

**Before the Oil Conservation Division
Examiner Hearing September 7, 2023**

Case No. 23725

Queenie Fed Com 303H and Queenie Fed Com 503H
W/2 E/2 of Sections 10 and 15, Township 20 South, Range 32 East, Lea County,
NM
320 Acre Spacing Unit



Marathon Oil

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

IN THE MATTER OF THE APPLICATION OF

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

CASE NO. 23725

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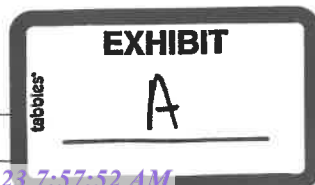
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- Exhibit C.11: Regional Stress Orientation Justification

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS****Case: 23725****APPLICANT'S RESPONSE****Date** November 2, 2023Applicant **Marathon Oil Permian LLC**Designated Operator & OGRID (affiliation if applicable) **Marathon Oil Permian LLC OGRID No. 372098**Applicant's Counsel: **Modrall, Sperling, Roehl, Harris, & Sisk, P.A.**Case Title: **Application of Marathon Oil Permian LLC for Compulsory Pooling, Lea County, New Mexico.**Entries of Appearance/Intervenors: **None.**Well Family **Queenie****Formation/Pool**Formation Name(s) or Vertical Extent: **Bone Spring**Primary Product (Oil or Gas): **Oil**Pooling this vertical extent: **Bone Spring**Pool Name and Pool Code: **Salt Lake; Bone Spring Pool (Code 53560)**Well Location Setback Rules: **State-Wide Rules Apply****Spacing Unit**Type (Horizontal/Vertical) **Horizontal**Size (Acres) **320-acres**Building Blocks: **40-Acres**Orientation: **North/South**Description: TRS/County **W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMMPM, Lea County, New Mexico.**Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? **Yes.****Other Situations**Depth Severance: Y/N. If yes, description **N/A**Proximity Tracts: If yes, description **No.**Proximity Defining Well: if yes, description **N/A**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: Queenie Fed Com 303H

**SHL: 86' FNL & 509' FEL, Section 22, T20S, R32E
BHL: 100' FNL & 1980' FEL, Section 10, T20S, R32E
Completion Target: First Bone Spiring (Approx. 8,900 TVD)**

Well #2: Queenie Fed Com 503H

**SHL: 93' FNL & 480' FEL, Section 22, T20S, R32E
BHL: 100' FNL & 1980' FEL, Section 10, T20S, R32E
Completion Target: Second Bone Spiring (Approx. 9,700 TVD)**Drilling Supervision/Month \$ **\$10,000.00**

Production Supervision/Month \$	\$1,000.00
Justification for Supervision Costs	See Exhibit B Paragraph 24
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B.7
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B.7
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B.7
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B.3
Unlocatable Parties to be Pooled	Exhibit B.3
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	Exhibit B.5
Cost Estimate to Drill and Complete	Exhibit B.6
Cost Estimate to Equip Well	Exhibit B.6
Cost Estimate for Production Facilities	Exhibit B.6
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2
Well Orientation (with rationale)	Exhibit C.11
Target Formation	Exhibit C.3 to C.6 & Exhibit C.7 to C.10
HSU Cross Section	Exhibit C.5 & Exhibit C.9
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibit C.3 & Exhibit C.7
Cross Section Location Map (including wells)	Exhibit C.4 & Exhibit C.8
Cross Section (including Landing Zone)	Exhibit C.5 & Exhibit C.9
Additional Information	
Special Provisions/Stipulations	N/A

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):	/s/ Deana M. Bennett
Date:	10/31/2023

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

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

CASE NO. 23725

SELF AFFIRMED DECLARATION OF FARLEY DUVALL

Farley Duvall hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC (“Marathon”) and 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 as a matter of record.

3. My area of responsibility at Marathon includes the area Lea 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 this application.

6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced application.

7. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.

8. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.

9. In this case, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit



underlying the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico.

10. This spacing unit will be dedicated to the **Queenie Fed Com 303H and Queenie Fed Com 503H** wells, to be horizontally drilled.

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

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

13. The wells will develop the Salt Lake; Bone Spring, Pool Code 53560.

14. This pool is an oil pool with 40-acre building blocks.

15. This pool is governed by the state-wide horizontal well rules.

16. The producing areas for the wells is expected to be orthodox.

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

18. **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.

19. 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 the working interest owners well proposals, including an Authorization for Expenditure.

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

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

22. **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 first and last take points and approximate TVD/MD for the wells.

23. **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.

24. Marathon requests overhead and administrative rates of \$10,000.00/month for drilling a well and \$1,000.00/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.

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

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

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

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

29. **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 Hobbs News Sun newspaper, showing that notice of this hearing was published on August 18, 2023.

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

31. 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 this 29th day of August, 2023.



Farley Duvall

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

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

CASE NO. 23725

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, § 70-2-17, for an order pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea 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 W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico to form a standard 320-acre, more or less, Bone Spring spacing unit.
3. Marathon plans to drill the **Queenie Fed Com 303H and Queenie Fed Com 503H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.
4. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.



5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 7, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea 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. 23725 : Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit underlying the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Queenie Fed Com 303H and Queenie Fed Com 503H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. 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 29 miles from Loving, New Mexico.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 53560	³ Pool Name Salt Lake; Bone Spring
⁴ Property Code	⁵ Property Name QUEENIE FED COM	
⁷ OGRID No. 372098	⁶ Operator Name MARATHON OIL PERMIAN, LLC	⁸ Well Number 303H ⁹ Elevation 3529'

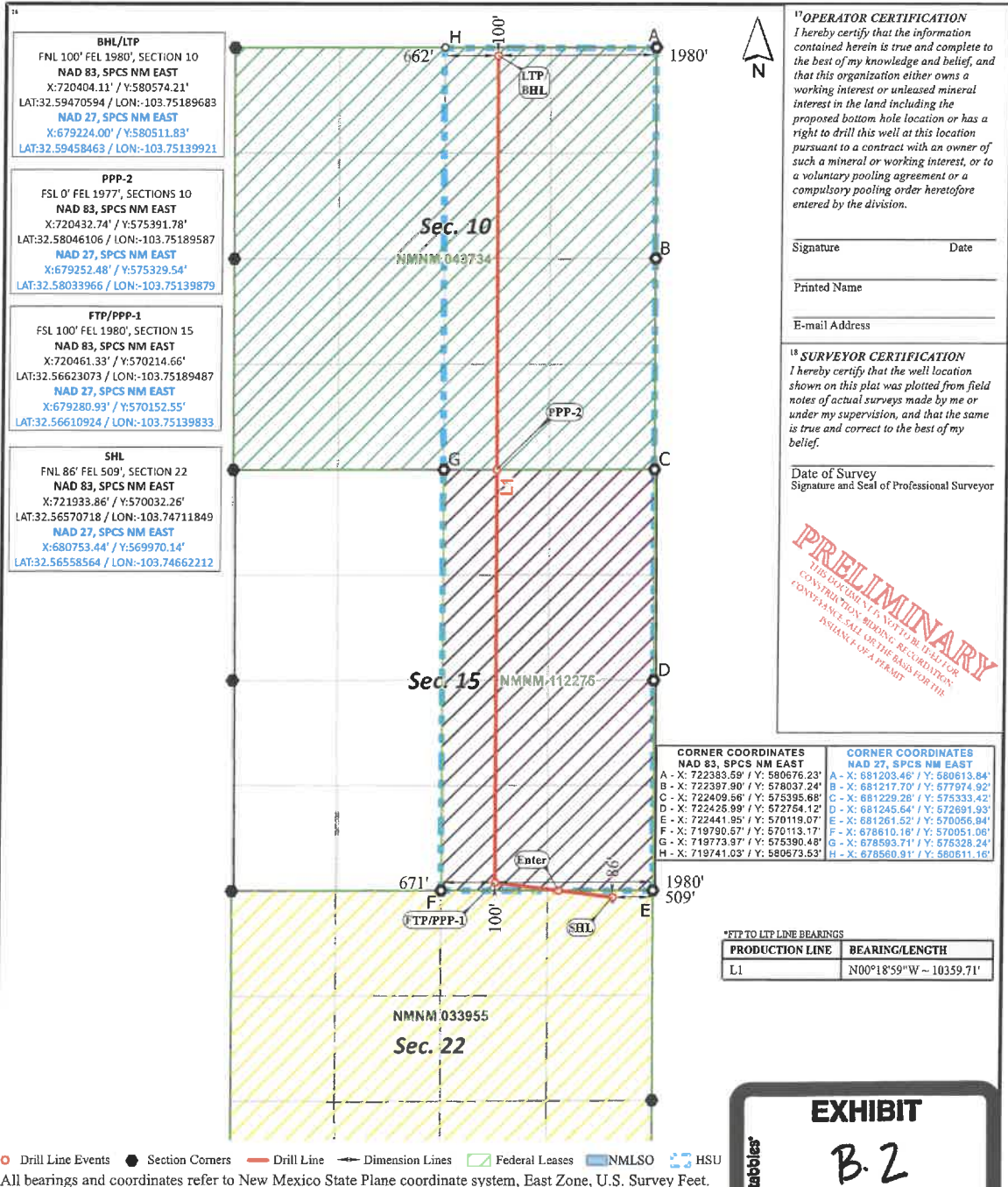
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	22	20S	32E		86'	NORTH	509'	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	10	20S	32E		100'	NORTH	1980'	EAST	LEA
¹² Dedicated Acres 640.00		¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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 _____ Date _____
Printed Name _____
E-mail Address _____

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 _____
Signature and Seal of Professional Surveyor _____

PRELIMINARY
THIS DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION BEING RECORDATION FOR ANY FINAL SALE OF THE BASIS FOR THE ISSUANCE OF A PERMIT

CORNER COORDINATES NAD 83, SPCS NM EAST		CORNER COORDINATES NAD 27, SPCS NM EAST	
A - X: 722383.59 / Y: 580676.23'	B - X: 722387.80 / Y: 578637.24'	A - X: 681203.46' / Y: 580613.84'	B - X: 681217.70' / Y: 577974.92'
C - X: 722408.56' / Y: 575395.80'	D - X: 722425.99' / Y: 572754.12'	C - X: 681229.26' / Y: 575333.42'	D - X: 681245.64' / Y: 572691.93'
E - X: 722441.95' / Y: 570119.07'	F - X: 719790.57' / Y: 570113.17'	E - X: 681261.52' / Y: 570056.84'	F - X: 678610.18' / Y: 570051.06'
G - X: 719773.87' / Y: 575390.48'	H - X: 719741.03' / Y: 580673.53'	G - X: 678593.71' / Y: 575328.24'	H - X: 678560.91' / Y: 580611.16'

*FT/PPP-1 LINE BEARINGS	
PRODUCTION LINE	BEARING/LENGTH
L1	N00°18'59"W ~ 10359.71'

EXHIBIT
B.2

Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99977765 and a Convergence...

