

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

Case No. 23169

Maximus 5 WXY Fed Com 1H

Maximus 5 WXY Fed Com 2H



**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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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23169	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	Maximus
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:	E/W
Description: TRS/County	N/2 of Sections 5 and 6, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	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: Maximus 5 WXY Fed Com 1H (API 30-015-49787)	SHL: 1635' FNL & 442' FWL (Lot 5) Section 6, T-23-S R-28-E FTP: 1980' FNL & 330' FWL Section 6, T-23-S R-28-E BHL: 1980' FNL & 330' FEL (Unit H) Section 5, T-23-S R-28-E Orientation: East to West Completion Target: Wolfcamp Completion Status: Standard TVD: 9,330', MVD: 19,725'
Well #2: Maximus 5 WXY Fed Com 2H (API Pending)	SHL: 1605' FNL & 442' FWL (Lot 5) Section 6, T-23-S R-28-E FTP: 660' FNL & 330' FWL Section 6, T-23-S R-28-E BHL: 660' FNL & 330' FEL (Lot 1) Section 5, T-23-S R-28-E Orientation: East to West Completion Target: Upper Wolfcamp Completion Status: Standard TVD: 9,330', MVD: 19,725'
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
Requested Risk Charge	See Exhibit B, ¶ 22.
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	See Exhibit B-4.
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, page 47; Exhibit C, ¶ 13-14.
Target Formation	See Exhibit C-3
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):	
Date: 11/1/2022	

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

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 Wolfcamp horizontal spacing unit underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

10. The spacing unit will be dedicated to the **Maximus 5 WXY Fed Com 1H** and **Maximus 5 WXY Fed Com 2H** wells to be horizontally drilled.

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. The wells will comply with the Purple Sage Wolfcamp pool rules.

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

15. **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.

16. 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.

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

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

19. **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.

20. **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.

21. 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.

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

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

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

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

26. **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 18, 2022.

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

28. 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. 23169

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 N/2 of Sections 5 and 6, 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 N/2 of Sections 5 and 6, 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 **Maximus 5 WXY Fed Com 1H** and **Maximus 5 WXY Fed Com 2H** 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 N/2 of Sections 5 and 6, 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. 23169 : 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, underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Maximus 5 WXY Fed Com 1H** and **Maximus 5 WXY Fed Com 2H** 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: (505) 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 30-015-49787		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
⁴ Property Code 333092		⁵ Property Name MAXIMUS 5 WXY FED COM			⁶ Well Number 1H
⁷ OGRID No. 372098		⁸ Operator Name MARATHON OIL PERMIAN LLC			⁹ Elevation 3045'

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
L 5	6	23S	28E		1635	NORTH	442	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
H	5	23S	28E		1980	NORTH	330	EAST	EDDY

¹² Dedicated Acres 636.84	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.

CORNER COORDINATES NAD 83, SPCS NM EAST

A - X: 805254.05' / Y: 488127.16'
 B - X: 607921.17' / Y: 488131.89'
 C - X: 610558.92' / Y: 488170.84'
 D - X: 613253.53' / Y: 488203.58'
 E - X: 613183.41' / Y: 485510.11'
 F - X: 610507.37' / Y: 485509.79'
 G - X: 607879.75' / Y: 485509.48'
 H - X: 605230.34' / Y: 485488.38'
 I - X: 602630.01' / Y: 485467.67'
 J - X: 602856.22' / Y: 488122.56'

CORNER COORDINATES NAD 27, SPCS NM EAST

A - X: 564071.89' / Y: 488067.71'
 B - X: 566738.97' / Y: 488072.41'
 C - X: 569376.69' / Y: 488111.32'
 D - X: 572071.26' / Y: 488144.03'
 E - X: 571981.08' / Y: 485450.62'
 F - X: 569325.08' / Y: 485450.34'
 G - X: 566697.50' / Y: 485450.07'
 H - X: 564048.11' / Y: 485429.00'
 I - X: 561447.82' / Y: 485408.32'
 J - X: 561474.10' / Y: 488063.14'

SURFACE HOLE LOCATION
 1635' FNL 442' FWL, SECTION 6
 NAD 83, SPCS NM EAST
 X: 803082.41' / Y: 488488.33'
 LAT: 32.33726958N / LON: 104.13341345W

KOP/FIRST TAKE POINT
 1980' FNL 330' FWL, SECTION 6
 NAD 83, SPCS NM EAST
 X: 602966.70' / Y: 486143.12'
 LAT: 32.33632125N / LON: 104.13378018W

LAST TAKE POINT/BOTTOM HOLE LOCATION
 1980' FNL 330' FWL, SECTION 5
 NAD 83, SPCS NM EAST
 X: 612856.83' / Y: 486218.82'
 LAT: 32.33647407N / LON: 104.10178724W

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: **07/20/2022**

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.

Date of Survey: **JULY 20, 2022**

Signature and Seal of Professional Surveyor: *[Signature]*

Certificate Number: **21653**

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99991344 Convergence Angle: 00°06'24.24"

Horizontal Spacing Unit

OCD Hearing, 11-3-22

Case No. 23169



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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 MAXIMUS 5 WXY FED COM			⁶ Well Number 2H
⁷ OGRID No. 372098		⁸ Operator Name MARATHON OIL PERMIAN LLC			⁹ Elevation 3045'

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L 5	6	23S	28E		1605	NORTH	442	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
L 1	5	23S	28E		660	NORTH	330	EAST	EDDY

¹² Dedicated Acres 636.84	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.

CORNER COORDINATES NAD 83, SPCS NM EAST
 A - X: 60524.05' / Y: 488127.16'
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 LAT: 32.33735204N / LON: 104.13341327W
 NAD 27, SPCS NM EAST
 X: 561900.24' / Y: 486458.94'
 LAT: 32.33729230N / LON: 104.13291491W

KOP/FIRST TAKE POINT
 660' FNL 330' FWL, SECTION 6
 NAD 83, SPCS NM EAST
 X: 602979.73' / Y: 487463.14'
 LAT: 32.33994972N / LON: 104.13374001W
 NAD 27, SPCS NM EAST
 X: 561797.58' / Y: 487403.73'
 LAT: 32.33983000N / LON: 104.13324156W

LAST TAKE POINT/BOTTOM HOLE LOCATION
 660' FNL 330' FWL, SECTION 5
 NAD 83, SPCS NM EAST
 X: 612901.12' / Y: 487539.25'
 LAT: 32.34010401N / LON: 104.10161492W
 NAD 27, SPCS NM EAST
 X: 571718.84' / Y: 487479.72'
 LAT: 32.33989384N / LON: 104.10111762W

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: 07/20/2022
 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.

Date of Survey: JULY 20, 2022
 Signature and Seal of Professional Surveyor: *[Signature]*
 Certificate Number: LLOYD P. SHORT 21653

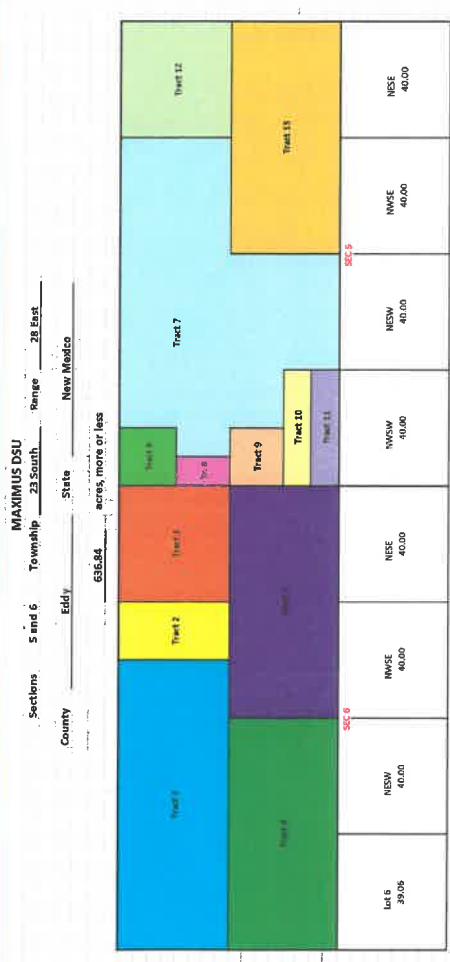
Distances/areas relative to NAD 83 Combined Scale Factor: 0.99991344 Convergence Angle: 00°06'24.26278"

Horizontal Spacing Unit

OCD Hearing, 11-3-22

Case No. 23169

Exhibit "B.3" Lease Tract Map
Maximus 5 WXY Fed Com 1H & 2H
N/2 of Section 5 & Section 6 T23S-R28E: 636.84 acres



- Tract 1: Fee (39.65 acres)
- Tract 2: Fee (19.875 acres)
- Tract 3: Fee (98.705 acres)
- Tract 4: Fee (79.03 acres)
- Tract 5: Fee (80.00 acres)
- Tract 6: Fee (9.9175 acres)
- Tract 7: Fee (154.58375 acres)
- Tract 8: Fee (4.95875 acres)
- Tract 9: Fee (10.00 acres)
- Tract 10: Fee (5.00 acres)
- Tract 11: Fee (5.00 acres)
- Tract 12: Fed MNM 32636 (40.12 acres)
- Tract 13: Fee (80.00 acres)



