

# Before the Oil Conservation Division Examiner Hearing May 2, 2024

**Case No. 24150**

*Magellan BS Fee 501 & 502H*

*S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM*

*640 Acre Spacing Unit*



**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. 24150**

**TABLE OF CONTENTS**

Tab A: Compulsory Pooling Checklist

Tab B: Affidavit of Farley Duvall, Land Professional

- Exhibit B.1: Application
- Exhibit B.2: C-102s
- Exhibit B.3: Lease Tract Map/Summary of Interests
- Exhibit B.4: Summary of Contacts
- Exhibit B.5: Pooled Party List
- Exhibit B.6: Sample Well Proposal
- Exhibit B.7: AFEs

Tab C: Affidavit of Greg Buratowski, Geologist

- Exhibit C.1: Locator Map
- Exhibit C.2: Wellbore Schematic
- Exhibit C.3: Second Bone Spring Structure Map
- Exhibit C.4: Second Bone Spring Cross-Section Reference Map
- Exhibit C.5: Second Bone Spring Stratigraphic Cross Section
- Exhibit C.6: Second Bone Spring Gross Interval Isochore Map
- Exhibit C.7: Regional Stress Orientation Justification

Tab D: Declaration of Deana M. Bennett

- Exhibit D.1: Sample Notice Letter
- Exhibit D.2: Mailing List of Interested Parties
- Exhibit D.3: Certified Mailing Tracking List
- Exhibit D.4: Affidavit of Publication

# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 24150</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>May 2, 2024</b>
Applicant	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC OGRID 372098
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Red River Energy Partners, LLC; Viper Energy Partners
Well Family	Magellan
<b>Formation/Pool</b>	
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:	Cass Draw; Bone Spring Pool (Code 10380)
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	40-Acres
Orientation:	West/East
Description: TRS/County	S/2 of Sections 28 and 29, Township 22 South, Range 27 East, N.M.P.M., Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	Yes. The completed interval for Magellan BS Fee 501H is expected to be less than 330 feet 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.
Proximity Defining Well: if yes, description	Magellan BS Fee 501H
Applicant's Ownership in Each Tract	Exhibit B.3
<b>Well(s)</b>	
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: Magellan BS Fee 501H	API No. Pending SHL: 1595' FSL & 601' FWL (Unit L), Section 29, T-22-S R-27-E FTP: 1640' FSL & 100' FWL, Section 29, T-22-S R-27-E BHL: 1640' FSL & 100' FWL (Unit I), Section 28, T-22-S R-27-E Orientation: West/East Completion Target: Second Bone Spring Completion Status: Standard TVD: 6,930', MVD: 17,180'
Well #2: Magellan BS Fee 502H	API No. Pending SHL: 1565' FSL & 601' FWL (Unit L), Section 29, T-22-S R-27-E FTP: 330' FSL & 100' FWL, Section 29, T-22-S R-27-E BHL: 330' FSL & 100' FEL (Unit P), Section 28, T-22-S R-27-E Orientation: West/East Completion Target: Second Bone Spring Completion Status: Standard TVD: 6,930', MVD: 17,180'
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B.6
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	See Exhibit B Paragraph 25
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.1, D.2, D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
<b>Ownership Determination</b>	
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	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B.6
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.6
Cost Estimate to Drill and Complete	Exhibit B.7
Cost Estimate to Equip Well	Exhibit B.7
Cost Estimate for Production Facilities	Exhibit B.7

OCD Examiner Hearing 5-2-24

No. 24150

Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2
Well Orientation (with rationale)	Exhibit C.7
Target Formation	Exhibit C.3 to C.6
HSU Cross Section	Exhibit C.5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
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.3
Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section (including Landing Zone)	Exhibit C.5
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Deana M. Bennett
<b>Date:</b>	4/30/2024

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. 24150

STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

**AFFIDAVIT OF FARLEY DUVALL**

Farley Duvall, being duly sworn, deposes and states 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 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 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. Marathon seeks an order pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit underlying the S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.



8. This spacing unit will be dedicated to the Magellan BS Fee 501H and Magellan BS Fee 502H wells, to be horizontally drilled.

9. The completed interval for Magellan BS Fee 501H well is expected to be less than 330 feet 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.

10. The wells are located approximately 1.9 miles from the Carlsbad Brine Well.

11. Attached as **Exhibit B.2** are 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 Cass Draw; Bone Spring, Pool Code 10380.

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 list of the parties being pooled for this case.

23. **Exhibit B.6** 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.

24. **Exhibit B.7** 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.

25. 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.

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

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

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

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

30. 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.

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

32. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

*[Signature page follows]*



Dated: January 29, 2024

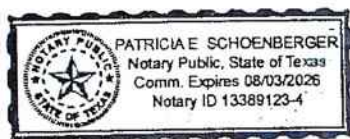
[Signature]  
Farley Duvall

State of Texas

County of Harris

This record was acknowledged before me on January 29, 2024, by Farley Duvall.

[Stamp]



[Signature]  
Notary Public in and for the  
State of Texas  
Commission Number: 13389123-4

My Commission Expires: 8/3/2026

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. 24150

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 640-acre, more or less, Bone Spring horizontal spacing unit comprising the S/2 of Sections 28 and 29, Township 22 South, Range 27 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 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico to form a standard 640-acre, more or less, Bone Spring spacing unit.
3. Marathon plans to drill the **Magellan BS Fee 501H** and **Magellan BS Fee 502H** 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. The completed interval for Magellan BS Fee 501H well is expected to be less than 330 feet 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.



5. 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.

6. 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 February 1, 2024 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 S/2 of Sections 28 and 29, Township 22 South, Range 27 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  
Yarithza Peña  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
deana.bennett@modrall.com  
yarithza.pena@modrall.com  
*Attorneys for Applicant*

**CASE NO. 24150** : **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 640-acre, more or less, Bone Spring horizontal spacing unit underlying S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Magellan BS Fee 501H and Magellan BS Fee 502H wells**, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the Magellan BS Fee 501H well is expected to be less than 330 feet 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 0.5 miles south of Carlsbad, Carlsbad 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

<sup>1</sup> API Number		<sup>2</sup> Pool Code 10380		<sup>3</sup> Pool Name CASS DRAW; BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name MAGELLAN BS FEE			<sup>6</sup> Well Number 501H
<sup>7</sup> OGRID No. 372098		<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC			<sup>9</sup> Elevation 3168'

<sup>10</sup> Surface Location

UL or lot no. L	Section 29	Township 22S	Range 27E	Lot Idn	Feet from the 1595	North/South line SOUTH	Feet from the 601	East/West line WEST	County EDDY
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. I	Section 28	Township 22S	Range 27E	Lot Idn	Feet from the 1640	North/South line SOUTH	Feet from the 100	East/West line EAST	County EDDY
<sup>12</sup> Dedicated Acres 640.00		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

**CORNER COORDINATES  
NAD 83, SPCS NM EAST**

A - X: 586854.90' / Y: 496016.18'  
B - X: 586894.28' / Y: 493368.30'  
C - X: 584237.28' / Y: 493354.14'  
D - X: 581586.14' / Y: 493303.68'  
E - X: 578925.80' / Y: 493319.18'  
F - X: 576298.95' / Y: 493379.43'  
G - X: 576281.96' / Y: 496015.23'  
H - X: 581576.47' / Y: 495973.92'

**CORNER COORDINATES  
NAD 27, SPCS NM EAST**

A - X: 545673.15' / Y: 495956.74'  
B - X: 545712.47' / Y: 493308.93'  
C - X: 543055.51' / Y: 493294.80'  
D - X: 540404.40' / Y: 493244.37'  
E - X: 537744.10' / Y: 493259.90'  
F - X: 535117.29' / Y: 493320.18'  
G - X: 535100.34' / Y: 495955.91'  
H - X: 540394.79' / Y: 495914.55'

**<sup>17</sup> 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 \_\_\_\_\_

**<sup>18</sup> 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 CONVEYANCE, BIDDING, RECORDATION, OR AS THE BASIS FOR THE ISSUANCE OF A PERMIT.

<p><b>SURFACE HOLE LOCATION</b> 1595' FSL 601' FWL, SECTION 29 NAD 83, SPCS NM EAST X: 576890.02' / Y: 494961.11' LAT: 32.36066585N / LON: 104.21819040W NAD 27, SPCS NM EAST X: 535708.38' / Y: 494901.82' LAT: 32.36054743N / LON: 104.21768828W</p>	<p><b>KOP/FIRST TAKE POINT</b> 1640' FSL 100' FWL, SECTION 29 NAD 83, SPCS NM EAST X: 576388.39' / Y: 495017.81' LAT: 32.36082317N / LON: 104.21981481W NAD 27, SPCS NM EAST X: 535206.76' / Y: 494958.52' LAT: 32.36070478N / LON: 104.21931263W</p>	<p><b>LAST TAKE POINT/BOTTOM HOLE LOCATION</b> 1640' FSL 100' FWL, SECTION 28 NAD 83, SPCS NM EAST X: 586769.89' / Y: 495007.66' LAT: 32.36076053N / LON: 104.18619263W NAD 27, SPCS NM EAST X: 545588.12' / Y: 494948.25' LAT: 32.36064167N / LON: 104.18569164W</p>
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Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99975899 and a Convergence Angle: 0

OCD Examiner Hearing 5-2-24

No. 24150

**EXHIBIT**  
B.2

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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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 10380		3 Well Name CASS DRAW; BONE SPRING	
4 Property Code		5 Property Name MAGELLAN BS FEE		6 Well Number 502H	
7 OGRID No. 372098		8 Operator Name MARATHON OIL PERMIAN LLC		9 Elevation 3169'	

