

**Before the Oil Conservation Division  
Examiner Hearing May 16, 2024**

**Case No. 24182  
Red Jaguar Federal Com 301H  
Red Jaguar Federal Com 302H  
Red Jaguar Federal Com 501H  
Red Jaguar Federal Com 502H**



**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. 24182**

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

<b>Case: 24182</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>May 16, 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:	None
Well Family	Red Jaguar
<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:	Culebra Bluff; Bone Spring South Pool (Code 15011)
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	960-acres
Building Blocks:	40-Acres
Orientation:	West/East
Description: TRS/County	N/2 of Section 36, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico and N/2 of Sections of 31 and 32, Township 22 South, Range 28 East, N.M.P.M., Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> 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 the Red Jaguar Federal Com 302H 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	Red Jaguar Federal Com 302H
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: Red Jaguar Federal Com 301H	API No. Pending SHL: 1245' FNL & 572' FWL, Section 36, T-22-S R-27-E FTP: 2310' FNL & 100' FWL, Section 36, T-22-S R-27-E BHL: 2310' FNL & 100' FEL, Section 32, T-22-S R-28-E Orientation: West/East Completion Target: First Bone Spring Completion Status: Standard TVD: 6,820', MVD: 22,170'
Well #2: Red Jaguar Federal Com 302H	API No. Pending SHL: 1185' FNL & 571' FWL, Section 36, T-22-S R-27-E FTP: 1020' FNL & 100' FWL, Section 36, T-22-S R-27-E BHL: 1020' FNL & 100' FEL, Section 32, T-22-S R-28-E Orientation: West/East Completion Target: First Bone Spring Completion Status: Standard TVD: 6,820', MVD: 22,172'
Well #3: Red Jaguar Federal Com 501H	API No. Pending SHL: 1215' FNL & 571' FWL, Section 36, T-22-S R-27-E FTP: 1650' FNL & 100' FWL, Section 36, T-22-S R-27-E BHL: 1650' FNL & 100' FEL, Section 32, T-22-S R-28-E Orientation: West/East Completion Target: Second Bone Spring Completion Status: Standard TVD: 7,589', MVD: 22,933'
Well #4: Red Jaguar Federal Com 502H	API No. Pending SHL: 1155' FNL & 570' FWL, Section 36, T-22-S R-27-E FTP: 330' FNL & 100' FWL, Section 36, T-22-S R-27-E BHL: 330' FNL & 100' FEL, Section 32, T-22-S R-28-E Orientation: West/East Completion Target: Second Bone Spring Completion Status: Standard TVD: 7,589', MVD: 22,933'
Horizontal Well First and Last Take Points	Exhibir 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 24
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.4

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.5
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
<b>Geology</b>	
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.11
Target Formation	Exhibit C.3 to C.6; C.7 to C.10
HSU Cross Section	Exhibit C.5; C.9
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; C.7
Structure Contour Map - Subsea Depth	Exhibit C.3; C.7
Cross Section Location Map (including wells)	Exhibit C.4; C.8
Cross Section (including Landing Zone)	Exhibit C.5; C.9
<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>	5/14/2024

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. 24182

AFFIDAVIT

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF HARRIS            )

Samuel Cox, being duly sworn, deposes and states:

1. I am over the age of 18, I am a staff land professional for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum landman were accepted as a matter of record.
3. My area of responsibility at Marathon includes 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 compulsory pooling applications.
7. The purpose of this application is to force pool working interest owners 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 within a standard 960-acre, more or less, Bone Spring horizontal spacing unit comprised of N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

10. The spacing unit will be dedicated to the following wells:

- The **Red Jaguar Federal Com 301H** and **Red Jaguar Federal Com 501H** wells to be horizontally drilled with proposed first take points in the SW/4 NW/4 (Unit E) of Section 36 and last take points in the SE/4 NE/4 (Unit H) of Section 32; and
- The **Red Jaguar Federal Com 302H**, and **Red Jaguar Federal Com 502H** wells to be horizontally drilled with proposed first take points in the NW/4 NW/4 (Unit D) of Section 36 and last take points in the NE/4 NE/4 (Unit A) of Section 32.

11. The producing area for the wells is expected to be orthodox.

12. The completed interval for the Red Jaguar Federal Com 302H is expected to be less than 330' from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC. The application filed in this case incorrectly also identified the Red Jaguar Federal Com 501H well as a proximity tract well.

13. Attached as **Exhibit B.2** are the proposed C-102s for the wells.

14. 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.

15. The wells will also develop the Culebra Bluff; Bone Spring, South Pool (Code 15011), which is an oil pool with 40-acre building blocks.

16. The wells will comply with the Division's setback requirements for this pool.

17. **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.

18. **Exhibit B.4** is a list of the parties being pooled for this case.

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.5** is a summary of my contacts with the working interest owners and the uncommitted mineral interest owners.

22. **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.

23. **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.

24. Marathon requests overhead and administrative rates of \$10,000.00/month for drilling a well and \$1000.00/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. MRC Permian Company ("MRC"), a working interest owner in Marathon's Red Jaguar units, provided a letter in support of Marathon as operator for Marathon's proposed Red Jaguar units. The support letter is attached as **Exhibit B.8**. MRC stated that it "wishes for its working interest to be considered as committed to Marathon's development plan." See Exhibit B.8.

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

31. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

32. The granting of this application is in the interests of conservation and the prevention of waste.

*[Signature page follows]*

*Samuel Cox*

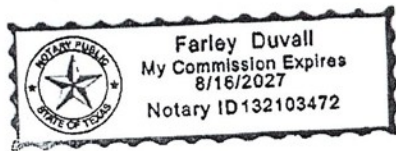
Samuel Cox

State of Texas

County of Harris

This record was acknowledged before me on May 9, 2024, by Samuel Cox.

[Stamp]



*Farley Duvall*

Notary Public in and for the  
State of Texas

Commission Number: 132103472

My Commission Expires: 8/16/2027

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. 24182

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 960-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the spacing unit to the following wells:
  - a) The **Red Jaguar Federal Com 301H** and **Red Jaguar Federal Com 501H** wells to be horizontally drilled with first take points in the SW/4 NW/4 (Unit E) of Section 36 and last take points in the SE/4 NE/4 (Unit H) of Section 32; and
  - b) The **Red Jaguar Federal Com 302H** and **Red Jaguar Federal Com 502H** wells to be horizontally drilled with first take points in the NW/4 NW/4 (Unit D) of Section 36 and last take points in the NE/4 NE/4 (Unit A) of Section 32.
3. The producing area for the wells is expected to be orthodox.



4. The completed intervals for the **Red Jaguar Federal Com 302H** and **Red Jaguar Federal Com 501H** are 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 March 7, 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 N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico;

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

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

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: Deana M. Bennett

Earl E. DeBrine, Jr  
Deana M. Bennett  
Yarithza Peña  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
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*Attorneys for Marathon Oil Permian LLC*

**CASE NO. 24182 : 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 960-acre, more or less, Bone Spring horizontal spacing unit underlying the N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Red Jaguar Federal Com 301H** and **Red Jaguar Federal Com 501H** wells with first takes points in the SW/4 NW/4 (Unit E) of Section 36 and last take points in the SE/4 NE/4 (Unit H) of Section 32; and the **Red Jaguar Federal Com 302H** and **Red Jaguar Federal Com 502H** wells with first take points in the NW/4 NW/4 (Unit D) of Section 36 and last take points in the NE/4 NE/4 (Unit A) of Section 32. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox. The completed intervals for the Red Jaguar Federal Com 302H and Red Jaguar Federal Com 501H are 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 5.45 miles northwest of Loving, New Mexico.

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (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

API Number		Pool Code	Pool Name
		15011	CULEBRA BLUFF; BONE SPRING SOUTH
Property Code	Property Name		Well Number
	RED JAGUAR FEDERAL COM		301H
OCRID No.	Operator Name		Elevation
372098	MARATHON OIL PERMIAN LLC		3078'

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
D	36	22S	27E		1245'	NORTH	572'	WEST	EDDY

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
H	32	22S	28E		2310'	NORTH	100'	EAST	EDDY
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
958.24									

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.

<p><b>SHL</b> FNL 1245' FWL 572', SECTION 36 NAD 83, SPCS NM EAST X:597969.65' / Y:492166.04' LAT:32.35290184 / LON:-104.14993617 NAD 27, SPCS NM EAST X:556787.67' / Y:492106.57' LAT:32.35278244 / LON:-104.14943671</p>	<p><b>KOP/FTP/PPP-1</b> FNL 2310' FWL 100', SECTION 36 NAD 83, SPCS NM EAST X:597481.20' / Y:491099.10' LAT:32.34997131 / LON:-104.15152381 NAD 27, SPCS NM EAST X:556299.21' / Y:491039.67' LAT:32.34985191 / LON:-104.15102439</p>	<p><b>PPP-2</b> FNL 2276' FWL 1282', SECTION 31 NAD 83, SPCS NM EAST X:603948.88' / Y:491135.50' LAT:32.35003943 / LON:-104.13057948 NAD 27, SPCS NM EAST X:562766.81' / Y:491075.99' LAT:32.34991973 / LON:-104.13008080</p>
<p><b>CORNER COORDINATES NAD 83, SPCS NM EAST</b> A - X: 613107.71' / Y: 493497.62' B - X: 613180.62' / Y: 490850.60' C - X: 607902.12' / Y: 490776.24' D - X: 602665.67' / Y: 490776.63' E - X: 597375.62' / Y: 490739.16' F - X: 597416.90' / Y: 493408.87' G - X: 600045.62' / Y: 493419.23' H - X: 602675.36' / Y: 493408.06' I - X: 607883.07' / Y: 493420.58'</p>	<p><b>CORNER COORDINATES NAD 27, SPCS NM EAST</b> A - X: 571925.58' / Y: 493437.94' B - X: 571996.42' / Y: 490790.99' C - X: 566719.99' / Y: 490716.99' D - X: 561483.61' / Y: 490717.14' E - X: 556193.63' / Y: 490679.74' F - X: 556234.96' / Y: 493349.38' G - X: 558863.65' / Y: 493359.70' H - X: 561493.35' / Y: 493348.50' I - X: 566701.00' / Y: 493360.96'</p>	<p><b>LTP/BHL</b> FNL 2310' FWL 100', SECTION 32 NAD 83, SPCS NM EAST X:613071.32' / Y:491186.83' LAT:32.35012959 / LON:-104.10103820 NAD 27, SPCS NM EAST X:571889.13' / Y:491127.21' LAT:32.35000949 / LON:-104.10054058</p>

**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 leased 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 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, BIDDING, RECORDATION, CONVEYANCE, SALE OR OTHER BASIS FOR THE INSTANCE OF A PERMIT.

*FTP TO LTP LINE BEARINGS	
PRODUCTION LINE	BEARING/LENGTH
L1	N 89°40'39" E ~ 15590.37'

Drill Line Events    Section Corners    Drill Line    Dimension

All bearings and coordinates refer to New Mexico State Plane Co

Distances/areas relative to NAD 83 grid measurements. Combine

**EXHIBIT B-2**

SHEET 1 OF 2  
HSU    HSU Corners    JOB No. MRO\_0024\_RJ  
Feet.    REV 0 GM 2/13/2024

Convergence Angle: 0.098142079°

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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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	
		15011		CULEBRA BLUFF; BONE SPRING SOUTH	
4 Property Code		5 Property Name		6 Well Number	
		RED JAGUAR FEDERAL COM		302H	
7 OGRIB No.		8 Operator Name		9 Elevation	
372098		MARATHON OIL PERMIAN LLC		3077'	