**Exhibit "B.3" Summary of Interests
 Maximus 5 WXY Fed Com 1H & 2H
 N/2 of Section 5 & Section 6 T23S-R28E: 636.84 acres**

Committed Working Interest:	
• Marathon Oil Permian LLC	87.853262%
Uncommitted Working Interest:	
• Sibro Oil & Gas, LLC	12.146738%
• Mizel Resources	2.64217284%
• C.L.&F Resources, L.P.	0.66054444%
• Norma J. Chanley	8.25679567%
• Roy G. Barton, Jr., Trustee of the Roy G. Barton Sr. & Opal Barton Revocable Trust	0.19466232%
	0.392256328%
ORRI Owners:	
• SES Investments, Ltd. 401K Plan	
• Thomas M. Beall	
• Gahr Ranch and Investments Partnership, Ltd.	
• George M. Koss	
• Zunis Energy, LLC	
• Susannah D. Adelson Trustee of the James Adelson & Family 2015 Trusts	
• Sam H. Jolliffe, IV	
• Teresa H. Jolliffe	
• Margaret Jones Kennedy	
• Elizabeth Trudeau Overly	
• BPL Fish Pond, LLC	
• Olin Brent Dalton	
• David Trent Dalton	
• Robert C. Berger	
• Milton R. Fry	
• William B. Harriman	
• Karen C. Lane	
• Millis Jeffrey Oakes	
• Benjamin Jacobs Oakes	
• Matthew David Oakes	
• Elizabeth Ann Cline	
• McMullen Minerals, LLC	
• Pegasus Resources, LLC	
• Winston Resources, LLC	
• Kenneth Jay Reynolds	
• Charles Randall Hicks	
• Vikki L. Hicks	
• Terri L. Simpson	
• John D. Hamiga	
• Charmar, LLC	
• Norma J. Chanley	



Parties to Be Pooled

Uncommitted Working Interest:

Sisbro Oil & Gas, LLC
Mizel Resources
C.L.&F Resources, L.P.
Norma J. Chanley
Roy G. Barton, Jr. Trustee of the Roy G. Barton Sr. & Opal Barton Revocable Trust

ORRI Owners:

SES Investments, Ltd. 401K Plan	William B. Harriman
Thomas M. Beall	Karen C. Lane
Gahr Ranch and Investments Partnership, Ltd.	Millis Jeffrey Oakes
George M. Koss	Benjamin Jacobs Oakes
Zunis Energy, LLC	Matthew David Oakes
Susannah D. Adelson Trustee of the James Adelson & Family 2015 Trusts	Elizabeth Ann Cline
Sam H. Jolliffe, IV	McMullen Minerals, LLC
Teresa H. Jolliffe	Pegasus Resources, LLC
Margaret Jones Kennedy	Winston Resources, LLC
Elizabeth Trudeau Overly	Kenneth Jay Reynolds
BPL Fish Pond, LLC	Charles Randall Hicks
Olin Brent Dalton	Vikki L. Hicks
David Trent Dalton	Terri L. Simpson
Robert C. Berger	John D. Hamiga
Milton R. Fry	Charmar, LLC
	Norma J. Chanley



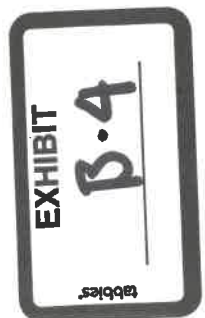
**Exhibit "B.4" Summary of Contacts
 Maximus 5 WXY Fed Com 1H & 2H
 N/2 of Section 5 & Section 6 T23S-R28E: 636.84 acres**

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
CL&F Resources	8.25679567%	June 29, 2022	Undelivered via Mail	Discussed Maximus development plans with Allison Johnson (CL&F) (10/12/2022)
Mizel Resources	0.66054444%	June 29, 2022	July 6, 2022	Conference call meeting with Sam Niebrugge (representative/Mizel) discussing Maximus development plans (10/25/2022)
Sibbro Oil & Gas	0.425539%	June 29, 2022	July 6, 2022	Conference call meeting with Sam Niebrugge (representative/Sibbro) discussing Maximus development plans (10/25/2022)
Roy G. Barton, Jr. Trustee of the Roy G. Barton Sr. & Opal Barton Revocable Trust	0.39256328%	June 29, 2022	July 5, 2022	Indicated intention to participate via an affirmative election returned July 8, 2022
Norma J. Chanley	0.19466232%	June 29, 2022	Undelivered	Currently unable to locate individual; Continuing research.





Patricia Schoenberger
Land Professional

Marathon Oil Company
990 Town & Country Blvd.
Houston, Texas 77024
210.643.2671 (c)
schoenberger@marathonoil.com

June 29, 2022

Attn: Roy Barton
Roy G. Barton, Sr. and Opal Barton Revocable Trust
1919 North Turner Street
Hobbs, NM 88240

Re: **Maximus 5 WXY Fed Com 1H and 2H (the "Wells")**
Participation Proposal
N/2 of Section 5 and the N/2 of Section 6
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 N/2 of Section 5 and the N/2 of Section 6, Township 23 South, Range 28 East, Eddy County, New Mexico (the "Subject Lands"), as follows:

- 1) **Maximus 5 WXY Fed Com 1H**
SHL: NW/4 of Section 6, 23S-28E
First take point: 330' FWL & 1980' FNL of Section 6, 23S-28E
Last take point: 330' FEL & 1980' FNL of Section 5, 23S-28E
The Well will be drilled horizontally within the Purple Sage/Wolfcamp formation to an approximate true vertical depth of 9330' and an approximate measured depth of 19,725'.
- 2) **Maximus 5 WXY Fed Com 2H**
SHL: NW/4 of Section 6, 23S-28E
First take point: 330' FWL & 660' FNL of Section 6, 23S-28E
Last take point: 330' FEL & 660' FNL of Section 5, 23S-28E
The Well will be drilled horizontally within the Purple Sage/Wolfcamp formation to an approximate true vertical depth of 9330' and an approximate measured depth of 19,725'.



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
Patricia Schoenberger

Patricia Schoenberger
Land Professional

PARTICIPATION BALLOT

Roy G. Barton, Sr. and Opal Barton Revocable Trust hereby elects to:

_____ Not to participate in the **Maximus 5 WXY Fed Com 1H Well.**

_____ Participate in the **Maximus 5 WXY Fed Com 1H Well** by paying its proportionate share of all actual costs.

_____ Not to participate in the **Maximus 5 WXY Fed Com 2H Well.**

_____ Participate in the **Maximus 5 WXY Fed Com 2H 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 ERNST DRAIN
 FACILITIES PREPARED BY MARSHA DISAMAYAKE
 ARTIFICIAL LIFT PREPARED BY CRAIG PLANTE

Asset Team PERMIAN
 Field Purple Sage FORMATION: Wolfcamp WILDCAT EXPLORATION
 Lease/Facility Madras 5 WYF Fed Com 3H DEVELOPMENT RECOMPLETION
 Location X EXPLOITATION WORKOVER
 Prospect MALAGA

Est Total Depth 25,725 Est Drilling Days 21.35 Est Completion Days 8

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	25,442
7012050	Surface Casing	37,500
7012050	Intermediate Casing 1	112,315
7012050	Intermediate Casing 2	-
7012050	Production Casing	549,999
7012050	Drill Line Master, Fishback Egs & Csg Accessories	-
7012550	Drilline Wellhead Equipment	25,385
7012040	Casing & Tubing Access	58,173
7290003	Miscellaneous MRO Materials	5,288
	TOTAL DRILLING - TANGIBLE	\$804,903

DRILLING COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7290002	Drilling Rig Mob/Demob	105,789
7290002	Drilling Rig - day work/footage	402,484
7018040	Directional Drilling Services	374,881
7018020	Cement and Cementing Serv Surface	15,881
7018020	Cement and Cementing Serv Intermediate 1	26,442
7018020	Cement and Cementing Serv Intermediate 2	-
7018020	Cement and Cementing Serv Production	138,854
7018140	Mud Fluids & Services	70,272
7012810	Solids Control equipment	45,116
7012020	BM	226,923
7018010	Casing Crew and Services	42,208
7016550	Fuel (RM)	77,872
7016140	Fuel (Mud)	31,731
7001600	Water (non potable)	26,442
7012350	Water Injection	5,288
7018000	Well Logging Services	-
7019110	Mud Logging/Logging	14,836
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	37,019
7001910	Casing Inspection/Cleaning	35,893
7019110	Drill pipe/Tool Inspection services	10,177
7016120	Freight - truck	26,442
7001480	Water hauling and disposal (includes soft farming)	63,481
7001160	Contract Services - Disposal/Non-Hazardous Waste	84,815
7001440	Vacuum Trucks	10,177
7000030	Contract Labor - general	33,781
7000010	Contract Labor - Operations	8,173
7003200	Contract Services - Facilities	10,177
7018000	Well Services - Well Control Services	22,478
7018000	Well Services - Well/Wellhead Services	20,577
7290003	Rental Tools and Equipment (surface rentals)	12,560
7260001	Rig Equipment and Misc.	100,481
7001110	Telecommunications Services	3,288
7001110	Consulting Services	105,005
7001400	Safety and Environmental	55,168
7330002	Rental Buildings (trailers)	12,560
7018140	Coring (old wells) & analysis	-
7011010	RM Contingency & Taxes	234,091
	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 WILDCAT EXPLORATION
 Lease/Facility Madras 5 WYF Fed Com 3H DEVELOPMENT RECOMPLETION

