

**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. _____

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 1280-acre, more or less, standard spacing unit.
3. Marathon plans to drill the **Decimus Fed Com 801H, Decimus Fed Com 701H, Decimus Fed Com 802H, Decimus Fed Com 702H, Decimus Fed Com 803H, Decimus Fed Com 703H, Decimus Fed Com 804H and Decimus Fed Com 704H** wells to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled.
4. 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.
5. These wells will comply with the Division’s setback requirements for this pool.

6. The completed intervals for the Decimus Fed Com 702H and Decimus Fed Com 803H wells are expected to be less than 330' from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

7. 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.

8. 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 September 7, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Designating Marathon as operator of this unit and the wells to be drilled thereon;

C. Authorizing Marathon to recover its costs of drilling, equipping and completing the wells;

D. Approving actual operating charges and costs charged for supervision, 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
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 1280-acre, more or less, Wolfcamp horizontal spacing unit underlying the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Decimus Fed Com 801H, Decimus Fed Com 701H, Decimus Fed Com 802H, Decimus Fed Com 702H, Decimus Fed Com 803H, Decimus Fed Com 703H, Decimus Fed Com 804H and Decimus Fed Com 704H wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed intervals for the Decimus Fed Com 702H and Decimus Fed Com 803H wells are expected to be less than 330' from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. 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 3.5 miles northwest of Loving, NM.