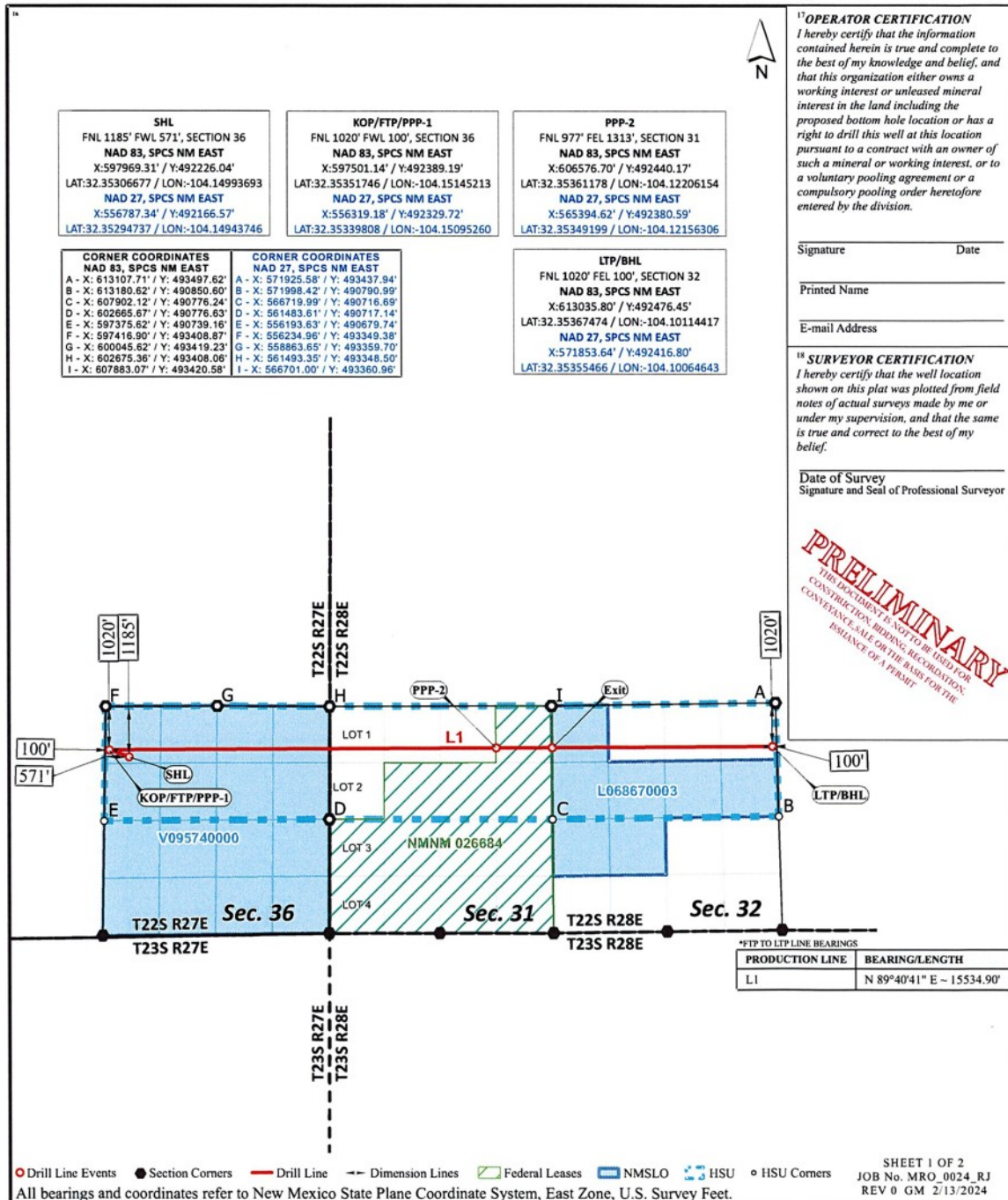
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	22S	27E		1185'	NORTH	571'	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
A	32	22S	28E		1020'	NORTH	100'	EAST	EDDY
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			
958.24									

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: 0.999765616 and a Convergence Angle: 0.098142079°



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		3 Pool Name	
		15011		CULEBRA BLUFF: BONE SPRING SOUTH	
4 Property Code		5 Property Name		6 Well Number	
		RED JAGUAR FEDERAL COM		501H	
7 OGRID No.		8 Operator Name		9 Elevation	
372098		MARATHON OIL PERMIAN LLC		3077'	

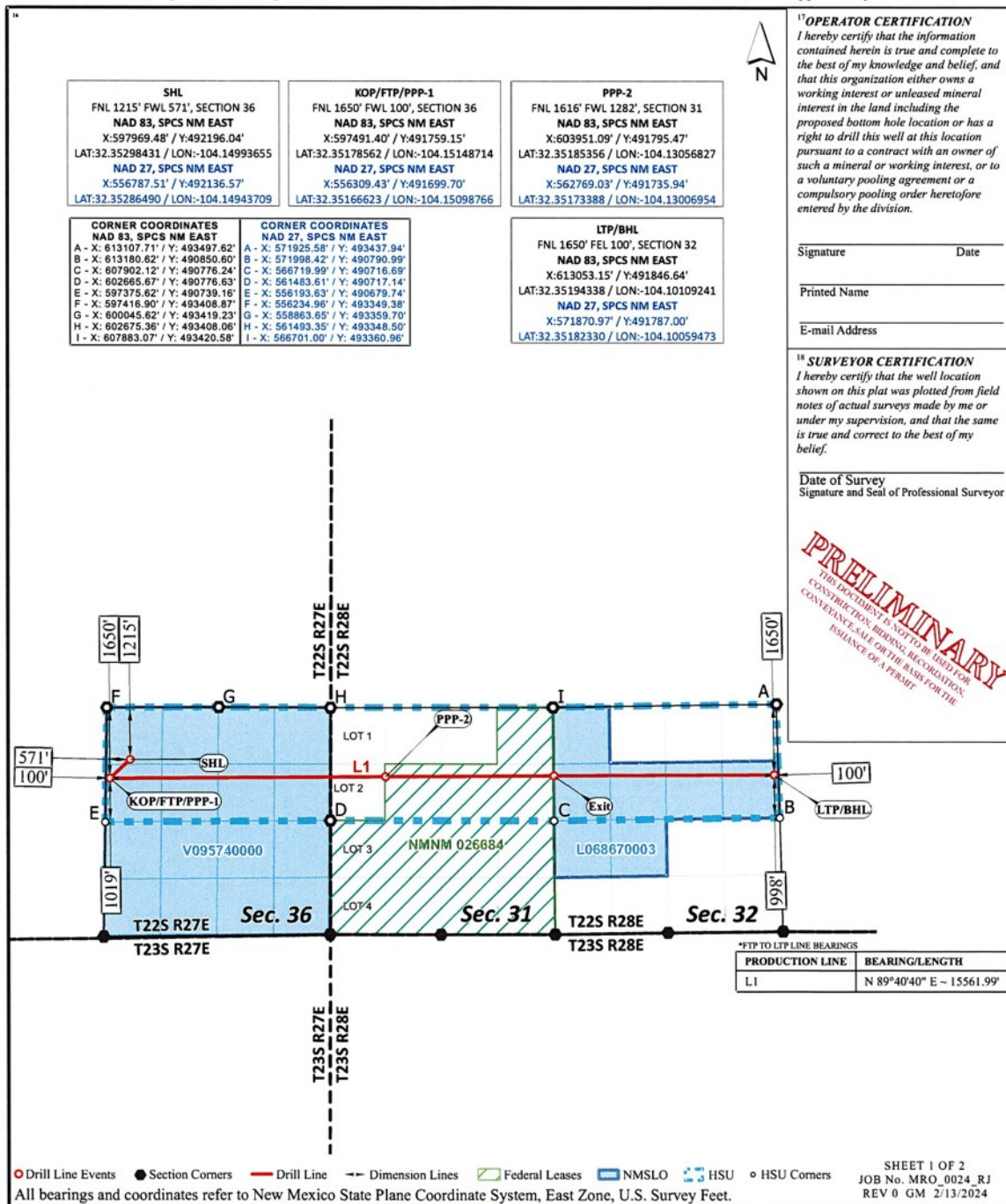
10 Surface Location

UL or lot no.	Section	Township	Range	Lat Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	22S	27E		1215'	NORTH	571'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lat Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	22S	28E		1650'	NORTH	100'	EAST	EDDY
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			
958.24									

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.



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  
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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	<sup>3</sup> Pool Name
	15011	CULEBRA BLUFF; BONE SPRING SOUTH
<sup>4</sup> Property Code	<sup>5</sup> Property Name	
	RED JAGUAR FEDERAL COM	
<sup>6</sup> OGRID No.	<sup>7</sup> Operator Name	<sup>8</sup> Well Number
372098	MARATHON OIL PERMIAN LLC	502H
		<sup>9</sup> Elevation
		3077'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	22S	27E		1155'	NORTH	570'	WEST	EDDY

<sup>11</sup> 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
A	32	22S	28E		330'	NORTH	100'	EAST	EDDY
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			
958.24									

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.

**SHL**  
FNL 1155' FWL 570', SECTION 36  
NAD 83, SPCS NM EAST  
X:597969.14' / Y:492256.04'  
LAT:32.35314924 / LON:-104.14993731  
NAD 27, SPCS NM EAST  
X:556787.17' / Y:492196.57'  
LAT:32.35302983 / LON:-104.14943784

**KOP/FTP/PPP-1**  
FNL 330' FWL 100', SECTION 36  
NAD 83, SPCS NM EAST  
X:597511.81' / Y:493079.24'  
LAT:32.35541424 / LON:-104.15141378  
NAD 27, SPCS NM EAST  
X:556329.87' / Y:493019.75'  
LAT:32.35529487 / LON:-104.15091420

**PPP-2**  
FNL 330' FEL 1310', SECTION 31  
NAD 83, SPCS NM EAST  
X:606575.05' / Y:493087.44'  
LAT:32.35539101 / LON:-104.12206275  
NAD 27, SPCS NM EAST  
X:565392.99' / Y:493027.85'  
LAT:32.35527125 / LON:-104.12156421

**CORNER COORDINATES**  
NAD 83, SPCS NM EAST  
A - X: 613107.71' / Y: 493497.62'  
B - X: 613180.62' / Y: 490850.60'  
C - X: 607802.12' / Y: 490776.24'  
D - X: 602665.67' / Y: 490776.63'  
E - X: 597375.62' / Y: 490739.16'  
F - X: 597416.90' / Y: 493408.87'  
G - X: 600045.62' / Y: 493419.23'  
H - X: 602675.36' / Y: 493408.06'  
I - X: 607883.07' / Y: 493420.58'

**CORNER COORDINATES**  
NAD 27, SPCS NM EAST  
A - X: 571925.58' / Y: 493437.94'  
B - X: 571998.42' / Y: 490790.99'  
C - X: 566719.99' / Y: 490716.89'  
D - X: 561483.61' / Y: 490717.14'  
E - X: 556193.63' / Y: 490679.74'  
F - X: 556234.96' / Y: 493349.38'  
G - X: 558863.85' / Y: 493359.70'  
H - X: 561493.35' / Y: 493348.50'  
I - X: 566701.00' / Y: 493360.96'

**LTP/BHL**  
FNL 330' FEL 100', SECTION 32  
NAD 83, SPCS NM EAST  
X:613016.80' / Y:493166.24'  
LAT:32.35557097 / LON:-104.10120085  
NAD 27, SPCS NM EAST  
X:571834.66' / Y:493106.57'  
LAT:32.35545091 / LON:-104.10070305

**<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 or neither owns a working interest or leased 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 \_\_\_\_\_

\*FTP TO LTP LINE BEARINGS

PRODUCTION LINE	BEARING/LENGTH
L1	S 89°59'13" E ~ 5162.33'
L2	N 89°51'44" E ~ 5211.77'
L3	N 89°09'19" E ~ 5131.46'

● Drill Line Events   ● Section Corners   — Drill Line   - - Dimension Lines   ▨ Federal Leases   ▨ NMSLO   HSU   ○ HSU Corners

All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet.

Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.999765616 and a Convergence Angle: 0.098142079°

PRELIMINARY

THIS DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, RECORDATION, CONVEYANCE, SALE OR THE BASIS FOR THE ISSUANCE OF A PERMIT.