COMPLETION - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012580	Tubing	-
7012040	Tubing Accessories (riser, wellhead entry)	-
7012550	Wellhead Equipt	15,000
7012560	Packers - Completion Equipment	-
	TOTAL COMPLETION - TANGIBLE	\$15,000

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001170	Location and Access (dress location after rig move, set anchors)	7,000
7290001	Drilling Rig Dress Completion	-
7018140	Mud Fluids & Services	-
7018030	Coiled Tubing Services (R runs)	145,000
7019240	Snubbing Services	-
7019270	Pulling Down Units	-
7016350	Fuel (from rig)	-
7018010	Casing Crew and Services	-
7018020	Cement and Cementing Services	-
7018000	Well Testing Services (flow hand & equip)	336,800
7290003	Fracturing Services	3,497,273
7018130	Perforating	175,000
7019360	Wellhead Services	-
7002460	Water Hauling & Disposal (free fluids)	248,213
7018110	Freight - Truck (over pipe, dls & cement)	-
7290003	BOP Rental & Testing	-
7290003	Rental Tools and Equipment (test riser, liftmaster, hydro-walk)	-
7290003	CT Downhole Rental Equipment (Dr. BH, BHA)	40,000
7290003	Contract Labor - general	-
7000050	Telecommunications Services	25,000
7001110	Safety and Environmental	-
7001400	Consulting Services	79,500
7001120	Slurry Materials	218,100
7018300	Frack Stack Rentals	85,000
7018180	Freight (Transportation Services)	4,800
7260004	Equipment Rental (w/o operator, frac tanks, hydrovacs)	148,261
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Perforating (surge-down pumps)	23,000
7011010	RM Contingency & Taxes	-
	TOTAL COMPLETION - INTANGIBLE	\$5,349,459

TOTAL COMPLETION COST \$5,364,459



SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	116,484
7006640	Company Labor & Burden	-
7009030	Contract Labor - General	126,508
7001110	Telecommunication ready (Telemetry)	-
7012410	Line Pipe & Accessories	33,723
7012270	Miscellaneous Materials (containment system)	35,127
7008060	SCADA	31,413
7015180	Trailer - truck	15,417
7001190	Contract Engineering	7,197
7012290	Material and Instrumentation	187,123
7012290	IME Materials	115,627
7012200	Gas Treatment	-
7012200	Dehydration	-
7013010	Compressor	13,978
7012350	Power	-
7012018	Vapor Recovery Unit	-
7012400	Separator & other pressure vessels	186,907
7012500	Tanks	81,800
7012100	Heater Treater	97,237
7012460	Flare & Accessories	24,124
7000010	Electrical Labor	63,890
7000010	Mechanical Labor	136,162
7012480	Rod Pumping unit & Pad	-
7012180	Permuting Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	25,682
TOTAL SURFACE EQUIPMENT - TANGIBLE		1,227,000

TOTAL SURFACE EQUIPMENT COST \$ 1,227,000

ARTIFICIAL LIFT

7000090	Contract Labor	5,000
7001120	Contractor	4,000
7008240	Time Writing/Overhead	5,000
7012180	Artificial Lift Equipment	262,000
7012350	Materials & Supplies	2,000
7012550	Production Tree	5,000
7012580	Trucking	105,000
7014190	Freights	5,000
7018150	Rentals	6,000
7019130	API Fluid	2,000
7019220	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 COMPLETIONS COST	\$ 5,364,459
TOTAL SURFACE EQUIPMENT COST	\$ 1,227,000
TOTAL ARTIFICIAL LIFT COST	\$ 425,000
GRAND TOTAL COST	\$10,344,148

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: _____ Signature: _____
 Joint Owner Name: _____

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: EXISTEN DRAIN
 FACILITIES PREPARED BY: JESSICA DISANAYAKA
 ARTIFICIAL LIFT PREPARED BY: GRANT PLANTE

Asset Team: PERMIAN
 Field: Purple Sage FORMATION: Wolfcamp
 Lease/Facility: Madmus S WXY Fed Com 2H
 Location: WILCOAT
 Prospect: MALAGA
 Development: DEVELOPMENT
 Workover: WORKOVER

Est Drilling Days: 21.35
 Est Completion Days: 6

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,500
7001250	Land Broker Fees and Services	87,800
	TOTAL LOCATION COST - INTANGIBLE	\$168,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	26,443
7012050	Surface Casing	47,500
7012050	Intermediate Casing 1	214,115
7012050	Intermediate Casing 2	-
7012050	Production Casing	549,899
7012050	Drill Liner Hanger, Teleshock Eq & Cas Accessories	-
7012550	Drilling Wellhead Equipment	25,885
7012040	Casing & Tubing Access	84,179
7990003	Miscellaneous NRO Materials	5,288
	TOTAL DRILLING - TANGIBLE	\$804,503

DRILLING COST - INTANGIBLE

7290001	Drilling Rig Rigs/Overhead	105,769
7290002	Drilling Rig - day work/footage	603,684
7019040	DirectCost/Drilling Services	171,881
7019020	Cement and Cementing Serv Surface	15,885
7019020	Cement and Cementing Serv Intermediate 1	26,442
7019020	Cement and Cementing Serv Intermediate 2	-
7019020	Cement and Cementing Serv Production	158,654
7018040	Mud Fluids & Services	70,072
7012810	Solids Control equipment	45,216
7818000	Rig	136,573
7019010	Casing Crew and Services	42,500
7018350	Fuel (Btu)	77,872
7019140	Fuel (Mwh)	31,731
7009460	Water (non-potable)	26,442
7018360	Water (potable)	5,388
7019000	Well Logging Services	-
7019150	Mud Logging/geo-steering	14,636
7019250	Stabilizers, Hole Cleaners, Underreamers (OH rentals)	37,819
7019110	Casing Inspection/Logging	13,885
7019110	Drill pipe/Toolbar Inspection services	10,577
7018180	Freight - truck	26,442
7891460	Water hauling and disposal (includes soil farming)	63,461
7001160	Contract Services - Disposal/Non-hazardous Waste	84,515
7001440	Vacuum Trucks	10,577
7000000	Contract Labor - general	31,731
7000010	Contract Labor - Cementation	5,173
7001200	Contract Services - Facilities	10,577
7018300	Well Services - Well Control Services	14,176
7818350	Well Services - Well/Wellhead Services	10,577
7290003	Rental Tools and Equipment (airline rentals)	12,580
7280001	Rig Equipment and Misc.	100,481
7001110	Telecommunications Services	5,388
7001120	Consulting Services	105,505
7001400	Safety and Environmental	35,188
7230002	Rental Buildings (trailers)	12,560
7018110	Coring (logs/cores & analysis)	-
7011010	RIS Contingency & Taxes	234,051
	TOTAL DRILLING - INTANGIBLE	\$3,354,787

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: Madmus S WXY Fed Com 2H

COMPLETION - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012580	Tubing	-
7012040	Tubing Accessories (intake, wellhead entry)	-
7012550	Wellhead Rigup	15,000
7012560	Packers - Completion Equipment	-
	TOTAL COMPLETION - TANGIBLE	\$15,000

COMPLETION - INTANGIBLE

7001270	Location and Access (drill location after rig move, set anchors)	7,880
7290002	Drilling Rig During Completion	-
7018140	Mud Fluids & Services	-
7018030	Coiled Tubing Services (B term)	145,000
7018040	Scheduling Services	-
7018270	Puffing Wash Units	-
7018350	Fuel (from drif)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7818000	Well Turbine Services (flow head & studs)	334,880
7380002	Fracturing Services	3,897,578
7019330	Perforating	175,880
7019380	Wellhead Services	-
7009460	Water Hauling & Disposal (Trac fluids)	249,253
7018180	Freight - Truck (haul pipe, drif & cement)	-
7290003	BOP Rental & Testing	-
7290003	Rental Tools and Equipment (1 bed drif, lightplant, hydro-walk)	-
7280003	CT Diagnostic Rental Equipment (ie, BH, BHA)	40,000
7280003	Contract Labor - general	-
7000030	Telecommunications Services	23,000
7001110	Safety and Environmental	-
7001400	Consulting Services	73,300
7001120	Super Materials	118,102
7018300	Frack Stack Rentals	85,000
7018180	Freight (Transportation Services)	4,800
7280001	Equipment Rental (w/o operator, Trac tanks, lightplants)	148,251
7330004	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	28,000
7011010	RIS Contingency & Taxes	-
	TOTAL COMPLETION - INTANGIBLE	\$5,349,459

