings & Tubing Access	24,000
7012050	Surface Casing 1	26,000
7012050	Intermediate Casing 1	106,000
7012050	Intermediate Casing 2	-
7012050	Production Casings	456,000
7012050	Drill Liner Manifold Tieback Etc & Casing Accessories	10,000
7012350	Water (portable)	10,000
7012450	Drilling Wellhead Equipment	65,000
7001270	Conductor Pipe	25,000
<b>TOTAL DRILLING - TANGIBLE</b>		<b>722,000</b>

DRILLING COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services Surface	76,440
7001160	Contract Services - Disposal/Non-Hazardous Waste Intermediate 1	80,000
7001200	Contract Services - Facilities Intermediate 2	10,000
7001400	Safety and Environmental Production	25,800
7001440	Vacuum Trucks	18,000
7001460	Water (non-portable)	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7011010	8% Contingency & Taxes	201,610
7012020	Bits	178,000
7012310	Solids Control Equipment	32,700
7012480	Freight - Transportation Services	25,000
7012350	Fuel (Rig)	100,100
7019000	Well Logging Services	-
7019010	Casings Crew and Services	40,000
7019020	Cement and Cementing Service	34,000
7019020	Cement and Cementing Service	25,000
7019020	Cement and Cementing Service	140,000
7019040	Directional Drilling Services	118,200
7019110	Casings Inspection (cleaning)	15,000
7019110	Drill pipe/collar inspection services	10,000
7019140	Mud Fluids & Services	80,700
7019140	Fuel (Mud)	36,000
7019150	Mud Logging/Logging	5,675
7019250	Stabilizers, Hole Openers, Underreamers, Agitators (DM rentals)	35,000
7019300	Well Services - Well Control Services	18,475
7019310	Corrosion Inhibitors & Analysis	-
7019350	Well Services - Wellhead Services	10,000
7260001	Lease Exp Oiler-Gas Process/Liquid Extract	-
7260002	Drilling Rig Mobil/Demob	100,000
7260002	Drilling Rig - day work (post)	436,800
7260003	Rental Tools and Equipment (surface rentals)	9,100
7330002	Rental Buildings (trailers)	9,100
7360001	Rig Equipment and Misc.	72,800
<b>TOTAL DRILLING - INTANGIBLE</b>		<b>1,991,640</b>

**TOTAL DRILLING COST \$2,713,640**

COMPLETION - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012040	Tubing Accessories (initial, wireline entry)	-
7012550	Wellhead Etc	40,000
7012560	Packers - Completion Equipment	-
7012580	Tubing	-
<b>TOTAL COMPLETION - TANGIBLE</b>		<b>40,000</b>

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7000030	Contract Labor - general	25,000
7000030	Contract Labor - Pumping (sump-down pumps)	10,000
7001110	Telecommunications Services	-
7001120	Consulting Services	132,278
7001270	Location and Access (dress location after rig move, set anchors)	7,000
7001400	Safety and Environmental	94,000
7001460	Water Hauling & Disposal (frac fluids)	371,000
7011010	8% Contingency & Taxes	-
7016180	Freight - Truck haul (size: drill & comp)	-
7016190	Freight - Transportation Services	4,800
7016350	Fuel (from drill)	-
7019010	Casings Crew and Services	-
7019020	Cement and Cementing Services	-
7019010	Cooled Tubing Services	22,000
7019080	Well Testing Services (flow hand & e etc)	183,434
7019140	Mud Fluids & Services	-
7019240	Snubbing Services	-
7019270	Pull-in/Seab Units	-
7019300	Frack Stack Rentals	85,000
7019330	Perforating	188,160
7019360	Wireline Services	-
7260001	Lease Exp Oiler-Gas Process/Liquid Extract	-
7260002	Drilling Rig Down Completion	-
7260003	ROP Rental & Testing	-
7260003	Rental Tools and Equipment (incl drill, test/inst, hydra-walk)	-
7260003	CT Downhole Rental Equipment (dr, Bl, BHA)	25,000
7260003	Zliner Manifold	-
7330002	Rental Buildings (trailers)	-
7360002	Fracturing Services	2,278,889
Equipment Rental (w/o operator, frac tanks, lightplants)		181,182
<b>TOTAL COMPLETION - INTANGIBLE</b>		<b>3,567,243</b>

**TOTAL COMPLETION COST \$3,607,743**

**SURFACE EQUIPMENT - TANGIBLE**

7000030	Contract Labor - General	125,000
7001110	Telecommunication equip (Telemetry)	-
7000010	Electrical Labor	60,000
7000010	Mechanical Labor	175,000
7001190	Contract Engineering	6,500
7000060	SCADA	20,000
7012010	Compressor	12,000
7012100	Heater/Trheater	87,500
7012180	Pumpjnk Unit Engine	-
7012270	Miscellaneous Materials (containment system)	32,000
7012290	Metering and Instrumentation	188,000
7012290	I&E Materials	165,000
7012350	Electrical Power (electrical cooperative construction costs)	20,000
7012350	Misc. Piping, Fittings & Valves	105,000
7012410	Line Pipe & Accessories	30,000
7012440	Separator & other pressure vessels (xM coils, xMM BTU unit)	186,000
7012480	Rod Pumpjnk unit & Pad	-
7012500	Tanks	29,605
7012610	Vapor Recovery Unit	42,000
7012640	Flare & Accessories	12,710
7016180	Freight - truck	10,454
<b>TOTAL SURFACE EQUIPMENT - TANGIBLE</b>		<b>1,182,769</b>

**TOTAL SURFACE EQUIPMENT COST \$ 1,182,769**

**ARTIFICIAL LIFT**

7000030	Contract Labor	4,000
7001120	Consultant	2,000
7008230	Time Writing/Overhead	5,000
7012180	Artificial Lift Equipment	20,000
7012350	Materials & Supplies	18,000
7012550	Production Tree	-
7012580	Tubing	99,000
7016190	Freight	8,700
7018150	Rentals	6,000
7019190	Well Head	2,000
7019220	Well Services & Rig	15,700
<b>TOTAL ARTIFICIAL LIFT</b>		<b>175,400</b>