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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1000 Rio Brazos Road, Aztec, NM 87410
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
	53560	Salt Lake; Bone Spring
⁴ Property Code	⁵ Property Name	⁶ Well Number
	QUEENIE FED COM	503H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
372098	MARATHON OIL PERMIAN, LLC	3529'

¹⁰ Surface Location

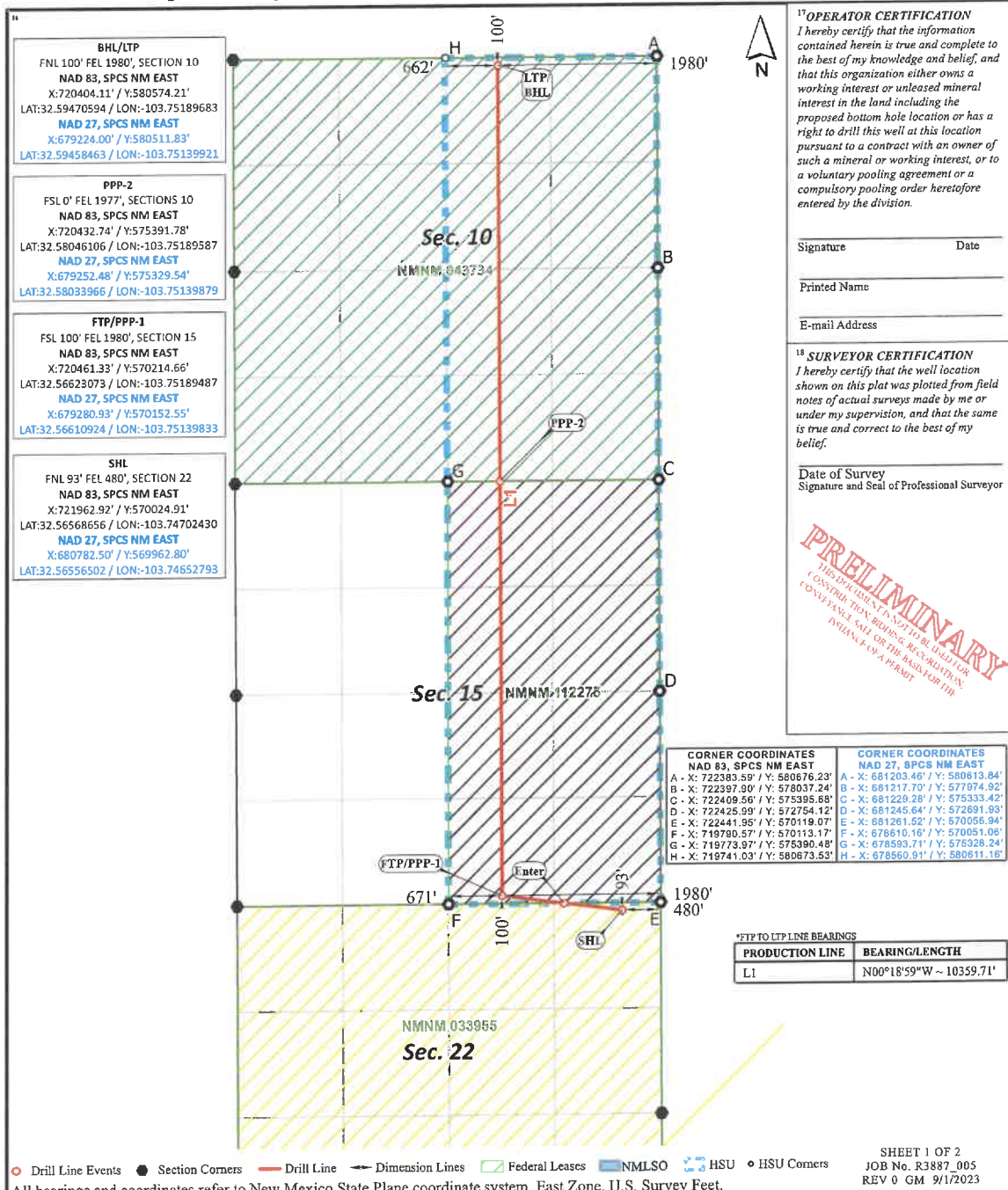
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	20S	32E		93'	NORTH	480'	EAST	LEA

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
B	10	20S	32E		100'	NORTH	1980'	EAST	LEA

¹² Dedications Acres: 640.00

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99977765 and a Convergence Angle: 0.316440372°

**Exhibit "B.3" - Lease Tract Map:
W/2 E/2 of Sections 10 and 15, Township 20 South, Range 32 East, Lea County, NM
Bone Spring**

Sections W/2 E/2 of 10 & 15 Township 20 South Range 32 East
 County Lea State New Mexico
 acres, more or less 320.00

Section 10		Section 15	
NW1/4 40.00	NE1/4 40.00	NW1/4 40.00	NE1/4 40.00
SW1/4 40.00	SE1/4 40.00	SW1/4 40.00	SE1/4 40.00
Section 11		Section 16	
NW1/4 40.00	NE1/4 40.00	NW1/4 40.00	NE1/4 40.00
SW1/4 40.00	SE1/4 40.00	SW1/4 40.00	SE1/4 40.00
Section 12		Section 17	
NW1/4 40.00	NE1/4 40.00	NW1/4 40.00	NE1/4 40.00
SW1/4 40.00	SE1/4 40.00	SW1/4 40.00	SE1/4 40.00

Total Federal Acres: 320.00
Total State Acres: 0.00
Total Fee Acres: 0.00
Total Unit Acres: 320.00

Tract 1: NMNM105317267 160.00
Tract 2: NMNM105543455 160.00
Total: 320.00



**Exhibit "B.3" - Summary of Working Interests: Queenie Fed Com 303H and Queenie Fed Com 503H
W/2 E/2 of Sections 10 and 15, Township 20 South, Range 32 East, Lea County, NM (320 Acre Spacing Unit)**

Committed Working Interest: 98.875000%

<u>Interest Owner</u>	<u>Unit WI</u>
Marathon Oil Permian, LLC	47.046875%
Tap Rock Resources II, LLC	39.453125%
Hanley Petroleum LLC	10.500000%
LHAH Properties LLC	1.250000%
H6 Holdings LLC	0.625000%

Uncommitted Working Interest: 1.125000%

<u>Interest Owner</u>	<u>Unit WI</u>
Northern Oil & Gas, Inc.	0.666667%
Escondido Oil & Gas, LLC	0.333333%
TBO Oil & Gas, LLC	0.125000%



**Exhibit "B.3" - ORRI Owners: Queenie Fed Com 303H and Queenie Fed Com 503H
W/2 E/2 of Sections 10 and 15, Township 20 South, Range 32 East, Lea County, NM (320 Acre Spacing Unit)**

ORRI Owners:

ANADARKO E&P ONSHORE LLC	Oak Valley Mineral and Land, LP
Black Family Partnership, Ltd.	Pegasus Resources, LLC
CEP Minerals LLC	Post Oak Crown IV, LLC
Collins & Jones Investments, LLC	Post Oak Crown IV-B, LLC
Crown Oil Partners, LP	Post Oak Mavros II, LLC
David W. Cromwell	Ronald Jackson Erwin
Deane Durham	Ross Duncan Properties, LLC
Good News Minerals, LLC	Sortida Resources, LLC
H. Jason Wacker	
Kaleb Smith	
LMC Energy LLC	
Martin Joyce	
McMullen Minerals, LLC	
MCT Energy Ltd.	
Mike Moylett	
Nestegg Energy Corporation	



Queenie Parties to Be Pooled

Working Interest Owners

Northern Oil & Gas, Inc.
Escondido Oil & Gas, LLC
TBO Oil & Gas, LLC

ORRI

ANADARKO E&P ONSHORE LLC
Black Family Partnership, Ltd.
CEP Minerals LLC
Collins & Jones Investments, LLC
Crown Oil Partners, LP
David W. Cromwell
Deane Durham
Good News Minerals, LLC
H. Jason Wacker
Kaleb Smith
LMC Energy LLC
Martin Joyce
McMullen Minerals, LLC
MCT Energy Ltd.
Mike Moylett
Nestegg Energy Corporation
Oak Valley Mineral and Land, LP
Pegasus Resources, LLC
Post Oak Crown IV, LLC
Post Oak Crown IV-B, LLC
Post Oak Mavros II, LLC
Ronald Jackson Erwin
Ross Duncan Properties, LLC
Sortida Resources, LLC

Summary of Contacts (Queenie)

- Marathon retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Marathon searched public records, phone directory, and various different types of internet searches.
- Marathon sent well proposal letters to the working interest owners on or around June 15, 2023.
- Marathon proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Marathon sent the working interest owners JOAs.
- Marathon had multiple communications with the uncommitted working interest owners, which I have outlined in the chart below.
- Marathon filed the application to force pool working interest owners and unleased mineral interest owners who had not entered in to an agreement.
- Marathon’s counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Marathon also published notice in a newspaper of general circulation in the county where the wells will be located.

Summary of Contacts with Working Interest Owners/Unleased Mineral Interest Owners to Be Pooled				
Name	Unit % Interest	Date Proposal Letter Sent	Proposal Letter Received	Follow Up
TAP ROCK RESOURCES II LLC	0.3945312500	6/15/2023	6/20/2023	Currently negotiating JOA
Hanley Petroleum LLC	0.1050000000	6/15/2023	8/30/2023	Elected to participate
LHAH Properties LLC	0.0125000000	6/15/2023	8/30/2023	Elected to participate
Northern Oil & Gas, Inc.	0.0066666700	6/15/2023	6/20/2023	Elected to participate
H6 Holdings LLC	0.0062500000	6/15/2023	9/13//2023	Elected to participate
Escondido Oil & Gas, LLC	0.0033333300	6/15/2023	6/17/2023	Elected to participate
TBO Oil & Gas, LLC	0.0012500000	6/15/2023	6/21/2023	Elected to participate





Farley Duvall
Land Professional - Permian

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

June 15, 2023

TAP ROCK RESOURCES II LLC
523 PARK POINT DRIVE, SUITE 200
GOLDEN, CO 80401

Re: Queenie Fed Com 303, 304, 503, & 504H (the "Wells")
Participation Proposal
E/2 of Sections 10 & 15, T20S-R32E
Lea County, New Mexico

Dear Sir/Madam:

Marathon Oil Permian LLC ("Marathon") proposes the drilling, completion, and equipping of the Wells to test the Bone Springs formation, at a legal location in Sections 10 & 15, Township 20 South, Range 32 East, Lea County, New Mexico (the "Subject Lands), as follows:

Well Name	First Take Point		Last Take Point		TVD	MD	Total AFE
QUEENIE FED COM 303H	1980' FEL Section 15	100' FSL Section 15	1980' FEL Section 10	100' FNL Section 10	8900	19150	\$11,978,652
QUEENIE FED COM 304H	660' FEL Section 15	100' FSL Section 15	660' FEL Section 10	100' FNL Section 10	8900	19150	\$11,978,652
QUEENIE FED COM 503H	1980' FEL Section 15	100' FSL Section 15	1980' FEL Section 10	100' FNL Section 10	9700	19950	\$11,978,652
QUEENIE FED COM 504H	660' FEL Section 15	100' FSL Section 15	660' FEL Section 10	100' FNL Section 10	9700	19950	\$11,978,652

Marathon's title records indicate that TAP ROCK RESOURCES II LLC has an estimated **39.453125%** working interest in this unit.