TOTAL COMPLETION COST \$5,364,459

SURFACE EQUIPMENT - TANGIBLE

7012350	Inst. Piping, Fittings & Valves	116,484
7006640	Company Labor & Burden	-
7000990	Contract Labor - General	126,508
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	33,723
7012270	Miscellaneous Materials (containment system)	85,437
7000060	SCADA	21,138
7016380	Freight - Truck	14,637
7001190	Contract Engineering	2,487
7012290	Metering and Instrumentation	197,438
7001230	MSF Materials	155,627
7012300	Gas Treating	-
7012320	Dehydration	-
7012010	Compressor	13,478
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012450	Separator & other pressure vessels	186,907
7012900	Tanks	82,900
7012100	Heater Treater	87,837
7002940	Flare & Accessories	14,124
7000010	Electrical Labor	63,890
7000010	Mechanical Labor	158,182
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012450	Electrical Power (electrical cooperative construction costs)	25,882
TOTAL SURFACE EQUIPMENT - TANGIBLE		51,227,000

TOTAL SURFACE EQUIPMENT COST \$ 1,227,000

ARTIFICIAL LIFT

7000990	Contract Labor	5,000
7001120	Contractors	4,000
7008250	Time Writings/Overhead	8,000
7012180	Artificial Lift Equipment	282,000
7012350	Materials & Supplies	2,000
7012550	Production Tree	5,000
7012380	Tubing	100,000
7016190	Freight	8,000
7016150	Rentals	5,000
7016130	Oil Fluid	2,000
7019220	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	\$ 5,364,459
TOTAL SURFACE EQUIPMENT COST	\$ 1,227,000
TOTAL ARTIFICIAL LIFT COST	\$ 425,000
GRAND TOTAL COST	\$10,344,148

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 reworking 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: _____ Signature: _____
 Joint Owner Name: _____

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. 23169
(Maximus)

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 18, 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 Spering 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: 235237



Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0100 5940 76	Sisbro Oil & Gas, LLC 4350 S. Monaco St. 5th Floor Denver CO 80237	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
2	9314 8699 0430 0100 5940 83	Mizel Resources, a Trust 4350 South Monaco Street Denver CO 80237	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
3	9314 8699 0430 0100 5940 90	C.L.&F., Resources, L.P. 4 Greenspoint Plaza 16945 Northchase Drive, Suite 1500 Houston TX 77060	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
4	9314 8699 0430 0100 5941 06	Norma J. Chanley PO Box 729 Hobbs NM 88240	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
5	9314 8699 0430 0100 5941 13	Accelerate Resources Operating, LLC 5949 Sherry Lane, Suite 1060 Dallas TX 75225	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
6	9314 8699 0430 0100 5941 20	Roy Barton, Trustee of Roy G. Barton & Opal Barton Rev. Trust 1919 North Turner St. Hobbs NM 88240	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
7	9314 8699 0430 0100 5941 37	SES Investments, Ltd. 401K Plan 508 West Wall, Suite 1250 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
8	9314 8699 0430 0100 5941 44	Thomas M. Beall 1414 Country Club Drive Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
9	9314 8699 0430 0100 5941 51	Gahr Ranch and Investments P.O. Box 1889 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
10	9314 8699 0430 0100 5941 68	George M. Koss 610 Ventura Avenue Midland TX 79705	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
11	9314 8699 0430 0100 5941 75	Zunis Energy, LLC 15 East 5th Street, Suite 3300 Tulsa OK 74103	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
12	9314 8699 0430 0100 5941 82	Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust 15 East 5th Street, Suite 3300 Tulsa OK 74103	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
13	9314 8699 0430 0100 5941 99	Sam H. Jolliffe, IV 3150 McMasters Road Billings MT 59101	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
14	9314 8699 0430 0100 5942 05	Teresa H. Jolliffe 408 Kenniston Austin TX 78752	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice

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
 10/14/2022

Firm Mailing Book ID: 235237

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0100 5942 12	Realeza Del Spear LP P.O. Box 1684 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
16	9314 8699 0430 0100 5942 29	Margaret Jones Kennedy P.O. Drawer 432 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
17	9314 8699 0430 0100 5942 36	Elizabeth Trudeau Overly 11410 Shadow Way Houston TX 77024	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
18	9314 8699 0430 0100 5942 43	BPL Fish Pond, LLC PO Box 92032 Southlake TX 76092	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
19	9314 8699 0430 0100 5942 50	Olin Brent Dalton 335 Granite Row Marble Falls TX 78654	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
20	9314 8699 0430 0100 5942 67	David Trent Dalton 1025 Bald Eagle Drive Nolanville TX 76559	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
21	9314 8699 0430 0100 5942 74	Robert C. Berger 3523 Point Clear Drive Missouri City TX 77459	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
22	9314 8699 0430 0100 5942 81	Milton R. Fry 11014 Hidden Bend Drive Houston TX 77064	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
23	9314 8699 0430 0100 5942 98	William B. Harriman, Jr. 10842 Briar Forest Houston TX 77042	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
24	9314 8699 0430 0100 5943 04	Karen C. Lane 1701 Hermann Drive, #2403 Houston TX 77004	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
25	9314 8699 0430 0100 5943 11	Millis Jeffrey Oakes 21302 Castlemont Lane Spring TX 77388	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
26	9314 8699 0430 0100 5943 28	Stephen William Oakes 4700 Spanish Moss McKinney TX 75070	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
27	9314 8699 0430 0100 5943 35	Benjamin Jacob Oakes 3214 Hickory Grove Lane Pearland TX 77584	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
28	9314 8699 0430 0100 5943 42	Mathew David Oakes 116 North Johnson Avenue San Marcos TX 78666	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
29	9314 8699 0430 0100 5943 59	Elizabeth Ann Cline 154 Whistling Straits Drive Austin TX 78717	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice

OCD Hearing, 11-3-22

Case No. 23169

Carlene Schuman
Lodrall Sperling Roehl Harris & Sisk P.A.
10 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
10/14/2022

Firm Mailing Book ID: 235237

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
30	9314 8699 0430 0100 5943 66	McMullen Minerals, LLC PO Box 470698 Fort Worth TX 76147	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
31	9314 8699 0430 0100 5943 73	Pegasus Resources, LLC PO Box 470857 Fort Worth TX 76147	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
32	9314 8699 0430 0100 5943 80	Winston Resources, LLC 1520 West Canal Court, Suite 250 Littleton CO 80120	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
33	9314 8699 0430 0100 5943 97	Kenneth Jay Reynolds 300 North Marientfeld, Suite 320 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
34	9314 8699 0430 0100 5944 03	Charles Randall Hicks 10509 Chilmark Way Tampa FL 33626	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
35	9314 8699 0430 0100 5944 10	Vikki L. Hicks 1601 Penn N.E. 1-11 Albuquerque NM 87110	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
36	9314 8699 0430 0100 5944 27	Terri L. Simpson 14437 Rios Canyon Road El Cajon CA 92021	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
37	9314 8699 0430 0100 5944 34	John D. Hamiga PO Box 14144 San Francisco CA 94110	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
38	9314 8699 0430 0100 5944 41	Charmar, LLC 6212 Osuna Rd NE Albuquerque NM 87109	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
39	9314 8699 0430 0100 5944 58	Charmar LLC 4815 Vista Del Oso NE Albuquerque NM 87109	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
40	9314 8699 0430 0100 5944 65	New Mexico Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.44	\$4.00	\$2.00	\$0.00	81363.0218. Notice
			Totals:	\$160.00	\$80.00	\$0.00	Grand Total: \$297.60

List Number of Pieces Received at Post Office: 40
 Total Number of Pieces Received at Post Office: 40
 Postmaster: [Signature]
 Name of receiving employee: [Signature]
 Dated: [Signature]