**TOTAL ARTIFICIAL LIFT COST \$ 175,400**

**SUMMARY OF ESTIMATED DRILLING WELL COSTS**

**TOTAL 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
<b>GRAND TOTAL COST</b>	<b>\$7,746,752</b>

**EXTRA EXPENSE INSURANCE**

- I 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 re-drilling as estimated in Line Item 0180-0185.
- I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Joint Owner Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signed by: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_

MARATHON OIL PERMIAN LLC	DATE: 4/28/2022
AUTHORITY FOR EXPENDITURE	DRILLING & LOCATION PREPARED BY COURT NELSON
DETAIL OF ESTIMATED WELL COSTS	COMPLETION PREPARED BY KRISTEN DRAIN
	FACILITIES PREPARED BY AARON HUTCHISON
	ARTIFICIAL LIFT PREPARED BY Craig Plante

Asset Team	PERMIAN		
Field	Block Spring, Willow Lake 964 FORMATION - 1st 6000 SPRINGS	WILDCAT	EXPLORATION
Lease/Facility	SAULEY 83-26-58 FEO COMB 303M		RECOMPLETION
Location		X EXPLOITATION	WORKOVER
Prospect	MALAGA		

Est Total Depth	18,900	Est Drilling Days	15.7	Est Completion Days	2.6
-----------------	--------	-------------------	------	---------------------	-----

GL CODE	DESCRIPTION	ESTIMATED COST
7001250	Location and Access	40,200
7001270	Land Broker Fees and Services	27,000
<b>TOTAL LOCATION COST - INTANGIBLE</b>		<b>67,200</b>

GL CODE	DESCRIPTION	ESTIMATED COST
7012040	Casing & Tubing Access	24,000
7012050	Surface Casing	25,000
7012050	Intermediate Casing 1	106,900
7012050	Intermediate Casing 2	-
7012050	Production Casing	466,000
7012050	Drill Liner Hanger, Tieback Casing Accessories	-
7012350	Water (potable)	10,000
7012550	Drilling Wellhead Equipment	65,000
7001270	Conductor Pipe	25,000
<b>TOTAL DRILLING - TANGIBLE</b>		<b>722,900</b>

GL CODE	DESCRIPTION	ESTIMATED COST
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services - Surface	76,440
7001160	Contract Services - Disposal/Non-Hazardous Waste Intermediate 1	80,000
7001200	Contract Services - Facilities Intermediate 2	10,000
7001400	Safety and Environmental - Production	25,480
7001440	Vacuum Trucks	10,000
7001460	Water (non-potable)	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7011010	8% Contingency & Taxes	201,010
7012020	Bits	128,000
7012310	Solids Control equipment	32,760
7016180	Freight - Transportation Services	25,000
7016350	Fuel (off-site)	100,100
7019000	Well Logging Services	-
7019010	Casing Crew and Services	40,000
7019020	Cement and Cementing Service	34,000
7019020	Cement and Cementing Service	25,000
7019020	Cement and Cementing Service	-
7019020	Cement and Cementing Service	140,000
7019040	Directional Drilling Services	118,200
7019110	Casing Inspection/Cleaning	15,000
7019110	Drill pipe (collar inspection services)	10,000
7019140	Mud Fluids & Services	60,700
7019140	Fuel (Mud)	36,000
7019150	Mud Logging (geosteering)	9,675
7019250	Stabilizers, Hole Openers, Underreamers, Augers (DH rentals)	35,000
7019360	Well Services - Well Control Services	16,475
7019310	Coring (sidewall & annulus)	-
7019350	Well Services - Well/Wellhead Services	10,000
7280001	Lease Exit Oil-Gas Process/Liquid Extract	-
7280002	Drilling Rig Mob/Demob	100,000
7280003	Drilling Rig - day work/footage	436,800
7280003	Rental Tools and Equipment (surface rentals)	9,100
7330002	Rental Building (trailers)	9,100
7360001	Rig Equipment and Misc.	72,800
<b>TOTAL DRILLING - INTANGIBLE</b>		<b>1,991,640</b>

**TOTAL DRILLING COST \$2,713,640**

GL CODE	DESCRIPTION	ESTIMATED COST
7012040	Tubing Accessories (inlets, wireline entry)	-
7012550	Wellhead Equip	40,000
7012560	Packers - Completion Equipment	-
7012580	Tubing	-
<b>TOTAL COMPLETION - TANGIBLE</b>		<b>40,000</b>

GL CODE	DESCRIPTION	ESTIMATED COST
7000030	Contract Labor - general	25,000
7000030	Contract Labor - Pumping (pump-down pumps)	16,000
7001110	Telecommunications Services	-
7001120	Consulting Services	132,278
7001270	Location and Access (dress location after rig move, set anchors)	7,000
7001460	Safety and Environmental	94,000
7001460	Water Hauling & Disposal (frac fluids)	371,000
7011010	8% Contingency & Taxes	-
7016180	Freight - Truck (haul pipe, drill & comp)	-
7016190	Freight (Transportation Services)	4,800
7016350	Fuel (from drill)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019030	Coiled Tubing Services	22,000
7019080	Well Testing Services (flow hand & equip)	183,434
7019140	Mud Fluids & Services	-
7019240	Snubbing Services	-
7019270	Pulling/Slab Units	-
7019300	Frack Stack Rentals	85,000
7019330	Perforation	148,160
7019360	Wireline Services	-
7260001	Lease Exit Oil-Gas Process/Liquid Extract	-
7280002	Drilling Rig During Completion	-
7280003	BOP Rental & Testing	-
7280003	Rental Tools and Equipment (incl drill, lights, tanks, hydra-walk)	-
7280003	CT Downhole Rental Equipment (ie. BH, BHA)	25,000
7280003	Pipe Manifolds	-
7280002	Rental Building (trailers)	-
7280002	Fracturing Services	2,278,880
7280002	Equipment Rental (w/o operator, frac tanks, lightplans)	181,182
<b>TOTAL COMPLETION - INTANGIBLE</b>		<b>3,567,743</b>

