

**Before the Oil Conservation Division
Examiner Hearing November 3, 2022**

**REVISED EXHIBIT PACKET:
REVISED COMPULSORY POOLING CHECKLIST
REVISED C-102s**

Case No. 23168

Trojan Horse 35 WXY Fed Com 2H

Trojan Horse 35 WXY Fed Com 4H



Marathon Oil

**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. 23169

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¹ Revised only to update Trojan Horse 35 WXY Fed Com 4H footages.


² Replaced with correct C-102s.

COMPULSORY POOLING APPLICATION CHECKLIST/REVISED**Revision to Trojan Horse 35 WXY Fed Com 4H well footages shown in red****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 23168	APPLICANT'S RESPONSE
Date: 11/03/2022 (Hearing date)	
Applicant:	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC (OGRID 372098)
Applicant's Counsel:	Modrall Sperling
Case Title:	Application of Marathon Oil Permian LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Trojan Horse
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Purple Sage, Wolfcamp (98220)
Well Location Setback Rules:	Purple Sage, Wolfcamp
Spacing Unit Size:	640 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	North/South
Description: TRS/County	W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), if No, describe	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N
Applicant's Ownership in Each Tract	See Exhibit B-3



Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: Trojan Horse 35 WXY Fed Com 2H (API 30-015-49704)	SHL: 233' FSL & 1242 FWL (Unit M) Section 26, T-22-S R-28-E FTP: 990' FWL & 330' FNL Section 35, T-22-S R-28-E BHL: 990' FWL & 330' FSL Section 2, T-23-S R-28-E Orientation: North to South East to West Completion Target: Wolfcamp Completion Status: Standard TVD: 9,675', MVD: 20,284'
Well #2: Trojan Horse 35 WXY Fed Com 4H (API Pending)	SHL: 233' FSL & 1267' FWL (Unit M) Section 26, T-23-S R-28-E FTP: 2299' FWL & 332' FNL Section 35, T-22-S R-28-E BHL: 2369' FWL & 330' FSL Section 2, T-23-S R-28-E Orientation: North South Completion Target: Wolfcamp Completion Status: Standard TVD: 9,695', MVD: 20,340'
Horizontal Well First and Last Take Points	See above; see also Exhibit B-2; B-5
Completion Target (Formation, TVD and MD)	See above; see also Exhibit B-2; B-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	See Exhibit B, ¶ 21-22.
Requested Risk Charge	See Exhibit B, ¶ 23.
Notice of Hearing	
Proposed Notice of Hearing	See Exhibit B-7
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit B-7
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-7
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibit B-3
Tract List (including lease numbers and owners)	See Exhibit B-3
Pooled Parties (including ownership type)	See Exhibit B-3
Unlocatable Parties to be Pooled	None

Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	See Exhibit B-5
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit B-3
Chronology of Contact with Non-Joined Working Interests	See Exhibit B-4
Overhead Rates In Proposal Letter	See Exhibit B-5
Cost Estimate to Drill and Complete	See Exhibit B-6
Cost Estimate to Equip Well	See Exhibit B-6
Cost Estimate for Production Facilities	See Exhibit B-6
Geology	
Summary (including special considerations)	See Exhibit C
Spacing Unit Schematic	See Exhibit C-2
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-2
Well Orientation (with rationale)	See Exhibit C-7; Exhibit C ¶ 13-14.
Target Formation	See Exhibit C-5
HSU Cross Section	See Exhibit C-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B-2
Tracts	See Exhibit B-3
Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit B-3
General Location Map (including basin)	See Exhibit C-1
Well Bore Location Map	See Exhibit C-3
Structure Contour Map - Subsea Depth	See Exhibit C-3
Cross Section Location Map (including wells)	See Exhibit C-4
Cross Section (including Landing Zone)	See Exhibit C-5
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett.
Signed Name (Attorney or Party Representative):	
	As revised to only change 4H well footages as shown in red.
	11/2/2023

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. 23168

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 and have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.
3. My area of responsibility at Marathon 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 interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

10. This spacing unit will be dedicated to the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox.

11. Attached as **Exhibit B.2** are the proposed C-102s for the wells.

12. The C-102s identify the proposed surface hole locations, first take point, and bottom hole locations. The C-102s also identify the pool and pool code.

13. These wells will be located within the Purple Sage Wolfcamp Gas Pool, which is subject to special pool rules that establish 330-foot setback requirements.

14. Marathon's proposal letters identified these wells as having non-standard setbacks. The C-102s reflect a change to the setbacks and these wells will comply with the Division's setback requirements for this pool. In the event Marathon's plans may change, Marathon will submit non-standard approval location applications for administrative approval.

15. There are no depth severances within the proposed spacing unit.

16. **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.

17. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed well proposals to all parties entitled to well proposals, including an Authorization for Expenditure.

18. In my opinion, Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

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

20. **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.

21. **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.

22. 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.

23. Marathon requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

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

25. Marathon seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

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

27. **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 November 3, 2022 hearing was published on October 19, 2022.

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

29. 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: November 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. 23168

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby applies to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a standard 640-acre, more or less, standard Wolfcamp horizontal spacing unit comprising the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon has an interest in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico to form a standard 640-acre, more or less, Wolfcamp horizontal spacing unit.
3. Marathon plans to drill the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled.
4. These wells will be located within the PURPLE SAGE; WOLFCAMP (GAS) pool (Pool Code 98220), which is subject to special pool rules that establish 330 foot setback



requirements. See Order No. R-14262. The producing interval for the wells is expected to be orthodox and to comply with the Division's set back requirements set forth in Order No. R-14262.

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

6. The creation of a standard horizontal spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Designating Marathon as the 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, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

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

Respectfully submitted,

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

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. 23168 : 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 standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, 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

¹ API Number	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name TROJAN HORSE 35 WXY FED COM	
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	
		⁶ Well Number 2H
		⁹ Elevation 3089'

¹⁰ Surface Location

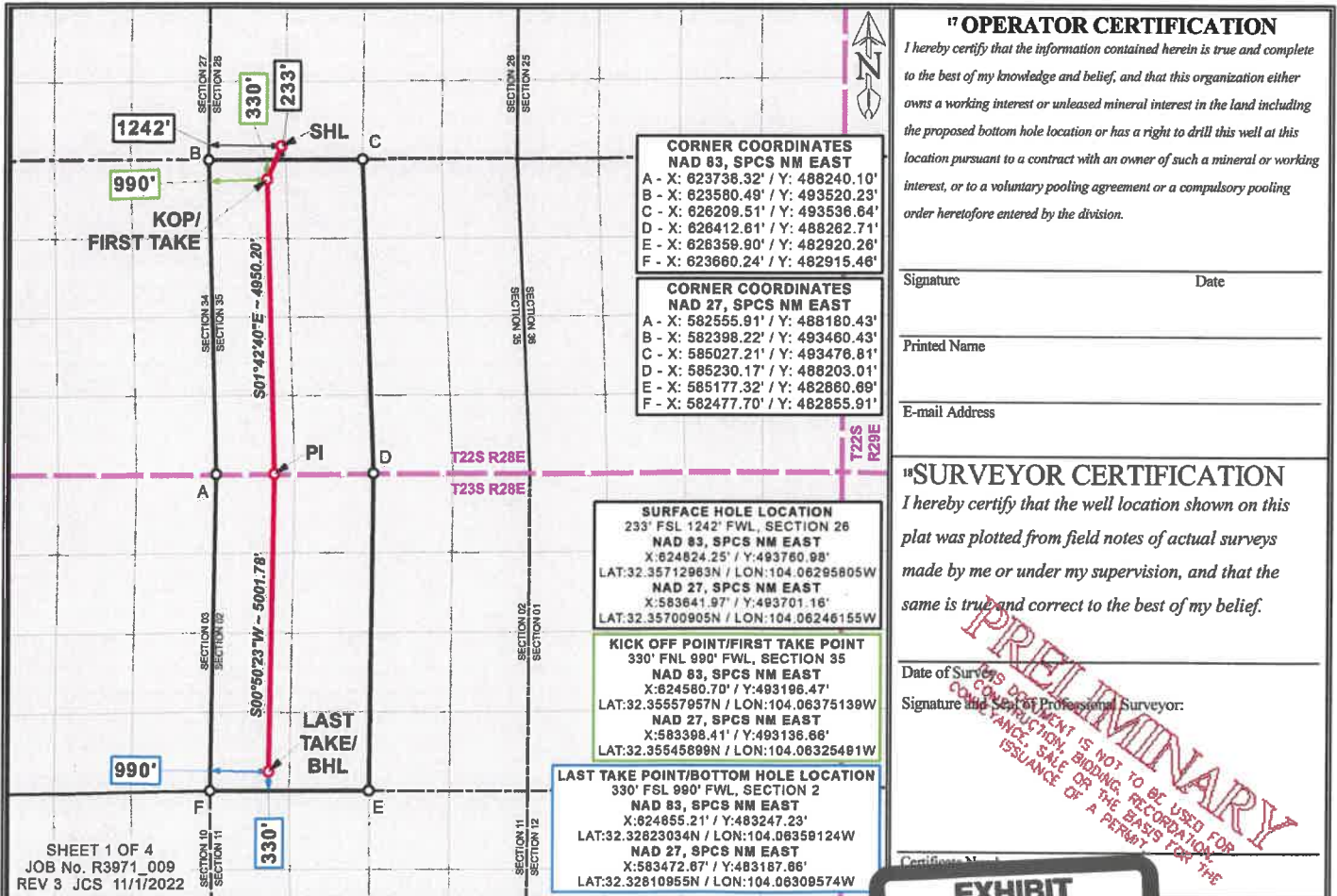
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	22S	28E		233	SOUTH	1242	WEST	EDDY