Transaction Report Details - CertifiedPro.net
Firm Mail Book ID: 235237
Generated: 11/1/2022 7:56:09 AM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300100594465	2022-10-14 11:04 AM	81363.0218	New Mexico Bureau of Land Management		Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 2:32 PM
9314869904300100594458	2022-10-14 11:04 AM	81363.0218	Charmar, LLC		Albuquerque	NM	87109	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 2:13 PM
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9314869904300100594434	2022-10-14 11:04 AM	81363.0218	John D. Hamiga		San Francisco	CA	94110	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-22 11:34 AM
9314869904300100594427	2022-10-14 11:04 AM	81363.0218	Terril L. Simpson		El Cajon	CA	92021	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2022-10-22 11:34 AM
9314869904300100594410	2022-10-14 11:04 AM	81363.0218	Wikki L. Hicks		Albuquerque	NM	87110	To Be Returned	Return Receipt - Electronic, Certified Mail	2022-10-31 11:41 AM
9314869904300100594403	2022-10-14 11:04 AM	81363.0218	Kenneth Jay Reynolds		Tampa	FL	33626	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 12:28 PM
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9314869904300100594380	2022-10-14 11:04 AM	81363.0218	Pegasus Resources, LLC		Littleton	CO	80120	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 9:22 AM
9314869904300100594373	2022-10-14 11:04 AM	81363.0218	McMullen Minerals, LLC		Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 9:22 AM
9314869904300100594366	2022-10-14 11:04 AM	81363.0218	Elizabeth Ann Cline		Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 9:22 AM
9314869904300100594359	2022-10-14 11:04 AM	81363.0218	Matthew David Oakes		Austin	TX	78717	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2022-10-17 12:26 PM
9314869904300100594342	2022-10-14 11:04 AM	81363.0218	Benjamin Jacob Oakes		San Marcos	TX	78666	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-21 1:30 PM
9314869904300100594335	2022-10-14 11:04 AM	81363.0218	Stephen William Oakes		Pearland	TX	77584	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 12:26 PM
9314869904300100594328	2022-10-14 11:04 AM	81363.0218	William B. Harriman, Jr.		McKinney	TX	75070	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 11:32 AM
9314869904300100594311	2022-10-14 11:04 AM	81363.0218	Milton R. Fry		Spring	TX	77388	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 11:32 AM
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9314869904300100594298	2022-10-14 11:04 AM	81363.0218	David Trent Dalton		Houston	TX	77042	Undelivered	Return Receipt - Electronic, Certified Mail	2022-10-17 12:23 PM
9314869904300100594281	2022-10-14 11:04 AM	81363.0218	Olun Brent Dalton		Houston	TX	77064	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-20 11:30 AM
9314869904300100594274	2022-10-14 11:04 AM	81363.0218	BPL Fish Pond, LLC		Missouri City	TX	77459	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2022-10-18 2:17 PM
9314869904300100594267	2022-10-14 11:04 AM	81363.0218	Elizabeth Trudeau Overly		Marble Falls	TX	76654	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 12:23 PM
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9314869904300100594243	2022-10-14 11:04 AM	81363.0218	Realiza Del Spear LP		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 12:26 PM
9314869904300100594236	2022-10-14 11:04 AM	81363.0218	Teresa H. Joliffe		Midland	TX	79702	Undelivered	Return Receipt - Electronic, Certified Mail	2022-10-18 2:17 PM
9314869904300100594229	2022-10-14 11:04 AM	81363.0218	Sam H. Joliffe, IV		Austin	TX	78752	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 3:17 PM
9314869904300100594212	2022-10-14 11:04 AM	81363.0218	Susanah D. Adelson, Trustee of the	James Adelson & Family, 2015 Trust	Billings	MT	59101	Undelivered	Return Receipt - Electronic, Certified Mail	2022-10-17 1:18 PM
9314869904300100594199	2022-10-14 11:04 AM	81363.0218	Zunis Energy, LLC		Tulsa	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 1:18 PM
9314869904300100594182	2022-10-14 11:04 AM	81363.0218	George M. Koss		Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 1:18 PM
9314869904300100594175	2022-10-14 11:04 AM	81363.0218	Gahr Ranch and Investments		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 1:18 PM
9314869904300100594168	2022-10-14 11:04 AM	81363.0218	SES Investments, Ltd. 401K Plan		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 1:11 PM
9314869904300100594151	2022-10-14 11:04 AM	81363.0218	Roy Barton, Trustee of Roy G. Barton	& Opal Barton Rev. Trust	Midland	TX	79701	Forwarded	Return Receipt - Electronic, Certified Mail	2022-10-21 2:42 PM
9314869904300100594144	2022-10-14 11:04 AM	81363.0218	Accelerate Resources Operating, LLC		Hobbs	NM	88240	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 11:45 AM
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9314869904300100594120	2022-10-14 11:04 AM	81363.0218	C.L.&F., Resources, L.P.	4 Greenspoint Plaza	Hobbs	NM	75225	Undelivered	Return Receipt - Electronic, Certified Mail	2022-10-17 11:45 AM
9314869904300100594113	2022-10-14 11:04 AM	81363.0218	Mizel Resources, a Trust		Houston	TX	77060	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-26 12:34 PM
9314869904300100594106	2022-10-14 11:04 AM	81363.0218	Sisbro Oil & Gas, LLC		Denver	CO	80237	Undelivered	Return Receipt - Electronic, Certified Mail	2022-10-26 12:34 PM
9314869904300100594083	2022-10-14 11:04 AM	81363.0218			Denver	CO	80237	Undelivered	Return Receipt - Electronic, Certified Mail	2022-10-26 12:34 PM

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005452644

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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:

10/18/2022



Legal Clerk

Subscribed and sworn before me this October 18, 2022:



State of WI, County of Brown
NOTARY PUBLIC

8-25-26

My commission expires

MARIAH VERHAGEN
Notary Public
State of Wisconsin

Ad # 0005452644
PO #: Marathon Maximus No. 23169
of Affidavits 1

This is not an invoice

CASE NO. 23169: Notice to all affected parties, as well as heirs and devisees of Sisbro Oil & Gas, LLC; Mizel Resources, a Trust; CL&F Resources LP; Norma J. Chanley; Accelerate Resources Operating LLC; Roy G. Barton, Jr. Trustee of the Roy G. Barton Sr. and Opal Barton Revocable Trust; SES Investments, Ltd. 401K Plan; Thomas M. Beall; Gahr Ranch and Investments; George M. Koss; Zunis Energy, LLC; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trust; Sam H. Jolliffe, IV; Teresa H. Jolliffe; Realeza Del Spear LP; Margaret Jones Kennedy; Elizabeth Trudeau Overly; BPL Fish Pond, LLC; Olin Brent Dalton; David Trent Dalton; Robert C. Berger; Milton R. Fry; William B. Harriman, Jr.; Karen C. Lane; Millis Jeffrey Oakes; Stephen William Oakes; Benjamin Jacob Oakes; Matthew David Oakes; Elizabeth Ann Cline; McMullen Minerals, LLC; Pegasus Resources, LLC; Winston Resources, LLC; Kenneth Jay Reynolds; Charles Randall Hicks; Vikki L. Hicks; Terri L. Simpson; John D. Hamiga; Charmar LLC; New Mexico Bureau of Land Management 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, underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the Maximus 5 WXY Fed Com 1H and Maximus 5 WXY Fed Com 2H 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.
#5452644, Current Argus, October 18, 2022



MODRALL SPERLING
LAWYERS

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. 23169

TO: AFFECTED PARTIES

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

Case No. 23169, Marathon seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Maximus 5 WXY Fed Com 1H** and **Maximus 5 WXY Fed Com 2H** 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. 23169

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 N/2 of Sections 5 and 6, 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 N/2 of Sections 5 and 6, 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 **Maximus 5 WXY Fed Com 1H** and **Maximus 5 WXY Fed Com 2H** 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 N/2 of Sections 5 and 6, 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. 23169 : 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, underlying the N/2 of Sections 5 and 6, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Maximus 5 WXY Fed Com 1H** and **Maximus 5 WXY Fed Com 2H** 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. 23169

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 Maximus 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 Maximus 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. In my opinion, the gross interval thickness is near consistent across the unit.

11. **Exhibit C.6** is a Gross Interval Isochore of the top of the Wolfcamp to Wolfcamp B. This zone is near consistent thickness across the unit.

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 east/west 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.