Exhibit "B.3" Lease Tract Map  
 Red Jaguar Federal Com 301H, 302H, 501H, & 502H  
 N2 of Section 36-T22S-R27E, N2 of Section 31-22S-28E & N2 of Section 32-T22S-R28E: 954.24 acres

Tr. 1	D	C	B	A	Tr. 4	1	C	B	A	Tr. 2	Tr. 8	Tr. 5	Tr. 6	Tr. 9
	E	F	G	H		2	F	G	H					

N2 of Section 36-22S-27E    N2 of Section 31-22S-28E    N2 of Section 32-22S-28E

- Tract 1: State (320 acres)
- Tract 2: Fed (120 acres)
- Tract 3: Fed (40 acres)
- Tract 4: Fee (154.24 acres)
- Tract 5: Fee (40 acres)
- Tract 6: Fee (40 acres)
- Tract 7: State (80 acres)
- Tract 8: State (120 acres)
- Tract 9: Fee (40 acres)



**Exhibit "B.3" Summary of Interests  
 Red Jaguar Federal Com 301H, 302H, 501H, & 502H  
 N2 of Section 36-T22S-R27E, N2 of Section 31-22S-28E & N2 of Section 32-T22S-R28E: 954.24 acres**

Name	% Interest
<b>Committed Working Interest Owners</b>	
Marathon Oil Permian LLC	<b>50.124935%</b>
SITL Energy, LLC	50.031160%
R.E.B. Resources, LLC	0.046887%
	0.046887%
<b>Uncommitted Working Interest Owners</b>	
MRC Permian Company*	<b>49.875065%</b>
OXY USA WTP, LP	33.534541%
EOG Resources, Inc.	8.383635%
Irene Hryb McIsaac	7.781061%
Chester J. Stuebber	0.093775%
Alan D. Tuck, Jr. and Evelyn Tuck	0.046888%
The Estate of Mr. Sande Wische, deceased, Carol Wische, Personal Representative	0.011722%
	0.023444%

\*Supports Marathon's development plan and pooling application



**Exhibit "B.3" Summary of Interests  
 Red Jaguar Federal Com 301H, 302H, 501H, & 502H  
 N2 of Section 36-T22S-R27E, N2 of Section 31-22S-28E & N2 of Section 32-T22S-R28E: 954.24 acres**

Committed Working Interest Owners										50.124935%
Interest Owner	Tract 1 WI	Tract 2 WI	Tract 3 WI	Tract 4 WI	Tract 5 WI	Tract 6 WI	Tract 7 WI	Tract 8 WI	Tract 9 WI	Unit WI
Marathon Oil Permian LLC		50.000000%	50.000000%	100.000000%	48.437500%	97.762902%	48.437500%	98.601814%	69.062500%	50.031160%
STIL Energy, LLC						0.279637%		0.279637%		0.046887%
R.E.B. Resources, LLC						0.279637%		0.279637%		0.046887%
<b>Uncommitted Working Interest Owners</b>										<b>49.875065%</b>
Interest Owner	Tract 1 WI	Tract 2 WI	Tract 3 WI	Tract 4 WI	Tract 5 WI	Tract 6 WI	Tract 7 WI	Tract 8 WI	Tract 9 WI	Unit WI
MRC Permian Company	100.000000%									33.534541%
OXY USA WTP, LP		50.000000%	50.000000%							8.388635%
EOG Resources, Inc.					51.562500%		51.562500%		30.937500%	7.781061%
Irene Hryb McIsaac						0.559274%		0.559274%		0.093775%
Chester J. Stuebber						0.279638%		0.279638%		0.046888%
Alan D. Tuck, Jr. and Evelyn Tuck						0.279638%				0.011722%
The Estate of Mr. Sande Wische, deceased, Carol Wische, Personal Representative						0.559274%				0.023444%



**Exhibit "B.3" Summary of Interests  
 Red Jaguar Federal Com 301H, 302H, 501H, & 502H  
 N2 of Section 36-T22S-R27E, N2 of Section 31-T22S-28E & N2 of Section 32-T22S-R28E: 954.24 acres**

ORRI Owners to be Pooled	
OXY USA WTP, LP	Zunis Energy, LLC
Richardson Mineral & Royalty, LLC	Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts
Tim Cavanaugh	SSC, Inc.
Colleen Blackman	Principal Properties, Doug Lauger and Suzanne Laufer
Cathy Jones	Andrews Oil, LP
Charles R. Wiggins	Samuel H. Jolliffe, IV
Richard Donnelly, Trustee Under the George A. Donnelly TA FBO David Preston, Richard Jr. and Martha Brittain Donnelly	Teresa H. Jolliffe
Richard Donnelly	Westall Oil & Gas, LLC
Eastland Oil Company	Spinnaker Investments, LP
Hooker Energy, LLC	Jo Ann Rustamier Stinson
RL & JJ Stevens FP, LP	Judy Lee Rustamier Makowsky
MAP2006-OK	The Beneficiary(ies) of the Rustamier Grandchildren's Trust
Mike Stewart	Pamela Power Burton
David Farmer	David Lee Power
Robert H. Marshall	Rusk Capital Management LLC
William L. Porter	Kimbell Royalty Holdings, LLC
Melissa O'Kelley	Warren Ventures, Ltd.
Katherine Russell Schmidt	Eastland Resources, Inc.
Deborah Russell Neujahr	Irene Hyb McIsaac
Lana Russell	Chester J. Stuebben
Spinnaker Oil & Gas, LP	Alan D. Tuck, Jr. and Evelyn Tuck
Bantam Royalties, LLC	The Estate of Mr. Sande Wische, deceased, Carol Wische, Personal Representative
TLM4, Ltd.	CEP Minerals, LLC
TAS Royalty Company	Good News Minerals, LLC
Serenity Resources, LLC	Marathon Oil Permian LLC
Williams WTX, LP	SITL Energy, LLC
Margaret Jones Kennedy	R.E.B. Resources, LLC
Ruth S. Bell	McCombs Energy, Ltd.*
L.S. Henry, LLC	Colgate Opportunistic Investments I, LLC*
Colgate Energy Management, LLC*	

\*Pooling out of an abundance of caution



**Case 24182: Parties to Be Pooled**

**Working Interest Owners to Be Pooled**

MRC Permian Company  
 OXY USA WTP, LP  
 EOG Resources, Inc.  
 Irene Hryb McIsaac  
 Chester J. Stuebben  
 Alan D. Tuck, Jr. and Evelyn Tuck  
 The Estate of Mr. Sande Wische, deceased, Carol Wische, Personal Representative

<b>ORRI Owners to be Pooled</b>	
OXY USA WTP, LP	Zunis Energy, LLC
Richardson Mineral & Royalty, LLC	Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts
Tim Cavanaugh	SSC, Inc.
Colleen Blackman	Principal Properties, Doug Lauger and Suzanne Laufer
Cathy Jones	Andrews Oil, LP
Charles R. Wiggins	Samuel H. Jolliffe, IV
Richard Donnelly, Trustee Under the George A. Donnelly TA FBO David Preston, Richard Jr. and Martha Brittain Donnelly	Teresa H. Jolliffe
Richard Donnelly	Westall Oil & Gas, LLC
Eastland Oil Company	Spinnaker Investments, LP
Hooker Energy, LLC	Jo Ann Rustamier Stinson
RL & JJ Stevens FP, LP	Judy Lee Rustamier Makowsky
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Mike Stewart	Pamela Power Burton
David Farmer	David Lee Power
Robert H. Marshall	Rusk Capital Management LLC
William L. Porter	Kimbell Royalty Holdings, LLC
Melissa O'Kelley	Warren Ventures, Ltd.
Katherine Russell Schmidt	Eastland Resources, Inc.
Deborah Russell Neujahr	Irene Hryb McIsaac
Lana Russell	Chester J. Stuebben
Spinnaker Oil & Gas, LP	Alan D. Tuck, Jr. and Evelyn Tuck
Bantam Royalties, LLC	The Estate of Mr. Sande Wische, deceased, Carol Wische, Personal Representative
TLM4, Ltd.	CEP Minerals, LLC
TAS Royalty Company	Good News Minerals, LLC
Serenity Resources, LLC	Marathon Oil Permian LLC
Williams WTX, LP	SITL Energy, LLC
Margaret Jones Kennedy	R.E.B. Resources, LLC
Ruth S. Bell	McCombs Energy, Ltd.*
L.S. Henry, LLC	Colgate Opportunistic Investments I, LLC*
Colgate Energy Management, LLC*	

\*Pooling out of an abundance of caution



**Summary of Contacts**  
**Red Jaguar Federal Com 301H, 302H, 501H, & 502H**  
**N2 of Section 36-T22S-R27E, N2 of Section 31-22S-28E & N2 of Section 32-T22S-R28E: 954.24 acres**

**Summary of Contacts**

- Marathon conducted extensive title work to determine the working interest owners and other interest owners.
- Marathon searched public records, phone directory, and various types of internet searches.
- Marathon sent well proposal letters to the working interest owners on or around September 26, 2023 and February 26, 2024.
- Marathon proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Marathon has discussed the general terms of the JOA, with the intent of finalizing the JOA prior to spud (subject to final approvals), with those working interest owners wishing to execute JOAs
- Marathon had multiple communications with the uncommitted working interest owners, which I have outlined in the chart below.
- Marathon filed applications to force pool parties who had not entered into an agreement.
- Marathon's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Marathon also published notice in a newspaper of general circulation in the county where the wells will be located.





**Summary of Contacts**  
**Red Jaguar Federal Com 301H, 302H, 501H, & 502H**  
**N2 of Section 36-T22S-R27E, N2 of Section 31-22S-28E & N2 of Section 32-T22S-R28E: 954.24 acres**

Summary of Contact with Working Interest Owners			
Name	% Interest	Proposal Letter Sent	Proposal Letter Received
MRC Permian Company	33.534541%	9/26/2023	10/6/2023
OXY USA WTP, LP	8.383635%	9/26/2023	5/7/2024
EOG Resources, Inc.	7.781061%	3/26/2024	4/9/2024
Irene Hryb McIsaac	0.093775%	2/26/2024	3/6/2024
Chester J. Stuebber	0.046888%	2/26/2024	3/5/2024
Alan D. Tuck, Jr. and Evelyn Tuck	0.011722%	3/26/2024	Refused certified delivery 4/9/24
SITL Energy, LLC	0.046887%	2/26/2024	2/29/2024
R. E. B. Resources, LLC	0.046887%	9/26/2023	2/29/2024
The Estate of Mr. Sande Wische, deceased, Carol Wische, Personal Representative	0.023444%	3/26/2024	4/10/2024

**Follow Up**

Well proposal sent 9/26/2023 and received on 10/6/2023. Discussed development timing and operations support agreement on 3/25/2024. Provided support letter for Marathon's development.

Well proposal sent 9/26/2023 and received on 5/7/2024. Discussed development timing, well spacing, & pooling applications on 4/15/2024.

Well proposal sent 3/26/2024 and received on 4/9/2024.

Well proposal sent on 2/26/2024 and received on 3/6/2024. Owner sent in letter indicating they did not want to participate.

Well proposal sent on 2/26/2024 and received on 3/5/2024

Proposal sent on 3/26/2024 and was refused delivery via certified delivery 4/9/24

Well proposal sent on 2/26/2024 and received on 2/29/2024. Executed JOA with Marathon

Well proposal sent on 9/26/2023 and received on 2/29/2024. Executed JOA with Marathon

Well proposal sent on 3/26/24 and received 4/10/2024. Had phone call discussion on 5/7/2024 discussing development plans.





Samuel A. Cox  
Senior Land Professional  
Land - Permian

Marathon Oil Company  
990 Town & Country Blvd.  
Houston, Texas 77024  
713.296.3152 (o)  
scox1@marathonoil.com

DELIVERED VIA CERTIFIED MAIL

September 26, 2023

**Owner Name**  
**Address Line 1**  
**Address Line 2**

Re: Red Jaguar Federal Com 301H, 302H, 501H & 502H (the "Wells")  
Participation Proposal  
N/2 of Section 36-T22S-R27E, N/2 Sections 31 & 32-T22S-R28E  
Eddy County, New Mexico

Dear Sir/Madam:

Marathon Oil Permian LLC ("Marathon") proposes the drilling, completion, and equipping of the Wells to test the following formations, at a legal location in N/2 of Section 36, Township 22 South, Range 27 East, and N/2 Sections 31 and 32, Township 22 South, Range 28 East, Eddy County, New Mexico (the "Subject Lands), as follows:

WELL NAME	First Take Point		Last Take Point		TVD	MD	Target Interval
Red Jaguar Federal Com 301H	100' FWL Section 36	2310' FNL Section 36	100' FEL Section 32	2310' FNL Section 32	6,820'	22,170'	1st Bone Spring
Red Jaguar Federal Com 501H	100' FWL Section 36	1650' FNL Section 36	100' FEL Section 32	1650' FNL Section 32	7,580'	22,926'	2nd Bone Spring
Red Jaguar Federal Com 302H	100' FWL Section 36	1020' FNL Section 36	100' FEL Section 32	1020' FNL Section 32	6,820'	22,172'	1st Bone Spring
Red Jaguar Federal Com 502H	100' FWL Section 36	330' FNL Section 36	100' FEL Section 32	330' FNL Section 32	7,580'	22,933'	2nd Bone Spring

**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 at the top of this letter.

Best Regards,  
**Marathon Oil Permian LLC**



Samuel A. Cox  
Senior Land Professional

**PARTICIPATION BALLOT**

**Owner Name** hereby elects to:

\_\_\_\_\_ Not to participate in the **RED JAGUAR FEDERAL COM 301H** Well.

\_\_\_\_\_ Participate in the **RED JAGUAR FEDERAL COM 301H** Well by paying its proportionate share of all actual costs.

\_\_\_\_\_ Not to participate in the **RED JAGUAR FEDERAL COM 501H** Well.

\_\_\_\_\_ Participate in the **RED JAGUAR FEDERAL COM 501H** Well by paying its proportionate share of all actual costs.

\_\_\_\_\_ Not to participate in the **RED JAGUAR FEDERAL COM 302H** Well.

\_\_\_\_\_ Participate in the **RED JAGUAR FEDERAL COM 302H** Well by paying its proportionate share of all actual costs.

\_\_\_\_\_ Not to participate in the **RED JAGUAR FEDERAL COM 502H** Well.