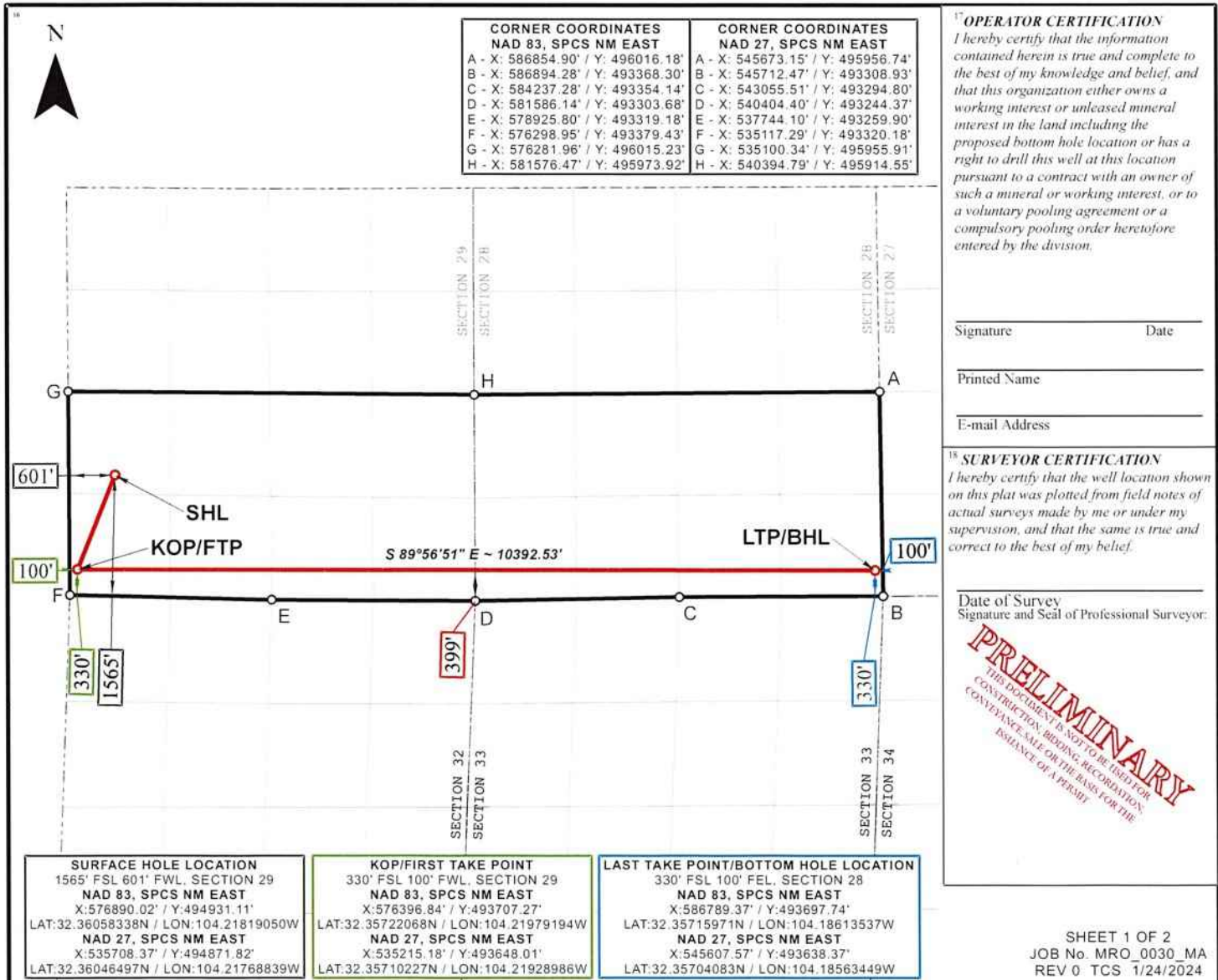
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	29	22S	27E		1565	SOUTH	601	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
P	28	22S	27E		330	SOUTH	100	EAST	EDDY
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.



Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99975899 and a Convergence Angle: 0.06163037°

OCD Examiner Hearing 5-2-24

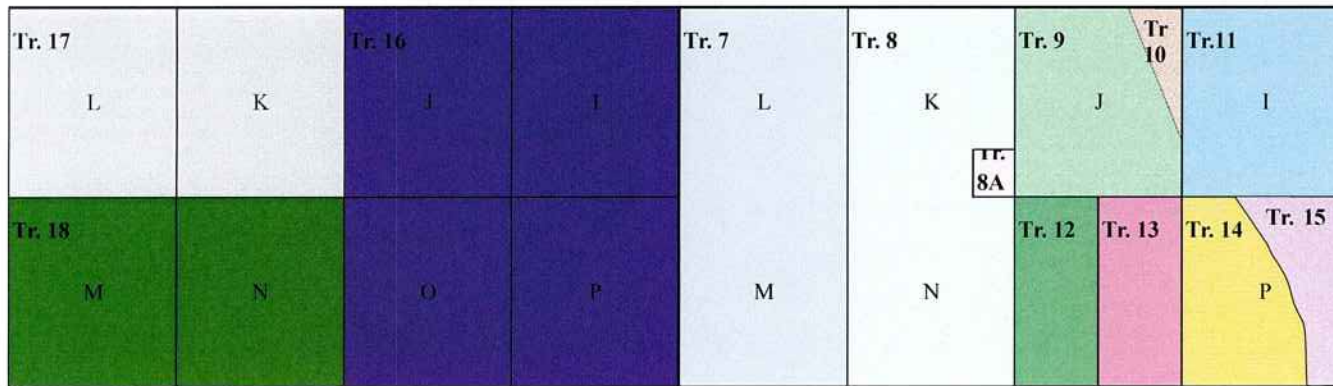
**Exhibit B.3 - Lease Tract Map:**

**Magellan BS Fee 501 & 502H**

**S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM**

**SECTION 29**

**SECTION 28**



Tract	Acres
Tract 7	80.00
Tract 8	76.88
Tract 8a	3.12
Tract 9	34.00
Tract 10	6.00
Tract 11	40.00
Tract 12	20.00
Tract 13	20.00
Tract 14	23.12
Tract 15	16.88
Tract 16	160.00
Tract 17	80.00
Tract 18	80.00
<b>Total</b>	<b>640.00</b>

Total Federal Acres:	0.00
Total State Acres:	0.00
Total Fee Acres:	640.00
<b>Total Unit Acres:</b>	<b>640.00</b>





**Exhibit “B.3” Summary of Working Interests:**

**S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM**

Committed Working Interest: 64.098579%

<u>Interest Owner</u>	<u>Unit WI</u>
Marathon Oil Permian, LLC	51.729975%
Granite Ridge Holdings, LLC	6.310937%
Red River Energy Partners, LLC	3.906250%
GREP IV-A Permian, LLC	0.925806%
GREP V Holdings, LLC	0.694203%
GREP IV-B Permian, LLC	0.483637%
CBR Oil Properties, LLC	0.477708%

Uncommitted Working Interest: 35.901421%

<u>Interest Owner</u>	<u>Unit WI%</u>
XPLOR Resources, LLC	13.091667%
CHI Energy, Inc.	6.250000%
Murchison Oil & Gas, LLC	4.211692%
Pegasus Resources II, LLC	2.802083%
Bean Family Limited Company	2.237813%
Read & Stevens, Inc.	2.237813%
Carnegie Energy, LLC	0.781250%
CRM 2018, L.P.	0.781250%
Viper Energy Partners LLC	0.781250%
Alpha Energy Partners, LLC	0.457031%
Northern Oil and Gas, Inc.	0.457031%
F.I.S.C.O., Inc.	0.341250%
First Century Oil, Inc.	0.341250%
Stevens Oil & Gas, LLC	0.318474%
David M. Stevens, as his sole and separate property	0.159235%
Loveless Land Holdings, LLC	0.068229%
McMullen Minerals II, LP	0.062500%
Lucinda Loveless	0.034115%
The Lucinda Loveless Revocable Trust dated 12/21/2006	0.034115%
Bird Creek Resources, Inc.	0.023438%



**Exhibit "B.3" ORRI Owners:  
Magellan BS Fee 501H & 502H  
S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM**

**ORRI Owners:**

Chi Energy, Inc. f/b/o Chi Royalty Pool  
P.O. Box 1799  
Midland, TX 79702

CHI Energy, Inc.  
P.O. Box 1799  
Midland, TX 79702

Dave Shatzer  
11848 Brookhill Lane  
Dallas, TX 75230

David M. Stevens, as his sole and  
separate property  
3101 Diamond A Drive  
Roswell, NM 88201

Gary Womack  
1507 Princeton Avenue  
Midland, TX 79701

J. David Williams  
507 N. Marienfeld Street, #208  
Midland, TX 79701

Kathleen A. Phillips  
124 S. Glenwood Drive  
Midland, TX 79703

L. E. Oppermann  
1505 Neely Avenue  
Midland, TX 79705

Marathon Oil Permian LLC  
990 Town and County Boulevard  
Houston, TX 77024

Patrick Cole Qualls  
4801 Rust Trail  
Midland, TX 79707

Read & Stevens Employee Benefit Plan  
P.O. Box 1518  
Roswell, NM 88202

Robert F. Duke, as Trustee of the Family  
Trust created under the amended and  
restated Trust Agreement dated 9/3/2008  
P.O. Box 3729  
Midland, TX 79702

Ronald T. May  
2163 Lima Loop 2-213  
Laredo, TX 78045

Spindletop Exploration Company, Inc.  
P.O. Box 25163  
Dallas, TX 75225

Stevens Oil & Gas, LLC  
P.O. Box 3087  
Roswell, NM 88202

The Estate of Matthew Porter Qualls  
1500 S. Avenue A,  
Portales, NM 88130

White Star Energy, Inc.  
P.O. Box 51108  
Midland, TX 79710

Wildhorse Interest, LLC  
218 N. Main Street, Suite C  
Midland, TX 79701

WPX Energy Permian, LLC  
15205 Traditions Lake Parkway  
Edmond, OK 73013



## Exhibit B.4 - Summary of Contacts: Magellan BS Fee 501H & 502H S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM

Interest Owner	Unit WI	Date Proposal Sent	Date Proposal Received	Follow Up	Follow Up Date	Committed or Uncommitted
XPL Oil Resources, LLC 1104 North State Drive Cedarbnd, NM 88220	13.091667%	3/6/2023	3/6/2023	Confirmed Wyooperations timing and inquired about trading their interest	7/27/2023	Uncommitted
Weed Pecca Trading Company, LLC 5849 Linton Street Houston, TX 77055	8.414583%	2/1/2023	2/7/2023	Elected to Participate	2/23/2023	Uncommitted
Oil Energy, Inc P.O. Box 1799 Midland, TX 79702	8.250000%	2/1/2023	2/15/2023	Proposals delivered	2/15/2024	Uncommitted
Murchison Oil & Gas, LLC 1445 ROSS AVE, SUITE 5300, LA 152 DALLAS, TX, 75202-2733	4.211893%	2/1/2024	2/2/2024	Phone call and multiple emails to discuss interest, timing, and JDA. Indicated Murchison would most likely be participating	2/29/2024	Uncommitted
Red River Energy Partners, LLC P.O. Box 2455 Midland, TX 79702	3.966250%	1/25/2024	1/26/2024	Negotiated JDA terms.	4/23/2024	Committed
Pegasus Resources II, LLC PO BOX 71077 DALLAS, TX 75273-1077	2.820935%	1/25/2024	1/26/2024	Found later in title. Proposals sent via Fed Ex 1/25/24	1/26/2024	Uncommitted
Basin Family Limited Company P.O. Box 42756 Ho-Roches, NM 87124	2.237813%	1/25/2024	1/26/2024	Found later in title. Proposals sent via Fed Ex 1/25/24	1/26/2024	Uncommitted
Rabit & Stevens, Inc. P.O. Box 1518 Roswell, NM 88201	2.237813%	2/1/2023	2/7/2023	Proposals sent via email after conversations to confirm WI	2/17/2023	Uncommitted
Carnegie Energy, LLC P.O. Box 12202 Dallas, TX 75225	0.781250%	1/15/2024	1/15/2024	Entered in JDA and elected to participate	3/6/2024	Committed
CRM 2018, L.P. 1959 Bryan Street, Suite 900 Dallas, TX 75201	0.781250%	2/1/2023	2/6/2023	Email conversations regarding WI, Ops timing, and if MOP would be interested in leasing	6/1/2023	Uncommitted
Viper Energy Partners LLC 900 NW 82ND ST SUITE 200 OKLAHOMA CITY, OK, 73116	0.781250%	1/25/2024	4/23/2024	Email conversation initiated by Viper to inquire about Marathon leasing their interest.	4/23/2024	Uncommitted
CBR Oil Properties, LLC 400 N. Pennsylvania, Suite 1880 Roswell, NM 88201	0.477708%	2/1/2023	2/7/2023	Entered in JDA and elected to participate	1/24/2024	Committed
Alpha Energy Partners, LLC P.O. Box 10701 Midland, TX 79702	0.457031%	2/1/2023	3/26/2023	Email conversations regarding WI, Ops timing, and target depths	10/18/2023	Uncommitted
Northern Oil and Gas, Inc. 4200 Baker Road, Suite 400 Minnetonka, MN 55343	0.457031%	2/1/2023	2/7/2023	Elected to Participate	3/6/2023	Uncommitted
F J S C O., Inc. PO Box 3067 Roswell, New Mexico 88201	0.341250%	2/1/2023	2/7/2023	Elected to Participate	2/25/2023	Uncommitted
First Century Oil, Inc. 402 N. Pennsylvania, Suite 1000 Roswell, NM 88201	0.341250%	2/1/2023	2/7/2023	Proposals sent via email after conversations to confirm WI	2/17/2023	Uncommitted
Stevens Oil & Gas, LLC P.O. Box 8837 Roswell, NM 88202	0.318474%	2/1/2023	2/7/2023	Elected to Participate. Email conversation 3/25/24 to discuss operations timing	3/25/2024	Uncommitted
David M. Stevens, as his sole and separate property 3151 Diamond A Drive Roswell, NM 88201	0.159205%	2/1/2023	2/7/2023	Elected to Participate	3/22/2023	Uncommitted
Lowless Land Holdings, LLC P.O. Box 13454 Dallas, TX 75225	0.088229%	3/8/2023	3/8/2023	Proposals sent via email after conversations regarding timing, WI, and JDA terms	9/19/2023	Uncommitted
McMullen/Marston II, LP P.O. BOX 470607 FORT WORTH, TX, 76147	0.082500%	1/25/2024	1/26/2024	Found later in title. Proposals sent via Fed Ex 1/25/24	1/26/2024	Uncommitted
Lovinka Loretta P.O. Box 8 Hondo, NM 88336	0.034115%	3/6/2023	3/6/2023	Proposals sent via email after conversations regarding timing, WI, and JDA terms	9/19/2023	Uncommitted
The Lovinka Loretta Revocable Trust dated 12/1/2006 P.O. Box 8 Hondo, NM 88336	0.034115%	2/1/2023	2/16/2023	Proposals sent via email after conversations regarding timing, WI, and JDA terms	9/19/2023	Uncommitted
Blind Creek Resources, Inc. 1437 South Boulder Avenue, Suite 500 Texas, Cir 74119	0.023438%	2/1/2024	2/8/2024	Email to confirm WI	2/14/2024	Uncommitted



**Case 24150: Parties to Be Pooled**

**Working Interest Owners**

XPLOR Resources, LLC  
 CHI Energy, Inc.  
 Murchison Oil & Gas, LLC  
 Pegasus Resources II, LLC  
 Bean Family Limited Company  
 Read & Stevens, Inc.  
 Carnegie Energy, LLC  
 CRM 2018, L.P.  
 Viper Energy Partners LLC  
 Alpha Energy Partners, LLC  
 Northern Oil and Gas, Inc.  
 F.I.S.C.O., Inc.  
 First Century Oil, Inc.  
 Stevens Oil & Gas, LLC  
 David M. Stevens, as his sole and separate property  
 Loveless Land Holdings, LLC  
 McMullen Minerals II, LP  
 Lucinda Loveless  
 The Lucinda Loveless Revocable Trust dated 12/21/2006  
 Bird Creek Resources, Inc.

**ORRI**

Chi Energy, Inc. f/b/o Chi Royalty Pool  
 CHI Energy, Inc.  
 Dave Shatzer  
 David M. Stevens, as his sole and separate property  
 Gary Womack  
 J. David Williams  
 Kathleen A. Phillips  
 L.E. Oppermann  
 Patrick Cole Qualls  
 Read & Stevens Employee Benefit Plan  
 Robert F. Duke, as Trustee of the Family Trust created under the amended and restated Trust Agreement dated 9/3/2008  
 Ronald T. May  
 Spindletop Exploration Company, Inc.  
 Stevens Oil & Gas, LLC  
 The Estate of Matthew Porter Qualls  
 White Star Energy, Inc.  
 Wildhorse Interest, LLC  
 WPX Energy Permian, LLC





Farley Duvall  
Land Professional - Permian

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

DELIVERED VIA: Email 4/18/2023

April 18, 2023

Xplor Resources, LLC  
1104 North Shore Dr  
Carlsbad, NM 88220

Re: Magellan Unit  
Participation Proposal  
Sections S/2 28, & S/2 29, T22S-R27E  
Eddy County, New Mexico

Dear Sir/Madam:

Marathon Oil Permian LLC (“Marathon”) proposes the drilling, completion, and equipping of the following wells, at legal location in the S/2 of Sections 28 & Section 29, Township 22 South, Range 27 East, Eddy County, New Mexico (the “Subject Lands), as follows:

WELL NAMES	First Take Point	Last Take Point	Est. TVD	Est. MD	Proration Unit
<b>Magellan WC Fee 701H</b>	330' FWL & 1980' FSL of Section 29	330' FEL & 1980' FSL of Section 28	8,834'	19,084'	S/2 Sections 28 & 29 (640 Acre Pool)
<b>Magellan WC Fee 801H</b>	330' FWL & 1980' FSL of Section 29	330' FEL & 1980' FSL of Section 28	9,430'	19,680'	S/2 Sections 28 & 29 (640 Acre Pool)
<b>Magellan WC Fee 702H</b>	330' FWL & 660' FSL of Section 29	330' FEL & 660' FSL of Section 28	8,834'	19,084'	S/2 Sections 28 & 29 (640 Acre Pool)
<b>Magellan WC Fee 802H</b>	330' FWL & 660' FSL of Section 29	330' FEL & 660' FSL of Section 28	9,430'	19,680'	S/2 Sections 28 & 29 (640 Acre Pool)
<b>Magellan BS Fee 501H</b>	100' FWL & 1640' FSL of Section 29	100' FEL & 1640' FSL of Section 28	6,930'	17,180'	S/2 Sections 28 & 29 (640 Acre Pool)
<b>Magellan BS Fee 502H</b>	100' FWL & 330' FSL of Section 29	100' FEL & 330' FSL of Section 28	6,930'	17,180'	S/2 Sections 28 & 29 (640 Acre Pool)



OCD Examiner Meeting 6-2-24

No. 24150

19

**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 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**



Farley Duvall  
Land Professional

**PARTICIPATION BALLOT**

**Xplor Resources, LLC** hereby elects to:

\_\_\_\_\_ Not to participate in the **Magellan WC Fee 701H** Well.

\_\_\_\_\_ Participate in the **Magellan WC Fee 701H** Well by paying its proportionate share of all actual costs.

\_\_\_\_\_ Not to participate in the **Magellan WC Fee 801H** Well.

\_\_\_\_\_ Participate in the **Magellan WC Fee 801H** Well by paying its proportionate share of all actual costs.

\_\_\_\_\_ Not to participate in the **Magellan WC Fee 702H** Well.

\_\_\_\_\_ Participate in the **Magellan WC Fee 702H** Well by paying its proportionate share of all actual costs.

\_\_\_\_\_ Not to participate in the **Magellan WC Fee 802H** Well.

\_\_\_\_\_ Participate in the **Magellan WC Fee 802H** Well by paying its proportionate share of all actual costs.

\_\_\_\_\_ Not to participate in the **Magellan WC Fee 501H** Well.

\_\_\_\_\_ Participate in the **Magellan WC Fee 501H** Well by paying its proportionate share of all actual costs.

\_\_\_\_\_ Not to participate in the **Magellan WC Fee 502H** Well.