¹¹ 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
M	2	23S	28E		330	SOUTH	990	WEST	EDDY

¹² Dedicated Acres 639.17	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977431 Convergence Angle: 00°08'50.61001"

EXHIBIT
B.2
corrected

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

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code		⁵ Property Name TROJAN HORSE 35 WXY FED COM			⁶ Well Number 4H
⁷ OGRID No. 372098		⁸ Operator Name MARATHON OIL PERMIAN LLC			⁹ Elevation 3090'

¹⁰ Surface Location

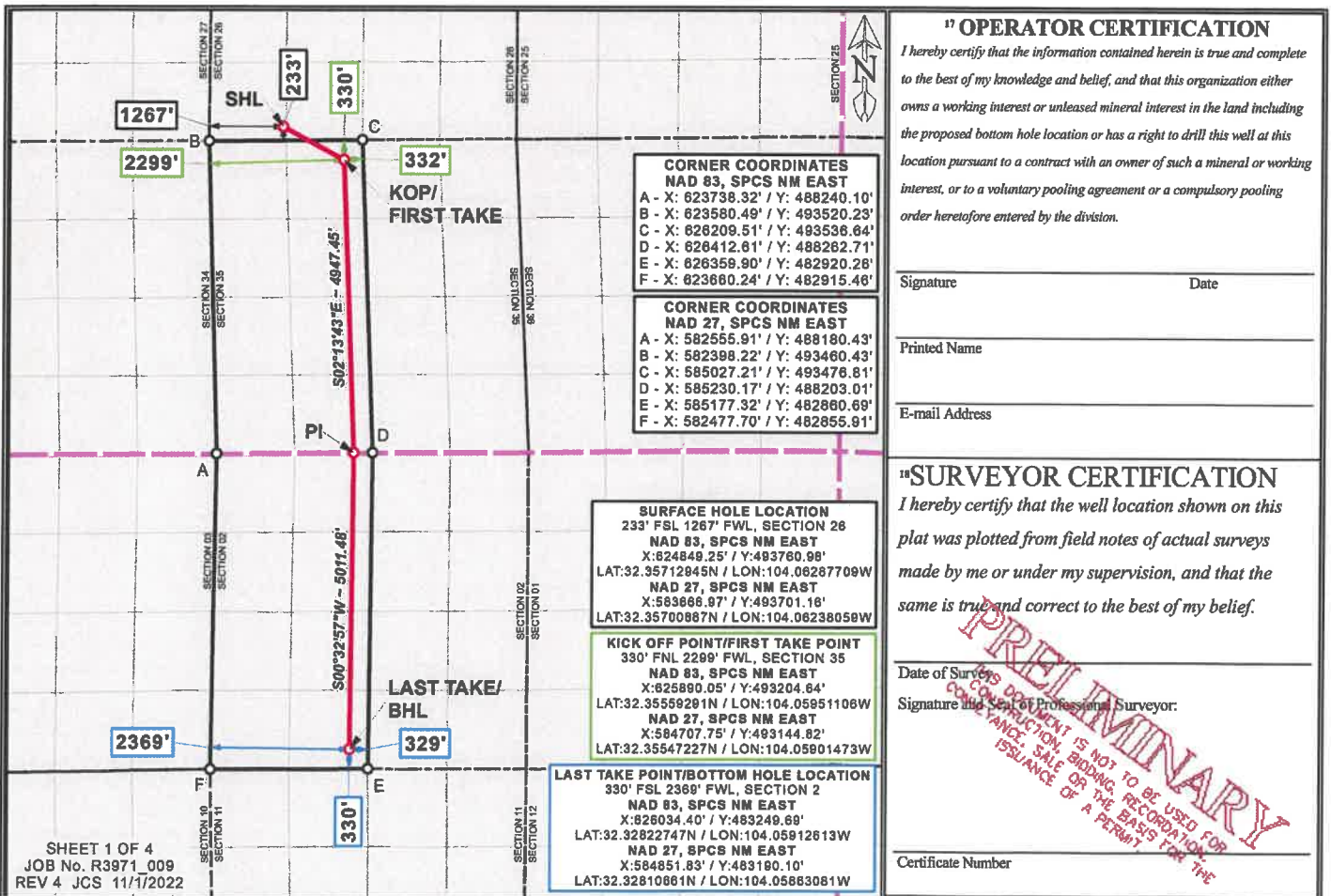
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	22S	28E		233	SOUTH	1267	WEST	EDDY

¹¹ 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
N	2	23S	28E		330	SOUTH	2369	WEST	EDDY

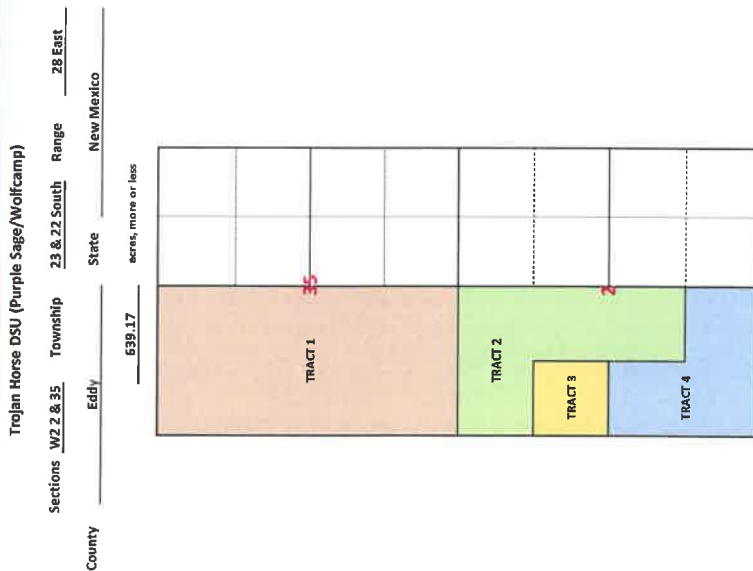
¹² Dedicated Acres 639.17	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977431 Convergence Angle: 00°08'50.61001"

Exhibit "B.3" Lease Tract Map
Trojan Horse 35 WXY Fed Com 2H & 4H
W/2 of Section 35 T22S-R28E & W/2 Section 2 T23S-R28E: 639.17 acres



- Tract 1: Federal (NM-19601)
 – 320.00 acres
- Tract 2: State of New Mexico (VB-0407-002)
 – 159.17 acres
- Tract 3: State of New Mexico (VB-2460-002)
 – 40.00 acres
- Tract 4: Fee
 – 120.00 acres



**Exhibit "B.3" Summary of Interests
Trojan Horse 35 WXY Fed Corn 2H & 4H
W/2 of Section 35 T22S-R28E & W/2 Section 2 T23S-R28E: 639.17 acres**

Committed Working Interest:	97.233906%
• Marathon Oil Permian LLC	97.233906%
Uncommitted Working Interest:	2.756094%
• LHAH Properties, L.L.C.	1.915015%
• Rogers*Resources LP	0.425539%
• Lofin Family Limited Partnership	0.425539%
ORRI Owners:	
• OXY USA Inc.	
• Joseph Wm. Foran	
• KMF Land, LLC	
• Foundation Minerals, LLC	
• Post Oak Mayros II, LLC	
• Sortida Resources, LLC	
• Oak Valley Mineral and Land, LP	
• Osprey Oil and Gas, LLC	
• McCurdy Energy, LLC	
• JSG Energy, LLC	
• C. Free O&G LLC	
• Marnie LLC	
• John E. Casey and Annette I. Casey, Co-Trustees of the Casey Trust	
• Cimmaron Holdings, LLC	
• Brett K. Bracken	
• Rogers*Resources LP	



Parties to Be Pooled

Uncommitted Working Interest:

LHAH Properties, L.L.C.
Rogers*Resources LP
Loftin Family Limited Partnership

ORRI:

OXY USA Inc.
Joseph Wm. Foran
KMF Land, LLC
Foundation Minerals, LLC
Post Oak Mavros II, LLC
Sortida Resources, LLC
Oak Valley Mineral and Land, LP
Osprey Oil and Gas, LLC
McCurdy Energy, LLC
JSG Energy, LLC
C. Free O&G LLC
Mamie LLC
John E. Casey and Annette I. Casey, Co-Trustees of the Casey Trust
Cimmaron Holdings, LLC
Brett K. Bracken
Rogers*Resources LP



**Exhibit "B.4" Summary of Contacts
Trojan Horse 35 WXY Fed Com 2H & 4H
W/2 of Section 35 T23S-R28E & W/2 Section 2 T23S-R28E: 639.17 acres**

Summary of Contacts

- Marathon conducted extensive title work to determine the working interest owners and other interest owners.
- Marathon searched public records, phone directory, and various types of internet searches.
- Marathon sent well proposal letters to the working interest owners on or around June 29, 2022.
- Marathon proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
 - Marathon has discussed the general terms of the JOA with the intent of finalizing the JOA with the working interest owners prior to spud (subject to final approvals)
- Marathon had multiple communications with the uncommitted working interest owners, which I have outlined in the chart below.
- Marathon has acquired several parties' working interest in the spacing through commercial transactions
- Marathon filed applications to force pool parties who had not entered into 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.