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

Ridge Runner Resources Operating, LLC hereby elects to:

_____ Not to participate in the **QUEENIE FED COM 303H** Well.

_____ Participate in the **QUEENIE FED COM 303H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **QUEENIE FED COM 304H** Well.

_____ Participate in the **QUEENIE FED COM 304H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **QUEENIE FED COM 503H** Well.

_____ Participate in the **QUEENIE FED COM 503H** Well by paying its proportionate share of all actual costs.

_____ Not to participate in the **QUEENIE FED COM 504H** Well.

_____ Participate in the **QUEENIE FED COM 504H** 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 6/5/2023
 DRILLING & LOCATION PREPARED BY COURT NELSON
 COMPLETION PREPARED BY KRISTEN DRAIN
 FACILITIES PREPARED BY HARSHA DISSANAYAKE
 ARTIFICIAL LIFT PREPARED BY CRAIG PLANTE

Asset Team	PERMIAN				
Field	Bone Spring FORMATION: FB		WILDCAT	EXPLORATION	
Lease/Facility	QUEENIE FED COM 303H		DEVELOPMENT	RECOMPLETION	
Location	E/2 Sec 10 & E/2 Sec 15-20S-32E		X EXPLOITATION	WORKOVER	
Prospect	Ranger				
Est Total Depth	21,200	Est Drilling Days	20	Est Completion Days	7

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	165,000
7001250	Land Broker Fees and Services	110,000
TOTAL LOCATION COST - INTANGIBLE		\$275,000

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Conductor Pipe	34,573
7012050	Surface Casing	76,061
7012050	Intermediate Casing 1	154,888
7012050	Intermediate Casing 2	-
7012050	Production Casing	696,996
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	34,573
7012550	Drilling Wellhead Equipment	33,190
7012040	Casing & Tubing Access	76,061
7290003	Miscellaneous MRO Materials	6,915
TOTAL DRILLING - TANGIBLE		\$1,113,257

GL CODE	DESCRIPTION	ESTIMATED COST
7290002	Drilling Rig Mob/Demob	89,890
7290002	Drilling Rig - day work/footage	622,318
7019040	Directional Drilling Services	211,035
7019020	Cement and Cementing Servi Surface	34,573
7019020	Cement and Cementing Servi Intermediate 1	55,317
7019020	Cement and Cementing Servi Intermediate 2	-
7019020	Cement and Cementing Servi Production	172,866
7019140	Mud Fluids & Services	89,890
7012310	Solids Control equipment	56,009
7012020	Bits	207,439
7019010	Casing Crew and Services	55,317
7016350	Fuel (Rig)	96,459
7019140	Fuel (Mud)	41,488
7001460	Water (non potable)	34,573
7012350	Water (potable)	6,915
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	17,840
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	48,402
7019110	Casing inspection/cleaning	20,744
7019110	Drill pipe/collar inspection services	13,829
7016180	Freight - truck	34,573
7001460	Water hauling and disposal (includes soil farming)	82,976
7001160	Contract Services - Disposal/Non-Hazardous Waste	110,634
7001440	Vacuum Trucks	13,829
7000030	Contract Labor - general	41,488
7000010	Contract Labor - Operations	4,149
7001200	Contract Services - Facilities	13,829
7019300	Well Services - Well Control Services	28,177
7019350	Well Services - Well/Wellhead Services	13,829
7290003	Rental Tools and Equipment (surface rentals)	15,558
7260001	Rig Equipment and Misc.	124,464
7001110	Telecommunications Services	6,915
7001120	Consulting Services	130,687
7001400	Safety and Environmental	43,562
7330002	Rental Buildings (trailers)	15,558
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	293,471
TOTAL DRILLING - INTANGIBLE		\$2,848,603
TOTAL DRILLING COST		\$3,961,860

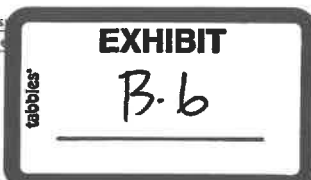
MARATHON OIL PERMIAN LLC
 AUTHORITY FOR EXPENDITURE
 DETAIL OF ESTIMATED WELL COSTS

DATE 6/5/2023

Asset Team	PERMIAN
Field	Bone Spring
Lease/Facility	QUEENIE FED COM 303H

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

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dres)	8,071
7290002	Drilling Rig During Compl	-



7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	126,831
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	318,185
7390002	Fracturing Services	3,318,261
7019330	Perforating	150,731
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	238,181
7016180	Freight - Truck (haul pipe; drlg & compl)	-
7290003	BOP Rental & Testing	-
7290003	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7290003	CT Downhole Rental Equipment (ie. Bit, BHA)	37,473
7290003	Contract Labor - general	-
7000030	Telecommunications Services	28,825
7001110	Safety and Environmental	-
7001400	Consulting Services	75,811
7001120	Zipper Manifold	113,438
7019300	Frac Stack Rentals	98,006
7016180	Freight (Transportation Services)	5,534
7260001	Equipment Rental (w/o operator, frac tanks, lightplants)	146,620
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	28,825
7011010	8% Contingency & Taxes	-
TOTAL COMPLETION - INTANGIBLE		\$4,694,792

TOTAL COMPLETION COST \$4,709,792

SURFACE EQUIPMENT - TANGIBLE		
7012350	Misc. Piping, Fittings & Valves	218,349
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	237,138
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	63,213
7012270	Miscellaneous Materials (containment system)	65,845
7008060	SCADA	20,831
7016180	Freight - truck	21,777
7001190	Contract Engineering	13,490
7012290	Metering and Instrumentation	369,506
7012290	I&E Materials	216,742
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	25,076
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	350,355
7012500	Tanks	61,670
7012100	Heater Treater	182,271
7012640	Flare & Accessories	26,476
7000010	Electrical Labor	119,762
7000010	Mechanical Labor	258,984
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	48,515
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$2,300,000

TOTAL SURFACE EQUIPMENT COST \$ 2,300,000

ARTIFICIAL LIFT		
7000030	Contract Labor	8,612
7001120	Consultant	6,889
7008230	Time Writing/Overhead	8,612
7012180	Artificial Lift Equipment	451,256
7012350	Materials & Supplies	3,445
7012550	Production Tree	8,612
7012580	Tubing	180,847
7016190	Freight	8,612
7018150	Rentals	10,334
7019130	Kill Fluid	3,445
7019220	Well Services & Rig	41,336
TOTAL ARTIFICIAL LIFT		732,000

TOTAL ARTIFICIAL LIFT COST \$ 732,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS		TOTAL COST
TOTAL LOCATION COST		\$ 275,000
TOTAL DRILLING COST		\$ 3,961,860
TOTAL COMPLETIONS COST		\$ 4,709,792
TOTAL SURFACE EQUIPMENT COST		\$ 2,300,000
TOTAL ARTIFICIAL LIFT COST		\$ 732,000
GRAND TOTAL COST		\$11,978,652

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

DATE 6/5/2023
 DRILLING & LOCATION PREPARED BY COURT NELSON
 COMPLETION PREPARED BY KRISTEN DRAIN
 FACILITIES PREPARED BY HARSHA DISSANAYAKE
 ARTIFICIAL LIFT PREPARED BY CRAIG PLANTE

Asset Team	PERMIAN				
Field	Bone Spring FORMATION: SB		WILDCAT	EXPLORATION	
Lease/Facility	QUEENIE FED COM 503H		DEVELOPMENT	RECOMPLETION	
Location	E/2 Sec 10 & E/2 Sec 15-20S-32E	X	EXPLOITATION	WORKOVER	
Prospect	Ranger				
Est Total Depth	21,200	Est Drilling Days	20	Est Completion Days	7

LOCATION COST - INTANGIBLE		
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	165,000
7001250	Land Broker Fees and Services	110,000
TOTAL LOCATION COST - INTANGIBLE		\$275,000

DRILLING COST - TANGIBLE		
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Conductor Pipe	39,111
7012050	Surface Casing	86,043
7012050	Intermediate Casing 1	175,216
7012050	Intermediate Casing 2	-
7012050	Production Casing	495,923
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	39,111
7012550	Drilling Wellhead Equipment	37,546
7012040	Casing & Tubing Access	86,043
7290003	Miscellaneous MRO Materials	7,822
TOTAL DRILLING - TANGIBLE		\$966,815

DRILLING COST - INTANGIBLE		
GL CODE	DESCRIPTION	ESTIMATED COST
7290002	Drilling Rig Mob/Demob	101,688
7290002	Drilling Rig - day work/footage	703,992
7019040	Directional Drilling Services	238,731
7019020	Cement and Cementing Servici Surface	39,111
7019020	Cement and Cementing Servici Intermediate 1	62,577
7019020	Cement and Cementing Servici Intermediate 2	-
7019020	Cement and Cementing Servici Production	195,553
7019140	Mud Fluids & Services	101,688
7012310	Solids Control equipment	63,359
7012020	Bits	234,664
7019010	Casing Crew and Services	62,577
7016350	Fuel (Rig)	109,119
7019140	Fuel (Mud)	46,933
7001460	Water (non potable)	39,111
7012350	Water (potable)	7,822
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	20,181
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	54,755
7019110	Casing inspection/cleaning	23,466
7019110	Drill pipe/collar inspection services	15,644
7016180	Freight - truck	39,111
7001460	Water hauling and disposal (includes soil farming)	93,866
7001160	Contract Services - Disposal/Non-Hazardous Waste	125,154
7001440	Vacuum Trucks	15,644
7000030	Contract Labor - general	46,933
7000010	Contract Labor - Operations	4,693
7001200	Contract Services - Facilities	15,644
7019300	Well Services - Well Control Services	31,875
7019350	Well Services - Well/Wellhead Services	15,644
7290003	Rental Tools and Equipment (surface rentals)	17,600
7260001	Rig Equipment and Misc.	140,798
7001110	Telecommunications Services	7,822
7001120	Consulting Services	147,838
7001400	Safety and Environmental	49,279
7330002	Rental Buildings (trailers)	17,600
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	308,583
TOTAL DRILLING - INTANGIBLE		\$3,199,055
TOTAL DRILLING COST		\$4,165,870