\_\_\_\_\_ Participate in the **Magellan WC Fee 502H** 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 1/26/2023  
 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	WILDCAT	EXPLORATION
Field	Bone Spring	DEVELOPMENT	RECOMPLETION
Lease/Facility	Magellan BS Fee 501H	X EXPLOITATION	WORKOVER
Location	Sections 28 & 29-225-27E		
Prospect	Red Hills		

Est Total Depth 17,400 Est Drilling Days 17.7 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
		0
TOTAL LOCATION COST - INTANGIBLE		\$275,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	34,719
7012050	Surface Casing	23,609
7012050	Intermediate Casing 1	72,215
7012050	Intermediate Casing 2	-
7012050	Production Casing	361,073
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	34,719
7012550	Drilling Wellhead Equipment	33,330
7012040	Casing & Tubing Access	76,381
7290003	Miscellaneous MRO Materials	6,944
		-
TOTAL DRILLING - TANGIBLE		\$642,988

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	90,268
7290002	Drilling Rig - day work/footage	561,052
7019040	Directional Drilling Services	186,369
7019020	Cement and Cementing Service Surface	20,831
7019020	Cement and Cementing Service Intermediate 1	34,719
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	208,311
7019140	Mud Fluids & Services	87,074
7012310	Solids Control equipment	50,495
7012020	Bits	166,649
7019010	Casing Crew and Services	55,550
7016350	Fuel (Rig)	86,963
7019140	Fuel (Mud)	41,662
7001460	Water (non potable)	34,719
7012350	Water (potable)	6,944
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	15,519
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	48,606
7019110	Casing inspection/cleaning	20,831
7019110	Drill pipe/collar inspection services	13,887
7016180	Freight - truck	34,719
7001460	Water hauling and disposal (includes soil farming)	83,325
7001160	Contract Services - Disposal/Non-Hazardous Waste	111,099
7001440	Vacuum Trucks	13,887
7000030	Contract Labor - general	41,662
7000010	Contract Labor - Operations	4,166
7001200	Contract Services - Facilities	13,887
7019300	Well Services - Well Control Services	27,046
7019350	Well Services - Well/Wellhead Services	13,887
7290003	Rental Tools and Equipment (surface rentals)	14,026
7260001	Rig Equipment and Misc.	112,210
7001110	Telecommunications Services	6,944
7001120	Consulting Services	117,821
7001400	Safety and Environmental	39,274
7330002	Rental Buildings (trailers)	14,026
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	241,713
TOTAL DRILLING - INTANGIBLE		\$2,620,142

TOTAL DRILLING COST \$3,263,130

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

DATE 1/26/2023

Asset Team	PERMIAN
Field	Purple Sage; Wolfcamp
Lease/Facility	Magellan BS Fee 501H

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

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	\$ 3,263,130
TOTAL COMPLETIONS COST	\$ 4,709,792
TOTAL SURFACE EQUIPMENT COST	\$ 1,371,000
TOTAL ARTIFICIAL LIFT COST	\$ 431,000
<b>GRAND TOTAL COST</b>	<b>\$10,049,922</b>

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

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 COMPLETION PREPARED BY KRISTEN DRAIN  
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Asset Team	PERMIAN
Field	Bone Spring
Lease/Facility	Magellan BS Fee 502H
Location	Sections 28 & 29-22S-27E
Prospect	Red Hills

<input type="checkbox"/>	WILDCAT	<input type="checkbox"/>	EXPLORATION
<input type="checkbox"/>	DEVELOPMENT	<input type="checkbox"/>	RECOMPLETION
<input checked="" type="checkbox"/>	EXPLOITATION	<input type="checkbox"/>	WORKOVER

Est Total Depth 17,400 Est Drilling Days 17.7 Est Completion Days 7

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7019020	Cement and Cementing Service Surface	20,831
7019020	Cement and Cementing Service Intermediate 1	34,719
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	208,311
7019140	Mud Fluids & Services	87,074
7012310	Solids Control equipment	50,495
7012020	Bits	166,649
7019010	Casing Crew and Services	55,550
7016350	Fuel (Rig)	86,963
7019140	Fuel (Mud)	41,662
7001460	Water (non potable)	34,719
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7019000	Well Logging Services	-
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7001440	Vacuum Trucks	13,887
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MARATHON OIL PERMIAN LLC  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

DATE 1/26/2023

Asset Team	PERMIAN
Field	Purple Sage; Wolfcamp
Lease/Facility	Magellan BS Fee 502H

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

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	\$ 3,263,130
TOTAL COMPLETIONS COST	\$ 4,709,792
TOTAL SURFACE EQUIPMENT COST	\$ 1,371,000
TOTAL ARTIFICIAL LIFT COST	\$ 431,000
GRAND TOTAL COST	\$10,049,922



7. **Exhibit C.3** is a structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a black-dashed line box. The Magellan BS Fee 501H and Magellan BS Fee 502H wells 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 east.

8. **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'.

9. **Exhibit C.5** 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.

10. **Exhibit C.6** is a Gross Interval Isochore map of the Second Bone Spring formation. Exhibit C.6 identifies the unit by a black-dashed line box and the Magellan BS Fee 501H and Magellan BS Fee 502H wells are identified by a red line. The gross interval thickness increases to the east of the unit but is consistent across the unit.

11. 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.

12. **Exhibit C.7** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

13. The preferred well orientation in this area is either north/south or east/west, because the  $S_{Hmax}$  is at approximately 45 degrees ENE in this area of Eddy County.

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

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

*[Signature page follows]*

Dated: January 29, 2024

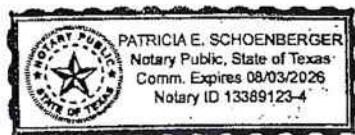
  
Greg Buratowski

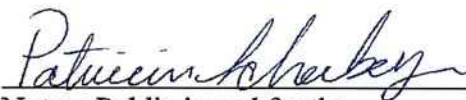
State of Texas

County of Harris

This record was acknowledged before me on January 29, 2024, by Greg Buratowski.

[Stamp]



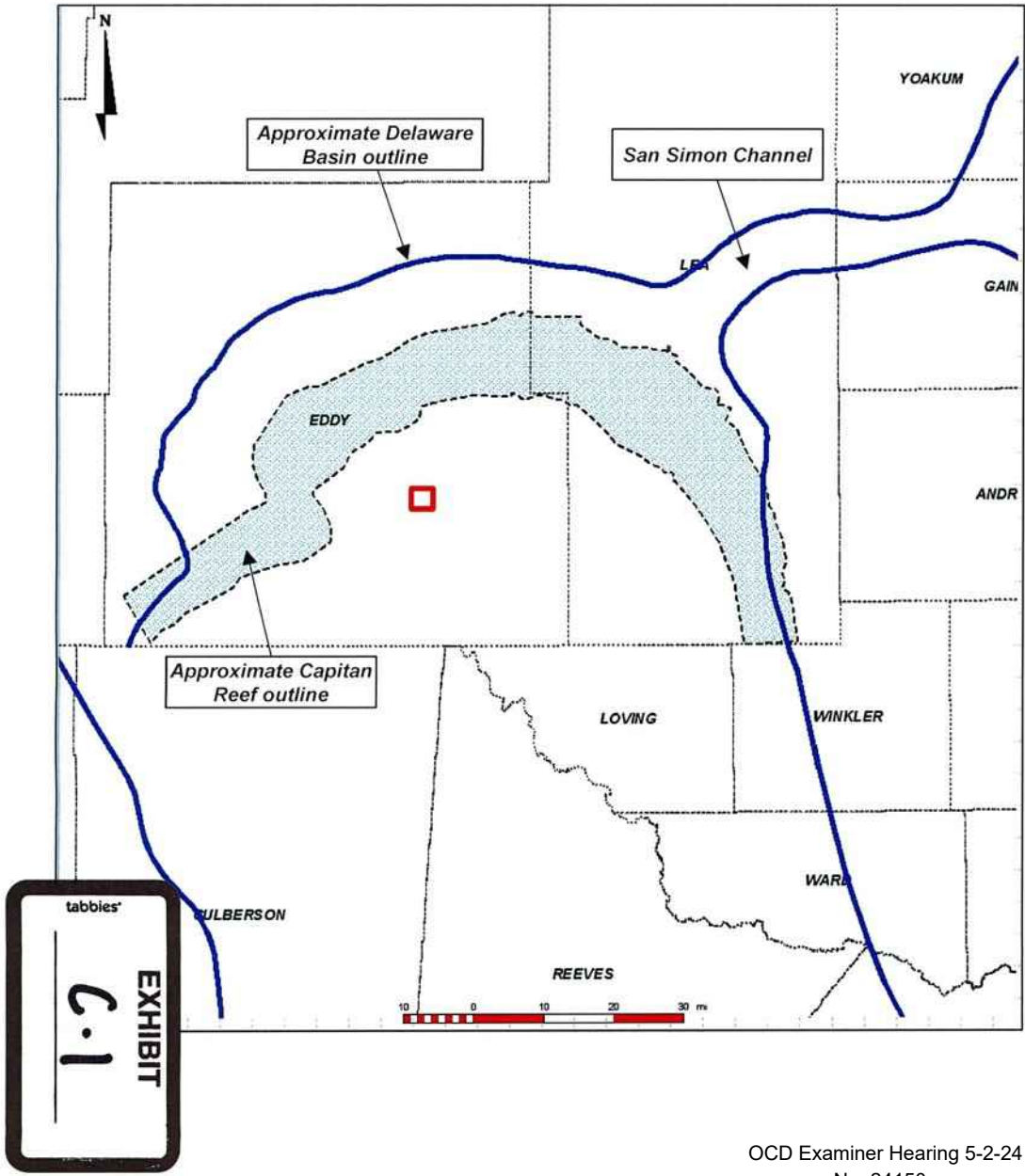
  
Notary Public in and for the  
State of Texas  
Commission Number: 13389123-4

My Commission Expires: 8/3/2026

# Magellan Fee Unit

## Locator Map

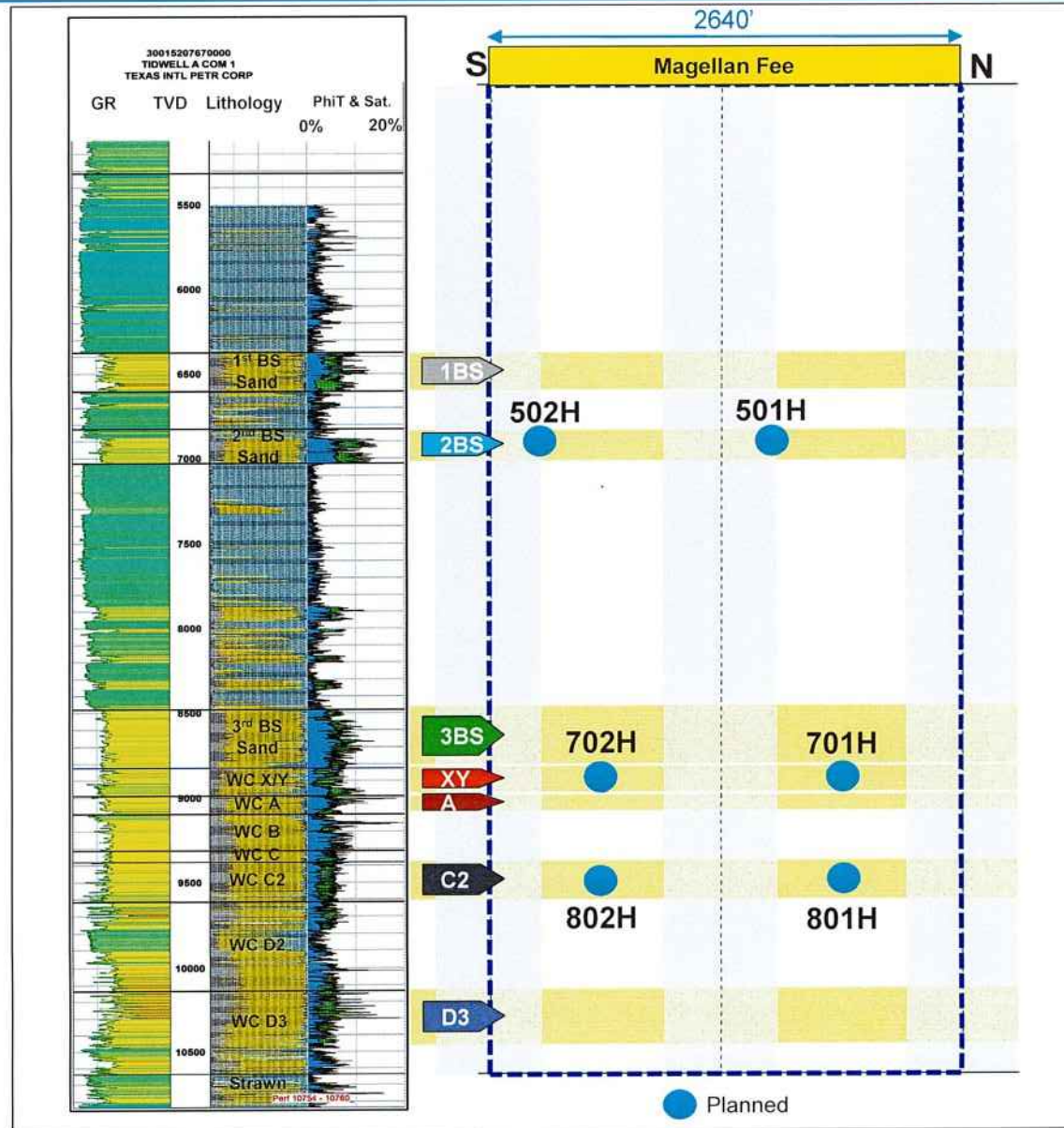
- Approximate location of proposed Magellan Fee well locations shown with red box
- Located outside of the Capitan Reef
- Mid-eastern Eddy County