Summary of Contacts with Working Interest Owners

Name	% Interest	Date Proposal Letter Sent	Proposal Letter Received	Follow Up
LHAH Properties, L.L.C.	1.915015%	June 29, 2022	July 22, 2022	Initial proposal returned undeliverable. Sent proposal to alternate address. Email Communication with Fred Closuit (LHAH) (10/28/22).
Rogers*Resources LP	0.425539%	June 29, 2022	July 15, 2022	Email Communication with James Rogers (7/15/2022/replied 7/19/2022)
Lofin Family Limited Partnership	0.425539%	June 29, 2022	July 15, 2022	Indicated desire to participate in the wells via affirmative election (7/19/2022).





Chase Rice
Staff Land Professional - Permian

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

June 29, 2022

LHAH Properties, LLC
415 W Wall ST STE 1500
Midland, TX 79701

Re: Trojan Horse 35 WXY Fed Com 2H and 4H (the "Wells")
Participation Proposal
W/2 of Section 35
Township 22 South, Range 28 East
W/2 of Section 2
Township 23 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 W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, Eddy County, New Mexico (the "Subject Lands"), as follows:

- 1) **Trojan Horse 35 WXY Fed Com 2H**
SHL: W/2 of Section 35, 22S-28E and W/2 of Section 2, 23S-28E
First take point: 990' FWL & 100' FNL of Section 35, 22S-28E
Last take point: 990' FWL & 100' FSL of Section 2, 23S-28E
The Well will be drilled horizontally within the Purple Sage/Wolfcamp formation to an approximate true vertical depth of 9,675' and an approximate measured depth of 20,284'.
- 2) **Trojan Horse 35 WXY Fed Com 4H**
SHL: W/2 of Section 35, 22S-28E and W/2 of Section 2, 23S-28E
First take point: 2310' FWL & 100' FNL of Section 35, 22S-28E
Last take point: 2310' FWL & 100' FNL of Section 2, 23S-28E
The Well will be drilled horizontally within the Purple Sage/Wolfcamp formation to an approximate true vertical depth of 9,695' and an approximate measured depth of 20,340'.



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

LHAH Properties, LLC hereby elects to:

_____ Not to participate in the **Trojan Horse 35 WXY Fed Com 2H Well**.

_____ Participate in the **Trojan Horse 35 WXY Fed Com 2H Well** by paying its proportionate share of all actual costs.

_____ Not to participate in the **Trojan Horse 35 WXY Fed Com 4H Well**.

_____ Participate in the **Trojan Horse 35 WXY Fed Com 4H 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: 6/29/2022
 DRILLING & LOCATION PREPARED BY: COURT NELSON
 COMPLETION PREPARED BY: KESTER DRAIN
 FACILITIES PREPARED BY: HARSHA DISSANAYAKE
 ARTIFICIAL LIFT PREPARED BY: CRAIG PLANTE

Asset Team: PERMIAN
 Field: Purple Sage FORMATION: Wolfcamp WILDCAT EXPLORATION
 Lease/Facility: Trojan Horse 35 WAY Fed Com 2H DEVELOPMENT RECOMPLETION
 Location: MALAGA EXPLOITATION WORKOVER
 Prospect: MALAGA

Est Total Depth: 20,284 Est Drilling Days: 21.25 Est Completion Days: 6

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,500
7001250	Land Broker Fees and Services	67,500
	TOTAL LOCATION COST - INTANGIBLE	\$168,000

DRILLING COST - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Conductor Pipe	26,442
7013090	Surface Casing	27,800
7013050	Intermediate Casing 1	112,115
7013050	Intermediate Casing 2	-
7018060	Production Casing	549,099
7013050	Drill Liner Hanger, Tieback On & Csg Accessories	-
7013500	Drilling Wellhead Equipment	25,385
7013040	Casing & Tubing Access	94,173
7200003	Miscellaneous Item Materials	5,288
	TOTAL DRILLING - TANGIBLE	\$804,809

DRILLING COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7200002	Drilling Rig Mobil/Demob	105,769
7200002	Drilling Rig - day work/footage	605,884
7013040	Directional Drilling Services	171,861
7013020	Cement and Cementing Serv Surface	15,865
7013020	Cement and Cementing Serv Intermediate 1	26,442
7013020	Cement and Cementing Serv Intermediate 2	-
7013020	Cement and Cementing Serv Production	158,654
7019140	Mud Fluids & Services	70,072
7013210	Scale Control equipment	48,215
7012020	Jobs	326,273
7013010	Casing Crew and Services	42,508
7016350	Fuel (diesel)	77,872
7013140	Fuel (misc)	31,791
7001460	Water (not potable)	26,442
7012350	Water (potable)	5,388
7018000	Well Logging Services	-
7019350	Mud Logging/Logging	24,638
7019350	Spectroscopy, Vibe Operators, Underwriters (OH rentals)	37,813
7019110	Casing Inspection/Logging	15,865
7019110	Drill pipe/collar inspection services	10,577
7016180	Freight - truck	26,442
7001460	Water hauling and disposal (includes self hauling)	83,481
7001460	Contract Services - Disposal/Non-Hazardous Waste	84,615
7001440	Vacuum Trucks	10,577
7000090	Contract Labor - general	81,791
7000110	Contract Labor - Operations	5,175
7001300	Contract Services - Facilities	10,577
7019300	Well Services - Well Control Services	22,476
7016350	Well Services - Well/Wellhead Services	10,577
7200003	Rental Tools and Equipment (surface rentals)	13,560
7200003	Rig Equipment and Misc	100,481
7001310	Telecommunications Services	5,388
7001320	Consulting Services	105,505
7001400	Safety and Environmental	35,168
7200003	Rental Buildings (trailers)	12,660
7019310	Coring (laborable & analysis)	-
7011010	BK Contingency & Taxes	224,051
	TOTAL DRILLING - INTANGIBLE	\$2,354,787

TOTAL DRILLING COST \$3,159,690

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

DATE: 6/29/2022

Asset Team: PERMIAN
 Field: Purple Sage FORMATION: Wolfcamp
 Lease/Facility: Trojan Horse 35 WAY Fed Com 2H

COMPLETION - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012580	Tubing	-
7012040	Tubing Accessories (risers, valves entry)	-
7013150	Wellhead seals	15,000
7012560	Packers - Completion Equipment	-
	TOTAL COMPLETION - TANGIBLE	\$15,000

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig moves, set anchors)	7,000
7200002	Drilling Rig During Completion	-
7013140	Mud Fluids & Services	-
7018090	Coiled Tubing Services (2 term)	165,800
7013220	Sealing Services	-
7013220	Puffing/Flush Units	-
7013220	Fuel (from drill)	-
7018010	Casing Crew and Services	-
7015020	Cement and Cementing Services	-
7018080	Well Testing Services (flow sand & assets)	444,822
7200003	Fracturing Services	3,897,579
7013230	Perforating	175,090
7013940	Miscellaneous Services	-
7001460	Water Hauling & Disposal (frac fluids)	323,264
7016180	Freight - Truck (haul pipe, drill & complet)	-
7200003	BCP Rental & Testing	-
7200003	Rental Tools and Equipment (incl. drill, bitstock, hydr. work)	-
7200003	RT Downhole Rental Equipment (ie. BH, BHAI)	40,000
7200003	Contract Labor - general	-
7000090	Telecommunications Services	25,000
7001310	Safety and Environmental	-
7001400	Consulting Services	75,500
7001320	Zipper Manifold	118,102
7013900	Frack Stack Rentals	85,890
7013180	Freight (Transportation Services)	4,800
7200003	Equipment Rental (e.g. operators, frac tanks, lightplants)	149,291
7200003	Contract Labor - Pumping (pump-down pumps)	25,000
7011010	BK Contingency & Taxes	-
	TOTAL COMPLETION - INTANGIBLE	\$5,534,818

TOTAL COMPLETION COST \$5,551,913



SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	116,494
7006640	Company Labor & Burden	-
7000090	Contract Labor - General	126,808
7001110	Telecommunication equip (Telemetry)	-
7011440	Line Pipe & Accessories	33,723
7012270	Microprocesser Materials (controlroom systems)	35,137
7008050	SCADA	14,115
7016190	Freight - track	14,617
7007190	Contract Engineering	7,197
7012290	Measuring and Instrumentation	287,153
7012280	IS&E Materials	125,627
7012296	Gas Testing	-
7012290	Dehydration	-
7012010	Compressor	13,378
7012610	Vapor Recovery Unit	-
7012640	Separator & other pressure vessels	186,907
7012500	Tools	33,000
7012190	Hoister Trawler	97,317
7012640	Flare & Accessories	14,124
7000010	Electrical Labor	63,890
7000010	Mechanical Labor	188,162
7012480	Boat Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	25,882
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,227,000

TOTAL SURFACE EQUIPMENT COST \$ 1,227,000

ARTIFICIAL LIFT

7000020	Contract Labor	5,000
7001120	Contractor	4,000
7008190	Time Writing/Overhead	5,000
7012190	Artificial Lift Equipment	262,000
7012350	Materials & Supplies	2,000
7012350	Production Tree	5,000
7012390	Tubing	105,000
7012190	Freight	5,000
7012150	Benefits	5,000
7012190	IRB Fluid	2,000
7012220	Well Services & Rig	34,000
TOTAL ARTIFICIAL LIFT		425,000

TOTAL ARTIFICIAL LIFT COST \$ 425,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COST

TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 3,159,690
TOTAL COMPLETION COST	\$ 5,551,913
TOTAL SURFACE EQUIPMENT COST	\$ 1,227,000
TOTAL ARTIFICIAL LIFT COST	\$ 425,000
GRAND TOTAL COST	\$10,531,602

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 wellbore control services to be covered by Operator's well control insurance.

