

**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. 23348

NOTICE OF FILING SUPPLEMENTAL EXHIBIT


On behalf of Marathon Oil Permian, LLC (“Marathon”), notice is hereby provided of the filing of supplemental exhibits, attached hereto. Exhibits for Case No. 23348 were timely filed on April 4, 2023. In reviewing the exhibits, two documents were inadvertently omitted from the exhibit packet. The following documents supplement the previously submitted exhibits are in addition to those exhibits.

- Example of December 15, 2022 Proposal Letter. This letter was sent to working interest owners on December 15, 2022, as reflected in the Summary of Contacts, Exhibit B-4.
- January 23, 2023 Clarification Letter. This letter was sent by Marathon to working interest owners on January 23, 2023, to correct certain typographical errors in the proposal letters dated December 15, 2023.

Marathon respectfully requests that these exhibits be considered part of Exhibit B-5, which is the Proposal Letter exhibit in the April 4, 2023 exhibit packet.

Respectfully submitted,

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

By: 

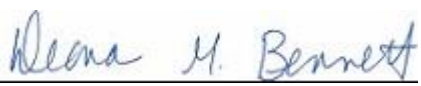
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on April 5, 2023:

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By: 
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Farley Duvall
Land Professional - Permian

Marathon Oil Company
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December 15, 2022

«Interest_Owner»

Re: Chaos WC Fed Com 701H, 702H, 703H, 704H, 801H, 802H, 803H, 804H, 805H, & 806H
(the "Wells")

Participation Proposal
Sections 32, 33, & 34, T22S-R28E
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 Sections 32, 33, & 34, Township 22 South, Range 28 East, Eddy County, New Mexico (the "Subject Lands"), as follows:

- 1) **Chaos WC Fed Com 701H**
First take point: 330' FEL & 900' FNL of Section 34, 22S-28E
Last take point: 330' FWL & 990' FNL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 9,615' and an approximate measured depth of 24,865'.
- 2) **Chaos WC Fed Com 702H**
First take point: 330' FEL & 2310' FNL of Section 34, 22S-28E
Last take point: 330' FWL & 2310' FNL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 9,615' and an approximate measured depth of 24,865'.
- 3) **Chaos WC Fed Com 703H**
First take point: 330' FEL & 1650' FSL of Section 34, 22S-28E
Last take point: 330' FWL & 1650' FSL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 9,615' and an approximate measured depth of 24,865'.
- 4) **Chaos WC Fed Com 704H**
First take point: 330' FEL & 330' FSL of Section 34, 22S-28E
Last take point: 330' FWL & 360' FSL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 9,615' and an approximate measured depth of 24,865'.

- 5) **Chaos WC Fed Com 801H**
First take point: 330' FEL & 330' FNL of Section 34, 22S-28E
Last take point: 330' FWL & 1330' FSL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 10,290' and an approximate measured depth of 25,540'.
- 6) **Chaos WC Fed Com 802H**
First take point: 330' FEL & 1,320' FNL of Section 34, 22S-28E
Last take point: 330' FWL & 1,320' FSL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 9,970' and an approximate measured depth of 25,220'.
- 7) **Chaos WC Fed Com 803H**
First take point: 330' FEL & 1650' FNL of Section 34, 22S-28E
Last take point: 330' FWL & 1650' FSL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 10,290' and an approximate measured depth of 25,540'.
- 8) **Chaos WC Fed Com 804H**
First take point: 330' FEL & 2330' FNL of Section 34, 22S-28E
Last take point: 330' FWL & 2330' FSL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 10,290' and an approximate measured depth of 25,540'.
- 9) **Chaos WC Fed Com 805H**
First take point: 330' FEL & 990' FNL of Section 34, 22S-28E
Last take point: 330' FWL & 900' FSL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 10,290' and an approximate measured depth of 25,540'.
- 10) **Chaos WC Fed Com 806H**
First take point: 330' FEL & 330' FNL of Section 34, 22S-28E
Last take point: 330' FWL & 360' FSL of Section 32, 22S-28E
The Well will be drilled horizontally within the Purple Sage Wolfcamp formation to an approximate true vertical depth of 9,970' and an approximate measured depth of 25,220'.