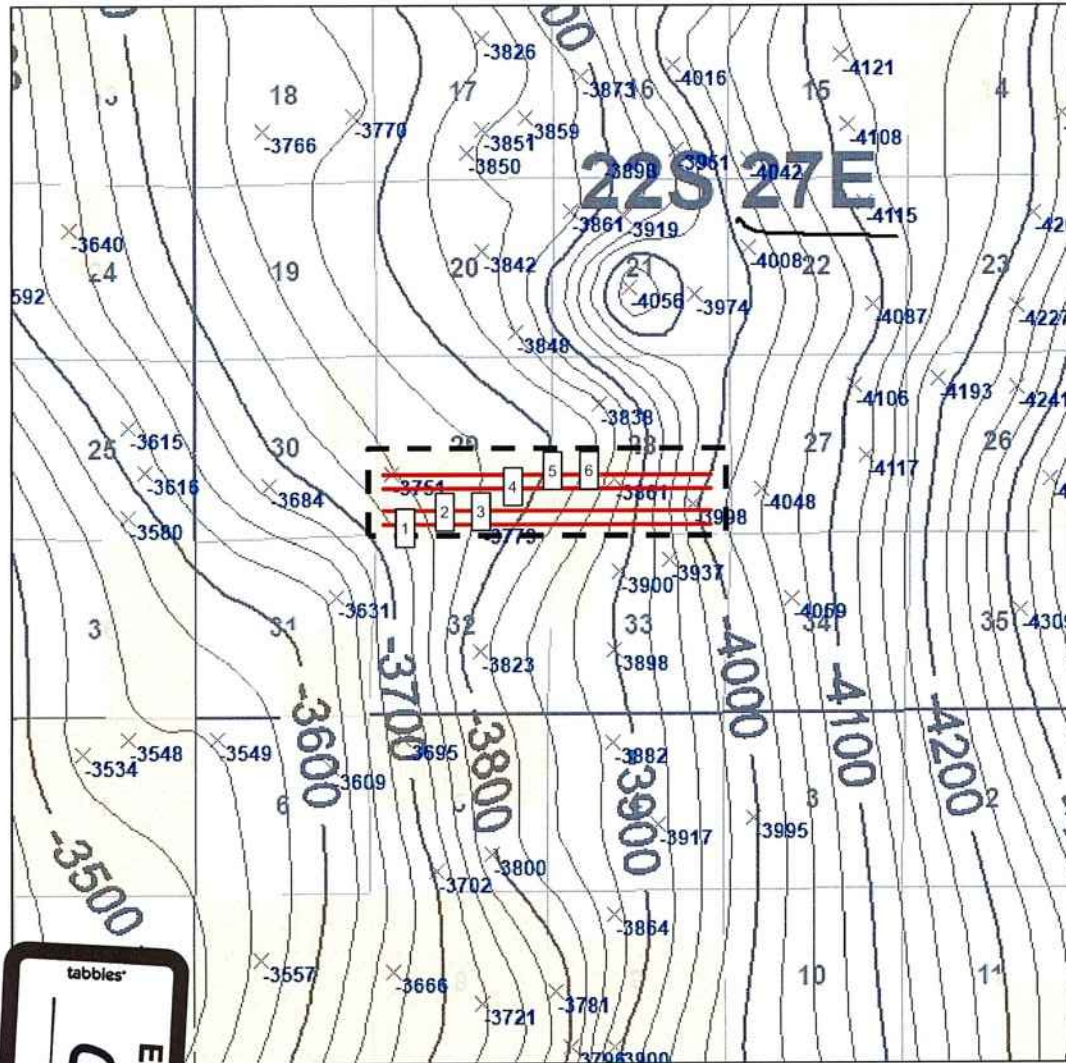
# Magellan Fee Unit

## Wellbore Schematic



# Magellan Fee Unit

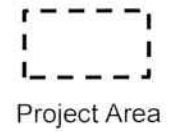
## Structure Map – Top of Second Bone Spring (TVDS)



- 1 Magellan Fee 502H
- 2 Magellan Fee 702H
- 3 Magellan Fee 802H
- 4 Magellan Fee 501H
- 5 Magellan Fee 701H
- 6 Magellan Fee 801H

### Map Legend\*

- Proposed Wells
- Existing Second Bone Spring Wells



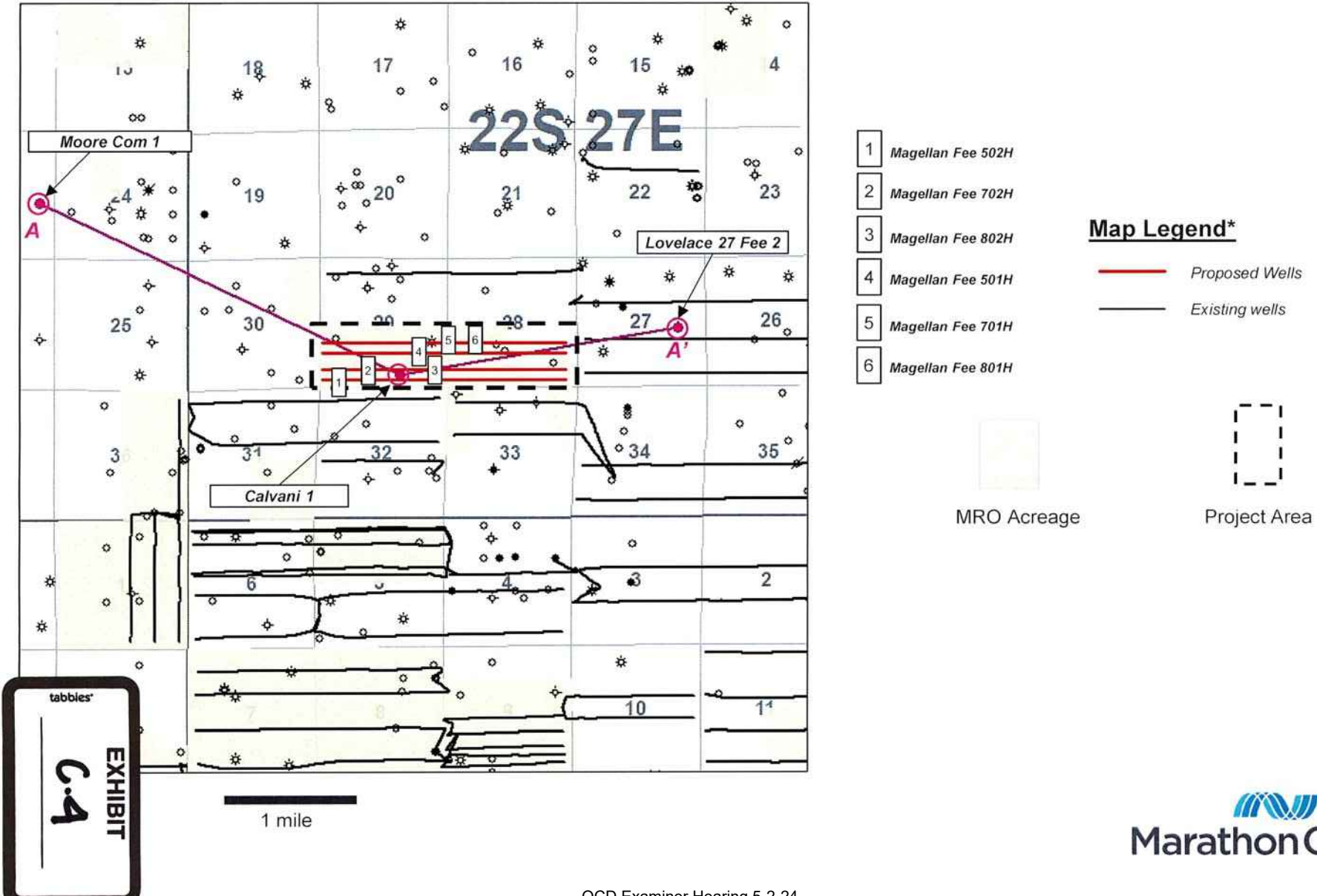
The top of the Second Bone Spring dips towards the east.