\_\_\_\_\_ Participate in the **RED JAGUAR FEDERAL COM 502H** Well by paying its proportionate share of all actual costs.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

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

DATE 2/26/2024  
 DRILLING & LOCATION PREPARED BY COURT NELSON  
 COMPLETION PREPARED BY KRISTEN DRAIN  
 FACILITIES PREPARED BY HARSHA DISSANAYAKE  
 ARTIFICIAL LIFT PREPARED BY CLAYTON DIETZE

Asset Team	PERMIAN		
Field	Bone Spring	FORMATION: FB	WILDCAT
Lease/Facility	RED JAGUAR FEDERAL COM 301H		DEVELOPMENT
Location	N2 36-22S-27E, N2 31 & 32-22S-28E		X EXPLOITATION
Prospect	Malaga		EXPLORATION
			RECOMPLETION
			WORKOVER
Est Total Depth	22,400	Est Drilling Days	30.052
		Est Completion Days	10

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,800
7001250	Land Broker Fees and Services	67,200
		0
TOTAL LOCATION COST - INTANGIBLE		\$168,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	62,487
7012050	Surface Casing	42,491
7012050	Intermediate Casing 1	129,972
7012050	Intermediate Casing 2	-
7012050	Production Casing	649,861
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	62,487
7012550	Drilling Wellhead Equipment	59,987
7012040	Casing & Tubing Access	137,471
7290003	Miscellaneous MRO Materials	12,497
		-
TOTAL DRILLING - TANGIBLE		\$1,157,253

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	162,465
7290002	Drilling Rig - day work/footage	1,009,784
7019040	Directional Drilling Services	335,428
7019020	Cement and Cementing Service Surface	37,492
7019020	Cement and Cementing Service Intermediate 1	62,487
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	374,920
7019140	Mud Fluids & Services	156,717
7012310	Solids Control equipment	90,881
7012020	Bits	299,936
7019010	Casing Crew and Services	99,979
7016350	Fuel (Rig)	156,517
7019140	Fuel (Mud)	74,984
7001460	Water (non potable)	62,487
7012350	Water (potable)	12,497
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	27,932
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	87,481
7019110	Casing inspection/cleaning	37,492
7019110	Drill pipe/collar inspection services	24,995
7016180	Freight - truck	62,487
7001460	Water hauling and disposal (includes soil farming)	149,968
7001160	Contract Services - Disposal/Non-Hazardous Waste	199,957
7001440	Vacuum Trucks	24,995
7000030	Contract Labor - general	74,984
7000010	Contract Labor - Operations	7,498
7001200	Contract Services - Facilities	24,995
7019300	Well Services - Well Control Services	48,677
7019350	Well Services - Well/Wellhead Services	24,995
7290003	Rental Tools and Equipment (surface rentals)	25,245
7260001	Rig Equipment and Misc.	201,957
7001110	Telecommunications Services	12,497
7001120	Consulting Services	212,055
7001400	Safety and Environmental	70,685
7330002	Rental Buildings (trailers)	25,245
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	435,037
TOTAL DRILLING - INTANGIBLE		\$4,715,747



**TOTAL DRILLING COST** \$5,873,000

MARATHON OIL PERMIAN LLC DATE 2/26/2024  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: FB  
 Lease/Facility #REF!

**COMPLETION - TANGIBLE**

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

**COMPLETION - INTANGIBLE**

7001270	Location and Access (dress location after rig move, set anchors)	14,027
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	220,424
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)	355,150
7390002	Fracturing Services	5,766,898
7019330	Perforating	261,959
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	266,618
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)	65,125
7290003	Contract Labor - general	-
7000030	Telecommunications Services	50,096
7001110	Safety and Environmental	-
7001400	Consulting Services	131,753
7001120	Zipper Manifold	197,147
7019300	Frack Stack Rentals	170,327
7016180	Freight (Transportation Services)	9,618
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	254,815
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	50,096
7011010	8% Contingency & Taxes	-
<b>TOTAL COMPLETION - INTANGIBLE</b>		<b>\$7,814,053</b>

**TOTAL COMPLETION COST** \$7,829,053

**SURFACE EQUIPMENT - TANGIBLE**

7012350	Misc. Piping, Fittings & Valves	104,428
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	113,414
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	30,232
7012270	Miscellaneous Materials (containment system)	31,491
7008060	SCADA	9,963
7016180	Freight - truck	10,415
7001190	Contract Engineering	6,452
7012290	Metering and Instrumentation	176,720
7012290	I&E Materials	103,659
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	11,993

7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	167,561
7012500	Tanks	29,494
7012100	Heater Treater	87,173
7012640	Flare & Accessories	12,662
7000010	Electrical Labor	57,277
7000010	Mechanical Labor	123,862
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,203
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,100,000

TOTAL SURFACE EQUIPMENT COST \$ 1,100,000

ARTIFICIAL LIFT

7000030	Contract Labor	3,000
7001120	Consultant	2,400
7008230	Time Writing/Overhead	3,000
7012180	Artificial Lift Equipment	157,200
7012350	Materials & Supplies	1,200
7012550	Production Tree	3,000
7012580	Tubing	63,000
7016190	Freight	3,000
7018150	Rentals	3,600
7019130	Kill Fluid	1,200
7019220	Well Services & Rig	14,400
TOTAL ARTIFICIAL LIFT		255,000

TOTAL ARTIFICIAL LIFT COST \$ 255,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 5,873,000
TOTAL COMPLETIONS COST	\$ 7,829,053
TOTAL SURFACE EQUIPMENT COST	\$ 1,100,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
GRAND TOTAL COST	\$15,225,053

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

DATE 2/26/2024  
 DRILLING & LOCATION PREPARED BY COURT NELSON  
 COMPLETION PREPARED BY KRISTEN DRAIN  
 FACILITIES PREPARED BY HARSHA DISSANAYAKE  
 ARTIFICIAL LIFT PREPARED BY CLAYTON DIETZE

Asset Team	PERMIAN		
Field	Bone Spring FORMATION: FB	WILDCAT	EXPLORATION
Lease/Facility	RED JAGUAR FEDERAL COM 302H	DEVELOPMENT	RECOMPLETION
Location	N2 36-22S-27E, N2 31 & 32-22S-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 22,400 Est Drilling Days 30.052 Est Completion Days 10

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,800
7001250	Land Broker Fees and Services	67,200
		0
TOTAL LOCATION COST - INTANGIBLE		\$168,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	62,487
7012050	Surface Casing	42,491
7012050	Intermediate Casing 1	129,972
7012050	Intermediate Casing 2	-
7012050	Production Casing	649,861
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	62,487
7012550	Drilling Wellhead Equipment	59,987
7012040	Casing & Tubing Access	137,471
7290003	Miscellaneous MRO Materials	12,497
		-
TOTAL DRILLING - TANGIBLE		\$1,157,253

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	162,465
7290002	Drilling Rig - day work/footage	1,009,784
7019040	Directional Drilling Services	335,428
7019020	Cement and Cementing Service Surface	37,492
7019020	Cement and Cementing Service Intermediate 1	62,487
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	374,920
7019140	Mud Fluids & Services	156,717
7012310	Solids Control equipment	90,881
7012020	Bits	299,936
7019010	Casing Crew and Services	99,979
7016350	Fuel (Rig)	156,517
7019140	Fuel (Mud)	74,984
7001460	Water (non potable)	62,487
7012350	Water (potable)	12,497
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	27,932
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	87,481
7019110	Casing inspection/cleaning	37,492
7019110	Drill pipe/collar inspection services	24,995
7016180	Freight - truck	62,487
7001460	Water hauling and disposal (includes soil farming)	149,968
7001160	Contract Services - Disposal/Non-Hazardous Waste	199,957
7001440	Vacuum Trucks	24,995
7000030	Contract Labor - general	74,984
7000010	Contract Labor - Operations	7,498
7001200	Contract Services - Facilities	24,995
7019300	Well Services - Well Control Services	48,677
7019350	Well Services - Well/Wellhead Services	24,995
7290003	Rental Tools and Equipment (surface rentals)	25,245
7260001	Rig Equipment and Misc.	201,957
7001110	Telecommunications Services	12,497
7001120	Consulting Services	212,055
7001400	Safety and Environmental	70,685
7330002	Rental Buildings (trailers)	25,245
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	435,037
TOTAL DRILLING - INTANGIBLE		\$4,715,747



**TOTAL DRILLING COST** **\$5,873,000**

MARATHON OIL PERMIAN LLC DATE 2/26/2024  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: FB  
 Lease/Facility #REF!

**COMPLETION - TANGIBLE**

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

**COMPLETION - INTANGIBLE**

7001270	Location and Access (dress location after rig move, set anchors)	14,027
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	220,424
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)	355,150
7390002	Fracturing Services	5,766,898
7019330	Perforating	261,959
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	266,618
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)	65,125
7290003	Contract Labor - general	-
7000030	Telecommunications Services	50,096
7001110	Safety and Environmental	-
7001400	Consulting Services	131,753
7001120	Zipper Manifold	197,147
7019300	Frack Stack Rentals	170,327
7016180	Freight (Transportation Services)	9,618
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	254,815
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	50,096
7011010	8% Contingency & Taxes	-
<b>TOTAL COMPLETION - INTANGIBLE</b>		<b>\$7,814,053</b>

**TOTAL COMPLETION COST** **\$7,829,053**

**SURFACE EQUIPMENT - TANGIBLE**

7012350	Misc. Piping, Fittings & Valves	104,428
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	113,414
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	30,232
7012270	Miscellaneous Materials (containment system)	31,491
7008060	SCADA	9,963
7016180	Freight - truck	10,415
7001190	Contract Engineering	6,452
7012290	Metering and Instrumentation	176,720
7012290	I&E Materials	103,659
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	11,993

7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	167,561
7012500	Tanks	29,494
7012100	Heater Treater	87,173
7012640	Flare & Accessories	12,662
7000010	Electrical Labor	57,277
7000010	Mechanical Labor	123,862
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,203
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,100,000

TOTAL SURFACE EQUIPMENT COST \$ 1,100,000

ARTIFICIAL LIFT

7000030	Contract Labor	3,000
7001120	Consultant	2,400
7008230	Time Writing/Overhead	3,000
7012180	Artificial Lift Equipment	157,200
7012350	Materials & Supplies	1,200
7012550	Production Tree	3,000
7012580	Tubing	63,000
7016190	Freight	3,000
7018150	Rentals	3,600
7019130	Kill Fluid	1,200
7019220	Well Services & Rig	14,400
TOTAL ARTIFICIAL LIFT		255,000

TOTAL ARTIFICIAL LIFT COST \$ 255,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS	TOTAL COST
TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 5,873,000
TOTAL COMPLETIONS COST	\$ 7,829,053
TOTAL SURFACE EQUIPMENT COST	\$ 1,100,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<b>\$15,225,053</b>

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

DATE 2/26/2024  
 DRILLING & LOCATION PREPARED BY COURT NELSON  
 COMPLETION PREPARED BY KRISTEN DRAIN  
 FACILITIES PREPARED BY HARSHA DISSANAYAKE  
 ARTIFICIAL LIFT PREPARED BY CLAYTON DIETZE

Asset Team	<u>PERMIAN</u>		
Field	<u>Bone Spring FORMATION: SB</u>	<u>WILDCAT</u>	<u>EXPLORATION</u>
Lease/Facility	<u>RED JAGUAR FEDERAL COM 501H</u>	<u>DEVELOPMENT</u>	<u>RECOMPLETION</u>
Location	<u>N2 36-22S-27E, N2 31 &amp; 32-22S-28E</u>	<u>X EXPLOITATION</u>	<u>WORKOVER</u>
Prospect	<u>Malaga</u>		

Est Total Depth 22,400 Est Drilling Days 30.052 Est Completion Days 10

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
<u>7001270</u>	<u>Location and Access</u>	<u>100,800</u>
<u>7001250</u>	<u>Land Broker Fees and Services</u>	<u>67,200</u>
		<u>0</u>
TOTAL LOCATION COST - INTANGIBLE		<u>\$168,000</u>

DRILLING COST - TANGIBLE

<u>7001270</u>	<u>Conductor Pipe</u>	<u>62,487</u>
<u>7012050</u>	<u>Surface Casing</u>	<u>42,491</u>
<u>7012050</u>	<u>Intermediate Casing 1</u>	<u>129,972</u>
<u>7012050</u>	<u>Intermediate Casing 2</u>	<u>-</u>
<u>7012050</u>	<u>Production Casing</u>	<u>649,861</u>
<u>7012050</u>	<u>Drilg Liner Hanger, Tieback Eq &amp; Csg Accessories</u>	<u>62,487</u>
<u>7012550</u>	<u>Drilling Wellhead Equipment</u>	<u>59,987</u>
<u>7012040</u>	<u>Casing &amp; Tubing Access</u>	<u>137,471</u>
<u>7290003</u>	<u>Miscellaneous MRO Materials</u>	<u>12,497</u>
		<u>-</u>
TOTAL DRILLING - TANGIBLE		<u>\$1,157,253</u>