Prepared by: _____ Date: _____

Company Approval: _____ Date: _____

Joint Owner Interest: **Amount:** _____

Joint Owner Name: _____ Signature: _____

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

DATE: 6/29/2022
 DRILLING & LOCATION PREPARED BY: COURT WELSON
 COMPLETION PREPARED BY: JUSTIN DRAKE
 FACILITIES PREPARED BY: HARSHA DISAMAYAKK
 ARTIFICIAL LIFT PREPARED BY: CRAIG PLANTE

Asset Team: PERMIAN
 Field: Purple Sage FORMATION: Wolfcamp WILDCAT EXPLORATION
 Lease/Facility: Trojan Horse 35 WXY Fed Com 4H DEVELOPMENT RECOMPLETION
 Location: MALAGA X EXPLOITATION WORKOVER
 Project: MALAGA

Est Total Depth: 20,840 Est Drilling Days: 21.25 Est Completion Days: 6

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,000
7001280	Land Broker Fees and Services	67,500
		0
TOTAL LOCATION COST - INTANGIBLE		\$168,000

DRILLING COST - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Conductor Pipe	26,442
7013050	Surface Casing	27,500
7012050	Intermediate Casing 1	132,115
7012050	Intermediate Casing 2	28,442
7012050	Production Casing	249,999
7012050	Drill Liner Hanger, Throat In & Out Accessories	-
7012350	Drilling Wellhead Equipment	25,385
7012040	Casing & Tubing Accessories	58,179
7290003	Miscellaneous MISC Materials	3,289
TOTAL DRILLING - TANGIBLE		\$804,900

DRILLING COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7290002	Drilling Rig Mob./Demob	106,759
7290002	Drilling Rig - day work/footage	602,884
7013040	Directional Drilling Services	171,861
7013020	Cement and Cementing Serv Surface	15,869
7013020	Cement and Cementing Serv Intermediate 1	28,442
7013020	Cement and Cementing Serv Intermediate 2	-
7013020	Cement and Cementing Serv Production	138,634
7013140	Mud Fluids & Services	20,072
7013140	Solids Control equipment	45,216
7012020	Bit	126,928
7013010	Casing Crew and Services	43,308
7013350	Fuel (diesel)	77,872
7013450	Fuel (other)	21,731
7001460	Water (non potable)	26,442
7012350	Water (potable)	5,288
7013000	Well Logging Services	-
7013150	Mud Logging/weighting	14,838
7013150	Standoffs, Hole Openers, Underreamers (OH reams)	37,218
7013110	Casing Inspection/Logging	15,865
7013110	Drill pipe/collar inspection services	10,577
7013180	Freight - truck	26,442
7001460	Water hauling and disposal (includes soil removal)	63,481
7001460	Contract Services - Disposal/Non-Hazardous Waste	64,615
7001448	Vacuum Trucks	10,577
7000030	Contract Labor - general	31,781
7000010	Contract Labor - Operations	8,173
7001200	Contract Services - Facilities	10,577
7013300	Well Services - Well Control Services	11,476
7013350	Well Services - Well/Wellhead Services	28,177
7290003	Rental Tools and Equipment (surface work)	12,860
7290003	Rig Equipment and Misc.	109,481
7001110	Telecommunications Services	3,288
7001120	Consulting Services	105,505
7001400	Safety and Environmental	35,168
7330002	Rental Buildings (trailers)	12,860
7013510	Coring (downhole & analysis)	-
7011010	BN Contingency & Taxes	234,881
TOTAL DRILLING - INTANGIBLE		\$2,254,787

TOTAL DRILLING COST \$3,159,690

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

DATE: 6/29/2022

Asset Team: PERMIAN
 Field: Purple Sage FORMATION: Wolfcamp
 Lease/Facility: Trojan Horse 35 WXY Fed Com 4H

COMPLETION - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012580	Tubing	-
7012540	Tubing Accessories (casing, wireline entry)	-
7012560	Wellhead & Packers - Completion Equipment	15,000
TOTAL COMPLETION - TANGIBLE		\$15,000

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (address location after rig move, set anchors)	7,000
7290002	Drilling Rig During Completion	-
7013140	Mud Fluids & Services	-
7013030	Cased Tubing Services (C case)	165,000
7013240	Scrubbing Services	-
7013270	Puffing/Flush Units	-
7013350	Fuel (from rig)	-
7013010	Casing Crew and Services	-
7013020	Cement and Cementing Services	-
7013080	Well Testing Services (flow hand & equis)	444,323
7290002	Fracturing Services	3,897,573
7013130	Perforating	129,090
7013160	Wireline Services	-
7001480	Water Hauling & Disposal (frac fluids)	823,264
7013180	Freight - Truck (haul pipe, etc & comp)	-
7290003	BJP Rental & Testlog	-
7290003	Rental Tools and Equipment (incl other: bitstock, hydro-walk)	-
7290003	CT Downhole Rental Equipment (e.g. BH, BHA)	40,000
7290003	Contract Labor - general	-
7000030	Telecommunications Services	25,000
7001110	Safety and Environmental	-
7001400	Consulting Services	78,500
7001120	Zipper MhoField	118,100
7013500	Track Stack Rentals	85,000
7013130	Rental Transportation Services	6,800
7260001	Equipment Rental (w/o operator, frac tanks, lightbats)	148,261
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	21,800
7011010	BN Contingency & Taxes	-
TOTAL COMPLETION - INTANGIBLE		\$5,536,913

TOTAL COMPLETION COST \$5,551,913

SURFACE EQUIPMENT - TANGIBLE

701235D	Misc. Piping, Fittings & Valves	116,484
7000640	Company Labor & Burden	-
7000030	Contract Labor - General	126,508
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	53,728
7012270	Miscellaneous Materials (containment system)	35,327
7008000	SCADA	11,313
7016180	Freight - truck	13,617
7001190	Contract Engineering	7,297
7012290	Measuring and Instrumentation	139,123
7012290	ISE Materials	155,827
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	19,878
7012250	Power	-
7012610	Vapor Recovery Unit	-
7016440	Separator & other pressure vessels	186,807
7012500	Tanks	32,900
7012100	Master Trailer	97,311
7012640	Flare & Accessories	14,124
7000010	Electrical Labor	69,890
7000010	Mechanical Labor	138,162
7012480	Steel Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	25,882
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$3,227,000

TOTAL SURFACE EQUIPMENT COST \$ 1,227,000

ARTIFICIAL LIFT

7000030	Contract Labor	5,000
7001320	Consultant	4,000
7009120	Time Writings/Overhead	5,000
7012180	Artificial Lift Equipment	262,000
7012350	Materials & Supplies	2,000
7012590	Production Trap	5,000
7012380	Tubing	185,000
7016180	Freight	5,000
7018150	Refrills	6,000
7018180	ISE Fluid	2,000
7018220	Well Services & Rig	24,000
TOTAL ARTIFICIAL LIFT		425,000

TOTAL ARTIFICIAL LIFT COST \$ 425,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COST

TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 3,159,690
TOTAL COMPLETION COST	\$ 5,551,913
TOTAL SURFACE EQUIPMENT COST	\$ 1,227,000
TOTAL ARTIFICIAL LIFT COST	\$ 425,000
GRAND TOTAL COST	\$20,531,602

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.

Prepared by: _____ Date: _____
 Company Approval: _____ Date: _____
 Joint Owner Interest: _____ Amount: _____
 Joint Owner Name: _____ Signature: _____

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

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

CASE NO. 23168
(Trojan Horse)

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was sent under a notice letter mailed October 14, 2022, attached, and that proof of receipt is attached hereto. I also state that notice of hearing was published in the Carlsbad Current Argus on October 19, 2022, as reflected in the attached Affidavit of Publication.



Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 1st day of November, 2022 by Deana M. Bennett.