1 mile C.I. = 25'

# Magellan Fee Unit

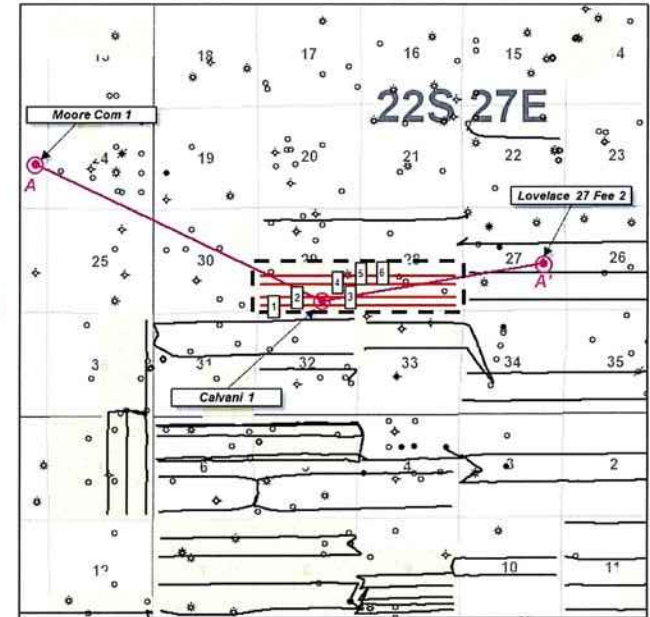
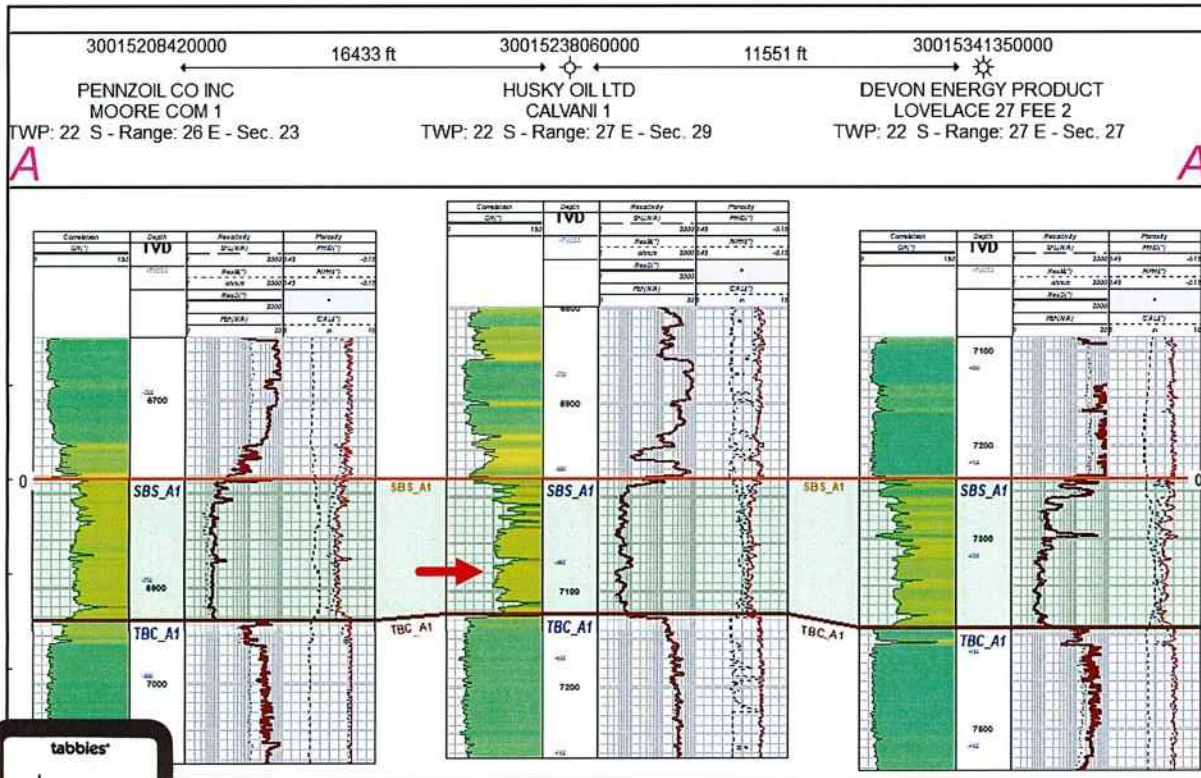
## Reference Map for Cross Section



tabbles  
EXHIBIT  
C.4

# Magellan Fee Unit

## Stratigraphic Cross Section (Top Second Bone Spring Sand Datum)



Producing Zone –  
Second Bone Spring Sand

Second Bone Spring Sand is near  
constant thickness across the area

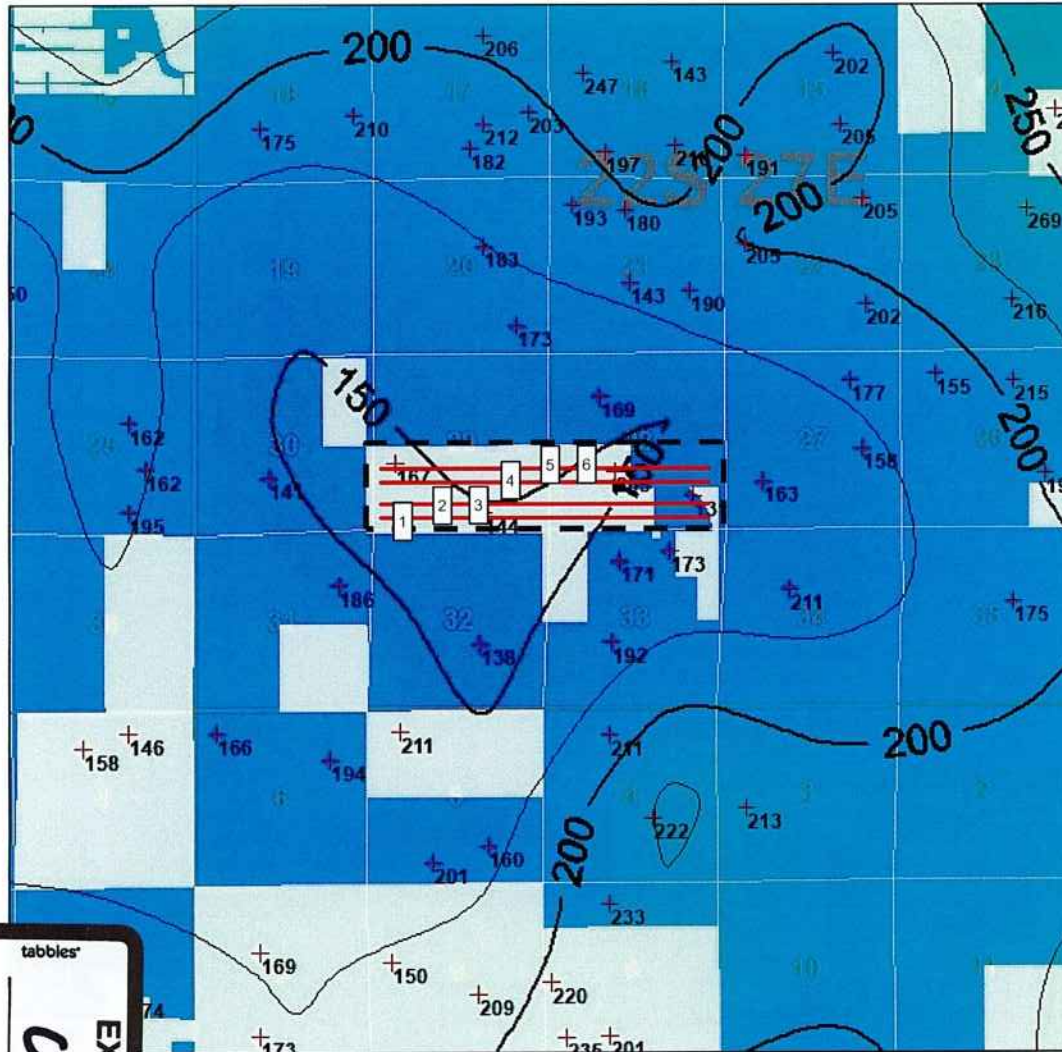
tabbles®

EXHIBIT

C-5

# Magellan Fee Unit

## Gross Interval Isochore – Top Second Bone Spring Sand to Top Third Bone Spring Carbonate



- 1 Magellan Fee 502H
- 2 Magellan Fee 702H
- 3 Magellan Fee 802H
- 4 Magellan Fee 501H
- 5 Magellan Fee 701H
- 6 Magellan Fee 801H

### Map Legend\*

— Proposed Wells

MRO Acreage

Project Area

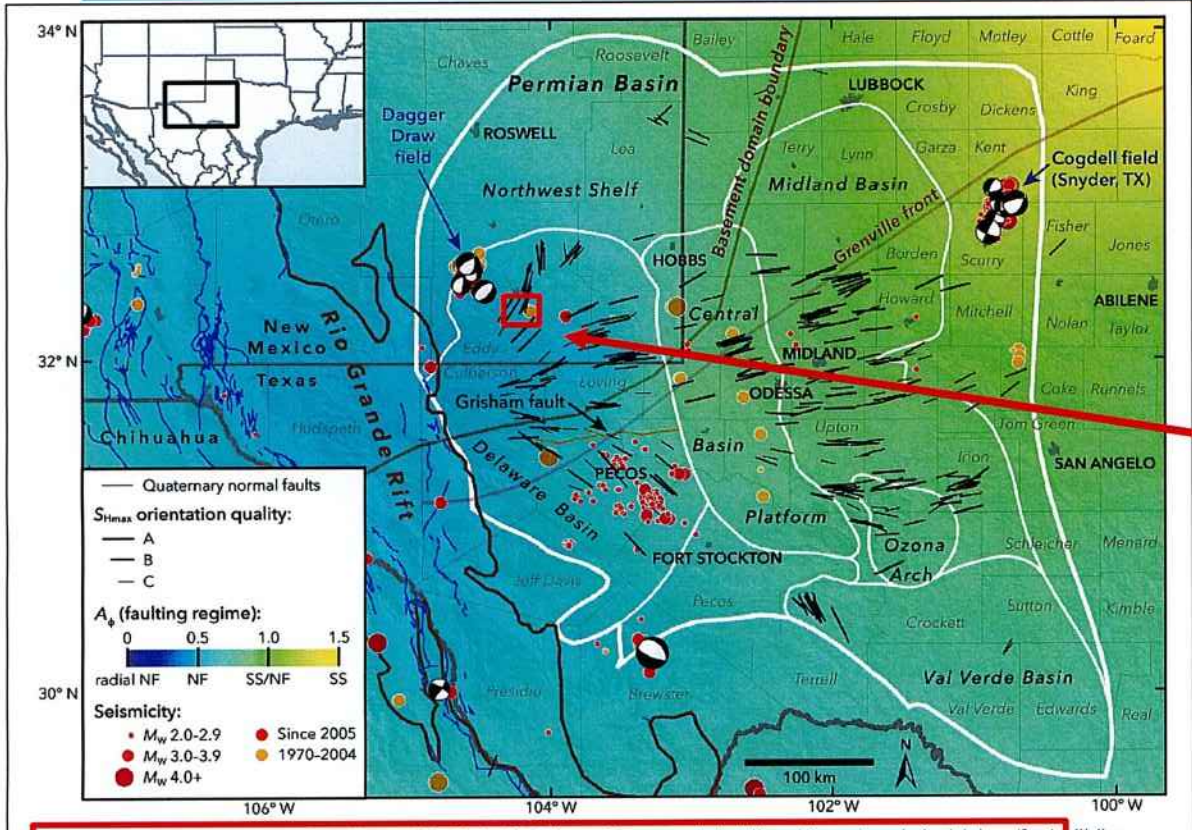
*The Second Bone Spring Sand is near constant thickness across the unit*

tabbles  
EXHIBIT  
C.6

1 mile C.I. = 25'