DRILLING COST - INTANGIBLE

<u>7290002</u>	<u>Drilling Rig Mob/Demob</u>	<u>162,465</u>
<u>7290002</u>	<u>Drilling Rig - day work/footage</u>	<u>1,009,784</u>
<u>7019040</u>	<u>Directional Drilling Services</u>	<u>335,428</u>
<u>7019020</u>	<u>Cement and Cementing Service Surface</u>	<u>37,492</u>
<u>7019020</u>	<u>Cement and Cementing Service Intermediate 1</u>	<u>62,487</u>
<u>7019020</u>	<u>Cement and Cementing Service Intermediate 2</u>	<u>-</u>
<u>7019020</u>	<u>Cement and Cementing Service Production</u>	<u>374,920</u>
<u>7019140</u>	<u>Mud Fluids &amp; Services</u>	<u>156,717</u>
<u>7012310</u>	<u>Solids Control equipment</u>	<u>90,881</u>
<u>7012020</u>	<u>Bits</u>	<u>299,936</u>
<u>7019010</u>	<u>Casing Crew and Services</u>	<u>99,979</u>
<u>7016350</u>	<u>Fuel (Rig)</u>	<u>156,517</u>
<u>7019140</u>	<u>Fuel (Mud)</u>	<u>74,984</u>
<u>7001460</u>	<u>Water (non potable)</u>	<u>62,487</u>
<u>7012350</u>	<u>Water (potable)</u>	<u>12,497</u>
<u>7019000</u>	<u>Well Logging Services</u>	<u>-</u>
<u>7019150</u>	<u>Mud Logging+geosteering</u>	<u>27,932</u>
<u>7019250</u>	<u>Stabilizers, Hole Openers, Underreamers (DH rentals)</u>	<u>87,481</u>
<u>7019110</u>	<u>Casing inspection/cleaning</u>	<u>37,492</u>
<u>7019110</u>	<u>Drill pipe/collar inspection services</u>	<u>24,995</u>
<u>7016180</u>	<u>Freight - truck</u>	<u>62,487</u>
<u>7001460</u>	<u>Water hauling and disposal (includes soil farming)</u>	<u>149,968</u>
<u>7001160</u>	<u>Contract Services - Disposal/Non-Hazardous Waste</u>	<u>199,957</u>
<u>7001440</u>	<u>Vacuum Trucks</u>	<u>24,995</u>
<u>7000030</u>	<u>Contract Labor - general</u>	<u>74,984</u>
<u>7000010</u>	<u>Contract Labor - Operations</u>	<u>7,498</u>
<u>7001200</u>	<u>Contract Services - Facilities</u>	<u>24,995</u>
<u>7019300</u>	<u>Well Services - Well Control Services</u>	<u>48,677</u>
<u>7019350</u>	<u>Well Services - Well/Wellhead Services</u>	<u>24,995</u>
<u>7290003</u>	<u>Rental Tools and Equipment (surface rentals)</u>	<u>25,245</u>
<u>7260001</u>	<u>Rig Equipment and Misc.</u>	<u>201,957</u>
<u>7001110</u>	<u>Telecommunications Services</u>	<u>12,497</u>
<u>7001120</u>	<u>Consulting Services</u>	<u>212,055</u>
<u>7001400</u>	<u>Safety and Environmental</u>	<u>70,685</u>
<u>7330002</u>	<u>Rental Buildings (trailers)</u>	<u>25,245</u>
<u>7019310</u>	<u>Coring (sidewalls &amp; analysis)</u>	<u>-</u>
<u>7011010</u>	<u>8% Contingency &amp; Taxes</u>	<u>435,037</u>
		<u>-</u>
TOTAL DRILLING - INTANGIBLE		<u>\$4,715,747</u>

**TOTAL DRILLING COST** \$5,873,000

MARATHON OIL PERMIAN LLC DATE 2/26/2024  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: SB  
 Lease/Facility #REF!

**COMPLETION - TANGIBLE**

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

**COMPLETION - INTANGIBLE**

7001270	Location and Access (dress location after rig move, set anchors)	14,027
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	220,424
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)	355,150
7390002	Fracturing Services	5,766,898
7019330	Perforating	261,959
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	266,618
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)	65,125
7290003	Contract Labor - general	-
7000030	Telecommunications Services	50,096
7001110	Safety and Environmental	-
7001400	Consulting Services	131,753
7001120	Zipper Manifold	197,147
7019300	Frack Stack Rentals	170,327
7016180	Freight (Transportation Services)	9,618
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	254,815
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	50,096
7011010	8% Contingency & Taxes	-
<b>TOTAL COMPLETION - INTANGIBLE</b>		<u>\$7,814,053</u>

**TOTAL COMPLETION COST** \$7,829,053

**SURFACE EQUIPMENT - TANGIBLE**

7012350	Misc. Piping, Fittings & Valves	104,428
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	113,414
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	30,232
7012270	Miscellaneous Materials (containment system)	31,491
7008060	SCADA	9,963
7016180	Freight - truck	10,415
7001190	Contract Engineering	6,452
7012290	Metering and Instrumentation	176,720
7012290	I&E Materials	103,659
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	11,993

7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	167,561
7012500	Tanks	29,494
7012100	Heater Treater	87,173
7012640	Flare & Accessories	12,662
7000010	Electrical Labor	57,277
7000010	Mechanical Labor	123,862
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,203
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,100,000

TOTAL SURFACE EQUIPMENT COST \$ 1,100,000

ARTIFICIAL LIFT

7000030	Contract Labor	3,000
7001120	Consultant	2,400
7008230	Time Writing/Overhead	3,000
7012180	Artificial Lift Equipment	157,200
7012350	Materials & Supplies	1,200
7012550	Production Tree	3,000
7012580	Tubing	63,000
7016190	Freight	3,000
7018150	Rentals	3,600
7019130	Kill Fluid	1,200
7019220	Well Services & Rig	14,400
TOTAL ARTIFICIAL LIFT		255,000

TOTAL ARTIFICIAL LIFT COST \$ 255,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 5,873,000
TOTAL COMPLETIONS COST	\$ 7,829,053
TOTAL SURFACE EQUIPMENT COST	\$ 1,100,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000

GRAND TOTAL COST \$15,225,053

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

DATE 2/26/2024  
 DRILLING & LOCATION PREPARED BY COURT NELSON  
 COMPLETION PREPARED BY KRISTEN DRAIN  
 FACILITIES PREPARED BY HARSHA DISSANAYAKE  
 ARTIFICIAL LIFT PREPARED BY CLAYTON DIETZE

Asset Team	PERMIAN		
Field	Bone Spring FORMATION: SB	WILDCAT	EXPLORATION
Lease/Facility	RED JAGUAR FEDERAL COM 502H	DEVELOPMENT	RECOMPLETION
Location	N2 36-22S-27E, N2 31 & 32-22S-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 22,400 Est Drilling Days 30.052 Est Completion Days 10

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,800
7001250	Land Broker Fees and Services	67,200
		0
TOTAL LOCATION COST - INTANGIBLE		\$168,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	62,487
7012050	Surface Casing	42,491
7012050	Intermediate Casing 1	129,972
7012050	Intermediate Casing 2	-
7012050	Production Casing	649,861
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	62,487
7012550	Drilling Wellhead Equipment	59,987
7012040	Casing & Tubing Access	137,471
7290003	Miscellaneous MRO Materials	12,497
		-
TOTAL DRILLING - TANGIBLE		\$1,157,253

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	162,465
7290002	Drilling Rig - day work/footage	1,009,784
7019040	Directional Drilling Services	335,428
7019020	Cement and Cementing Service Surface	37,492
7019020	Cement and Cementing Service Intermediate 1	62,487
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	374,920
7019140	Mud Fluids & Services	156,717
7012310	Solids Control equipment	90,881
7012020	Bits	299,936
7019010	Casing Crew and Services	99,979
7016350	Fuel (Rig)	156,517
7019140	Fuel (Mud)	74,984
7001460	Water (non potable)	62,487
7012350	Water (potable)	12,497
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	27,932
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	87,481
7019110	Casing inspection/cleaning	37,492
7019110	Drill pipe/collar inspection services	24,995
7016180	Freight - truck	62,487
7001460	Water hauling and disposal (includes soil farming)	149,968
7001160	Contract Services - Disposal/Non-Hazardous Waste	199,957
7001440	Vacuum Trucks	24,995
7000030	Contract Labor - general	74,984
7000010	Contract Labor - Operations	7,498
7001200	Contract Services - Facilities	24,995
7019300	Well Services - Well Control Services	48,677
7019350	Well Services - Well/Wellhead Services	24,995
7290003	Rental Tools and Equipment (surface rentals)	25,245
7260001	Rig Equipment and Misc.	201,957
7001110	Telecommunications Services	12,497
7001120	Consulting Services	212,055
7001400	Safety and Environmental	70,685
7330002	Rental Buildings (trailers)	25,245
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	435,037
TOTAL DRILLING - INTANGIBLE		\$4,715,747

**TOTAL DRILLING COST** \$5,873,000

MARATHON OIL PERMIAN LLC DATE 2/26/2024  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: SB  
 Lease/Facility #REF!

**COMPLETION - TANGIBLE**

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

**COMPLETION - INTANGIBLE**

7001270	Location and Access (dress location after rig move, set anchors)	14,027
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	220,424
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)	355,150
7390002	Fracturing Services	5,766,898
7019330	Perforating	261,959
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	266,618
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)	65,125
7290003	Contract Labor - general	-
7000030	Telecommunications Services	50,096
7001110	Safety and Environmental	-
7001400	Consulting Services	131,753
7001120	Zipper Manifold	197,147
7019300	Frack Stack Rentals	170,327
7016180	Freight (Transportation Services)	9,618
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	254,815
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	50,096
7011010	8% Contingency & Taxes	-
<b>TOTAL COMPLETION - INTANGIBLE</b>		<b>\$7,814,053</b>

**TOTAL COMPLETION COST** \$7,829,053

**SURFACE EQUIPMENT - TANGIBLE**

7012350	Misc. Piping, Fittings & Valves	104,428
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	113,414
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	30,232
7012270	Miscellaneous Materials (containment system)	31,491
7008060	SCADA	9,963
7016180	Freight - truck	10,415
7001190	Contract Engineering	6,452
7012290	Metering and Instrumentation	176,720
7012290	I&E Materials	103,659
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	11,993

7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	167,561
7012500	Tanks	29,494
7012100	Heater Treater	87,173
7012640	Flare & Accessories	12,662
7000010	Electrical Labor	57,277
7000010	Mechanical Labor	123,862
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,203
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,100,000

**TOTAL SURFACE EQUIPMENT COST** \$ 1,100,000

**ARTIFICIAL LIFT**

7000030	Contract Labor	3,000
7001120	Consultant	2,400
7008230	Time Writing/Overhead	3,000
7012180	Artificial Lift Equipment	157,200
7012350	Materials & Supplies	1,200
7012550	Production Tree	3,000
7012580	Tubing	63,000
7016190	Freight	3,000
7018150	Rentals	3,600
7019130	Kill Fluid	1,200
7019220	Well Services & Rig	14,400
TOTAL ARTIFICIAL LIFT		255,000

**TOTAL ARTIFICIAL LIFT COST** \$ 255,000

**SUMMARY OF ESTIMATED DRILLING WELL COSTS**

**TOTAL COST**

TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 5,873,000
TOTAL COMPLETIONS COST	\$ 7,829,053
TOTAL SURFACE EQUIPMENT COST	\$ 1,100,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<u>\$15,225,053</u>



# Matador Production Company

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240  
Voice 972.371.5430 • Fax 214.866.4930  
[ccarleton@matadorresources.com](mailto:ccarleton@matadorresources.com)

Chris Carleton  
Vice President of Land Operations

April 2, 2024

Samuel A. Cox  
Staff Land Professional  
Permian Land  
Marathon Oil Permian LLC  
990 Town & Country Blvd.  
Houston, TX 77024

Re: Contested Force Pooling Cases involving Marathon Oil Permian LLC's ("**Marathon**") (i) Olmec project to develop the Wolfcamp formation in Section 31, Township 22 South, Range 28 East, and Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico (Case No. 24336) ("**Olmec Unit**"), and (ii) Blue Barracuda and Red Jaguar projects, which collectively develop the Bone Spring formation in Section 31 and 32, Township 22 South, Range 28 East, and Section 36, Township 22 South, Range 27 East, Eddy County, New Mexico (Case Nos. 24183 and 24182) ("**Blue Barracuda & Red Jaguar Units**").