**TOTAL COMPLETION COST \$3,607,743**

**SURFACE EQUIPMENT - TANGIBLE**

7000030	Contract Labor - General	125,000
7001110	Telecommunication equip (Telemetry)	-
7000010	Electrical Labor	60,000
7000010	Mechanical Labor	125,000
7001190	Contract Engineering	6,500
7000060	SCADA	10,000
7012010	Compressor	12,000
7012100	Heater-Treater	87,500
7012180	Pumpjacking Unit Engine	-
7012270	Miscellaneous Materials (containment system)	32,000
7012250	Metering and Instrumentation	180,000
7012390	IEL Materials	105,000
7012350	Electrical Power (electrical cooperative construction costs)	24,000
7012350	Misc. Piping, Fittings & Valves	105,000
7012410	Line Pipe & Accessories	30,000
7012440	Separator & other pressure vessels (xM coils, xMM BTU unit)	186,000
7012480	Rod Pumpjacking unit & Pad	-
7012500	Tanks	29,605
7012610	Vapor Recovery Unit	42,000
7012640	Flare & Accessories	12,710
7016180	Freight - truck	10,454
<b>TOTAL SURFACE EQUIPMENT - TANGIBLE</b>		<b>1,182,769</b>

**TOTAL SURFACE EQUIPMENT COST \$ 1,182,769**

**ARTIFICIAL LIFT**

7000030	Contract Labor	4,000
7001120	Consultant	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	2,800
7019220	Well Services & R	15,700
<b>TOTAL ARTIFICIAL LIFT</b>		<b>175,400</b>

**TOTAL ARTIFICIAL LIFT COST \$ 175,400**

**SUMMARY OF ESTIMATED DRILLING WELL COSTS**

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
<b>GRAND TOTAL COST</b>	<b>\$ 7,746,752</b>

**EXTRA EXPENSE INSURANCE**

- I 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.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Joint Owner Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Signed by: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_



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 compiled 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. Bennett



Released to Imaging: 8/2/2022 4:08:04 PM

Received by OCD: 8/2/2022 4:07:26 PM

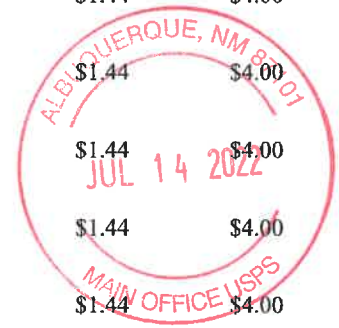
Marlene Schuman  
Doddall Sperling Roehl Harris & Sisk P.A.  
100 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
07/14/2022

Firm Mailing Book ID: 230645

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0097 3273 43	EOG Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
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	81363.204.22951. Notice
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	\$4.00	\$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	\$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 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.204.22951. Notice
	9314 8699 0430 0097 3274 73	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
	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



Released to Imaging: 8/2/2022 4:08:04 PM

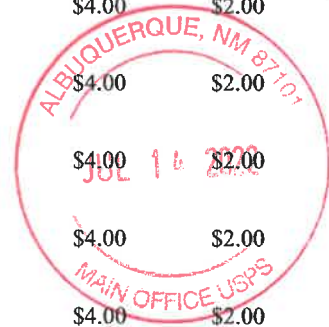
Arlene Schuman  
Doddall Sperling Roehl Harris & Sisk P.A.  
100 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
07/14/2022

Firm Mailing Book ID: 230645

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	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
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
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	\$2.00	\$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	\$4.00	\$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	\$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	\$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



Received by OCD: 8/2/2022 4:07:26 PM

Page 35 of 58

Released to Imaging: 8/2/2022 4:08:04 PM

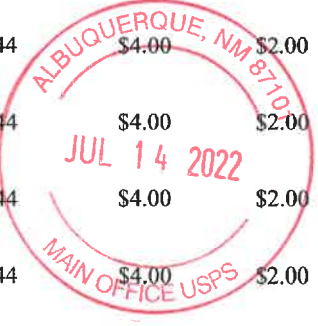
Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
100 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
07/14/2022

Firm Mailing Book ID: 230645

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	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	\$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	\$4.00	\$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	\$4.00	\$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	81363.204.22951. Notice



Received by OCD: 8/2/2022 4:07:26 PM

Page 36 of 58

Released to Imaging: 8/2/2022 4:08:04 PM

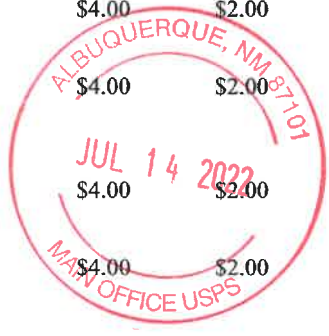
Karlene Schuman  
Dodrall Sperling Roehl Harris & Sisk P.A.  
100 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
07/14/2022

Firm Mailing Book ID: 230645

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
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
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	\$2.00	\$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	\$4.00	\$2.00	\$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	\$4.00	\$2.00	\$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
<b>Totals:</b>			<b>\$76.32</b>	<b>\$212.00</b>	<b>\$106.00</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$394.32</b>	



List Number of Pieces Listed by Sender: 53  
 Total Number of Pieces Received at Post Office: 53  
 Postmaster: Name of receiving employee: [Signature]  
 Dated:

Received by OCD: 8/2/2022 4:07:26 PM

Page 37 of 58



# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005339196

**This is not an invoice**

**MODRALL SPERLING**  
POBOX 2168

**ALBUQUERQUE, NM 87103**

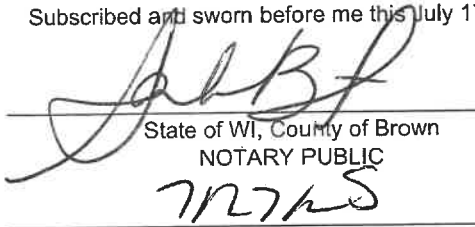
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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