STATE OF NEW MEXICO
NOTARY PUBLIC
Karlene Schuman
Commission No. 1101248
February 27, 2025



Notary Public

My commission expires: 02-27-25



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
10/14/2022

Firm Mailing Book ID: 235233



Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0100 5911 50	LHAH Properties, L.L.C. 250 Jungle Road Palm Beach FL 33480	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
2	9314 8699 0430 0100 5911 67	Rogers Resources LP 416 Manor Village Circle Midland TX 79707	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
3	9314 8699 0430 0100 5911 74	Loflin Family Limited Partnership PO Box 624 Rankin TX 79778	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
4	9314 8699 0430 0100 5911 81	The United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
5	9314 8699 0430 0100 5912 98	The State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
6	9314 8699 0430 0100 5912 04	OXY USA INC. 5 Greenway Plaza Houston TX 77046	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
7	9314 8699 0430 0100 5912 11	Joseph Wm. Foran 8340 Meadow Road Ste. 158 Dallas TX 75231	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
8	9314 8699 0430 0100 5912 28	KMF LAND, LLC 1401 Lawrence Street, suite 1750 Denver CO 80202	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
9	9314 8699 0430 0100 5912 35	FOUNDATION MINERALS, LLC PO Box 50820 Midland TX 79710	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
10	9314 8699 0430 0100 5912 42	Post Oak Mavros II, LLC 34 S. Wynden Dr. Ste 210 Houston TX 77056	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
11	9314 8699 0430 0100 5912 59	Sortida Resources, LLC P.O. Box 50820 Midland TX 79710	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
12	9314 8699 0430 0100 5912 66	Oak Valley Mineral and Land, LP 4000 N. Big Spring St., #300 Midland TX 79705	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
13	9314 8699 0430 0100 5912 73	OSPREY OIL AND GAS, LLC 2100 West Loop South, Suite 900 Houston TX 77027	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
14	9314 8699 0430 0100 5912 80	MCCURDY ENERGY, LLC 2506 Sinclair Ave. Midland TX 79705	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
15	9314 8699 0430 0100 5912 97	JSG ENERGY, LLC 6006 Medina Dr. Midland TX 79707	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice



PS Form 3877

Type of Mailing: CERTIFIED MAIL
10/14/2022

Firm Mailing Book ID: 2352333

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

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0100 5913 03	C. FREE O&G LLC C/O Caroline Free Bagot 3310 Fairmount Street, Apt. 11A Dallas TX 75201	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
17	9314 8699 0430 0100 5913 10	MAMIE LLC C/o Mary Margery Free 1300 Eldorado Parkway, Apt. 301 McKinney TX 75069	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
18	9314 8699 0430 0100 5913 27	John E. Casey and Annette I. Casey, Co-Trustees Of Casey Trust, c/o Kris Strotman 2706 W. Cuthbert, Suite B-203 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
19	9314 8699 0430 0100 5913 34	Cimmaron Holdings, LLC C/O D. Steven Degenfelder PO Box 354 Casper WY 82602	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
20	9314 8699 0430 0100 5913 41	Brett K. Bracken 4605 Mockinbird Lane Midland TX 79707	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
21	9314 8699 0430 0100 5913 58	Devon Energy Production Company, LP West Sheridan Ave. Oklahoma City OK 73102	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
22	9314 8699 0430 0100 5913 65	Lawrence W. Robinette 9912 Silver Rock Way Denton TX 76207	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
23	9314 8699 0430 0100 5913 72	MRC DELAWARE RESOURCES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
24	9314 8699 0430 0100 5913 89	MRC EXPLORERS RESOURCES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
25	9314 8699 0430 0100 5913 96	MRC SPIRAL RESOURCES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
Totals:			\$36.00	\$100.00	\$50.00	\$0.00	
				Grand Total:	\$186.00		

List Number of Pieces Received at Post Office: 25
 Total Number of Pieces Received at Post Office: 25
 Postmaster: [Signature]
 Name of receiving employee: [Signature]
 Dated: [Signature]

Transaction Report Details - CertifiedPro.net
 Firm Mail Book ID= 235233
 Generated: 11/1/2022 7:50:33 AM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300100591396	2022-10-14 10:42 AM	81363.0182	MRC SPIRAL RESOURCES, LLC		Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 10:34 AM
9314869904300100591389	2022-10-14 10:42 AM	81363.0182	MRC EXPLORERS RESOURCES, LLC		Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 10:34 AM
9314869904300100591372	2022-10-14 10:42 AM	81363.0182	MRC DELAWARE RESOURCES, LLC		Dallas	TX	75240	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300100591365	2022-10-14 10:42 AM	81363.0182	Lawrence W. Robinette		Denton	TX	76207	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300100591358	2022-10-14 10:42 AM	81363.0182	Devon Energy Production Company, LP		Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 7:11 AM
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Carlsbad Current Argus

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Affidavit of Publication

Ad # 0005452886

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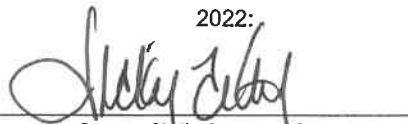
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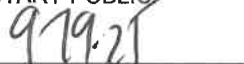
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

10/19/2022


Legal Clerk

Subscribed and sworn before me this October 19, 2022:


State of WI, County of Brown
NOTARY PUBLIC



My commission expires

VICKY FELTY
Notary Public
State of Wisconsin

CASE NO. 23168: Notice to all affected parties, as well as heirs and devisees of LHAH Properties, LLC; Rogers Resources LP; Loftin Family Limited Partnership; The United States of America; The State of New Mexico; Oxy USA, Inc.; Joseph Wm. Foran; KMF Land, LLC; Foundation Minerals, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Osprey Oil and Gas, LLC; McCurdy Energy, LLC; JSG Energy, LLC; C. Free O&G LLC, C/O Caroline Free Bagot; Mamie LLC, C/O Mary Margery Free; John E. Casey and Annette I. Casey, Co-Trustees of the Casey Trust c/o Kris Strotman; Cimarron Holdings, LLC, C/O D. Steven Degenfelder, Managing Member; Brett K. Bracken; Devon Energy Production Company, LP; Lawrence W. Robinette; MRC Delaware Resources, LLC; MRC Explorers Resources, LLC; MRC Spiral Resources, LLC of Marathon Oil Permian LLC's application 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 **November 3, 2022** to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the Trojan Horse 35 WXY Fed Com 2H and Trojan Horse 35 WXY Fed Com 4H wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, New Mexico. #5452886, Current Argus, October 19, 2022

Ad # 0005452886
PO #: 23168
of Affidavits 1

This is not an invoice



MODRALL SPERLING

L A W Y E R S

October 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. 23168

TO: AFFECTED PARTIES

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

Case No. 23168, Marathon seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, New Mexico.

The hearing will be conducted remotely on November 3, 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>.

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 this case, 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.

Modrall Spierling
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

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,

A handwritten signature in cursive script that reads "Deana M. Bennett".

Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. 23168

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby applies to the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a standard 640-acre, more or less, standard Wolfcamp horizontal spacing unit comprising the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon has an interest in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico to form a standard 640-acre, more or less, Wolfcamp horizontal spacing unit.
3. Marathon plans to drill the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled.
4. These wells will be located within the PURPLE SAGE; WOLFCAMP (GAS) pool (Pool Code 98220), which is subject to special pool rules that establish 330 foot setback

requirements. See Order No. R-14262. The producing interval for the wells is expected to be orthodox and to comply with the Division's set back requirements set forth in Order No. R-14262.

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

6. The creation of a standard horizontal spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Designating Marathon as the 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, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

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

Respectfully submitted,

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

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. 23168 : 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 standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, 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. 23168

SELF AFFIRMED DECLARATION OF MATT BAKER

Matt Baker hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC, and have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
3. My area of responsibility at Marathon 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 area embracing Marathon’s Trojan Horse 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 Trojan Horse development plan.
8. **Exhibit C.3** is structure map of the top of the Wolfcamp formation. The proposed project area is identified by a black-dashed box, and the proposed wells are identified by red lines.



The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips to the east.

9. **Exhibit C.4** is a cross section reference map that identifies three wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

10. **Exhibit C.5** is a stratigraphic cross section hung on the top of the Wolfcamp formation. The well logs on the cross-section give a representative sample of the Wolfcamp XY formation in the area. The target zone is identified by green shading and a red arrow and the words "Producing Zone." In my opinion, the Upper Wolfcamp thins slightly from North to South.

11. **Exhibit C.6** is a Gross Interval Isochore of the top of the Wolfcamp to Wolfcamp B. The Upper Wolfcamp thins slightly from North to South.

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 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. The preferred well orientation in this area is either north/south or east/west. This is because the S_{Hmax} is at approximately 45 degrees in mid-Eddy County. Marathon is proposing North/South orientation to maximize the lateral length given Marathon's acreage.

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

16. 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.