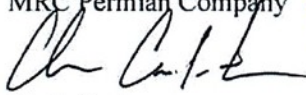
To whom it may concern,

As you know, MRC Permian Company ("**MRC**") owns a working interest in certain tracts within each of Marathon's Olmec Unit, Blue Barracuda & Red Jaguar Units, referenced above. MRC is aware of the upcoming force pooling hearings for these projects.

In connection with those force pooling hearings, I write to confirm that MRC is in support of Marathon as operator for its proposed Olmec Unit, Blue Barracuda & Red Jaguar Units. For purposes of the hearing, MRC wishes for its working interest to be considered as committed to Marathon's development plan in each of its Olmec Unit, Blue Barracuda & Red Jaguar Units. MRC plans to enter a mutually-agreeable joint operating agreement naming Marathon as operator for the Olmec Unit, Blue Barracuda & Red Jaguar Units soon after Marathon's force pooling applications are approved by the New Mexico Oil Conservation Division.

Please feel free to submit this letter of support in connection with your filings in the above-referenced force pooling proceedings.

Sincerely,

MRC Permian Company *KAP HMB*  
  
Chris Carleton  
Vice President of Land Operations



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.

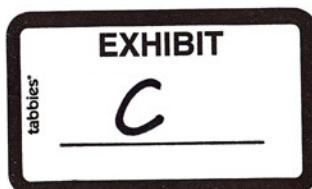
CASE NO. 24182

AFFIDAVIT

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF HARRIS            )

Matt Baker, being duly sworn, deposes and states:

1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC, and have personal knowledge of the matters stated herein.
2. I have previously testified before the Division and my credentials as an expert petroleum geologist were accepted as a matter of record.
3. My area of responsibility at Marathon includes the area of Eddy County in New Mexico.
4. I am familiar with the application Marathon filed in this case.
5. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
6. **Exhibit C.2** is a wellbore schematic showing Marathon's development plan.
7. **Exhibits C.3** through **C.6** are the geology study I prepared for the Red Jaguar Federal Com 301H and Red Jaguar Federal Com 302H wells, which will target the First Bone Spring formation.



8. **Exhibit C.3** is a structure map of the top of the First Bone Spring formation. The proposed spacing unit is identified by a black dashed box. The proposed wells are identified by red lines. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips to toward the east.

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

10. **Exhibit C.5** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone for the wells are identified by the words "Producing Zone" and the shaded area across the cross section. I conclude that the First Bone Spring is near constant thickness across the area.

11. **Exhibit C.6** is a Gross Interval Isochore for the First Bone Spring formation. The First Bone Spring has consistent thickness across the unit.

12. **Exhibits C.7 through C.10** are the geology study I prepared for the Red Jaguar Federal Com 501H and Red Jaguar Federal Com 502H wells, which will target the Second Bone Spring formation.

13. **Exhibit C.7** is a structure map of the top of the Second Bone Spring formation. The proposed spacing unit is identified by a black dashed box. The proposed wells are identified by red line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the top of the Second Bone Spring dips toward the east.

14. **Exhibit C.8** 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'.

15. **Exhibit C.9** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Second Bone Spring formation in the area. The target

zone for the wells is identified by the words “Producing Zone” and the shaded area across the cross section. I conclude that the Second Bone Spring thickens to the south across the area.

16. **Exhibit C.10** is a Gross Interval Isochore for the Second Bone Spring formation. The Second Bone Spring thickens to the east.

17. I conclude from the maps that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter quarter section 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 2018 Snee-Zoback paper.

19. The preferred well orientation in this area is either North/South or East/West. This is because the  $S_{Hmax}$  is at approximately is at approximately  $45^\circ$  in this part of Eddy County.

20. The exhibits to this affidavit were prepared by my or under my supervision or compiled from company business records.

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

M. B.  
Matt Baker

State of Texas

County of Harris

This record was acknowledged before me on May 13, 2024, by Matt Baker.

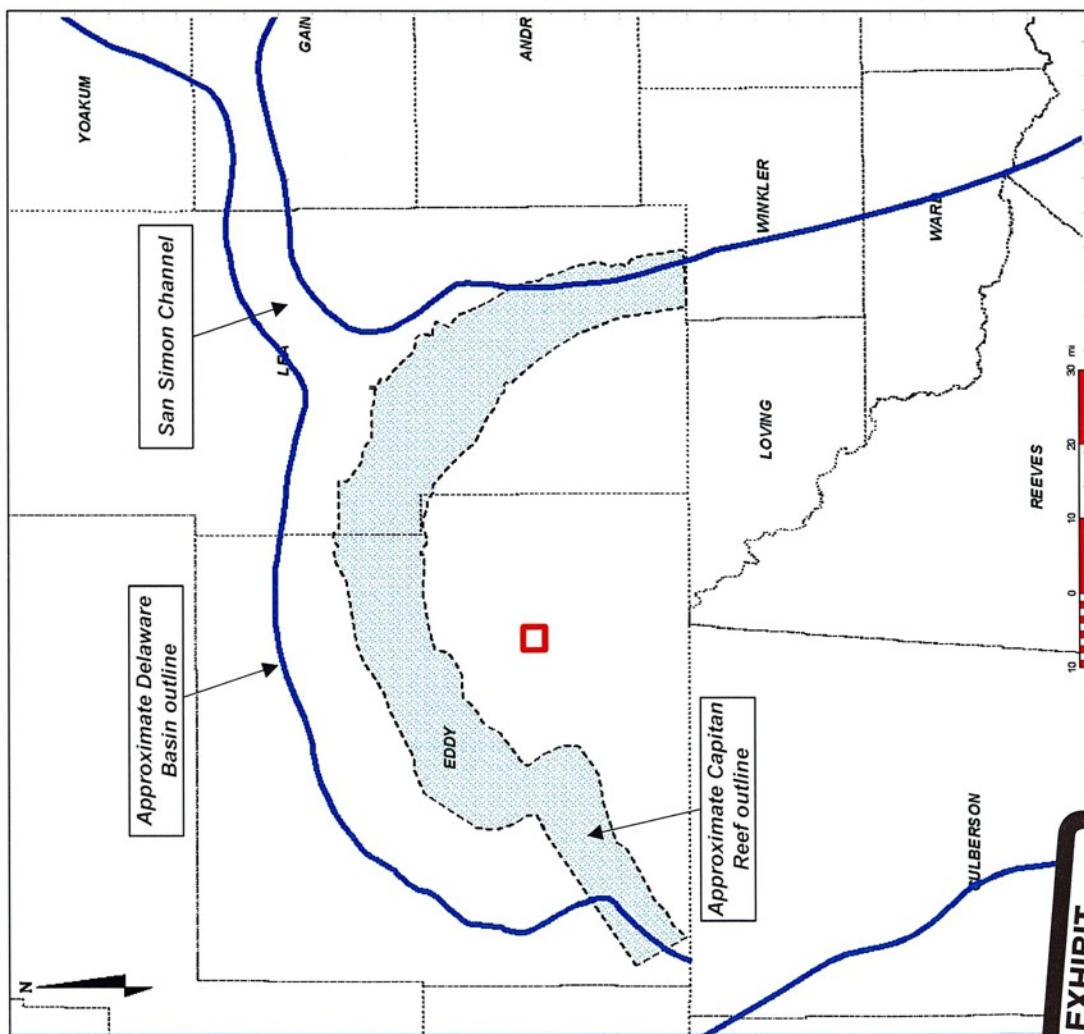


F. D.  
Notary Public in and for the  
State of Texas  
Commission Number: 132103472

My Commission Expires: 8/16/2027

# Red Jaguar Fed Com Unit

## Locator Map

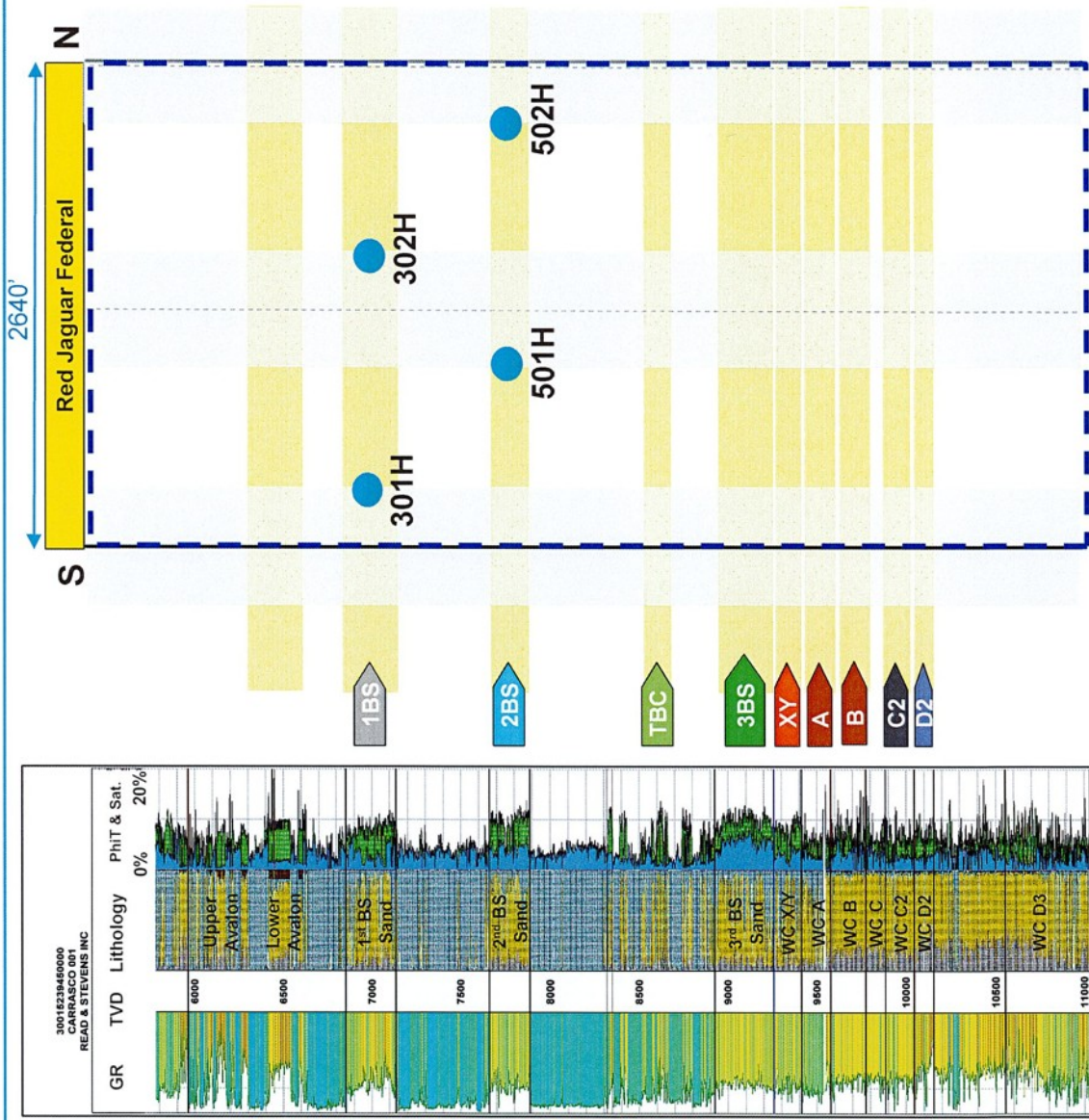


- Approximate location of proposed Red Jaguar Fed well locations shown with red box
- Located outside of the Capitan Reef
- Mid-eastern Eddy County