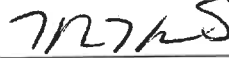


Legal Clerk

Subscribed and sworn before me this July 17, 2022:



State of WI, County of Brown  
NOTARY PUBLIC

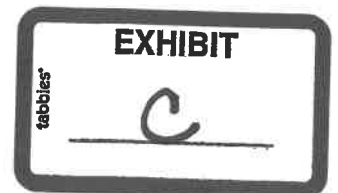


My commission expires

SARAH BERTELSEN  
Notary Public  
State of Wisconsin

Ad # 0005339196  
PO #: 22950 & 22951  
# of Affidavits 1

**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, 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; Union Oil Company of California; The Superior Oil Company & Mobile Producing Texas & New Mexico, Inc. (Exxon); Mewbourne Energy Partners 01-A, LP; CWM 2000-B, Ltd.; 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 a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico.

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, L.P.; David H. Essex; William R. Bergman; Curtis Anderson and Edna I. Anderson, Trustees 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.; Thunderbolt Petroleum, LLC; Jim Ikard; Jami Huber Owen; O.D. Albright III; GK Partners; Sisbro Oil & 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 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 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. 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





MODRALL SPERLING

L A W Y E R S

July 14, 2022

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**VIA CERTIFIED MAIL**  
**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: <http://www.emnrd.state.nm.us/OCD/hearings.html>.**

Modrall Sperring  
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



Page 2

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

*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.

By: Deana M. Bennett

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]*

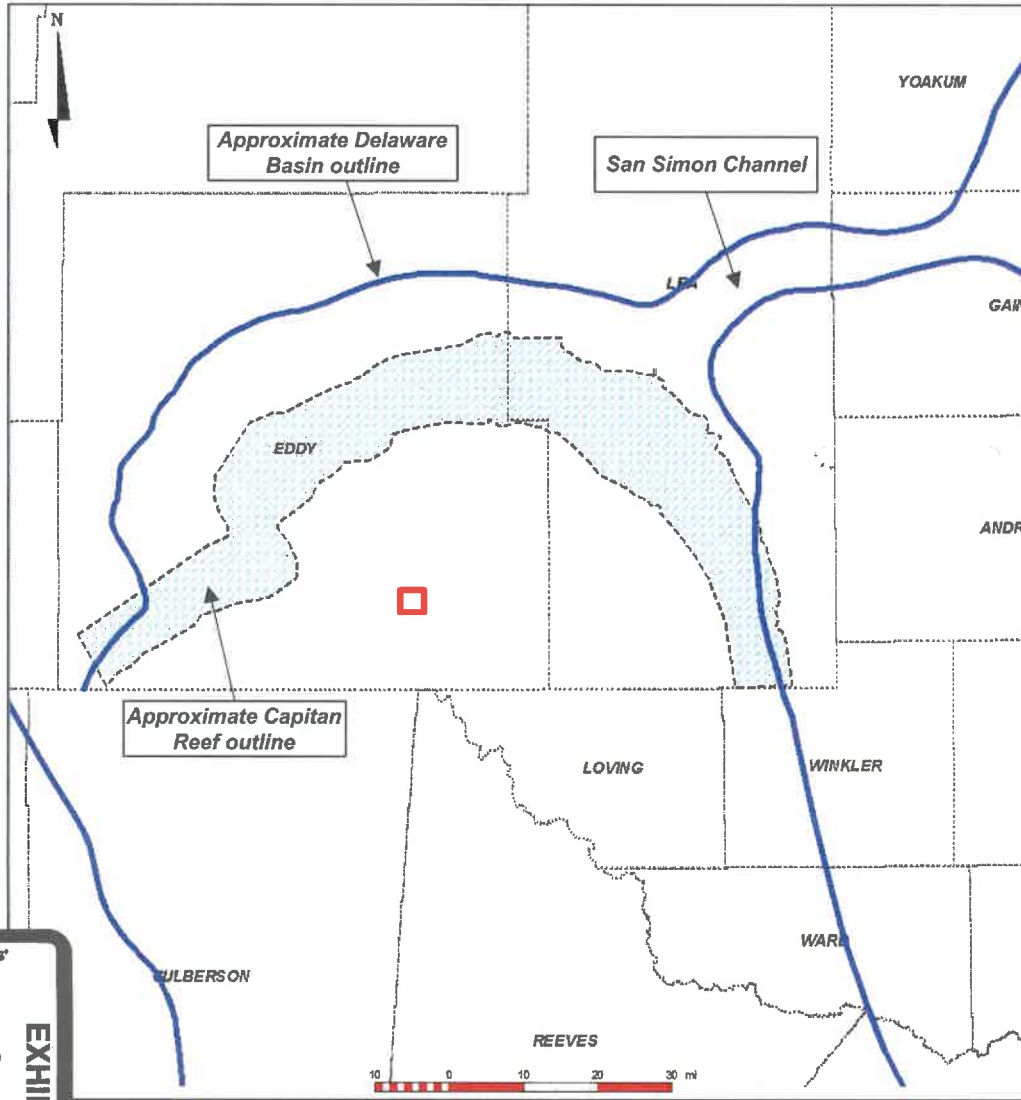
I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: July 28, 2022