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

DATE 6/5/2023

Asset Team	PERMIAN
Field	Bone Spring
Lease/Facility	QUEENIE FED COM 503H

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

COMPLETION - INTANGIBLE		
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	8,071
7290002	Drilling Rig During Completion	-

7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	126,831
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	318,185
7390002	Fracturing Services	3,318,261
7019330	Perforating	150,731
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	238,181
7016180	Freight - Truck (haul pipe, drlg & compl)	-
7290003	BOP Rental & Testing	-
7290003	Rental Tools and Equipment (incl drlg, lightplant,hydra-walk)	-
7290003	CT Downhole Rental Equipment (Ie. Bit, BHA)	37,473
7290003	Contract Labor - general	-
7000030	Telecommunications Services	28,825
7001110	Safety and Environmental	-
7001400	Consulting Services	75,811
7001120	Zipper Manifold	113,438
7019300	Frack Stack Rentals	98,006
7016180	Freight (Transportation Services)	5,534
7260001	Equipment Rental (w/o operator, frac tanks, lightplants)	146,620
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	28,825
7011010	8% Contingency & Taxes	-
TOTAL COMPLETION - INTANGIBLE		\$4,694,792

TOTAL COMPLETION COST \$4,709,792

SURFACE EQUIPMENT - TANGIBLE		
7012350	Misc. Piping, Fittings & Valves	130,155
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	141,355
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	37,680
7012270	Miscellaneous Materials (containment system)	39,249
7008060	SCADA	12,417
7016180	Freight - truck	12,981
7001190	Contract Engineering	8,041
7012290	Metering and Instrumentation	220,258
7012290	I&E Materials	129,197
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	14,948
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	208,842
7012500	Tanks	36,761
7012100	Heater Treater	108,649
7012640	Flare & Accessories	15,782
7000010	Electrical Labor	71,389
7000010	Mechanical Labor	154,377
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	28,919
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,371,000

TOTAL SURFACE EQUIPMENT COST \$ 1,371,000

ARTIFICIAL LIFT		
7000030	Contract Labor	5,071
7001120	Consultant	4,056
7008230	Time Writing/Overhead	5,071
7012180	Artificial Lift Equipment	265,699
7012350	Materials & Supplies	2,028
7012550	Production Tree	5,071
7012580	Tubing	106,482
7016190	Freight	5,071
7018150	Rentals	6,085
7019130	Kill Fluid	2,028
7019220	Well Services & Rig	24,339
TOTAL ARTIFICIAL LIFT		431,000

TOTAL ARTIFICIAL LIFT COST \$ 431,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS		TOTAL COST
TOTAL LOCATION COST		\$ 275,000
TOTAL DRILLING COST		\$ 4,165,870
TOTAL COMPLETIONS COST		\$ 4,709,792
TOTAL SURFACE EQUIPMENT COST		\$ 1,371,000
TOTAL ARTIFICIAL LIFT COST		\$ 431,000
GRAND TOTAL COST		\$10,952,662

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

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

CASE NO. 23725

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

CASE NO. 23726

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian, LLC, the Applicant herein, declares as follows:

1) The above-referenced Application was provided under notice letter, dated August 15, 2023, and attached hereto, as Exhibit A.

2) Exhibit B is the mailing list, which show the notice letters were delivered to the USPS for mailing on August 15, 2023.

3) Exhibit C is the certified mailing tracking information, which is automatically complied by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.

4) Exhibit D is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the September 7, 2023 hearing was published on August 18, 2023.

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

Dated: October 31, 2023


Deana M. Bennett





MODRALL SPERLING

L A W Y E R S

August 15, 2023

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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23725

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

CASE NO. 23726

TO: AFFECTED PARTIES

This letter is to advise you that Marathon Oil Permian, LLC ("Marathon") has filed the enclosed applications.

In Case No. 23725, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit underlying the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Queenie Fed Com 303H and Queenie Fed Com 503H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. 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 29 miles from Loving, New Mexico.

In Case No. 23726, Marathon seeks an order from the Division all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Queenie Fed Com 304H and Queenie Fed Com 504H** wells, to be horizontally drilled. The wells will be drilled at

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

505.848.1800
w.modrall.com



Page 2

orthodox locations. 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 29 miles from Loving, New Mexico.

The hearing will be conducted remotely on September 7, 2023 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. 23725

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, § 70-2-17, for an order pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea 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 W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico to form a standard 320-acre, more or less, Bone Spring spacing unit.
3. Marathon plans to drill the **Queenie Fed Com 303H and Queenie Fed Com 503H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.
4. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 7, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea 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. 23725 : Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit underlying the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Queenie Fed Com 303H and Queenie Fed Com 503H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. 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 29 miles from 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,
LEA COUNTY, NEW MEXICO.

CASE NO. 23726

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, § 70-2-17, for an order pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the E/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico to form a standard 320-acre, more or less, Bone Spring spacing unit.
3. Marathon plans to drill the **Queenie Fed Com 304H and Queenie Fed Com 504H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.
4. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 7, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea 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. 23726 : **Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Queenie Fed Com 304H and Queenie Fed Com 504H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. 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 29 miles from Loving, New Mexico.

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
08/15/2023

Firm Mailing Book ID: 250734

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0110 9757 35	TAP ROCK RESOURCES II LLC 523 Park Point Drive, Suite 200 Golden CO 80401	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
2	9314 8699 0430 0110 9757 42	Hanley Petroleum LLC 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
3	9314 8699 0430 0110 9757 59	LHAH Properties LLC 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
4	9314 8699 0430 0110 9757 66	Northern Oil & Gas, Inc. 4350 Baker Road, Suite 400 Minnetonka MN 55343	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
5	9314 8699 0430 0110 9757 73	H6 Holdings LLC PO Box 1212 Midland, TX 79702-1212	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
6	9314 8699 0430 0110 9757 80	Esccondido Oil & Gas, LLC PO Box 51390 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
7	9314 8699 0430 0110 9757 97	TBO Oil & Gas, LLC 4505 Mockingbird Lane Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
8	9314 8699 0430 0110 9758 03	The United States of America, BLM 301 Dinosaur Trail Santa Fe NM 87508	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
9	9314 8699 0430 0110 9758 10	ANADARKO E&P ONSHORE LLC P.O. Box 173779 Denver CO 80217	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
10	9314 8699 0430 0110 9758 27	Oak Valley Mineral and Land, LP PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
11	9314 8699 0430 0110 9758 34	Black Family Partnership, Ltd. PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
12	9314 8699 0430 0110 9758 41	Ronald Jackson Erwin PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
13	9314 8699 0430 0110 9758 58	Ross Duncan Properties, LLC PO Box 647 Artesia NM 88211	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
14	9314 8699 0430 0110 9758 65	Martin Joyce PO Box 2142 Roswell NM 88202	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
15	9314 8699 0430 0110 9758 72	Nestegg Energy Corporation 2308 Sierra Vista Road Artesia NM 88210	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice



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16	9314 8699 0430 0110 9758 89	Post Oak Crown IV, LLC 5200 San Felipe Houston TX 77056	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
17	9314 8699 0430 0110 9758 96	Post Oak Crown IV-B, LLC 5200 San Felipe Houston TX 77056	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
18	9314 8699 0430 0110 9759 02	Crown Oil Partners, LP PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
19	9314 8699 0430 0110 9759 19	Collins & Jones Investments, LLC 508 W. Wall Street, Suite 1200 Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
20	9314 8699 0430 0110 9759 26	MCT Energy Ltd. 550 W. Texas Avenue, Suite 945 Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
21	9314 8699 0430 0110 9759 33	H. Jason Wacker 5601 Hillcrest Midland TX 79707	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
22	9314 8699 0430 0110 9759 40	David W. Cromwell 2008 Country Club Drive Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
23	9314 8699 0430 0110 9759 57	CEP Minerals LLC PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
24	9314 8699 0430 0110 9759 64	Good News Minerals, LLC PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
25	9314 8699 0430 0110 9759 71	LMC Energy LLC 550 W. Texas Avenue, Suite 945 Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
26	9314 8699 0430 0110 9759 88	Kaleb Smith PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
27	9314 8699 0430 0110 9759 95	Deane Durham PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
28	9314 8699 0430 0110 9760 08	Mike Moylett PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
29	9314 8699 0430 0110 9760 15	McMullen Minerals, LLC 3100 W. 7th Street, Suite 240 Fort Worth TX 76107	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
30	9314 8699 0430 0110 9760 22	Pegasus Resources, LLC PO Box 123610 Fort Worth TX 76121	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice



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Karlene Schuman
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500 Fourth Street, Suite 1000
Albuquerque NM 87102

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0110 9760 39	Post Oak Mavros II, LLC 34 S. Wynden Drive, Suite 210 Houston TX 77056	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
32	9314 8699 0430 0110 9760 46	Sortida Resources, LLC PO Box 50820 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0179. Notice
Totals:			\$50.88	\$139.20	\$70.40	\$0.00	
Grand Total:						\$260.48	

List Number of Pieces Received at Post Office: 32

Postmaster: *[Signature]*
Name of receiving employee

Dated:



Transaction Report Details - CertifiedPro.net
 Firm Mail Book ID= 250734
 Generated: 10/27/2023 8:59:53 AM

USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
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Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
August 18, 2023
and ending with the issue dated
August 18, 2023.



Publisher

Sworn and subscribed to before me this
18th day of August 2023.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE
August 18, 2023

CASE NO. 23725: Notice to all affected parties, as well as heirs and devisees of Tap Rock Resources II LLC; Hanley Petroleum LLC; LHAH Properties LLC; Northern Oil & Gas, Inc.; H8 Holdings LLC; Escondido Oil & Gas, LLC; TBO Oil & Gas, LLC; The United States of America, BLM; Anadarko E&P Onshore LLC; Oak Valley Mineral and Land, LP; Black Family Partnership, Ltd.; Ronald Jackson Erwin; Ross Duncan Properties, LLC; Martin Joyce; Nestegg Energy Corporation; Post Oak Crown IV, LLC; Post Oak Crown IV - B, LLC; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; CEP Minerals LLC; Good News Minerals, LLC; LMC Energy LLC; Caleb Smith; Deane Durham; Mike Moylett; McMullen Minerals, LLC; Pegasus Resources, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC of Application of Marathon Oil Permian LLC for compulsory pooling, Lea 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 September 7, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit underlying the W/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Queenie Fed Com 303H and Queenie Fed Com 503H wells, to be horizontally drilled. The wells will be drilled at orthodox locations. 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 29 miles from Loving, New Mexico.