Authority for Expenditure (AFEs)

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

Voluntary Agreement of Compulsory Pooling

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

- Marathon Oil Permian LLC to be named as Operator
- Contract Area begin the Subject Lands
- As a charge for the risk involved in drilling the well, 300% of the above costs
- \$10,000 per month drilling overhead rates and \$1,000 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 from 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

Farley Duvall
Land Professional

PARTICIPATION BALLOT

«F2» hereby elects to:

_____ Not to participate in the **Chaos WC Fed Com 701H** Well.

_____ Participate in the **Chaos WC Fed Com 701H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 702H** Well.

_____ Participate in the **Chaos WC Fed Com 702H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 703H** Well.

_____ Participate in the **Chaos WC Fed Com 703H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 704H** Well.

_____ Participate in the **Chaos WC Fed Com 704H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 801H** Well.

_____ Participate in the **Chaos WC Fed Com 801H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 802H** Well.

_____ Participate in the **Chaos WC Fed Com 802H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 803H** Well.

_____ Participate in the **Chaos WC Fed Com 803H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 804H** Well.

_____ Participate in the **Chaos WC Fed Com 804H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 805H** Well.

_____ Participate in the **Chaos WC Fed Com 805H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **Chaos WC Fed Com 806H** Well.

_____ Participate in the **Chaos WC Fed Com 806H** Well by paying its proportionate share of all actual costs.

By: _____

Print Name: _____

Title: _____

Date: _____



Farley Duvall
Land Professional - Permian

Marathon Oil Company
990 Town & Country Blvd.
Houston, Texas 77024
713.296.2399 (o)
fduvall@marathonoil.com

January 23, 2023

Mailed: USPS Certified
Tracking: 9171999991703775060575

Cimarron Energy Corporation
350 N. St. Paul Street
Dallas, TX 75201

Re: Chaos WC Fed Com 701H, 702H, 703H, 704H, 801H, 802H, 803H, 804H, 805H, & 806H
Clarification Letter for Previous Proposal
Sections 32, 33, & 34, T22S-R28E
Eddy County, New Mexico

Dear Sir/Madam:

Marathon Oil Permian LLC (“Marathon”) previously mailed out well proposals dated December 15, 2023 for the Chas WC Fed Com 701H, 702H, 703H, 704H, 801H, 802H, 803H, 804H, 805H, & 806H wells. Please let this letter serve as clarification on the well locations, as it was discovered there were typos in the description. The terms, AFE costs, and Joint Operating Agreement all previously received in the December 15, 2023 packet remain unchanged. Please see the well locations in the table below and do not hesitate to contact me if you have any questions.

| WELL NAMES | First Take Point X | First Take Point Y | Last Take Point X | Last Take Point Y |
|---------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Chaos Fed Com 701H | 330' FEL Section 34 | 900' FNL Section 34 | 330' FWL Section 32 | 990' FNL Section 32 |
| Chaos Fed Com 801H | 330' FEL Section 34 | 330' FNL Section 34 | 330' FWL Section 32 | 330' FNL Section 32 |
| Chaos Fed Com 802H | 330' FEL Section 34 | 1320' FNL Section 34 | 330' FWL Section 32 | 1320' FNL Section 32 |
| Chaos Fed Com 702H | 330' FEL Section 34 | 2310' FNL Section 34 | 330' FWL Section 32 | 2310' FNL Section 32 |
| Chaos Fed Com 803H | 330' FEL Section 34 | 1650' FNL Section 34 | 330' FWL Section 32 | 1650' FNL Section 32 |
| Chaos Fed Com 703H | 330' FEL Section 34 | 1650' FSL Section 34 | 330' FWL Section 32 | 1650' FSL Section 32 |

| | | | | |
|---------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Chaos Fed Com 804H | 330' FEL Section 34 | 2330' FSL Section 34 | 330' FWL Section 32 | 2330' FSL Section 32 |
| WELL NAMES | First Take Point X | First Take Point Y | Last Take Point X | Last Take Point Y |
| Chaos Fed Com 805H | 330' FEL Section 34 | 990' FSL Section 34 | 330' FWL Section 32 | 990' FSL Section 32 |
| Chaos Fed Com 704H | 330' FEL Section 34 | 330' FSL Section 34 | 330' FWL Section 32 | 330' FSL Section 32 |
| Chaos Fed Com 806H | 330' FEL Section 34 | 330' FSL Section 34 | 330' FWL Section 32 | 360' FSL Section 32 |

Best Regards,
Marathon Oil Permian LLC



Farley Duvall
Land Professional