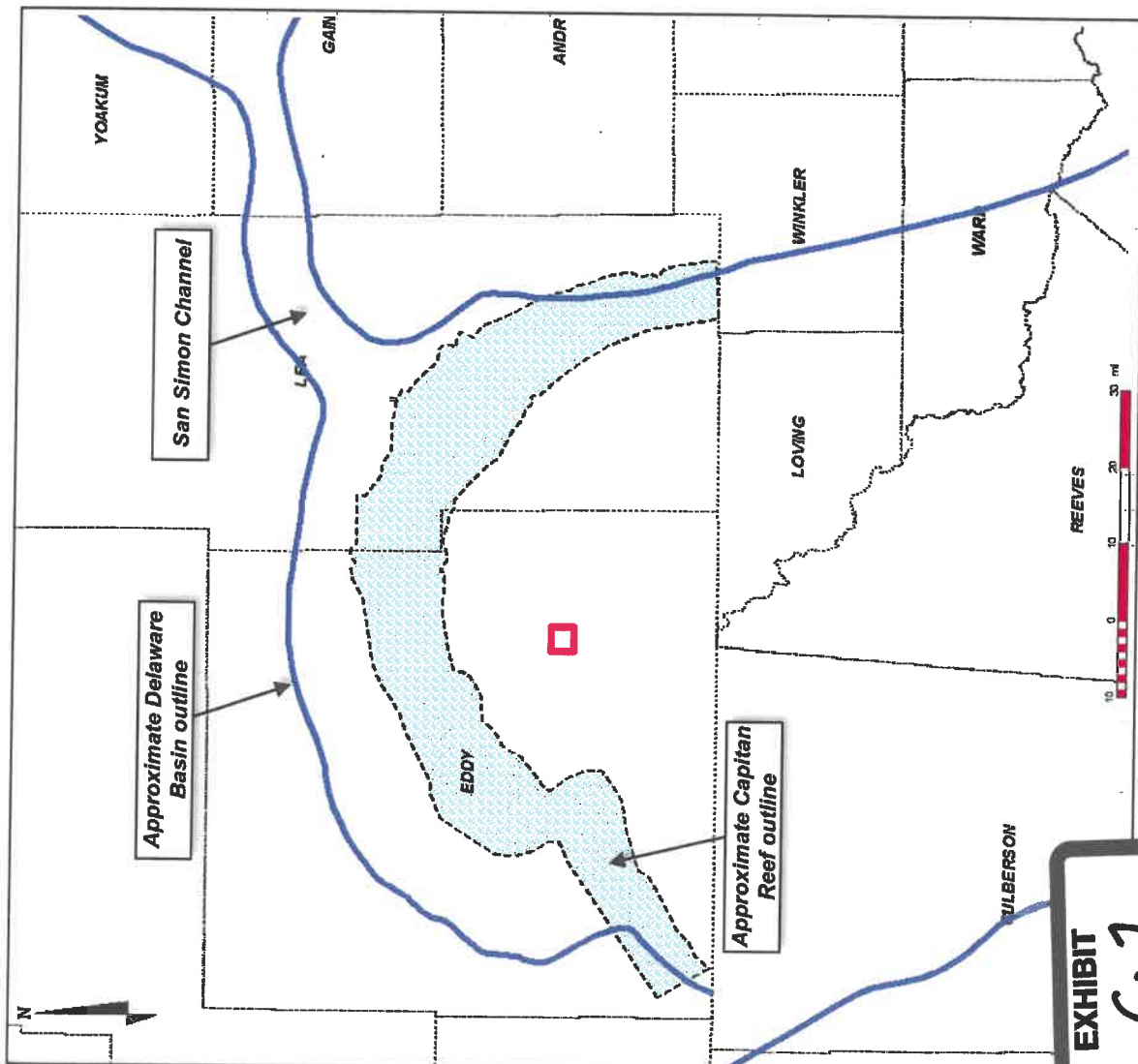
Dated: October 31, 2022



Matt Baker

Trojan Horse 35 Federal Com Unit

Locator Map

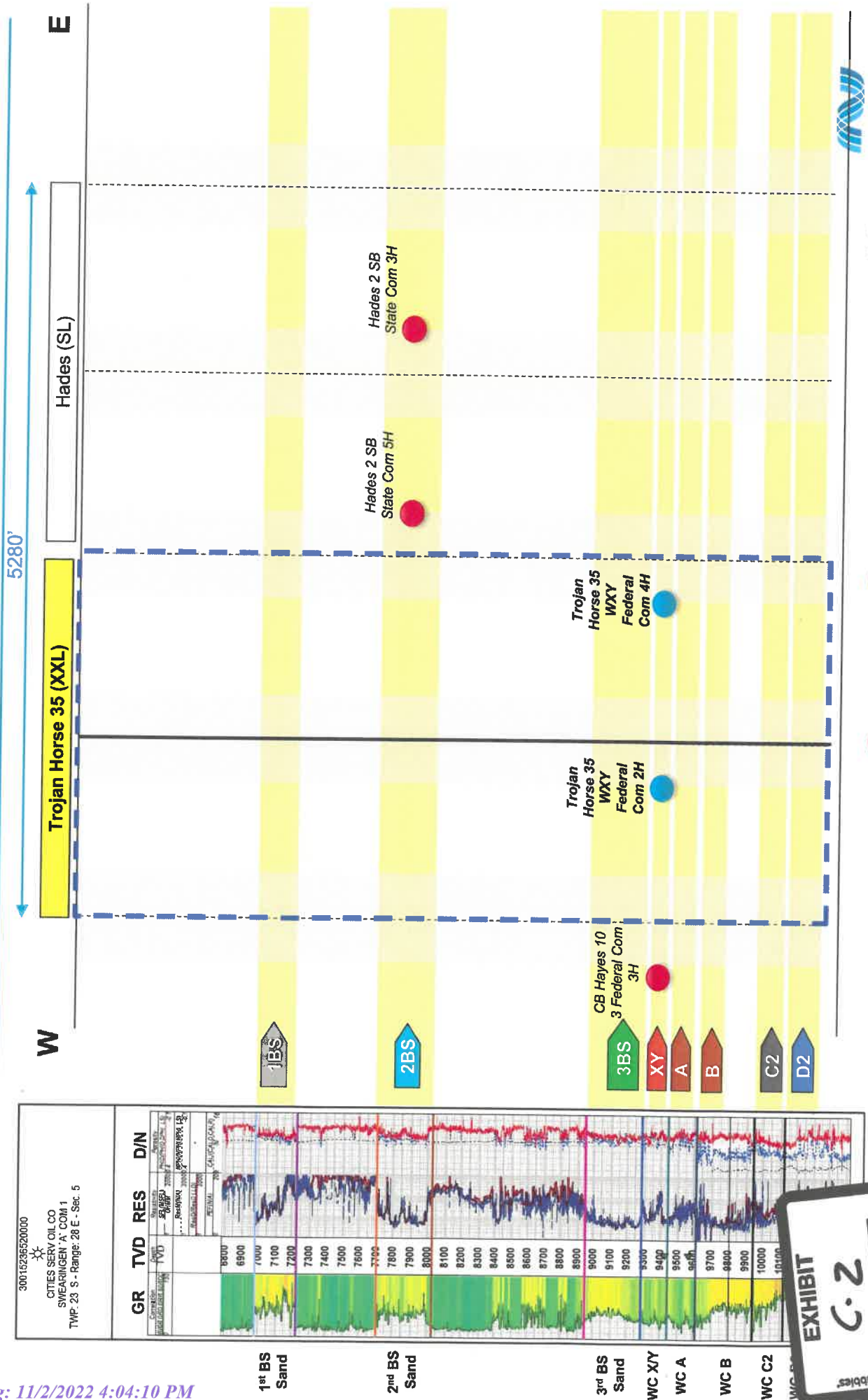


- Approximate location of proposed Trojan Horse 35 Federal Com well locations shown with red box
- Located outside of the Capitan Reef
- Mid-eastern Eddy County

EXHIBIT
C.7

Trojan Horse 35 Federal Com Unit

Wellbore Schematic

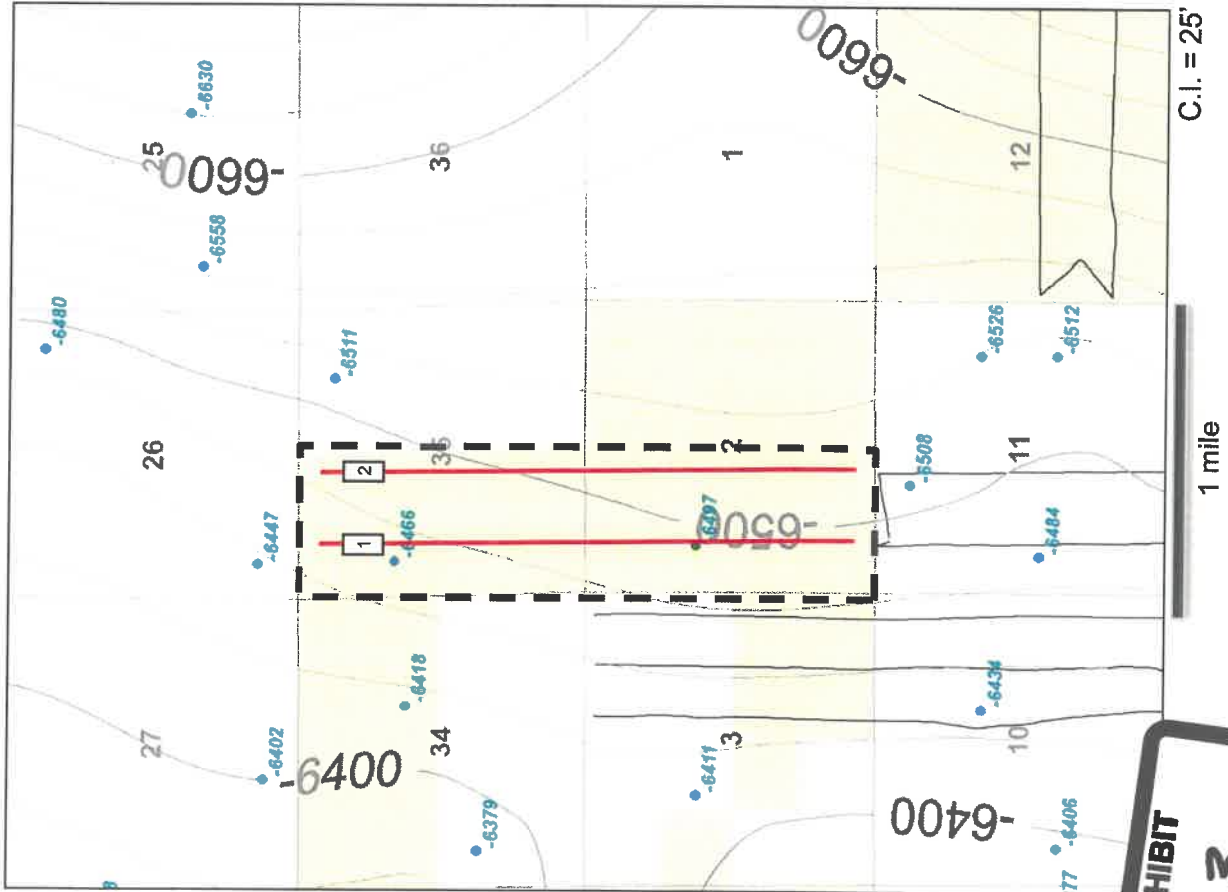


● Existing ● Planned

EXHIBIT C-2

Trojan Horse 35 Federal Com Unit

Structure Map – Top of Wolfcamp (TVDSS)