# Red Jaguar Fed Com Unit

## Wellbore Schematic

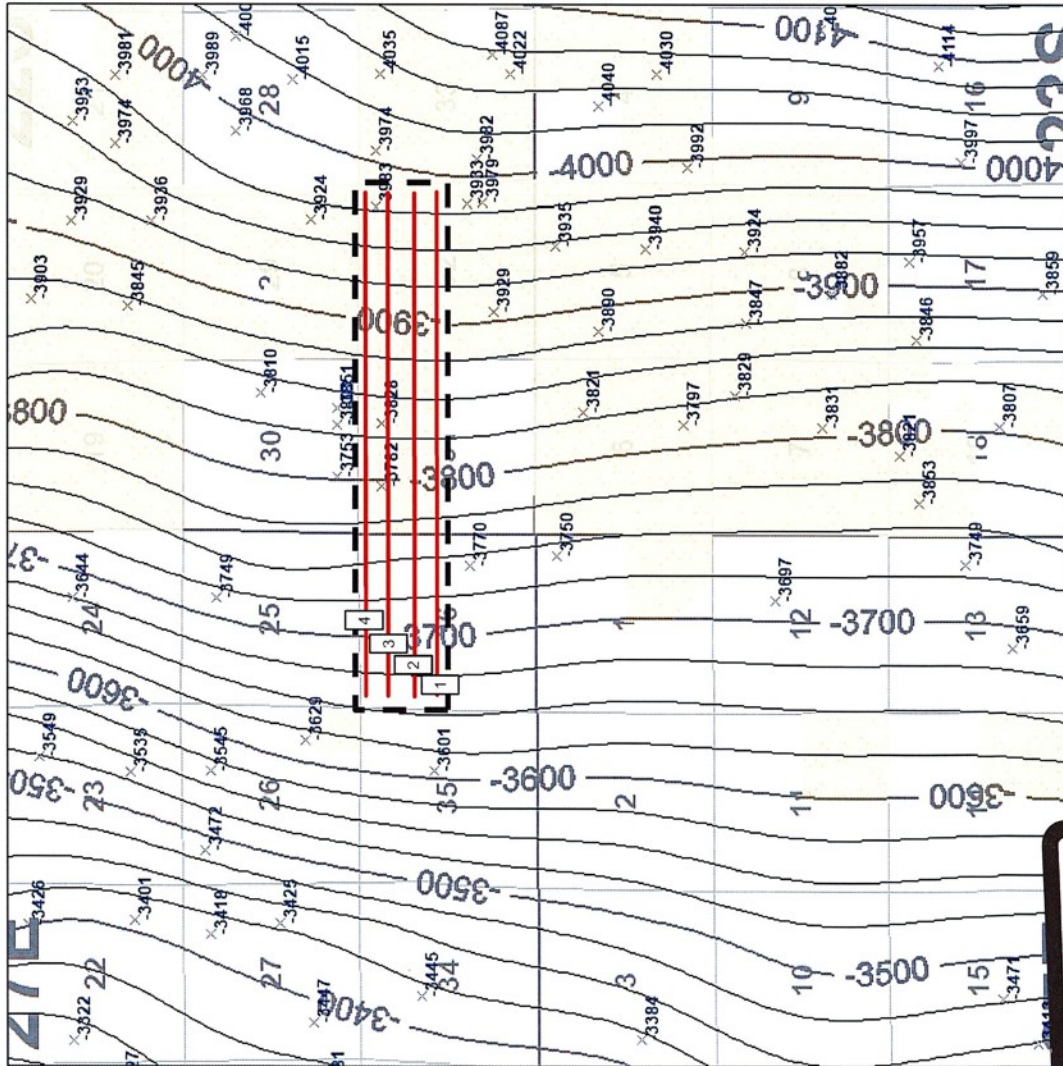


● Planned

EXHIBIT  
C-2

# Red Jaguar Fed Com Unit

## Structure Map – Top of First Bone Spring (TVDSS)



- 1 Red Jaguar Fed Com 301H
- 2 Red Jaguar Fed Com 501H
- 3 Red Jaguar Fed Com 302H
- 4 Red Jaguar Fed Com 502H

### Map Legend\*

- Proposed Wells
- Existing FBS Wells

- MRO Acreage
- Project Area

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

EXHIBIT  
**C.3**

1 mile

C.I. = 25'







# Red Jaguar Fed Com Unit

Reference Map for Cross Section

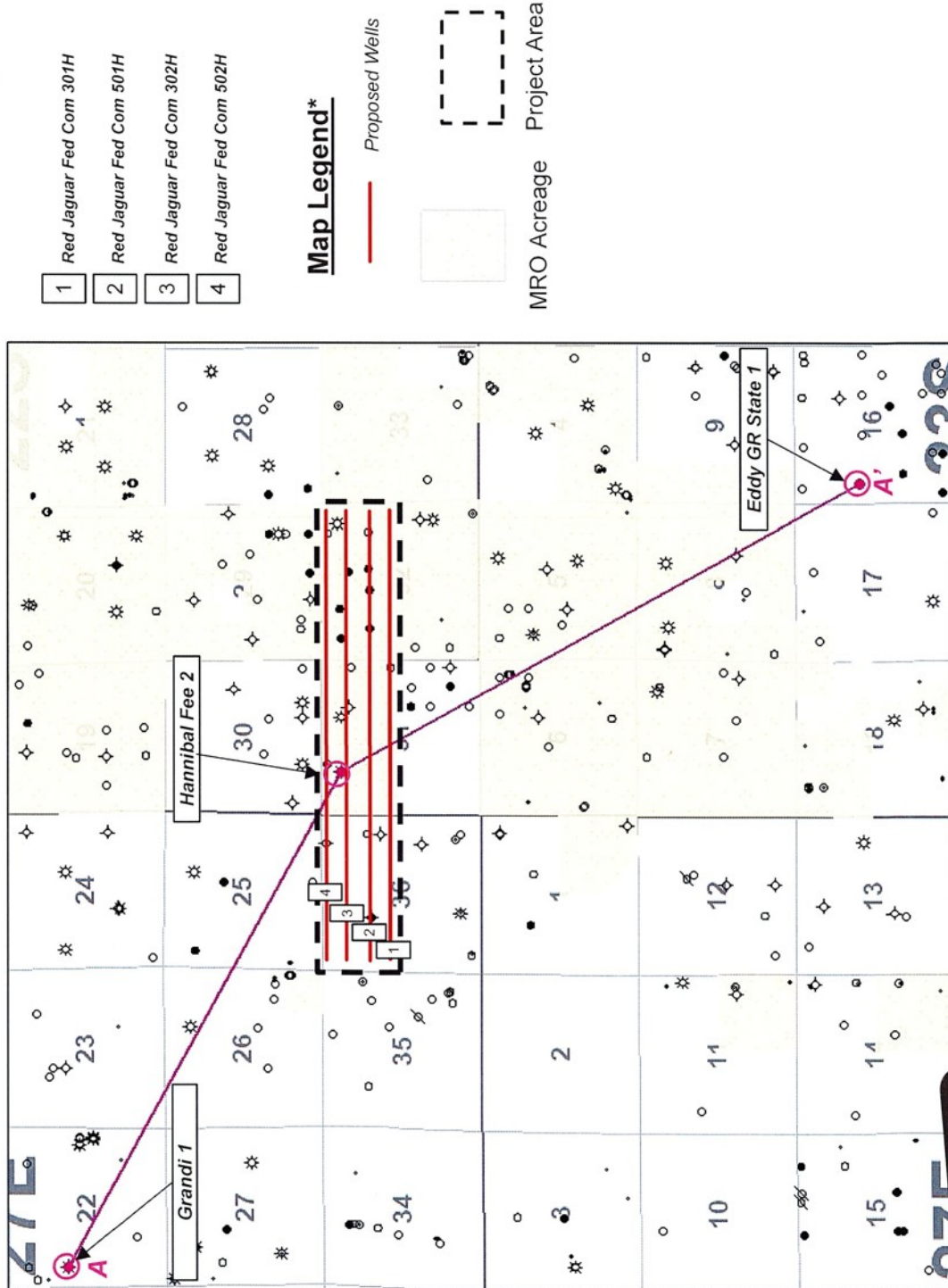
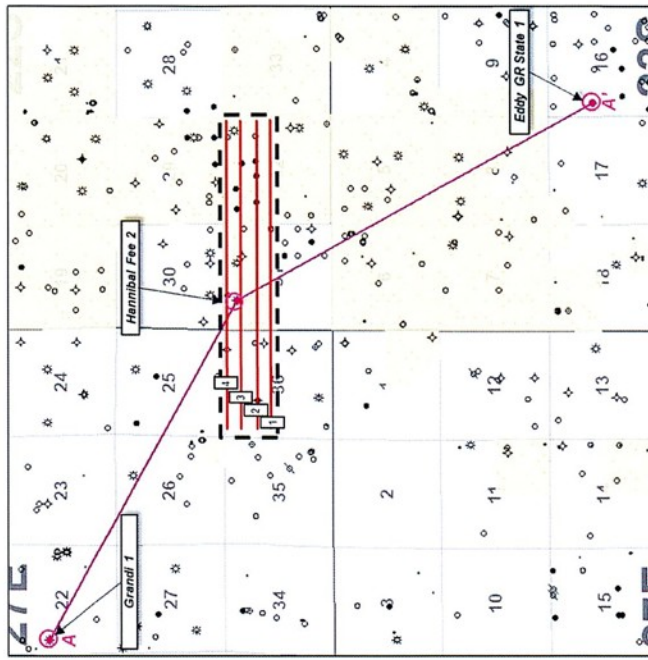


EXHIBIT C.4

# Red Jaguar Fed Com Unit

## Stratigraphic Cross Section (Top First Bone Spring Datum)



Producing Zone -  
First Bone Spring

First Bone Spring is near constant  
thickness across the area

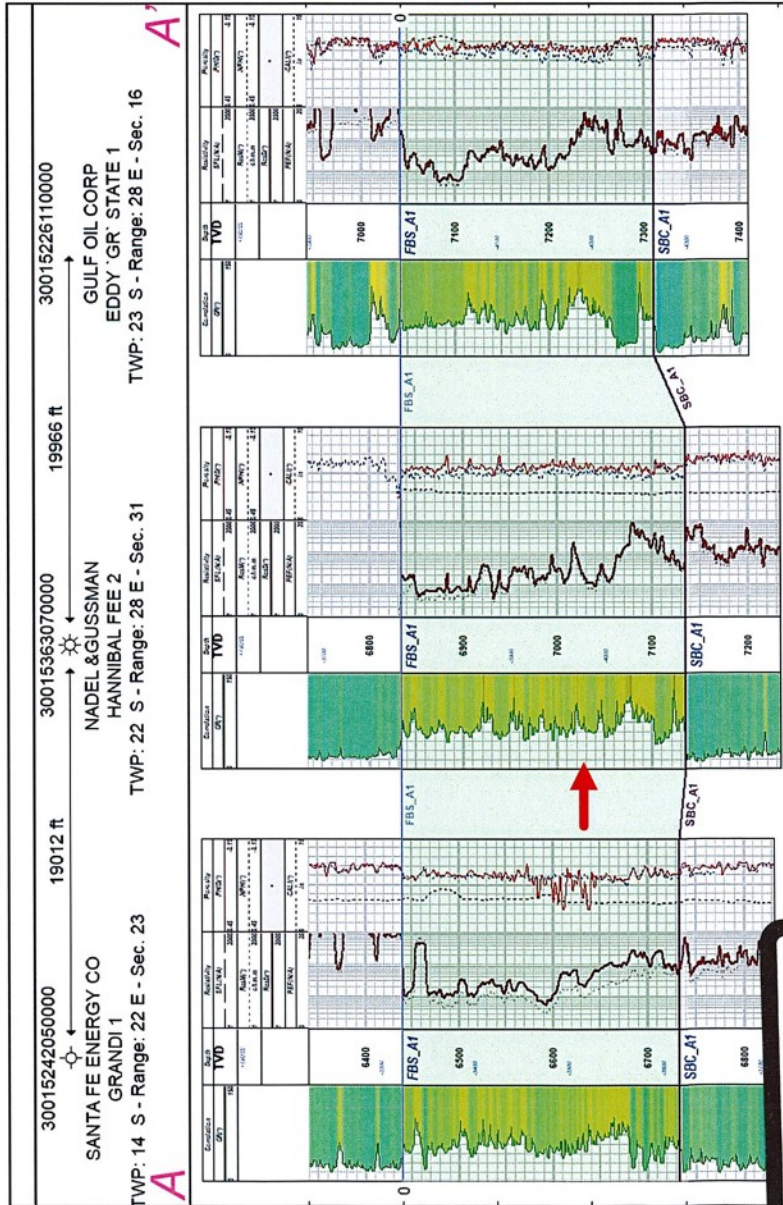
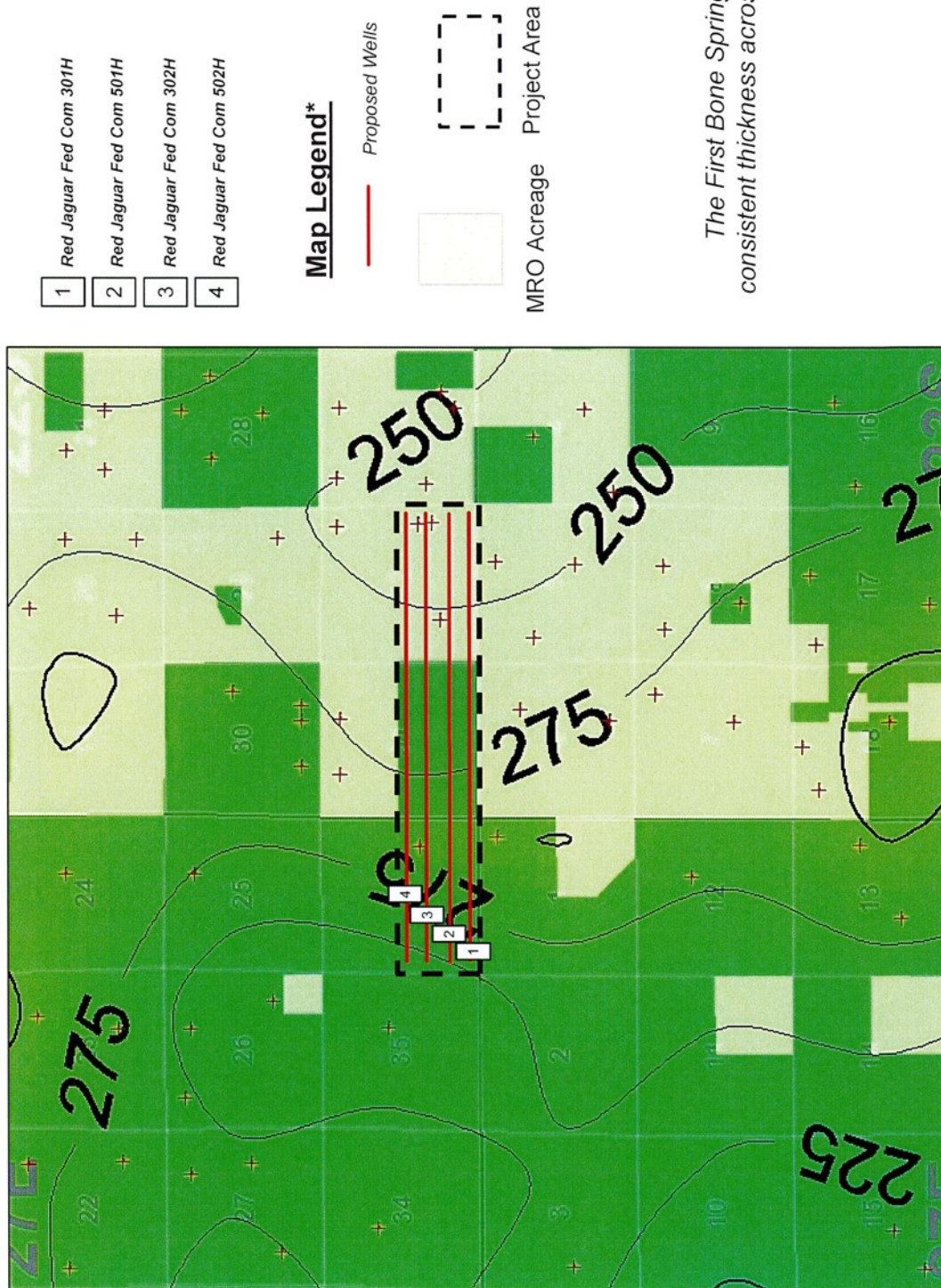