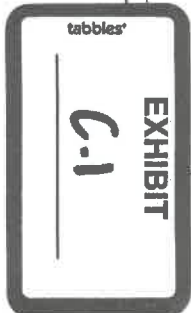
  
Elizabeth Scully

# Ripley 35-26 Fed Com Unit

## Locator Map

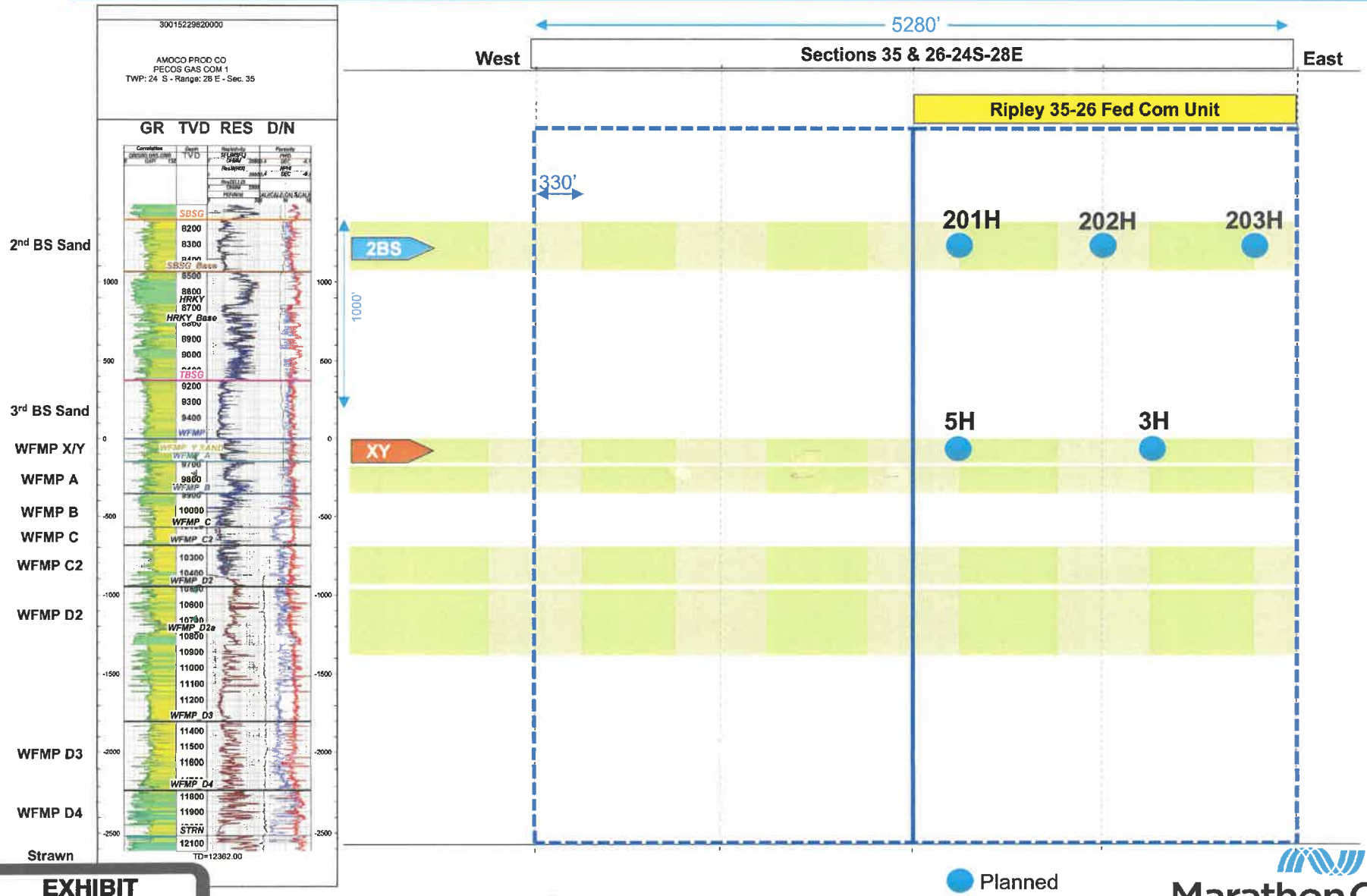


- Approximate location of proposed Ripley 35-26 Fed Com well locations shown with red box
- Located basinward of the Capitan Reef
- Mid Eddy county