# Magellan Fee Unit

## Preferred Well Orientation - SHmax



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

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

Figure 1. State of stress in the Permian Basin, Texas and New Mexico. Black lines are the measured orientations of the maximum horizontal stress ( $S_{Hmax}$ ), with line length scaled by data quality; the colored background is an interpolation of measured relative principal stress magnitudes (faulting regime) expressed using the  $A_1$  parameter (see text for details) of Simpson (1997). Blue lines are fault traces known to have experienced normal-sense offset within the past 1.6 Ma, from the USGS Quaternary Faults and Folds Database (Crone and Wheeler, 2000). The boundary between the Shawnee and Mazatzal basement domains is from Lund et al. (2015), and the Precambrian Grenville Front is from Thomas (2006). The Permian Basin boundary is from the U.S. Energy Information Administration, and the subbasin boundaries are from the Texas Bureau of Economic Geology Permian Basin Geological Synthesis Project. Earthquakes are from the USGS National Earthquake Information Center, the TexNet Seismic Monitoring Program, and Gan and Frohlich (2013). Focal mechanisms are from Saint Louis University (Herrmann et al., 2011).

Source:

J.L. & M.D. Zoback, 2018, State of stress in the Permian Basin, Texas and Mexico: Implications for induced seismicity: The Leading Edge, 810-819, <https://doi.org/10.1190/tle37020810.1>.



**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. 24150**

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

**CASE NO. 24151**

**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 Applications were provided under notice letter, dated January 12, 2024, and attached hereto as Exhibit D.1.
- 2) Exhibit D.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on January 12, 2024.
- 3) Exhibit D.3 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.4 is the Affidavit of Publication from Carlsbad Current Argus, confirming that notice of the February 1, 2024 hearing was published on January 17, 2024.
- 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.



OCD Examiner Hearing 5-2-24

No. 24150

Dated: April 25, 2024

Deana M. Bennett

---

Deana M. Bennett





MODRALL SPERLING  
LAWYERS

January 12, 2024

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. 24150**

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

**CASE NO. 24151**

TO: AFFECTED PARTIES

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

In Case No. 24150, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a standard 640-acre, more or less, Bone Spring horizontal spacing unit underlying S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Magellan BS Fee 501H and Magellan BS Fee 502H wells**, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the Magellan BS Fee 501H well is expected to be less than 330 feet 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 0.5 miles south of Carlsbad, Carlsbad New Mexico.

Case No. 24151, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying S/2 of Sections 28 and 29,

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

Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Magellan WC Fee 701H, Magellan WC Fee 702H, Magellan WC Fee 801H and Magellan WC Fee 802H** 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 0.5 miles south Carlsbad, New Mexico.

**The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1<sup>st</sup> Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform on February 1, 2024 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,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 24150

**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 640-acre, more or less, Bone Spring horizontal spacing unit comprising the S/2 of Sections 28 and 29, Township 22 South, Range 27 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 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico to form a standard 640-acre, more or less, Bone Spring spacing unit.
3. Marathon plans to drill the **Magellan BS Fee 501H** and **Magellan BS Fee 502H** 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. The completed interval for Magellan BS Fee 501H well is expected to be less than 330 feet 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.

5. 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.

6. 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 February 1, 2024 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 S/2 of Sections 28 and 29, Township 22 South, Range 27 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: Deona M Bennett

*Received by OCD: 1/2/2024 4:36:37 PM*

*Page 3 of 4*

Deana M. Bennett  
Yarithza Peña  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
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Telephone: 505.848.1800  
deana.bennett@modrall.com  
yarithza.pena@modrall.com  
*Attorneys for Applicant*

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**CASE NO. 24150** : 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 640-acre, more or less, Bone Spring horizontal spacing unit underlying S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Magellan BS Fee 501H and Magellan BS Fee 502H wells**, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the Magellan BS Fee 501H well is expected to be less than 330 feet 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 0.5 miles south of Carlsbad, Carlsbad 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. 24151

**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 640-acre, more or less, Wolfcamp horizontal spacing unit comprising the S/2 of Sections 28 and 29, Township 22 South, Range 27 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 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico to form a standard 640-acre, more or less, Wolfcamp spacing unit.
3. Marathon plans to drill the **Magellan WC Fee 701H, Magellan WC Fee 702H, Magellan WC Fee 801H and Magellan WC Fee 802H** 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, 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. 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.

7. 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 February 1, 2024 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 S/2 of Sections 28 and 29, Township 22 South, Range 27 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: Heena M Bennett



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*Page 3 of 4*

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*Attorneys for Applicant*

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**CASE NO. 24151** : 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 640-acre, more or less, Wolfcamp horizontal spacing unit underlying S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Magellan WC Fee 701H, Magellan WC Fee 702H, Magellan WC Fee 801H and Magellan WC Fee 802H** 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 0.5 miles south Carlsbad, New Mexico.

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
01/12/2024



Firm Mailing Book ID: 258794

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0116 0567 66	Alpha Energy Partners, LLC P.O. Box 10701 Midland TX 79702	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
2	9314 8699 0430 0116 0567 73	Bean Family Limited Company P.O.45750 Rio Rancho NM 87124	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
3	9314 8699 0430 0116 0567 80	Bird Creek Resources, Inc. 1437 South Boulder Avenue, Suite 930 Tulsa OK 74119	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
4	9314 8699 0430 0116 0567 97	Carnegie Energy, LLC P.O. Box 12307 Dallas TX 75225	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
5	9314 8699 0430 0116 0568 03	CBR Oil Properties, LLC 400 N. Pennsylvania, Suite 1080 Roswell NM 88201	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
6	9314 8699 0430 0116 0568 10	Chi Energy, Inc. f/b/o Chi Royalty Pool P.O. Box 1799 Midland TX 79702	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
7	9314 8699 0430 0116 0568 27	CHI Energy, Inc. P.O. Box 1799 Midland TX 79702	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
8	9314 8699 0430 0116 0568 34	CRM 2018, L.P. 1999 Bryan Stret, Suite 900 Dallas TX 75201	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
9	9314 8699 0430 0116 0568 41	Dave Shatzer 11848 Brookhill Lane Dallas TX 75230	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
10	9314 8699 0430 0116 0568 58	David M. Stevens, as sole and separate property 3101 Diamond A. Drive Roswell NM 88201	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
11	9314 8699 0430 0116 0568 65	F.I.S.C.O., Inc. P.O. Box 3087 Roswell NM 88202	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
12	9314 8699 0430 0116 0568 72	First Century Oil, Inc. 400 N. Pennsylvania, Suite 1080 Roswell NM 88201	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
13	9314 8699 0430 0116 0568 89	Gary Womack 1507 Princeton Avenue Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
14	9314 8699 0430 0116 0568 96	J. David Williams 507 N. Marienfeld Street #208 Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
15	9314 8699 0430 0116 0569 02	Jase Minerals, LP 550 W. Texas Avenue, Suite 945 Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice



Received by OCD: 4/30/2024 3:00:15 PM

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
01/12/2024



Firm Mailing Book ID: 258794

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0116 0569 19	Kathleen A. Phillips 124 S. Glenwood Drive Midland TX 79703	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
17	9314 8699 0430 0116 0569 26	L.E. Oppermann 1505 Neely Avenue Midland TX 79705	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
18	9314 8699 0430 0116 0569 33	Loveless Land Holdings, LLC P.O. Box 12454 Dallas TX 75225	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
19	9314 8699 0430 0116 0569 40	Lucinda Loveless P.O. Box 8 Hondo NM 88336	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
20	9314 8699 0430 0116 0569 57	McMullen Minerals II, LP 3100 W. 7th Street, Suite 240 Fort Worth TX 76107	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
21	9314 8699 0430 0116 0569 64	Murchison Oil & Gas, LLC 7250 Dallas Parkway, Legacy Tower I,#1400 Plano TX 75024	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
22	9314 8699 0430 0116 0569 71	Northern Oil and Gas, Inc. 4350 Baker Road, Suite 400 Minnetonka MN 55343	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
23	9314 8699 0430 0116 0569 88	Patrick Cole Qualls 4801 Rust Trail Midland TX 79707	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
24	9314 8699 0430 0116 0569 95	Pegasus Resources II, LLC 1999 Bryan Street, Suite 900 Dallas TX 75201	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
25	9314 8699 0430 0116 0570 08	Read & Stevens Employee Benefit Plan P.O. Box 1518 Roswell NM 88202	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
26	9314 8699 0430 0116 0570 15	Read & Stevens, Inc. P.O. Box 1518 Roswell NM 88201	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
27	9314 8699 0430 0116 0570 22	Robert F. Duke, as Trustee of the Family Trust P.O. Box 3729 Midland TX 79702	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
28	9314 8699 0430 0116 0570 39	Ronald T. May 2163 Lima Loop 2-213 Laredo TX 78045	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
29	9314 8699 0430 0116 0570 46	Spindletop Exploration Company, Inc. P.O. Box 25163 Dallas TX 75225	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
30	9314 8699 0430 0116 0570 53	Stevens Oil & Gas, LLC P.O. Box 3087 Roswell NM 88202	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice