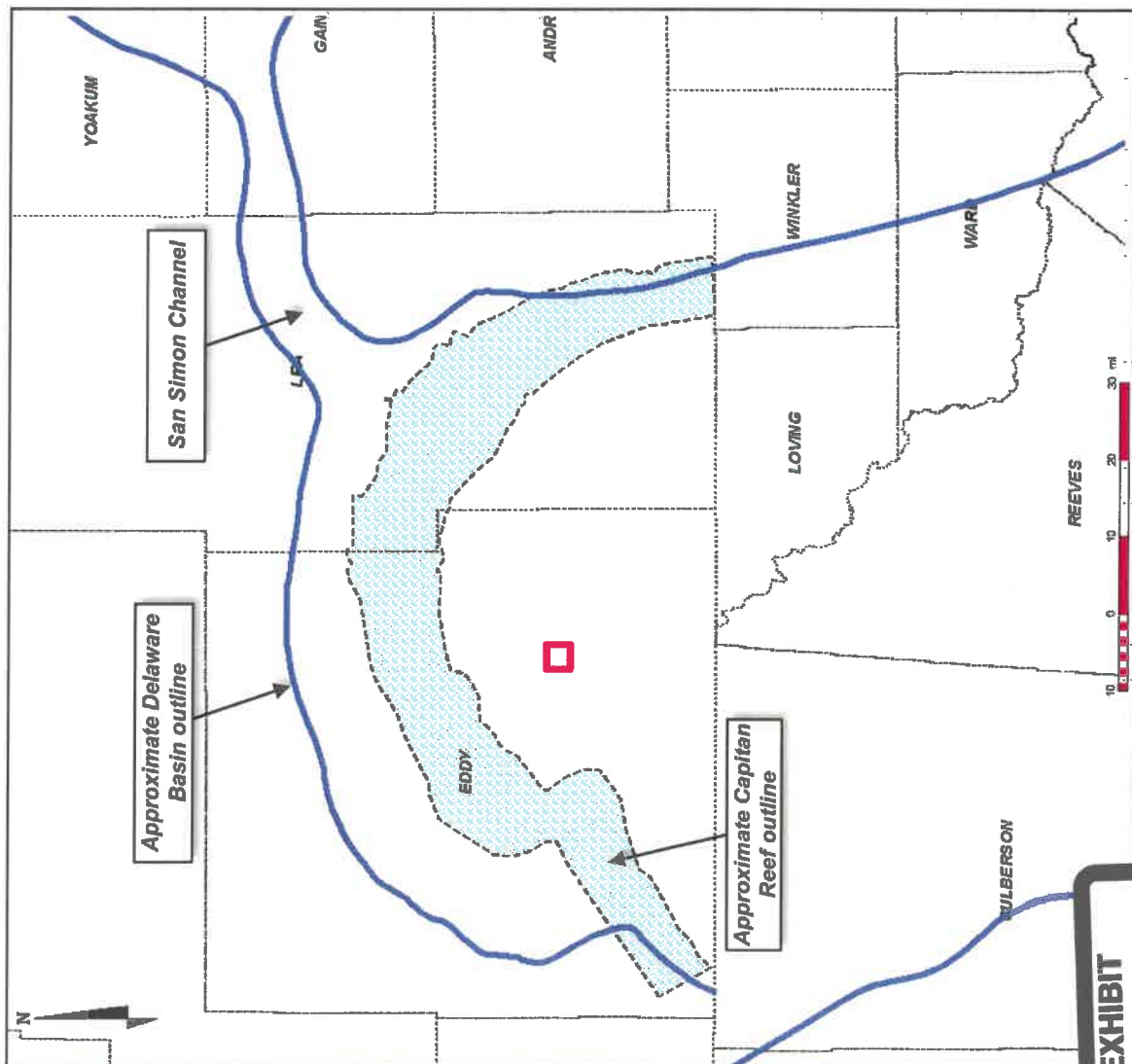
Dated: October 31, 2022



Matt Baker

Maximus 5 Federal Com Unit

Locator Map



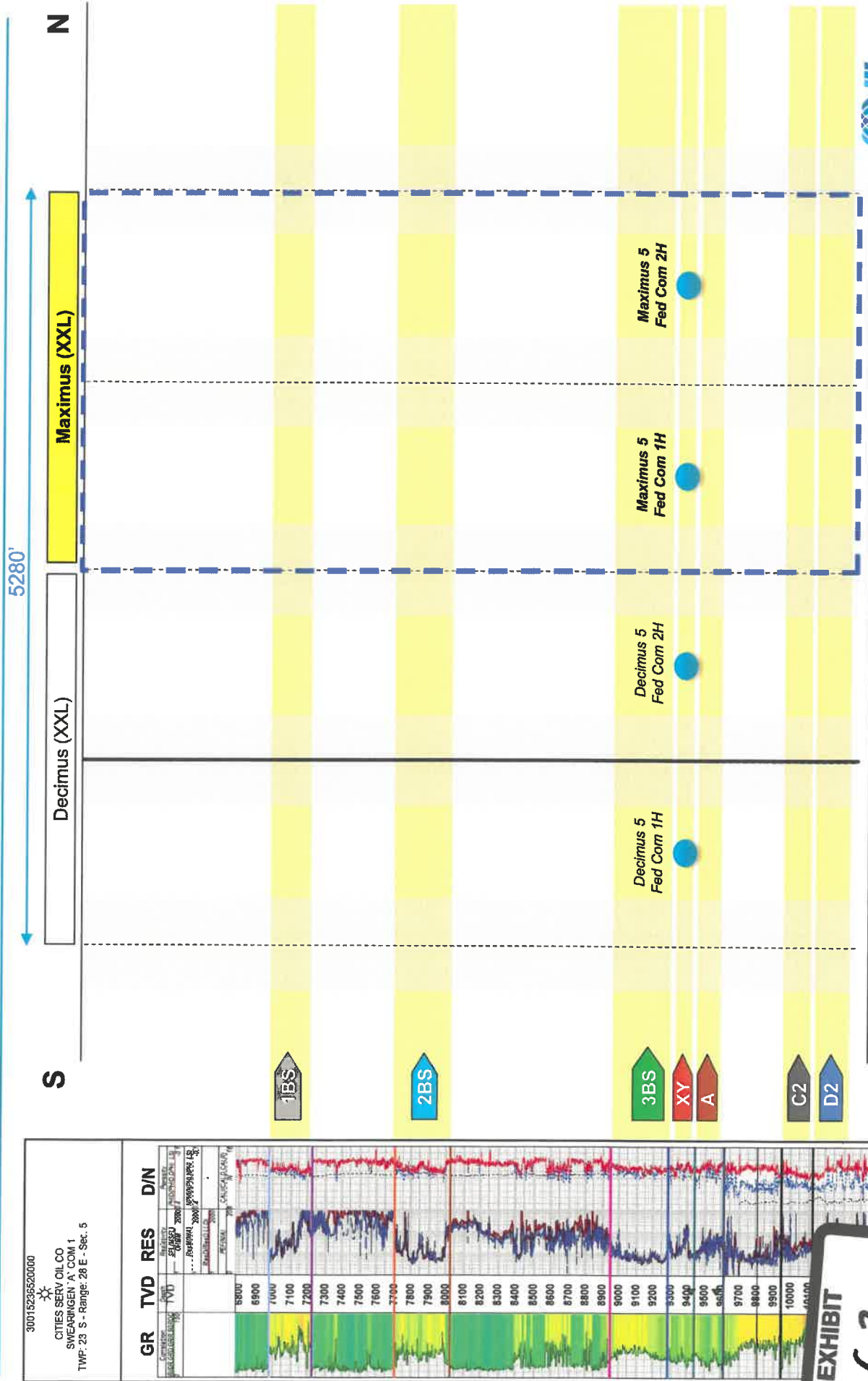
- Approximate location of proposed Maximus 5 Federal Com well locations shown with red box
- Located outside of the Capitan Reef
- Mid-eastern Eddy County



EXHIBIT
C-7

Maximus 5 Federal Com Unit

Wellbore Schematic

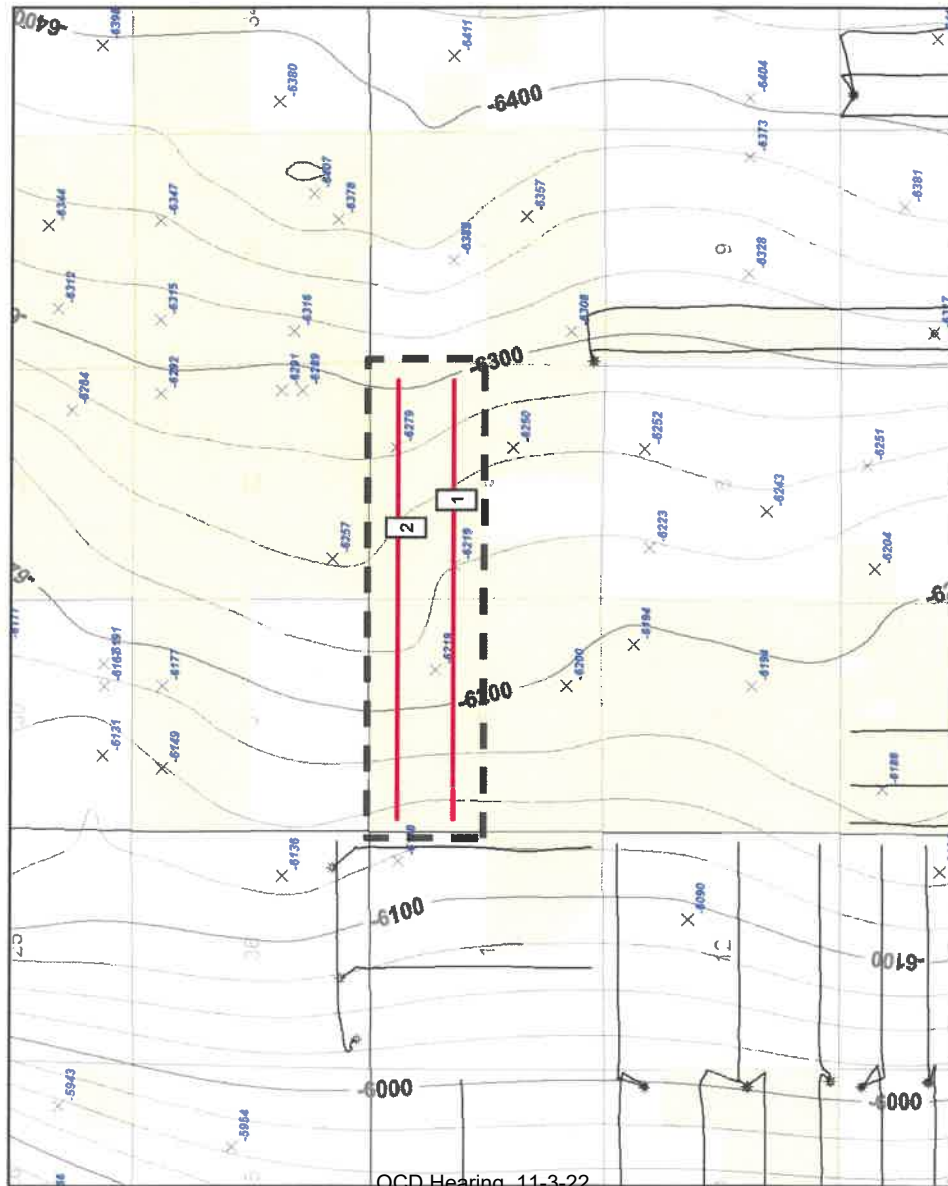


● Existing ● Planned

EXHIBIT C-2

Maximus 5 Federal Com Unit

Structure Map – Top of Wolfcamp (TVDSS)