CASE NO. 23726: Notice to all affected parties, as well as heirs and devisees of Tap Rock Resources II LLC; Hanley Petroleum LLC; LHAH Properties LLC; Northern Oil & Gas, Inc.; H8 Holdings LLC; Escondido Oil & Gas, LLC; TBO Oil & Gas, LLC; The United States of America, BLM; Anadarko E&P Onshore LLC; Oak Valley Mineral and Land, LP; Black Family Partnership, Ltd.; Ronald Jackson Erwin; Ross Duncan Properties, LLC; Martin Joyce; Nestegg Energy Corporation; Post Oak Crown IV, LLC; Post Oak Crown IV - B, LLC; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; CEP Minerals LLC; Good News Minerals, LLC; LMC Energy LLC; Caleb Smith; Deane Durham; Mike Moylett; McMullen Minerals, LLC; Pegasus Resources, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC of Application of Marathon Oil Permian LLC for compulsory pooling, Lea 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 September 7, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 320-acre, more or less, Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 10 and 15, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Queenie Fed Com 304H and Queenie Fed Com 504H wells, to be horizontally drilled. The wells will be drilled at orthodox locations. 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 29 miles from Loving, New Mexico. #00281763

01104570

00281763

DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS &
P. O. BOX 2168
ALBUQUERQUE, NM 87103-2168

EXHIBIT
D

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

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

CASE NO. 23725

SELF AFFIRMED DECLARATION OF ELIZABETH SCULLY

Elizabeth Scully hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Marathon Oil Permian, LLC (“Marathon”), and have personal knowledge of the matters stated herein. I have 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.
2. My area of responsibility at Marathon includes the area of Lea County in New Mexico.
3. I am familiar with the application filed by Marathon in this case.
4. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
5. **Exhibit C.2** is a wellbore schematic showing Marathon’s development plan.
6. **Exhibits C.3 through C.6** are the geology study I prepared for the Queenie Fed Com 303H well, which will target the First Bone Spring formation.
7. **Exhibit C.3** is a structure map of the First Bone Spring formation. The proposed spacing unit is identified by a black box. The Queenie Fed Com 303H well proposed in this case



are identified by the red line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the South.

8. **Exhibit C.4** is a cross-section reference map that identifies 2 wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

9. **Exhibit C.5** is a stratigraphic cross-section, and the wells shown on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone is identified by green shading.

10. **Exhibit C.6** is an Isopach map of the First Bone Spring formation. Exhibit C.6 identifies the unit by a black box and the Queenie Fed Com 303H well is identified by a red line. The gross interval thickness is near constant.

11. **Exhibits C.7 through C.10** are the geology study I prepared for the Queenie Fed Com 503H well, which will target the Second Bone Spring formation.

12. **Exhibit C.7** is a structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a black box. The Queenie Fed Com 503H well proposed in this case are identified by the red line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the Southeast.

13. **Exhibit C.8** is a cross-section reference map that identifies two wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

14. **Exhibit C.9** is a stratigraphic cross-section, and the wells shown on the cross-section give a representative sample of the Second Bone Spring formation in the area. The target zone is identified by green shading.

15. In my opinion, the gross interval thickness for the Second Bone Spring formation is near constant.

16. **Exhibit C.10** is an Isopach map of the Second Bone Spring formation. Exhibit C.6 identifies the unit by a black box and the Queenie Fed Com 503H well is identified by a red line. The gross interval is near constant thickness.

17. I conclude from the geology studies referenced above that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the proposed unit will contribute more or less equally to production.

18. **Exhibit C.11** provides an overview of the stress orientation in the area based on the 2020 Snee-Zoback paper.

19. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to S_{Hmax} , optimal for induced fracture propagation. This is because the S_{Hmax} is at approximately 40 degrees in this area of Lea County.

20. In my opinion, the granting of Marathon's application is in the interests of conservation and the prevention of waste.

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

[Signature page follows]

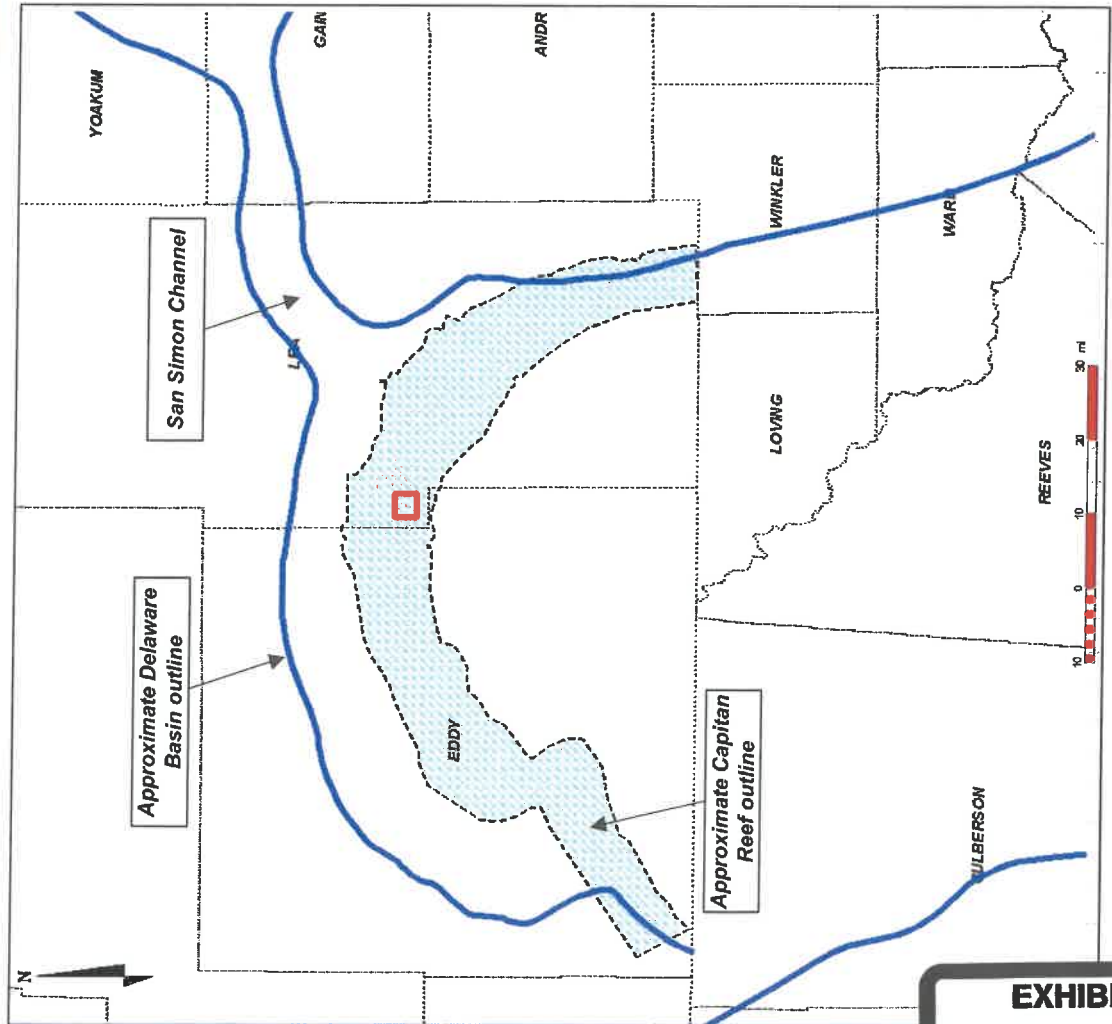
I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: August 31, 2023


Elizabeth Scully

Queenie Fed Com Unit

Locator Map



- Approximate location of proposed Queenie Fed Com well locations shown with red box
- Located within Capitan Reef
- Lea County

tabbies' EXHIBIT C-1

Queenie Fed Com Unit

Wellbore Schematic



tabbles

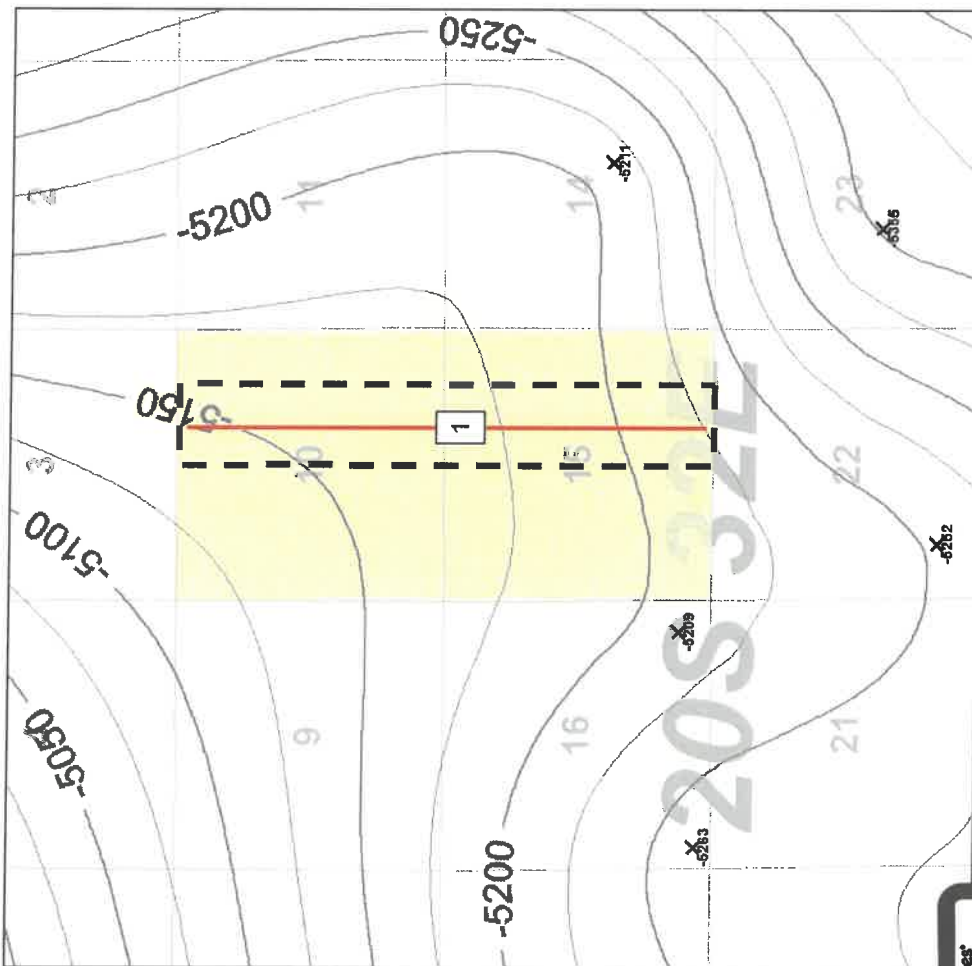
EXHIBIT

C.2



Queenie Fed Com Unit

Structure Map – Top of First Bone (TVDSS)



1 Queenie Fed Com 303H

Map Legend

Proposed Well



Project Area



MRO Acreage

The top of the First Bone dips to the South over project area.