# Ripley 35-26 Fed Com Unit

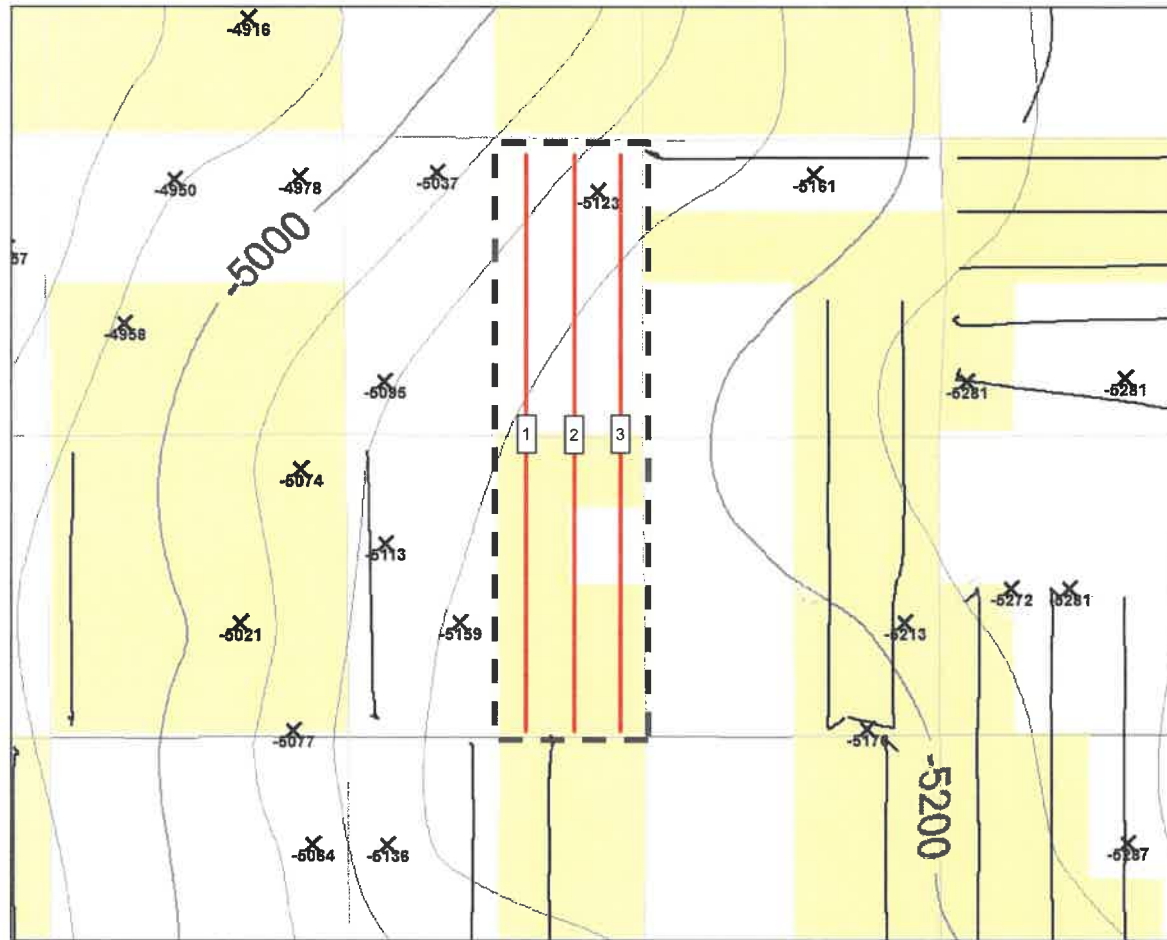
## Wellbore Schematic




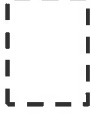


**EXHIBIT**  
**C-2**


# Ripley 35-26 Fed Com Unit

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



### Map Legend

-  MRO Acreage
-  Project Area
-  Proposed Well
-  Existing SBS Well

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

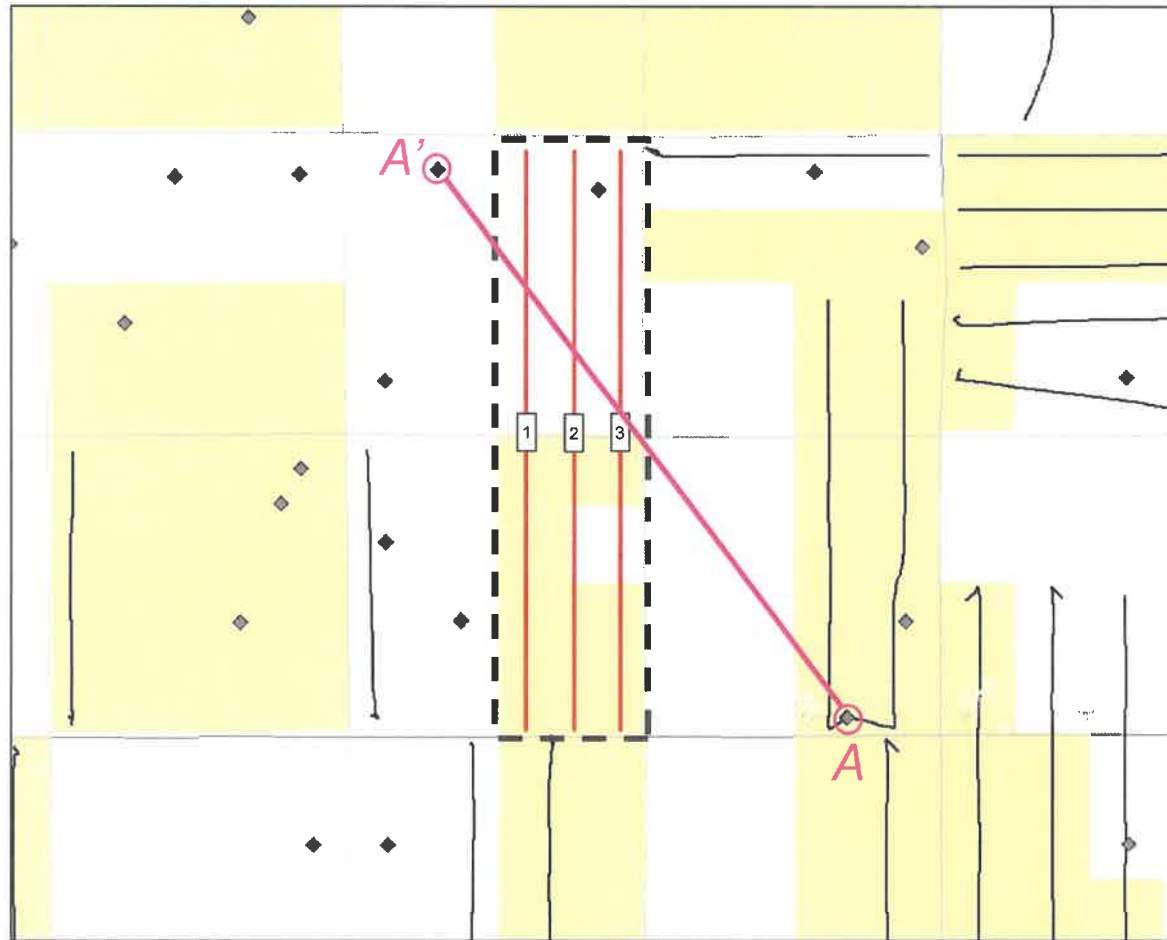
1 mile

C.I. = 50'












# Ripley 35-26 Fed Com Unit

## Reference Map for Cross Section – Bone Spring Wells



### Map Legend

-  MRO Acreage
-  Project Area
-  Proposed Well
-  Existing SBS Well
-  Vertical Well Log
-  Ripley 35-26 SB Fed Com 201H
-  Ripley 35-26 SB Fed Com 202H
-  Ripley 35-26 SB Fed Com 203H
-  Cross Section Line