1

2

Maximus 5 WXY Federal Com 1H

Maximus 5 WXY Federal Com 2H

Map Legend*

- Proposed Wells
- Existing Upper
- Wolfcamp wells



Project Area



MRO Acreage

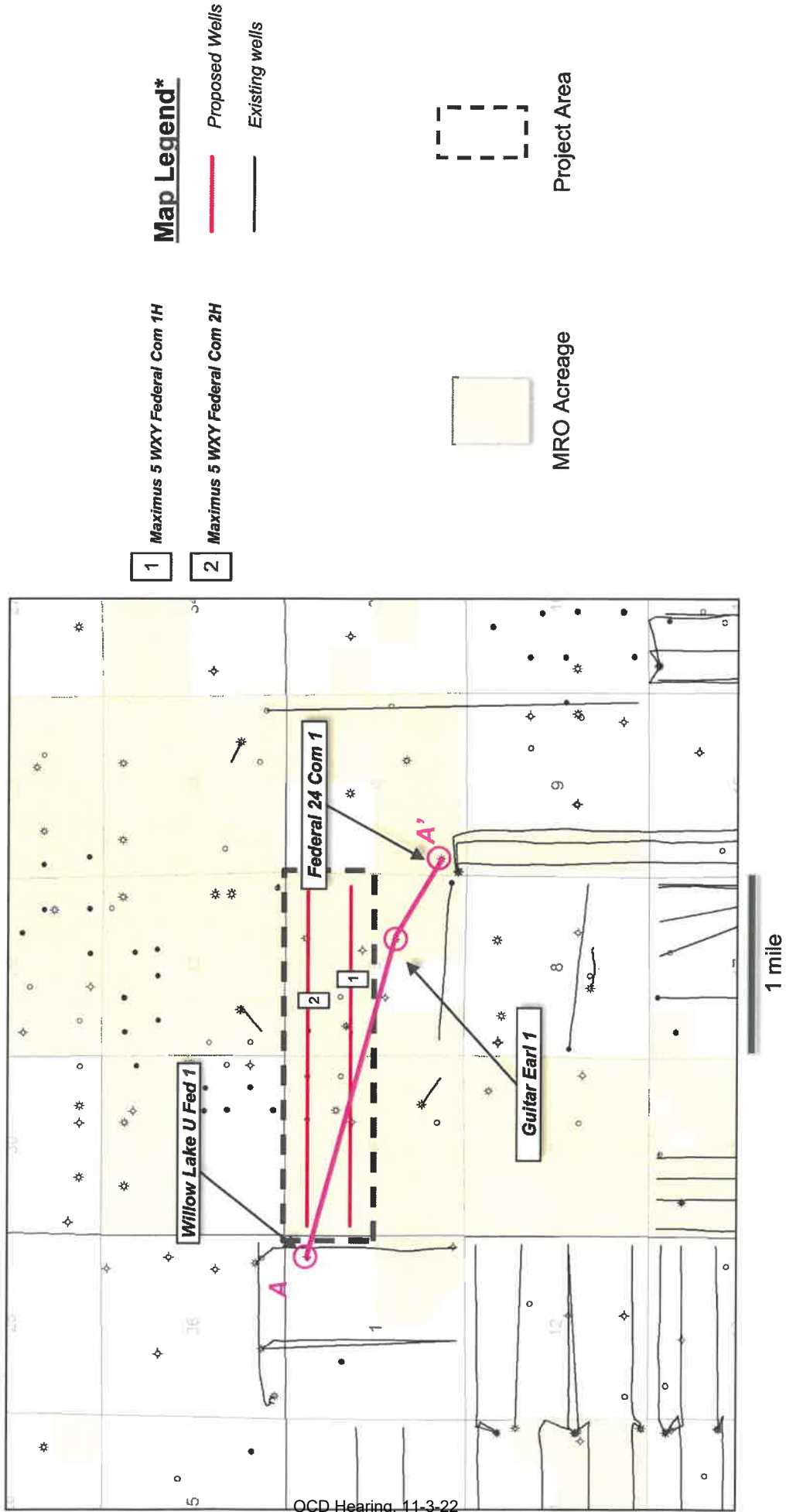
The top of the Wolfcamp dips towards the east.

1 mile C.I. = 25'



Maximus 5 Federal Com Unit

Reference Map for Cross Section



- 1 Maximus 5 WXY Federal Com 1H
- 2 Maximus 5 WXY Federal Com 2H

Map Legend*

— Proposed Wells

— Existing wells

Project Area

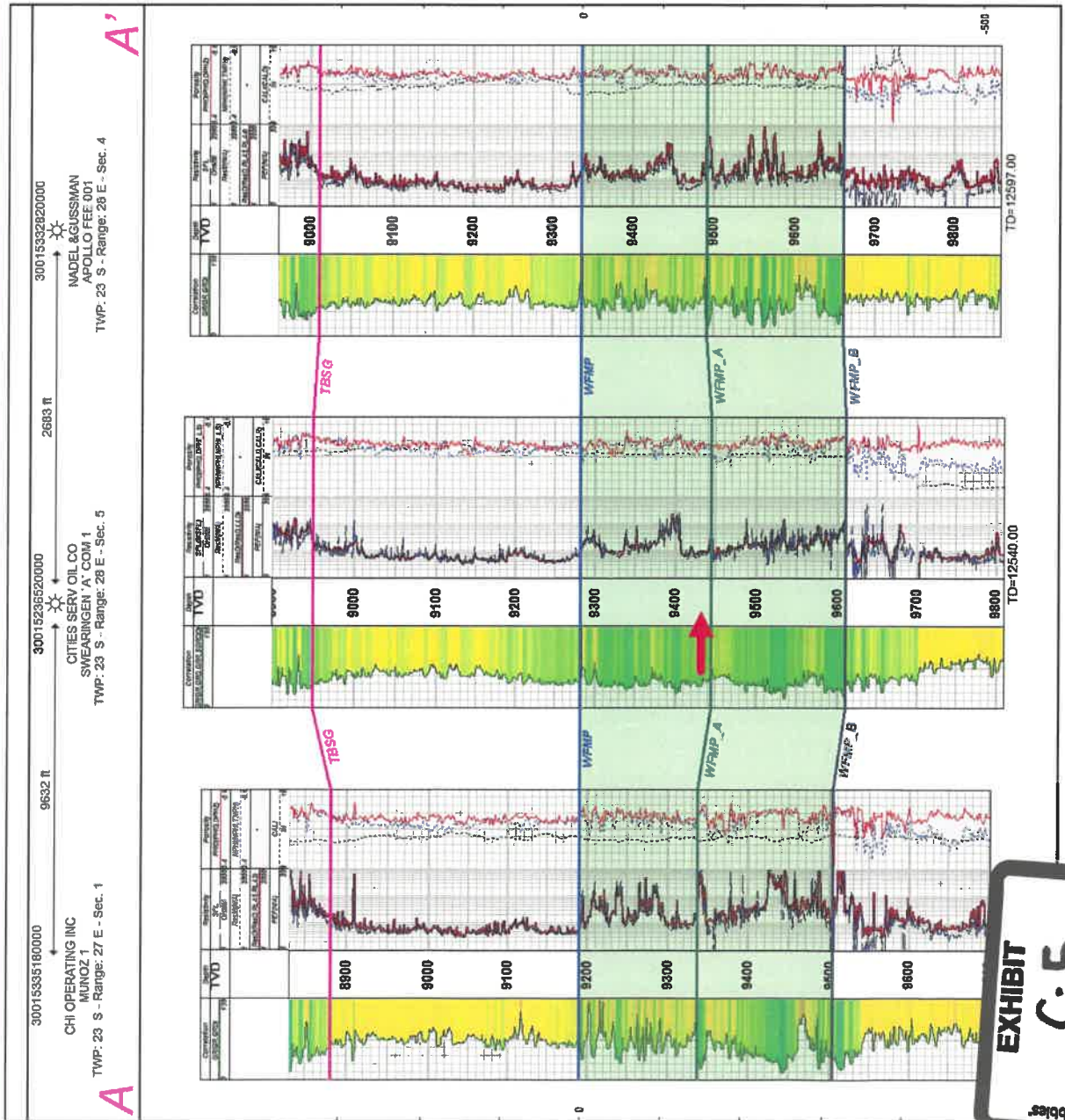
MRO Acreage

EXHIBIT
C-4



Maximus 5 Federal Com Unit

Stratigraphic Cross Section (Top Wolfcamp Datum)