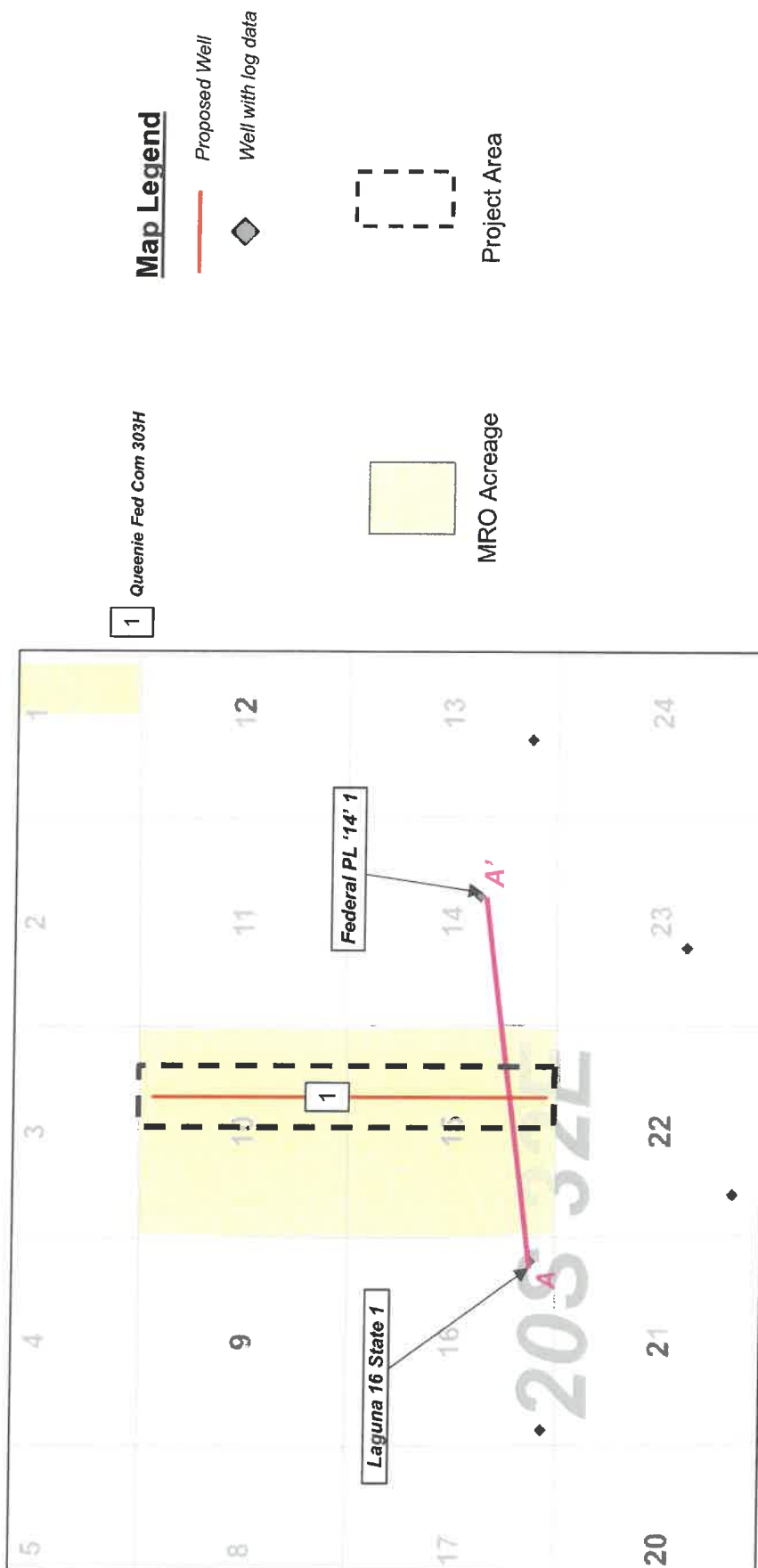
tabbles
EXHIBIT
C.3

C.I. = 25'



Queenie Fed Com Unit

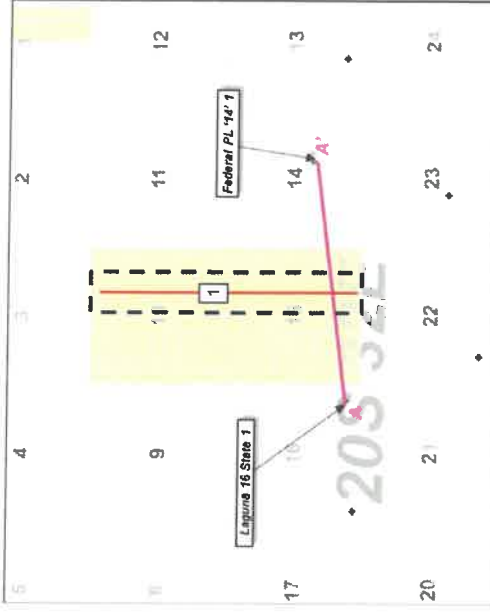
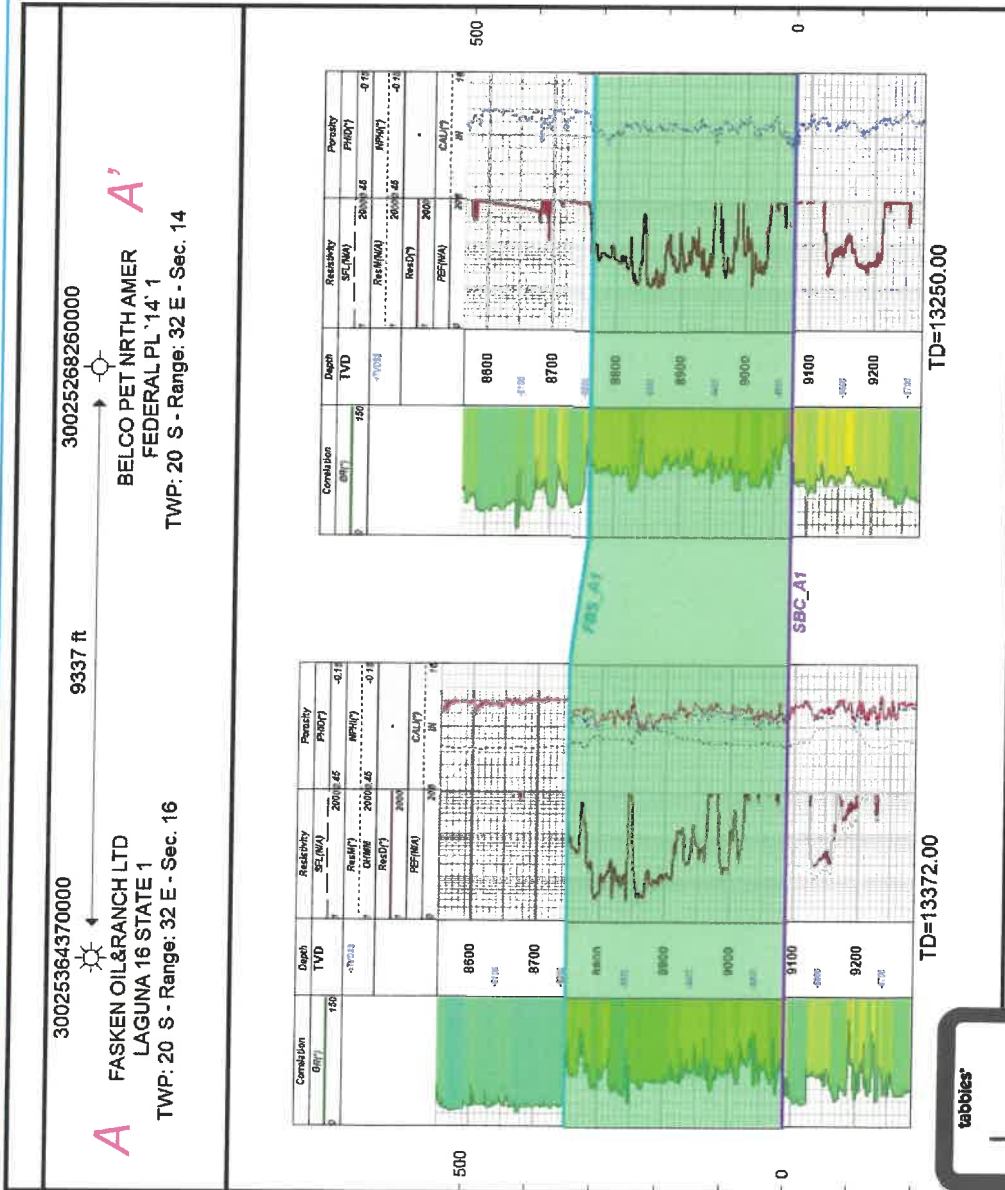
Reference Map for Cross Section



tabbles®
EXHIBIT
 C.4

Queenie Fed Com Unit

Stratigraphic Cross Section (Base of First Bone Datum)



The First Bone Sand is roughly 300' over the project area.

tabbies'