Released to Imaging: 4/30/2024 3:27:37 PM

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
01/12/2024



Firm Mailing Book ID: 258794

Received by OCD: 4/30/2024 3:00:15 PM

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0116 0570 60	The Estate of Matthew Porter Qualls 1500 S. Avenue A. Portales NM 88130	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
32	9314 8699 0430 0116 0570 77	The Lucinda Loveless Revocable Trust P.O. Box 8 Hondo NM 88336	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
33	9314 8699 0430 0116 0570 84	Viper Energy Partners LLC 500 W. Texas, Suite 1200 Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
34	9314 8699 0430 0116 0570 91	West Pecos Trading Company, LLC 8849 Larston Street Houston TX 77055	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
35	9314 8699 0430 0116 0571 07	White Star Energy, Inc. P.O. Box 51108 Midland TX 79710	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
36	9314 8699 0430 0116 0571 14	Wildhorse Interest, LLC 218 N. Main Street, Suite C Midland TX 79701	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
37	9314 8699 0430 0116 0571 21	WPX Energy Permian, LLC 15205 Traditions Lake Parkway Edmond OK 73013	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
38	9314 8699 0430 0116 0571 38	XPLOR Resources, LLC 1104 North Shore Drive Carlsbad NM 88220	\$1.59	\$4.35	\$2.20	\$0.00	81363.0235. Notice
<b>Totals:</b>			<b>\$60.42</b>	<b>\$165.30</b>	<b>\$83.60</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$309.32</b>	

<b>List Number of Pieces Listed by Sender</b>	<b>Total Number of Pieces Received at Post Office</b>	<b>Postmaster: Name of receiving employee</b>	<b>Dated:</b>
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38

Transaction Report Details - CertifiedPro.net  
 Firm Mail Book ID= 258794  
 Generated: 4/19/2024 1:21:58 PM

USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300116057138	2024-01-12 12:21 PM	81363.0235.	XPLOR Resources, LLC	Carlsbad	NM	88220	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 5:42 PM
9314869904300116057121	2024-01-12 12:21 PM	81363.0235.	WPX Energy Permian, LLC	Edmond	OK	73013	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 11:17 AM
9314869904300116057114	2024-01-12 12:21 PM	81363.0235.	Wildhorse Interest, LLC	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 12:04 PM
9314869904300116057107	2024-01-12 12:21 PM	81363.0235.	White Star Energy, Inc.	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 11:03 AM
9314869904300116057091	2024-01-12 12:21 PM	81363.0235.	West Pecos Trading Company, LLC	Houston	TX	77055	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116057084	2024-01-12 12:21 PM	81363.0235.	Viper Energy Partners LLC	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 1:43 PM
9314869904300116057077	2024-01-12 12:21 PM	81363.0235.	The Lucinda Loveless Revocable Trust	Hondo	NM	88336	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 12:28 PM
9314869904300116057060	2024-01-12 12:21 PM	81363.0235.	The Estate of Matthew Porter Qualls	Portales	NM	88130	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116057053	2024-01-12 12:21 PM	81363.0235.	Stevens Oil & Gas, LLC	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 11:22 AM
9314869904300116057046	2024-01-12 12:21 PM	81363.0235.	Spindletop Exploration Company, Inc.	Dallas	TX	75225	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 10:06 AM
9314869904300116057039	2024-01-12 12:21 PM	81363.0235.	Ronald T. May	Laredo	TX	78045	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116057022	2024-01-12 12:21 PM	81363.0235.	Robert F. Duke, as Trustee of the Family Trust	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-29 1:01 PM
9314869904300116057015	2024-01-12 12:21 PM	81363.0235.	Read & Stevens, Inc.	Roswell	NM	88201	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116057008	2024-01-12 12:21 PM	81363.0235.	Read & Stevens Employee Benefit Plan	Roswell	NM	88202	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116056995	2024-01-12 12:21 PM	81363.0235.	Pegasus Resources II, LLC	Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300116056988	2024-01-12 12:21 PM	81363.0235.	Patrick Cole Qualls	Midland	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 4:22 PM
9314869904300116056971	2024-01-12 12:21 PM	81363.0235.	Northern Oil and Gas, Inc.	Minnetonka	MN	55343	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 12:08 PM
9314869904300116056964	2024-01-12 12:21 PM	81363.0235.	Murchison Oil & Gas, LLC	Plano	TX	75024	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 1:12 PM
9314869904300116056957	2024-01-12 12:21 PM	81363.0235.	McMullen Minerals II, LP	Fort Worth	TX	76107	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 11:25 AM
9314869904300116056940	2024-01-12 12:21 PM	81363.0235.	Lucinda Loveless	Hondo	NM	88336	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 12:28 PM
9314869904300116056933	2024-01-12 12:21 PM	81363.0235.	Loveless Land Holdings, LLC	Dallas	TX	75225	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 12:09 PM
9314869904300116056926	2024-01-12 12:21 PM	81363.0235.	L.E. Oppermann	Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300116056919	2024-01-12 12:21 PM	81363.0235.	Kathleen A. Phillips	Midland	TX	79703	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-19 11:39 AM
9314869904300116056902	2024-01-12 12:21 PM	81363.0235.	Jase Minerals, LP	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 1:37 PM
9314869904300116056896	2024-01-12 12:21 PM	81363.0235.	J. David Williams	Midland	TX	79701	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116056889	2024-01-12 12:21 PM	81363.0235.	Gary Womack	Midland	TX	79701	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116056872	2024-01-12 12:21 PM	81363.0235.	First Century Oil, Inc.	Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-18 12:43 PM
9314869904300116056865	2024-01-12 12:21 PM	81363.0235.	F.I.S.C.O., Inc.	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 11:22 AM
9314869904300116056858	2024-01-12 12:21 PM	81363.0235.	David M. Stevens, as sole and separate property	Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-16 5:48 PM
9314869904300116056841	2024-01-12 12:21 PM	81363.0235.	Dave Shatzer	Dallas	TX	75230	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116056834	2024-01-12 12:21 PM	81363.0235.	CRM 2018, L.P.	Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300116056827	2024-01-12 12:21 PM	81363.0235.	CHI Energy, Inc.	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-18 2:14 PM
9314869904300116056810	2024-01-12 12:21 PM	81363.0235.	Chi Energy, Inc. f/b/o Chi Royalty Pool	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-18 2:14 PM
9314869904300116056803	2024-01-12 12:21 PM	81363.0235.	CBR Oil Properties, LLC	Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-18 12:43 PM
9314869904300116056797	2024-01-12 12:21 PM	81363.0235.	Carnegie Energy, LLC	Dallas	TX	75225	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-17 12:01 PM
9314869904300116056780	2024-01-12 12:21 PM	81363.0235.	Bird Creek Resources, Inc.	Tulsa	OK	74119	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300116056773	2024-01-12 12:21 PM	81363.0235.	Bean Family Limited Company	Rio Rancho	NM	87124	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-17 12:10 PM
9314869904300116056766	2024-01-12 12:21 PM	81363.0235.	Alpha Energy Partners, LLC	Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-01-22 12:44 PM



# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005874093

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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:

01/17/2024

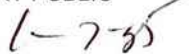


Legal Clerk

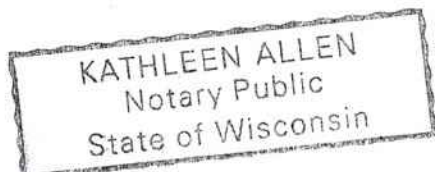
Subscribed and sworn before me this January 17, 2024:



State of WI, County of Brown  
NOTARY PUBLIC



My commission expires



Ad # 0005874093  
PO #: No. 24150, 24151  
# of Affidavits 1

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CASE NO. 24150: Notice to all affected parties, as well as heirs and devisees of: Alpha Energy Partners, LLC; Bean Family Limited Company; Bird Creek Resources, Inc.; Carnegie Energy, LLC; CBR Oil Properties, LLC; Chi Energy, Inc. f/b/o Chi Royalty Pool; CHI Energy, Inc.; CRM 2018, L.P.; Dave Shatzer; David M. Stevens, as his sole and separate property; F.I.S.C.O., Inc.; First Century Oil, Inc.; Gary Womack; J. David Williams; Jase Minerals, LP; Kathleen A. Phillips; L.E. Oppermann; Loveless Land Holdings, LLC; Lucinda Loveless; McMullen Minerals II, LP; Murchison Oil & Gas, LLC; Northern Oil and Gas, Inc.; Patrick Cole Qualls; Pegasus Resources II, LLC; Read & Stevens Employee Benefit Plan; Read & Stevens, Inc.; Robert F. Duke, as Trust of the Family Trust created under the amended and restated Trust Agreement dated 9/3/2008; Ronald T. May; Spindletop Exploration Company, Inc.; Stevens Oil & Gas, LLC; The Estate of Matthew Porter Qualls; The Lucinda Loveless Revocable Trust dated 12/21/06; Viper Energy Partners LLC; West Pecos Trading Company, LLC; White Star Energy, Inc.; Wildhorse Interest, LLC; WPX Energy Permian, LLC; XPLOR Resources, LLC of the Application of Marathon Oil Permian LLC 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 **February 1, 2024** to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. 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/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 640-acre, more or less, Bone Spring horizontal spacing unit underlying S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Magellan BS Fee 501H and Magellan BS Fee 502H wells**, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed interval for the Magellan BS Fee 501H well is expected to be less than 330 feet 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 0.5 miles south of Carlsbad, Carlsbad New Mexico.

CASE NO. 24151: Notice to all affected parties, as well as heirs and devisees of: Alpha Energy Partners, LLC; Bean Family Limited Company; Bird Creek Resources, Inc.; Carnegie Energy, LLC; CBR Oil Properties, LLC; Chi Energy, Inc. f/b/o Chi Royalty Pool; CHI Energy, Inc.; CRM 2018, L.P.; Dave Shatzer; David M. Stevens, as his sole and separate property; F.I.S.C.O., Inc.; First Century Oil, Inc.; Gary Womack; J. David Williams; Jase Minerals, LP; Kathleen A. Phillips; L.E. Oppermann; Loveless Land Holdings, LLC; Lucinda Loveless; McMullen Minerals II, LP; Murchison Oil & Gas, LLC; Northern Oil and Gas, Inc.; Patrick Cole Qualls; Pegasus Resources II, LLC; Read & Stevens Employee Benefit Plan; Read & Stevens, Inc.; Robert F. Duke, as Trust of the Family Trust created under the amended and restated Trust Agreement dated 9/3/2008; Ronald T. May; Spindletop Exploration Company, Inc.; Stevens Oil & Gas, LLC; The Estate of Matthew Porter Qualls; The Lucinda Loveless Revocable Trust dated 12/21/06; Viper Energy Partners LLC; West Pecos Trading Company, LLC; White Star Energy, Inc.; Wildhorse Interest, LLC; WPX Energy Permian, LLC; XPLOR Resources, LLC of the Application of Marathon Oil Permian



**LLC 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 **February 1, 2024** to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. 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/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Magellan WC Fee 701H, Magellan WC Fee 702H, Magellan WC Fee 801H and Magellan WC Fee 802H** 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 0.5 miles south Carlsbad, New Mexico.  
#5874093, Current Argus, January 17, 2024