Producing Zone -
Upper Wolfcamp (Wolfcamp
XY & A)

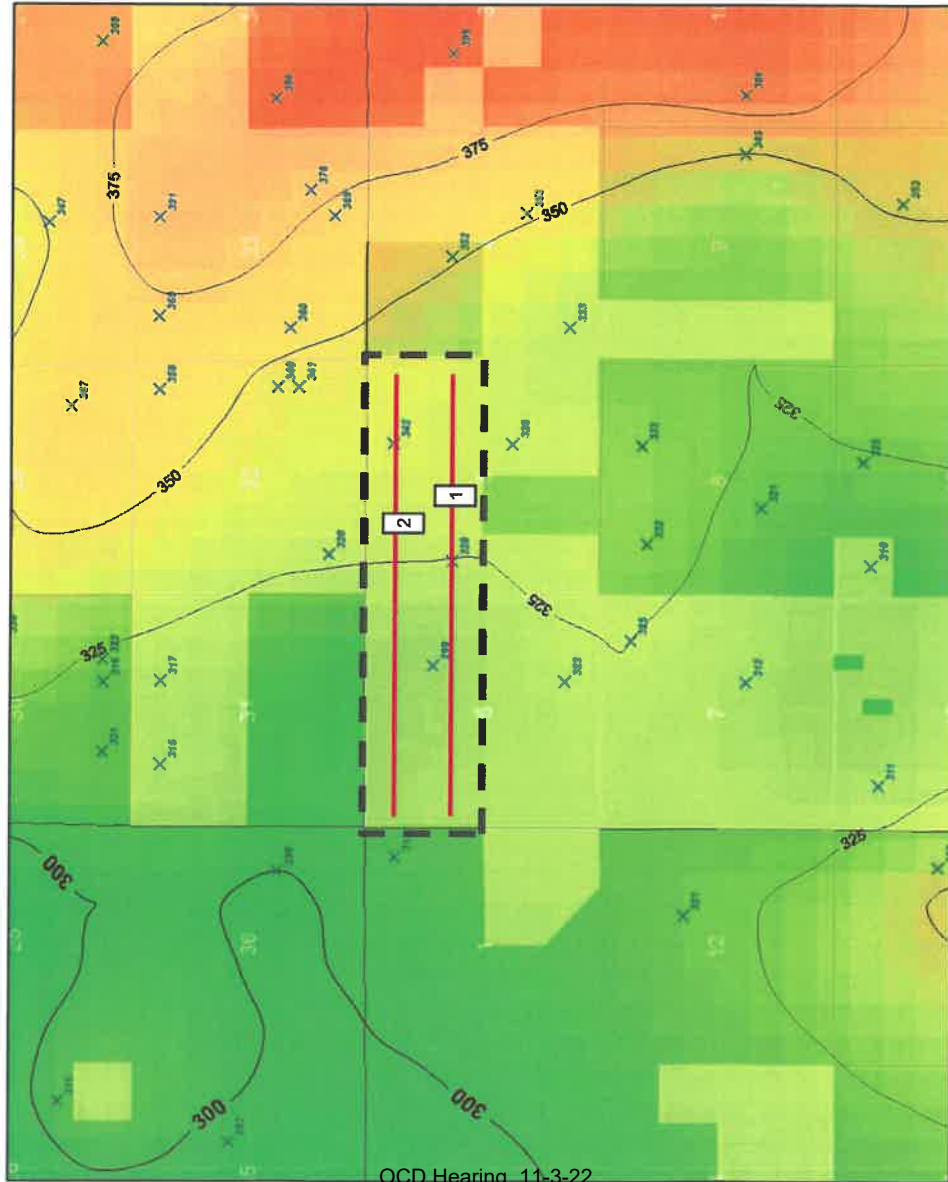
Upper Wolfcamp is near constant
thickness across unit

EXHIBIT
C-5



Maximus 5 Federal Com Unit

Gross Interval Isochore – Top Wolfcamp to Top Wolfcamp B



1

Maximus 5 WXY Federal Com 1H

2

Maximus 5 WXY Federal Com 2H

Map Legend*



Proposed Wells



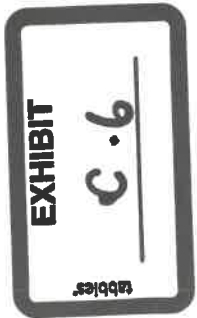
MRO Acreage



Project Area

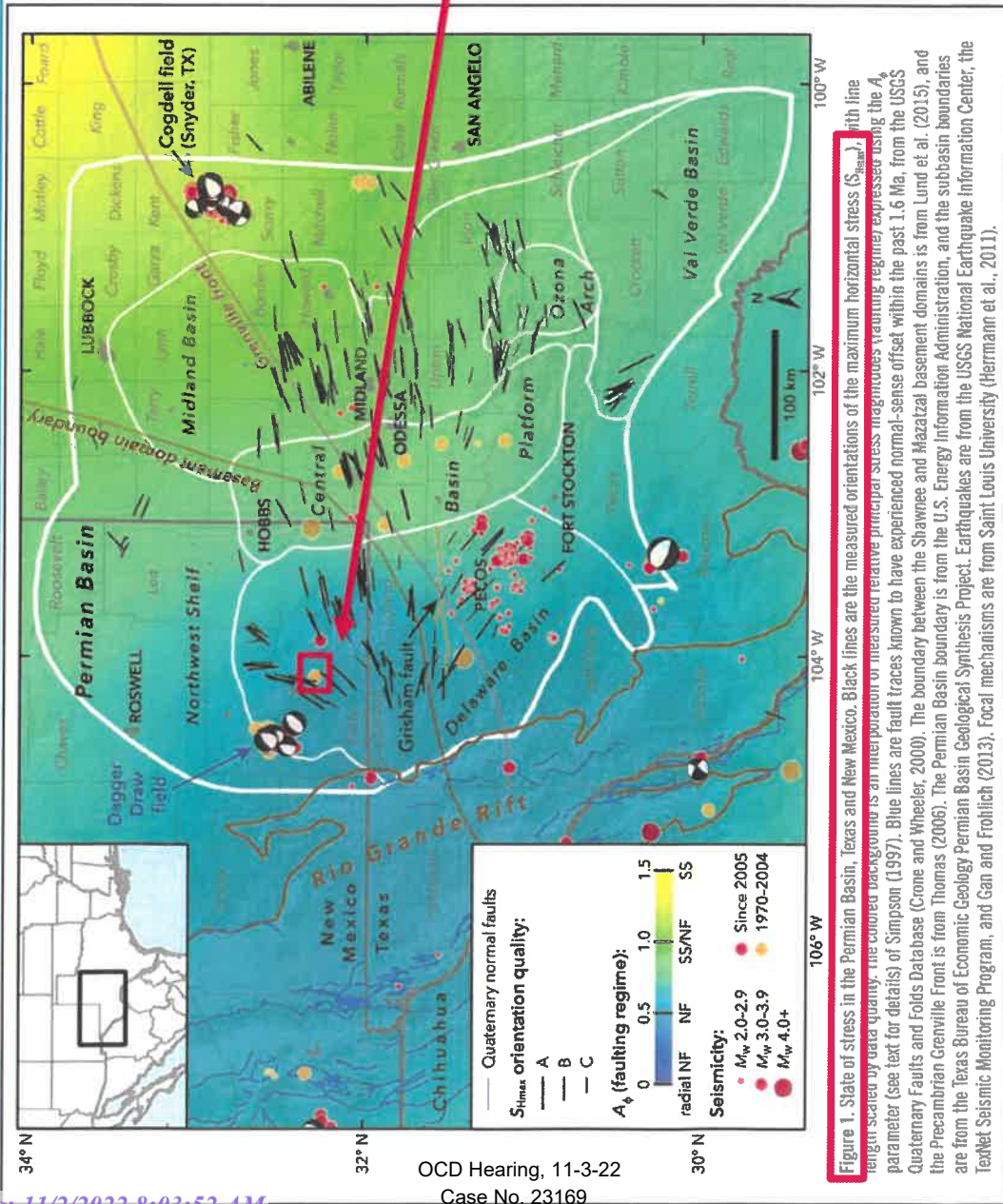
Upper Wolfcamp is near constant thickness across unit

1 mile
C.I. = 25'



Maximus 5 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.

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>.

EXHIBIT

C-7