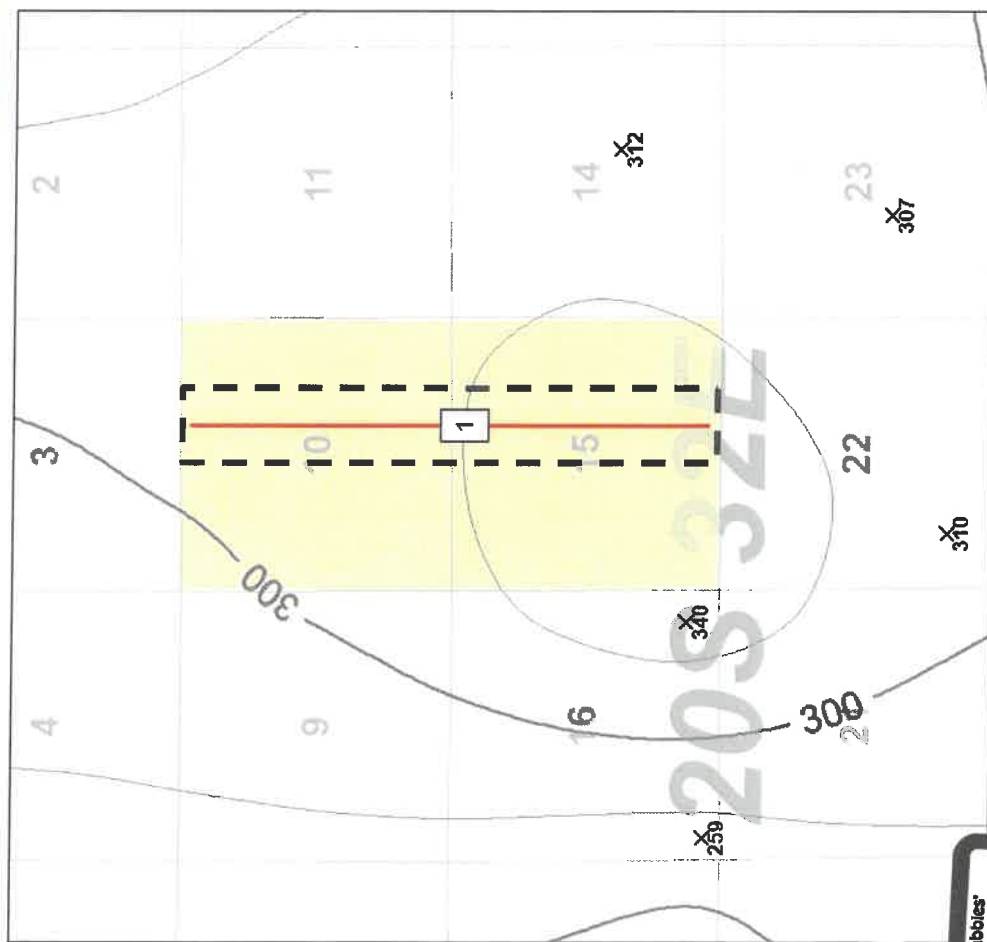
EXHIBIT

C-5



Queenie Fed Com Unit

Structure Map – First Bone Isopach



Map Legend

1 Queenie Fed Com 303H

Proposed Well



Project Area



MRO Acreage

The Firs Bone Sand is roughly 300' over the project area.

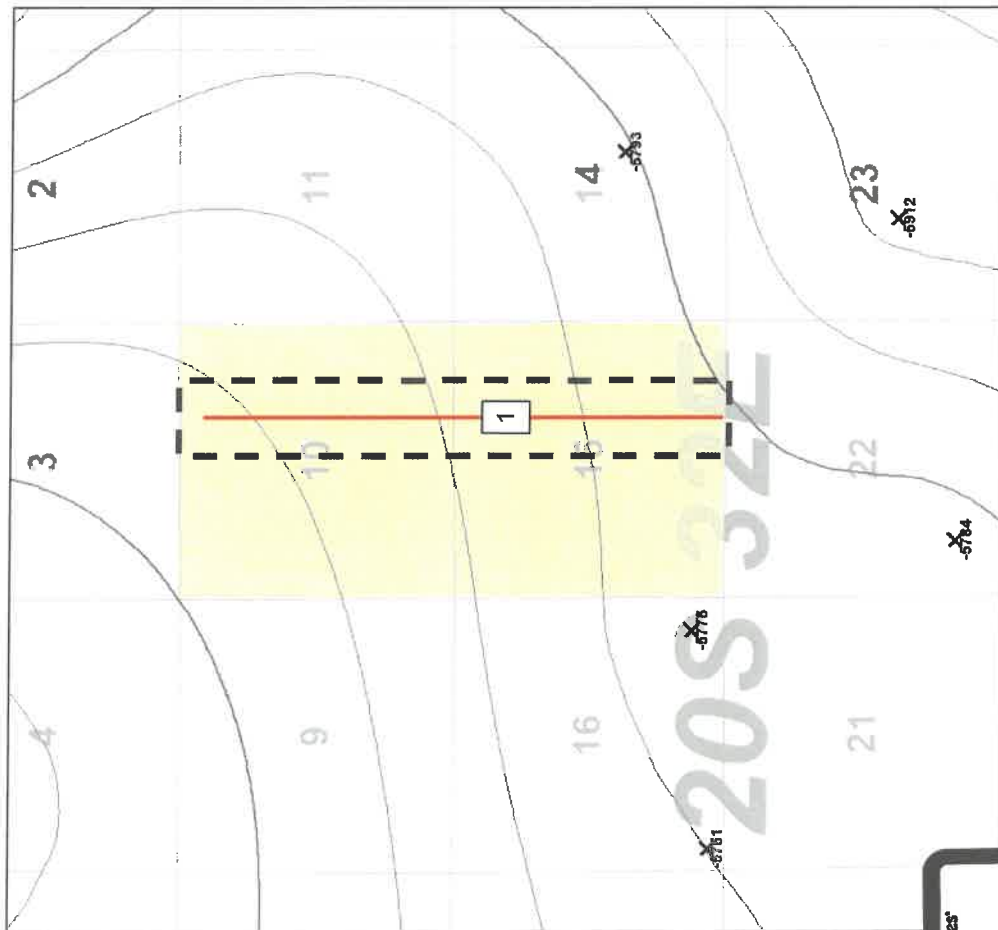
EXHIBIT
C.6

C.I. = 25'



Queenie Fed Com Unit

Structure Map – Top of Second Bone (TVDSS)



1 Queenie Fed Com 503H

Map Legend

Proposed Well



Project Area



MRO Acreage

The top of the Second Bone dips to the Southeast over project area.

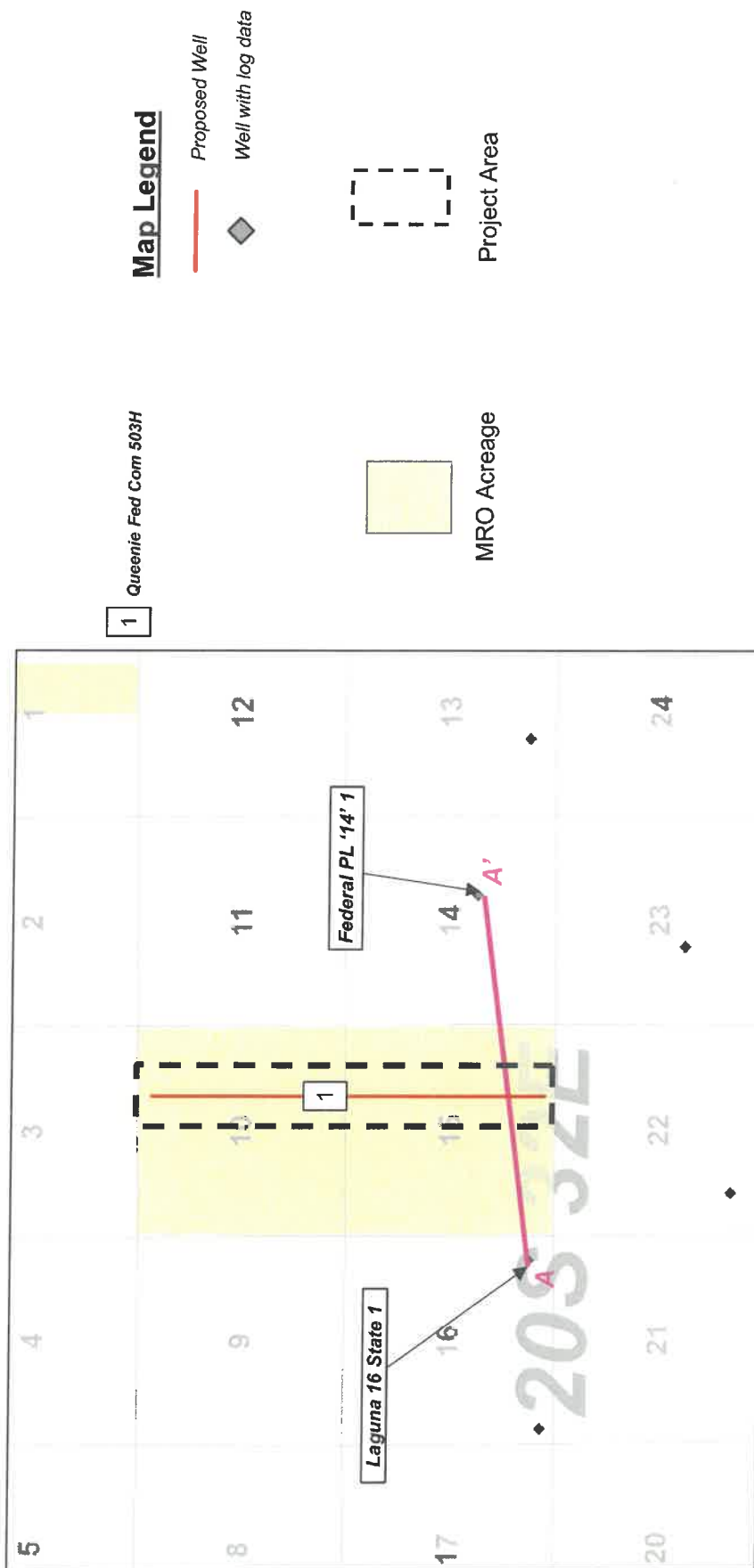
tabbles
EXHIBIT
C.7

C.I. = 25'