1 mile

C.I. = 50'



# Ripley 35-26 Fed Com Unit

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

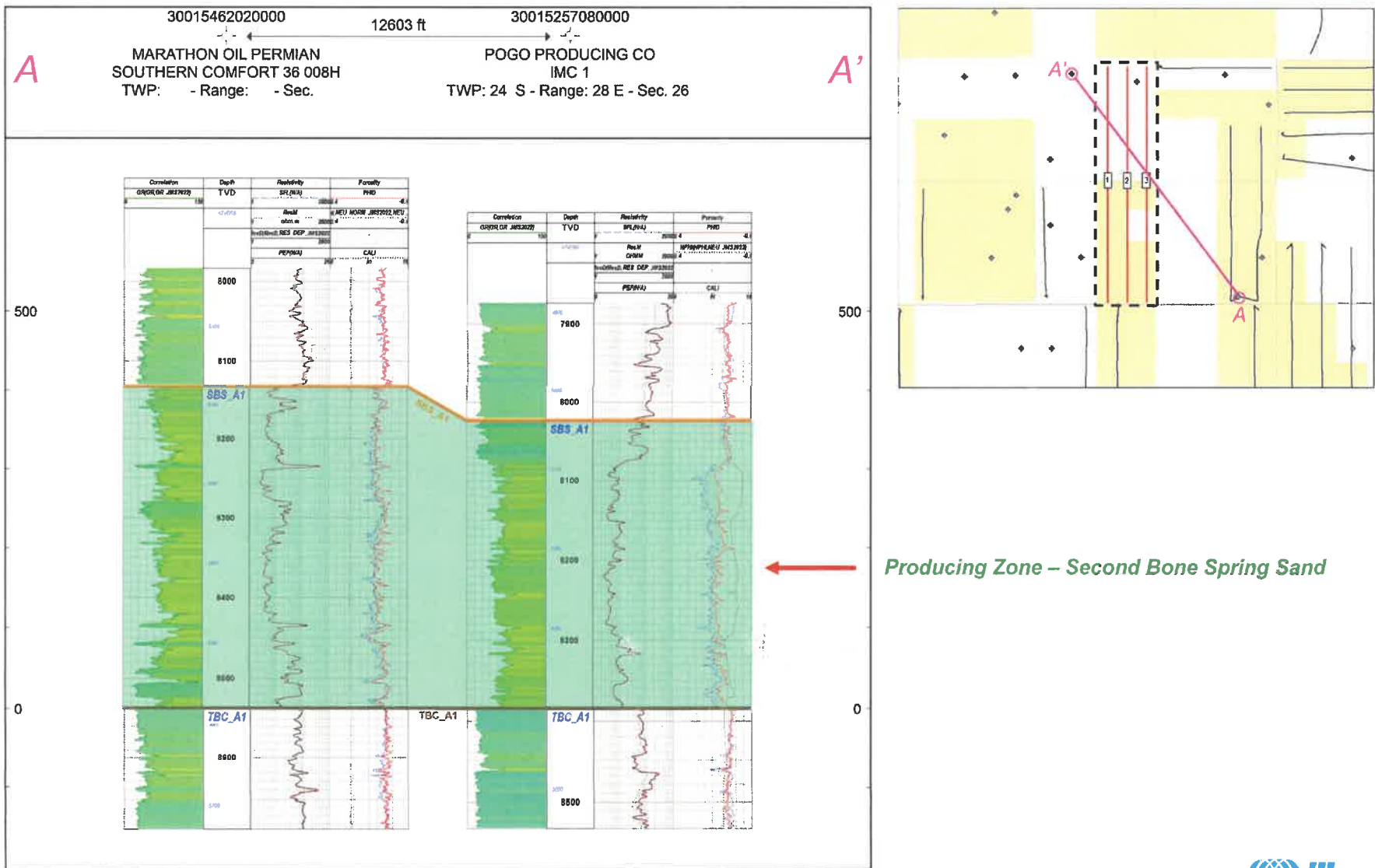
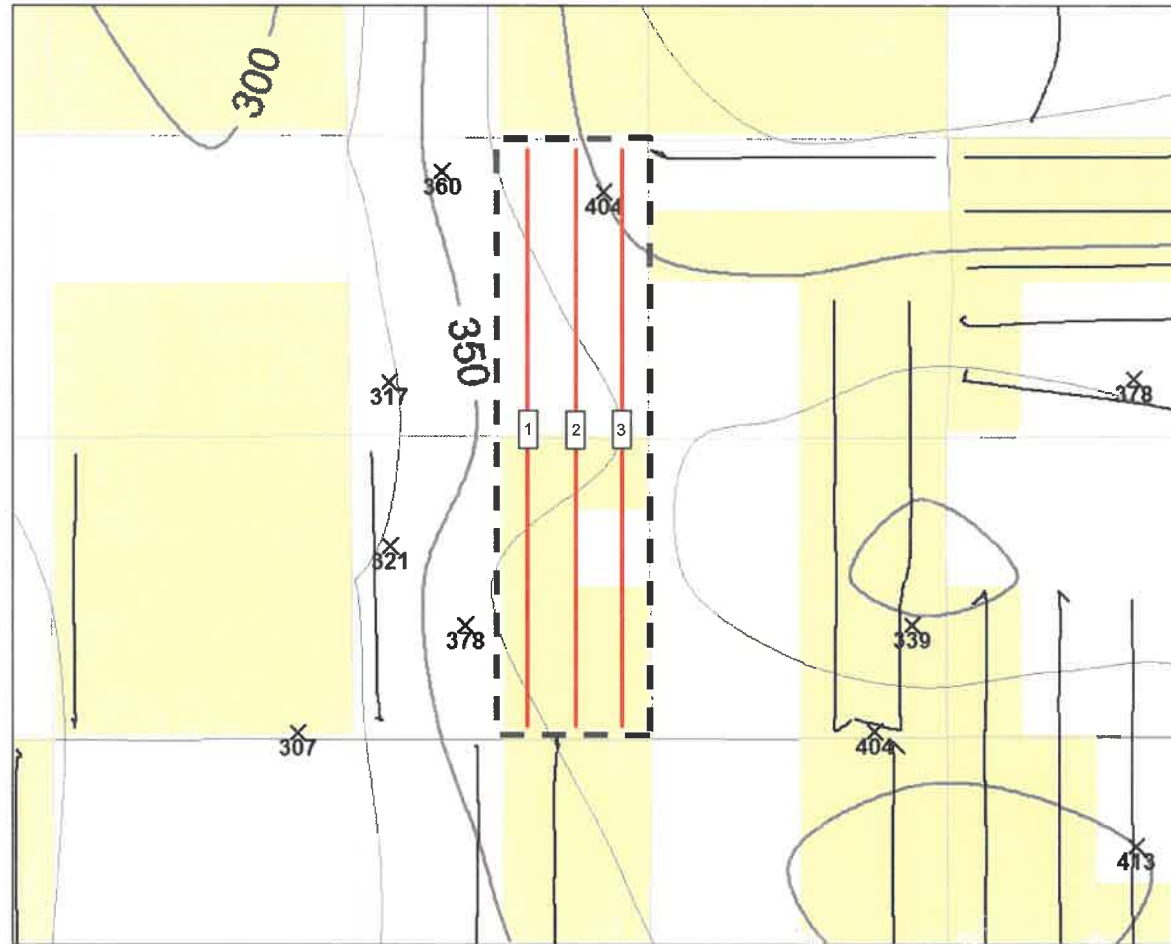