- 1 Trojan Horse 35 WXY Federal Com 2H
 - 2 Trojan Horse 35 WXY Federal Com 4H
- Map Legend***
- Proposed Wells
 - Existing Upper Wolfcamp wells
 - MRO Acreage
 - Project Area

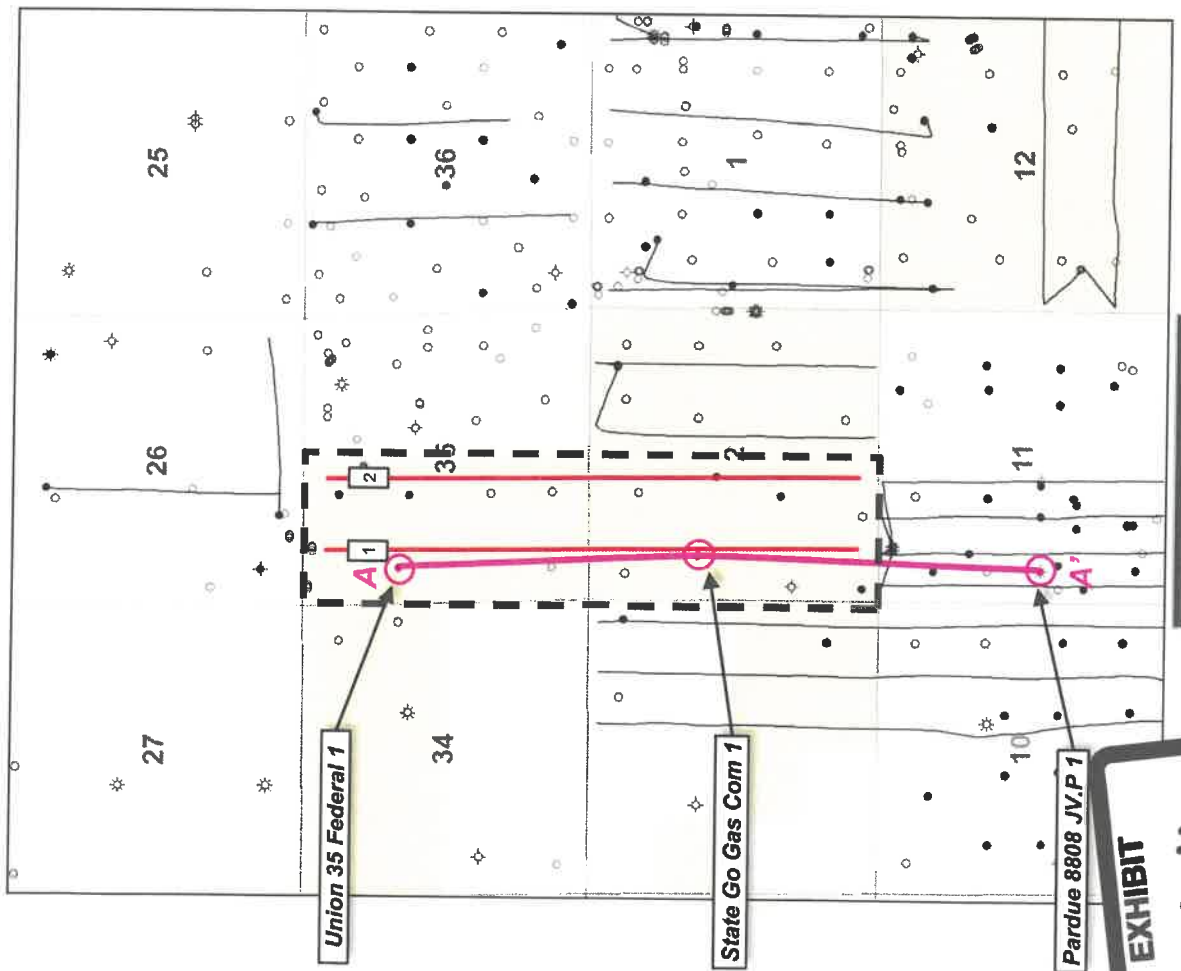
The top of the Wolfcamp dips towards the east.

EXHIBIT C-3



Trojan Horse 35 Federal Com Unit

Reference Map for Cross Section



- 1 Trojan Horse 35 WXY Federal Com 2H
- 2 Trojan Horse 35 WXY Federal Com 4H

Map Legend*

- Proposed Wells
- Existing wells



MRO Acreage



Project Area



Trojan Horse 35 Federal Com Unit

Stratigraphic Cross Section (Top Wolfcamp Datum)

30015246890000 HAMON JAKE L
UNION 35 FEDERAL 001
TWP: 22 S - Range: 28 E - Sec. 35

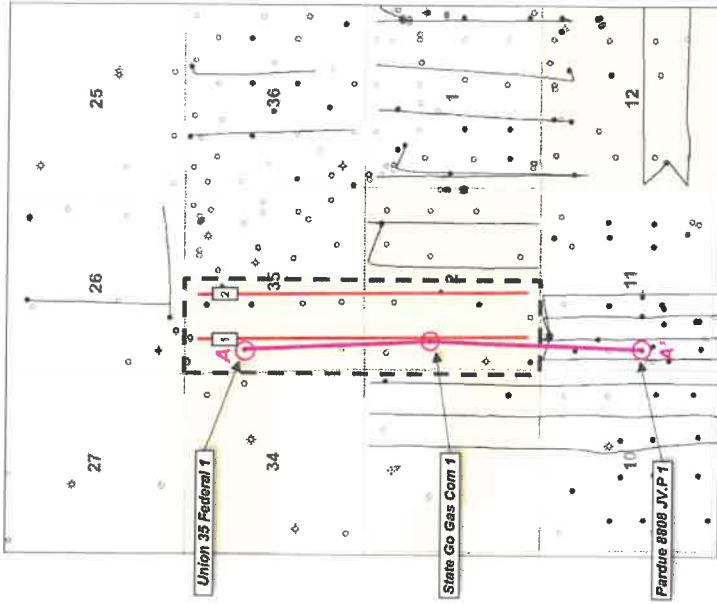
5478 R

30015227540000 AMOCO PROD CO
STATE GO GAS COM 1
TWP: 23 S - Range: 28 E - Sec. 2

6313 ft

30015256400000 BTA OIL PRODUCERS
8808 J.V.P PARDUE 1
TWP: 23 S - Range: 28 E - Sec. 11

A' ————— A



Producing Zone –
Upper Wolfcamp (Wolfcamp
XY & A)