Queenie Fed Com Unit

Reference Map for Cross Section

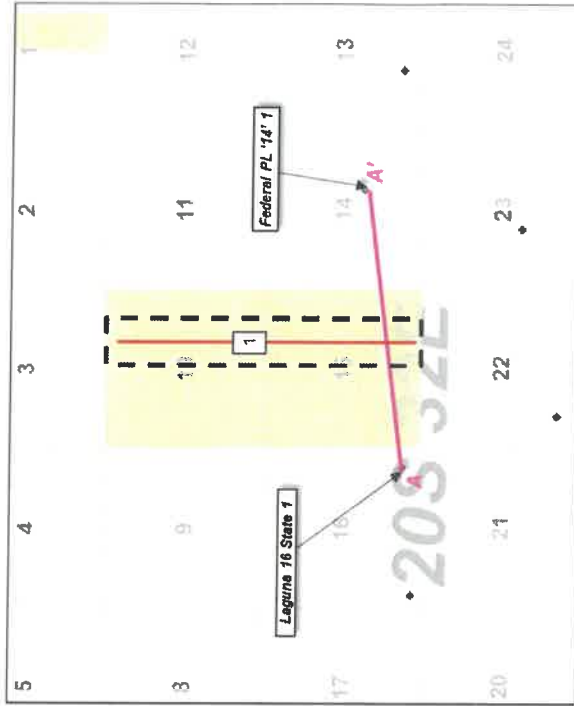
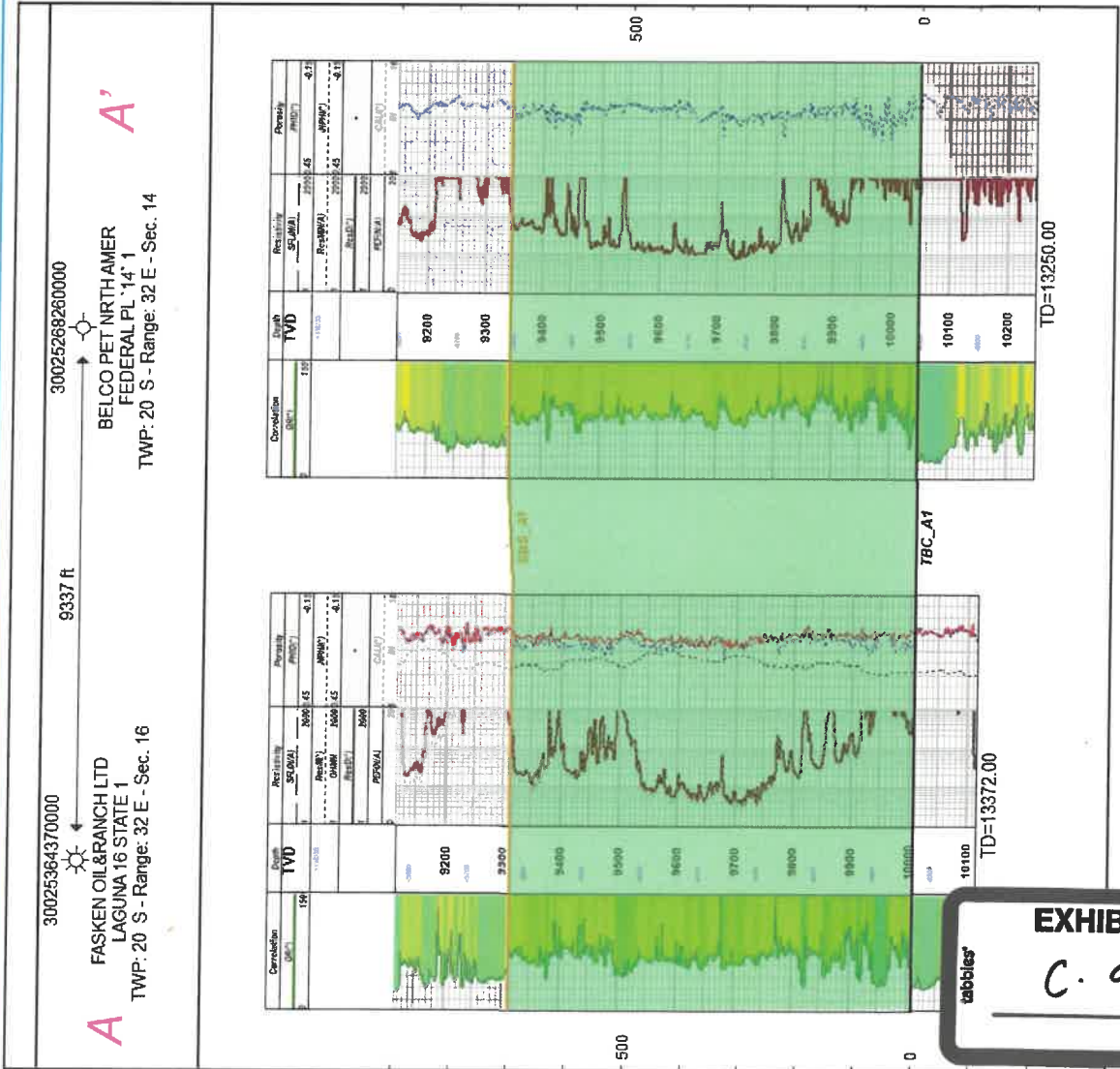


tabbles®
EXHIBIT
 C.8



Queenie Fed Com Unit

Stratigraphic Cross Section (Base of Second Bone Datum)



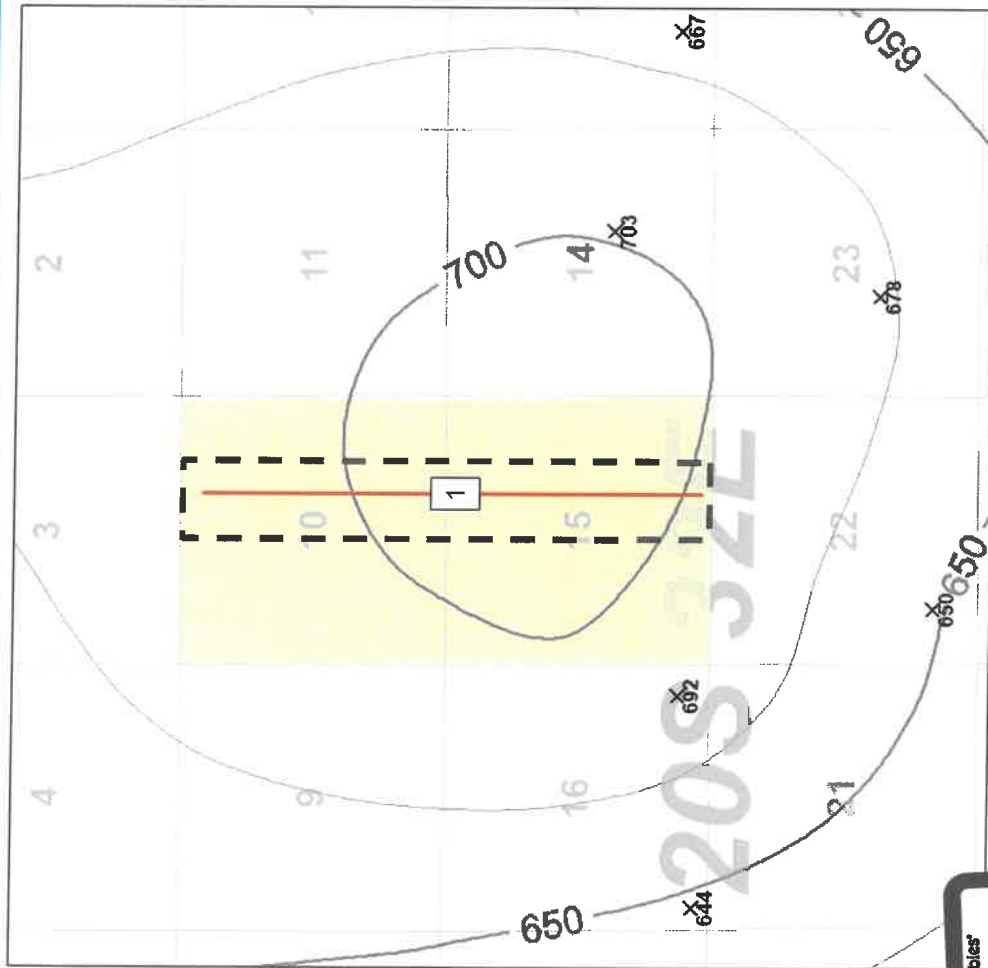
The Second Bone Sand is roughly 700' over the project area.

EXHIBIT
C. 9



Queenie Fed Com Unit

Structure Map – Second Bone Isopach



1 Queenie Fed Com 503H

Map Legend

Proposed Well



Project Area



MRO Acreage

The Second Bone Sand is roughly 700' over the project area.

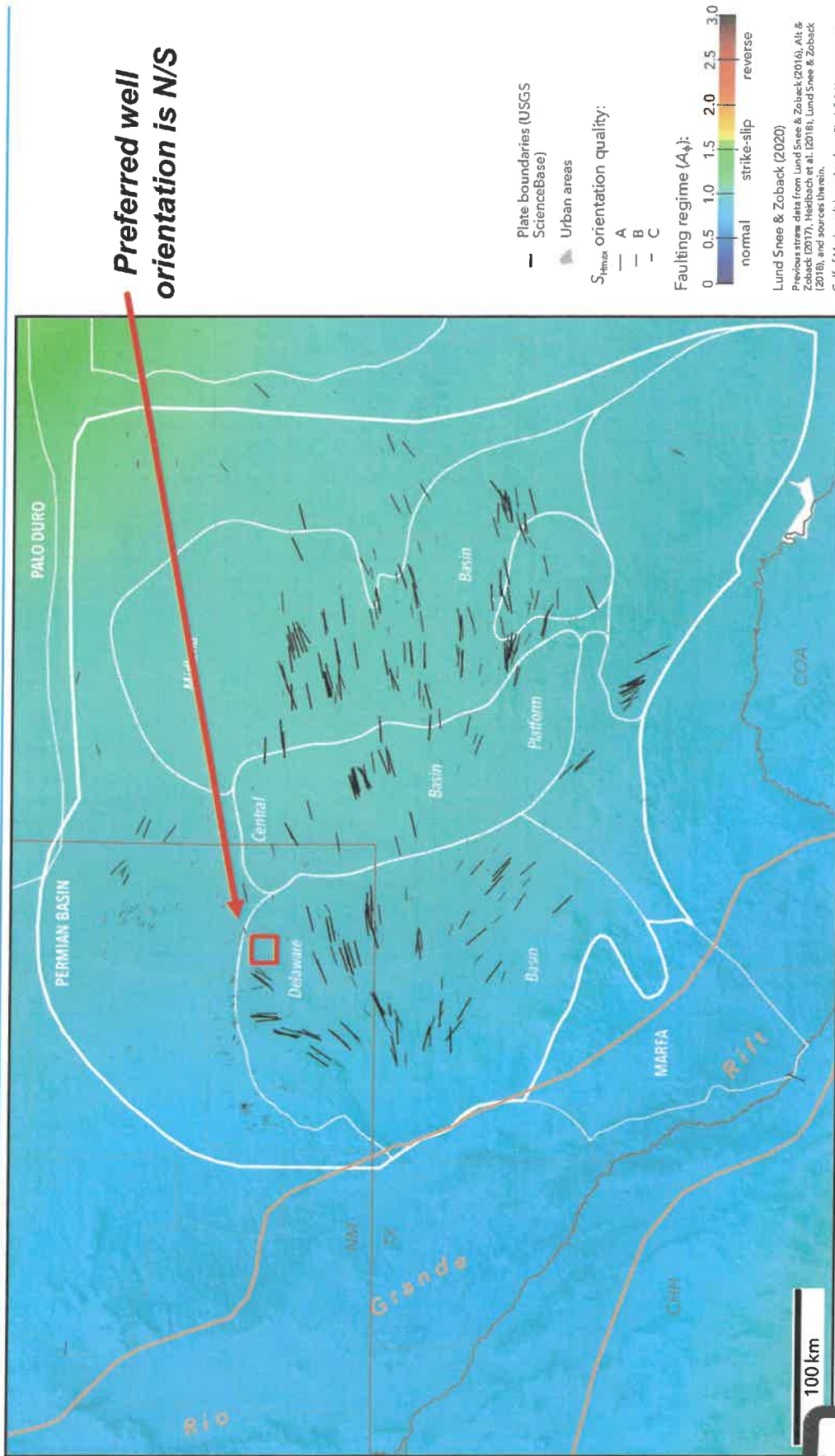
EXHIBIT
C-10

C.I. = 25'



Queenie Fed Com Unit

Preferred Well Orientation - SHmax



tabbies'

EXHIBIT
 C-11