EXHIBIT 6.5







# Ripley 35-26 Fed Com Unit

## Gross Interval Isochore – Second Bone Spring Sand



### Map Legend

-  MRO Acreage
-  Project Area

-  Proposed Well
-  Existing SBS Well

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

1 mile

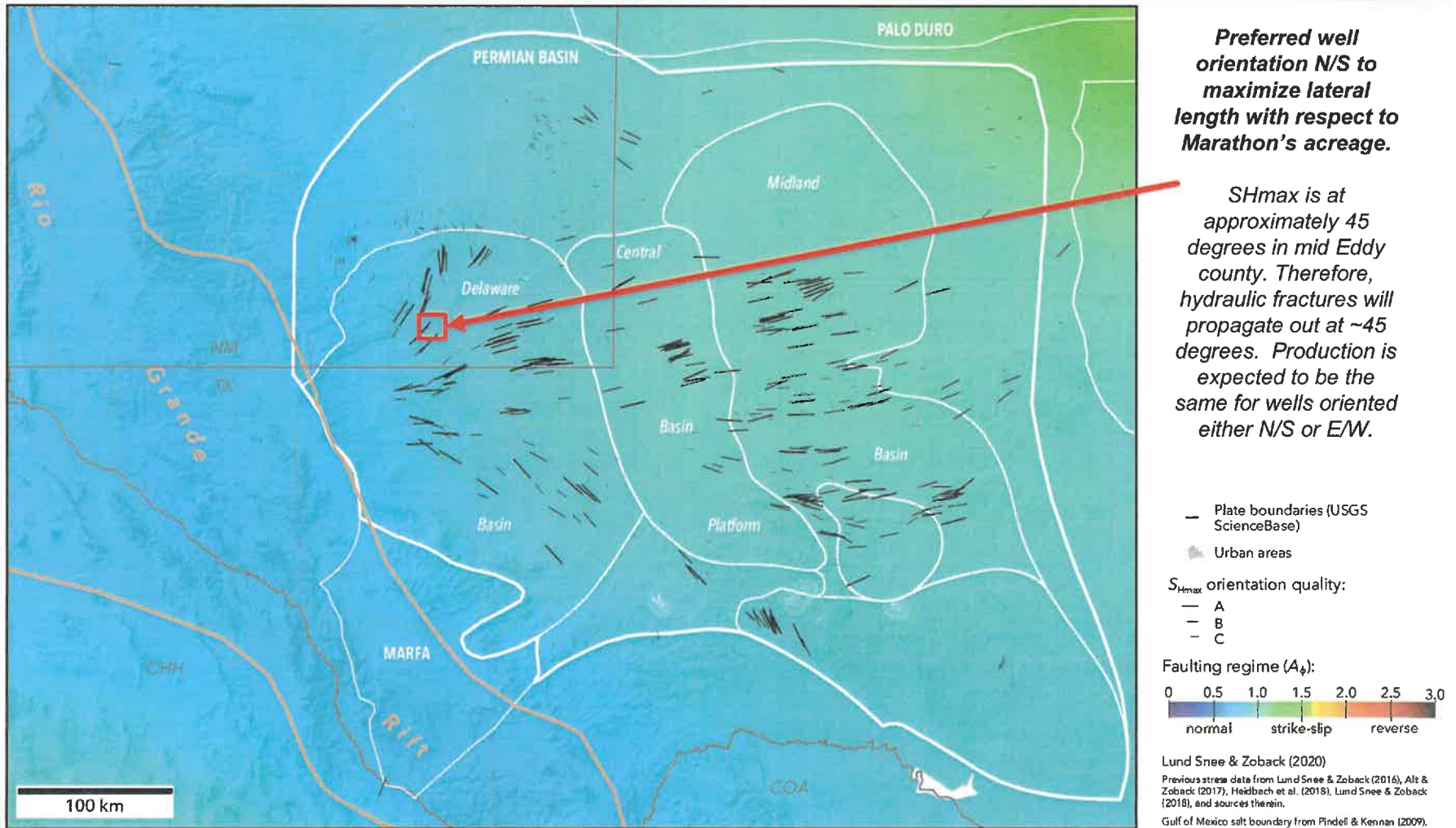
C.I. = 25'





# Ripley 35-26 Fed Com Unit

## Preferred Well Orientation - SHmax



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)