Upper Wolfcamp thins slightly from
North to South

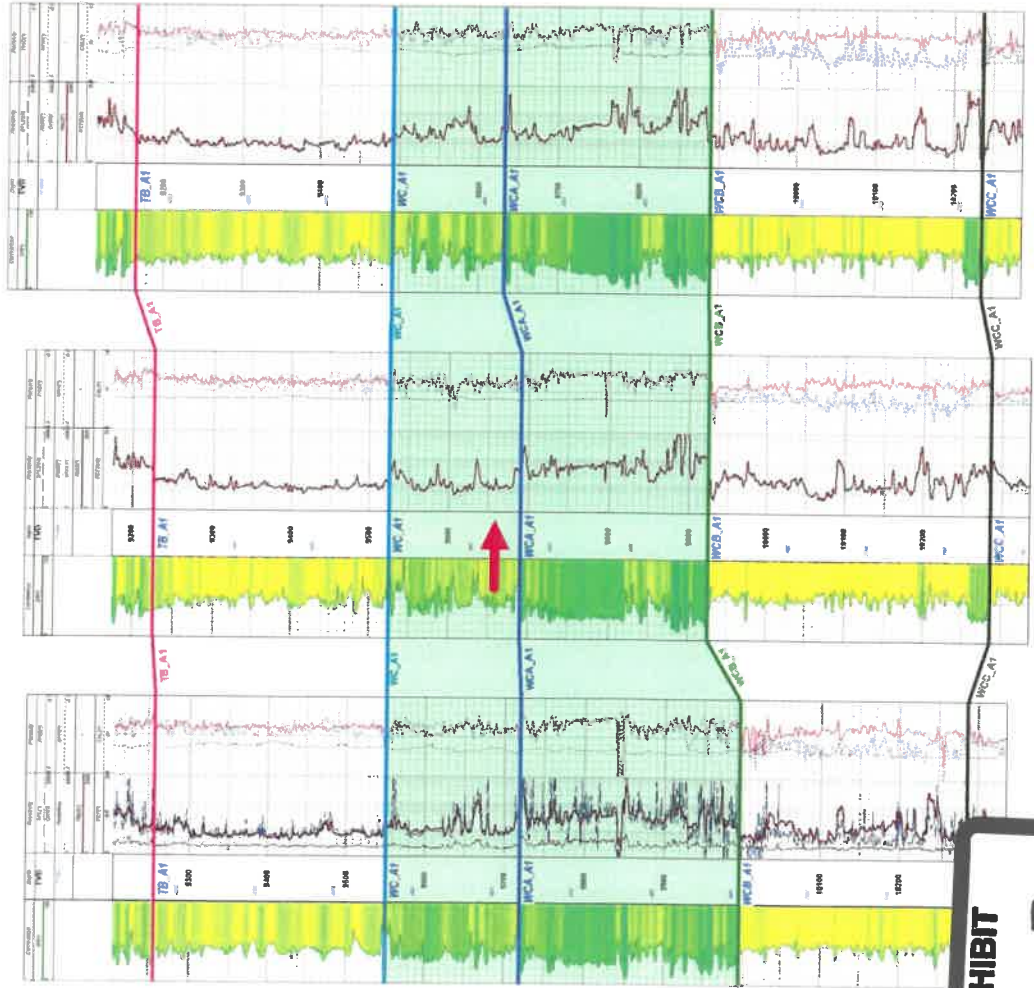
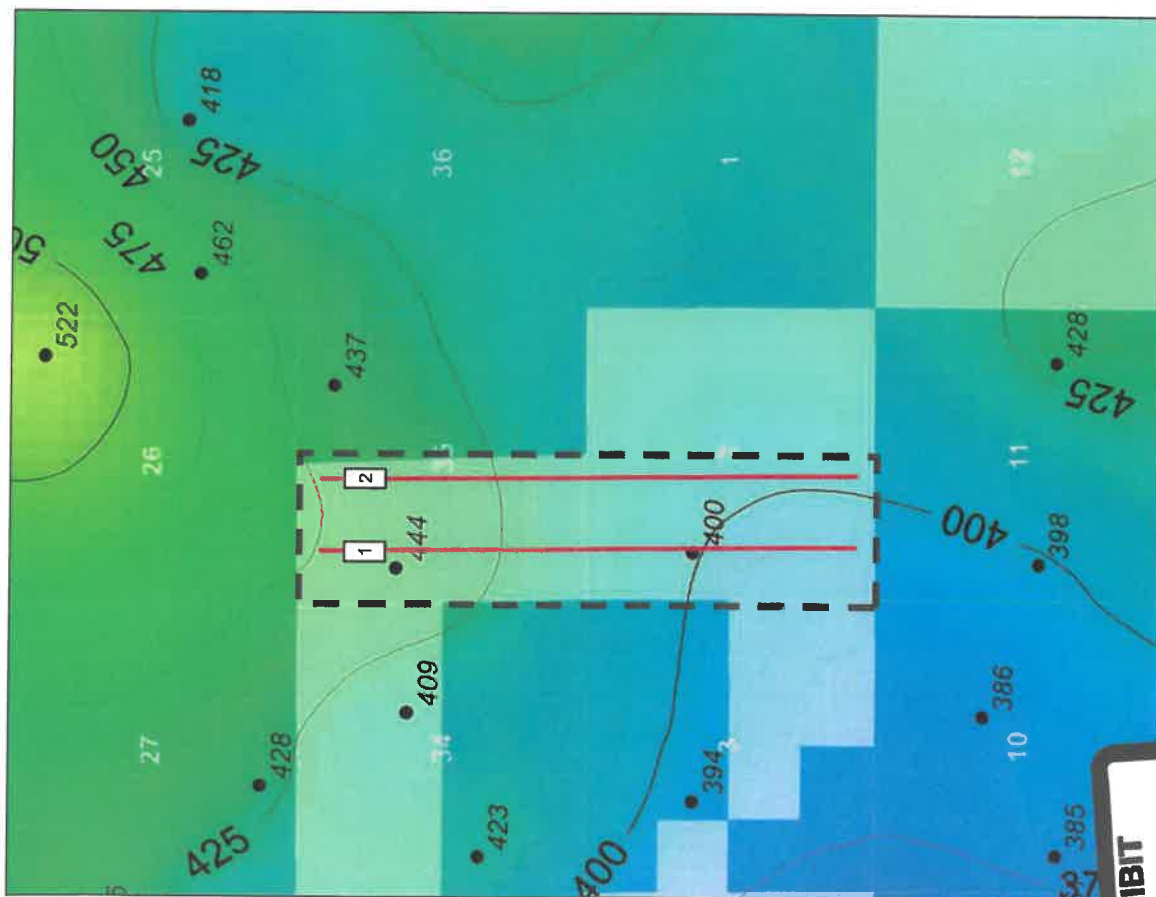


EXHIBIT
C.5



Trojan Horse 35 Federal Com Unit

Gross Interval Isochore – Top Wolfcamp to Top Wolfcamp B



- 1 Trojan Horse 35 WXY Federal Com 2H
- 2 Trojan Horse 35 WXY Federal Com 4H

Map Legend*

Proposed Wells



MRO Acreage



Project Area

Upper Wolfcamp thins slightly from North to South

EXHIBIT
C.6

lobbier

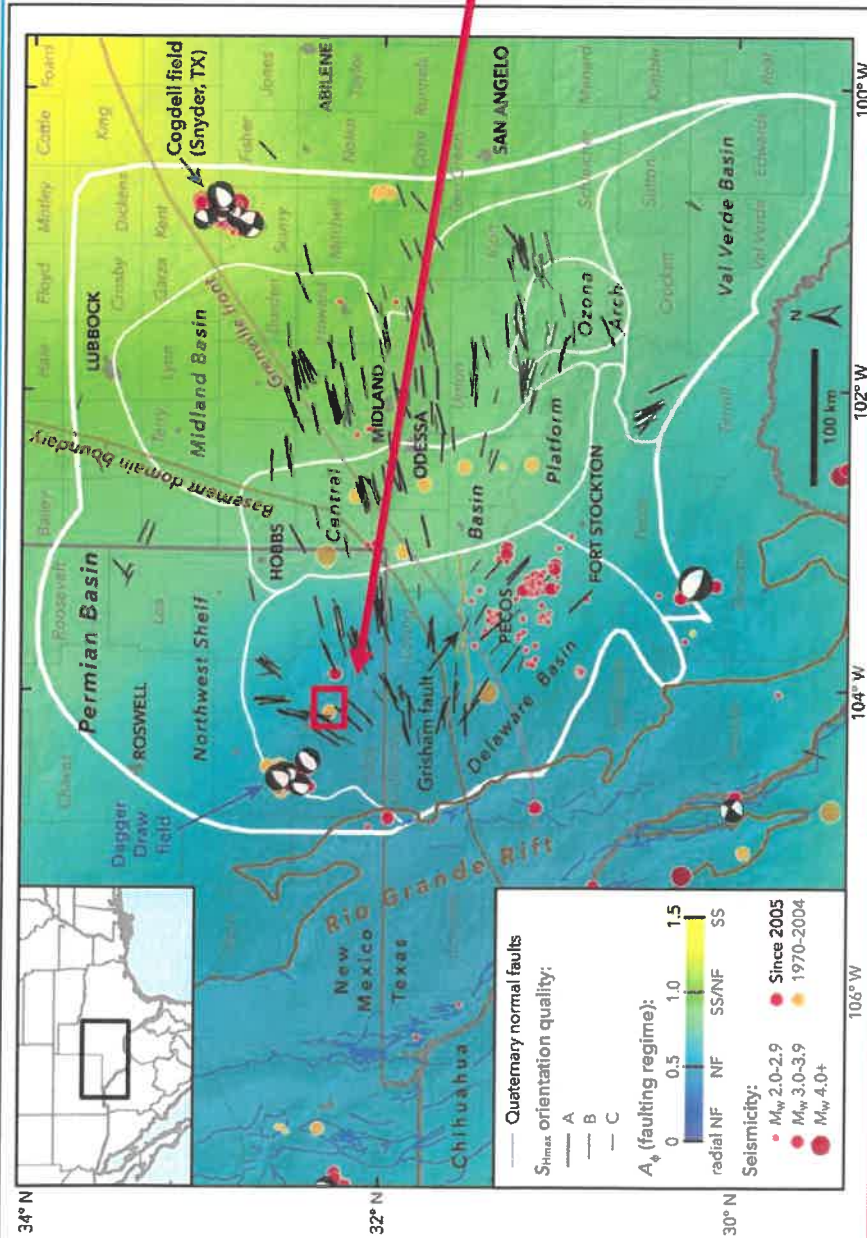
C.I. = 25'

1 mile



Trojan Horse 35 Federal Com Unit

Preferred Well Orientation - SHmax



Preferred well orientation is either N/S or E/W

As outlined in Snee & Zoback (2018), SHmax is at approximately 45° in this part of Eddy Count. As a result, hydraulic fractures will prefer to propagate outwards at 45° regardless if wells are oriented N/S or E/W.

Figure 1. State of stress in the Permian Basin, Texas and New Mexico. Black lines are the measured orientations of the maximum horizontal stress (S₁) with line length scaled by data quality; the colored background is an interpretation of measured relative principal stress magnitudes (assuming regime) expressed using the A_p parameter (see text for details) of Simpson (1997). Blue lines are fault traces known to have experienced normal-sense offset within the past 1.6 Ma, from the USGS Quaternary Faults and Folds Database (Crone and Wheeler, 2000). The boundary between the Shawnee and Mazatzal basement domains is from Lund et al. (2015), and the Precambrian Grenville Front is from Thomas (2006). The Permian Basin boundary is from the U.S. Energy Information Administration, and the subbasin boundaries are from the Texas Bureau of Economic Geology Permian Basin Geological Synthesis Project. Earthquakes are from the USGS National Earthquake Information Center, the Texter Seismic Monitoring Program, and Gan and Frohlich (2013). Focal mechanisms are from Saint Louis University (Herrmann et al., 2011).

Source:

Snee, J.L. & M.D. Zoback, 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 810-819, <https://doi.org/10.1190/le37020810.1>.