EXHIBIT  
**C-5**



# Red Jaguar Fed Com Unit

Gross Interval Isochore – Top First Bone Spring to Top Second Bone Spring Carbonate



- 1 Red Jaguar Fed Com 301H
- 2 Red Jaguar Fed Com 501H
- 3 Red Jaguar Fed Com 302H
- 4 Red Jaguar Fed Com 502H

### Map Legend\*

- Proposed Wells
- MRO Acreage
- Project Area

The First Bone Spring has consistent thickness across the unit

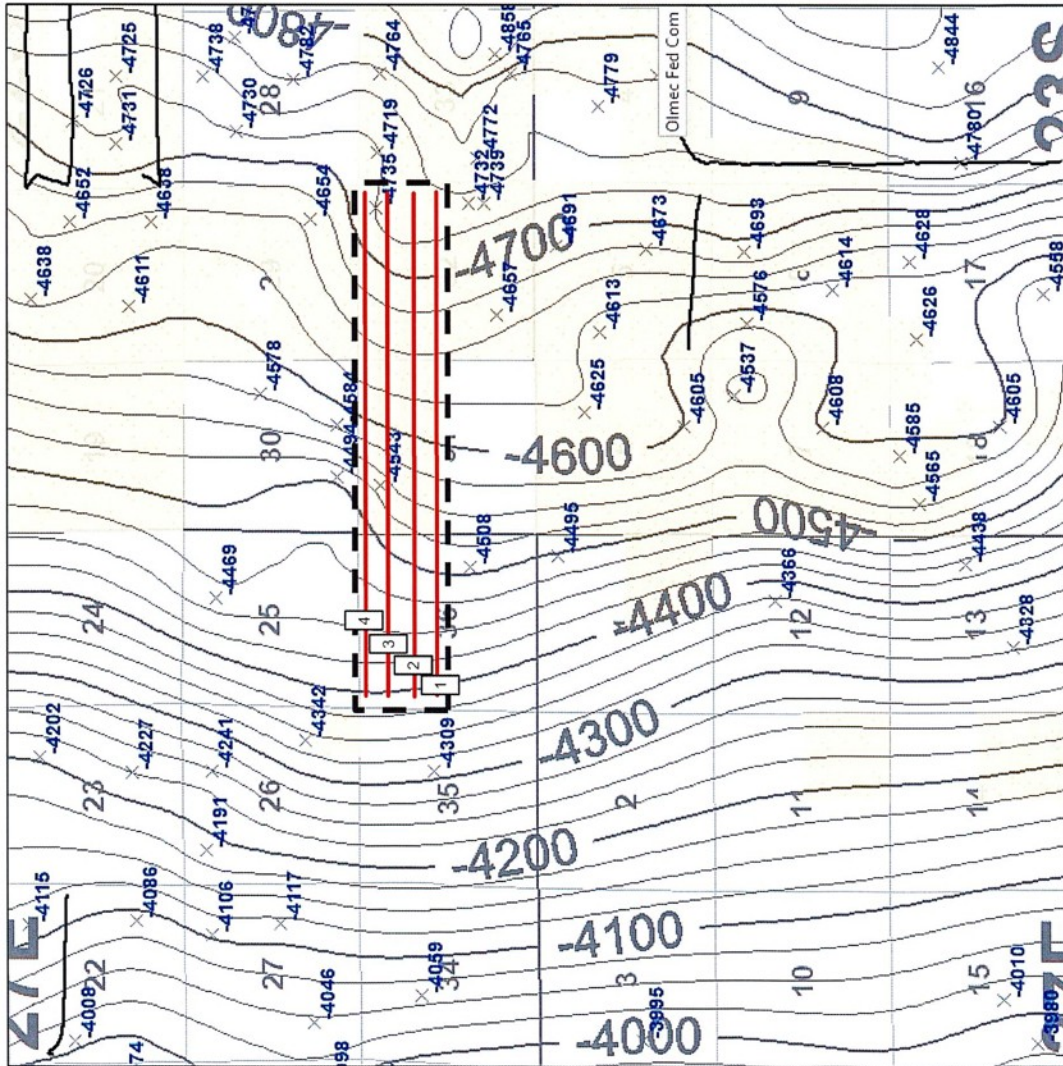
EXHIBIT  
**C-6**

1 mile  
C.I. = 25'



# Red Jaguar Fed Com Unit

Structure Map – Top of Second Bone Spring (TVDS)



- 1 Red Jaguar Fed Com 301H
- 2 Red Jaguar Fed Com 501H
- 3 Red Jaguar Fed Com 302H
- 4 Red Jaguar Fed Com 502H

### Map Legend\*

- Proposed Wells
- Existing SBS Wells

- MRO Acreage
- Project Area

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



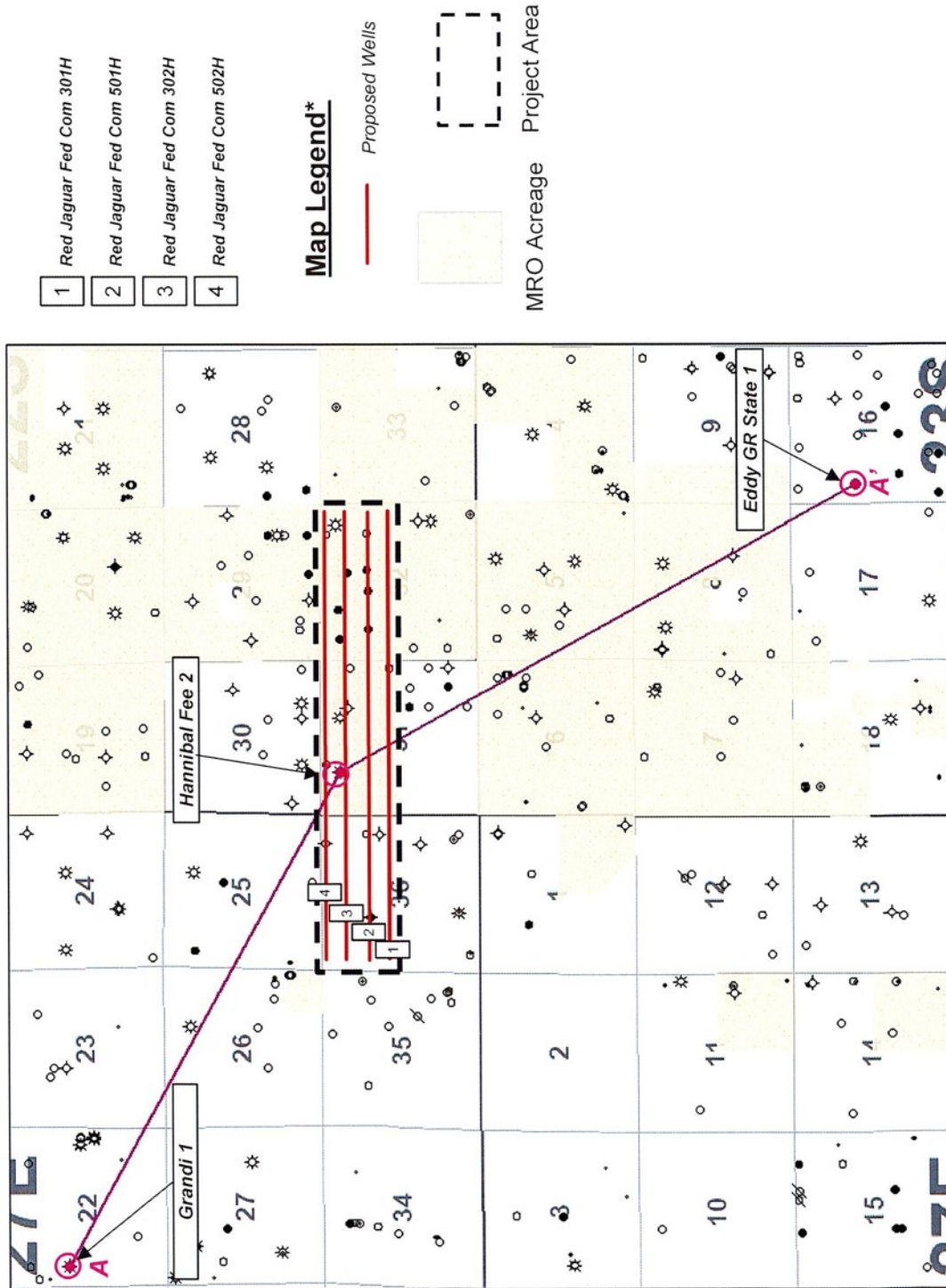
C.I. = 25'

1 mile



# Red Jaguar Fed Com Unit

Reference Map for Cross Section



C.I. = 25'

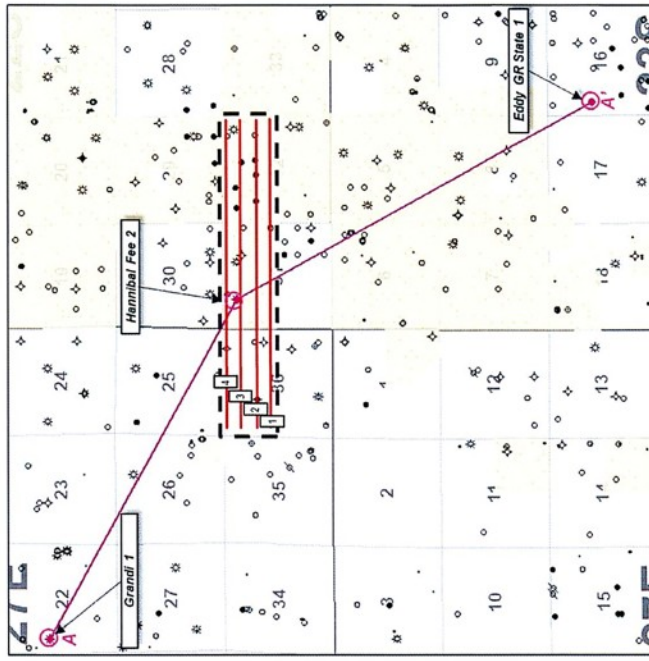
1 mile

EXHIBIT  
C-8  
tabbles



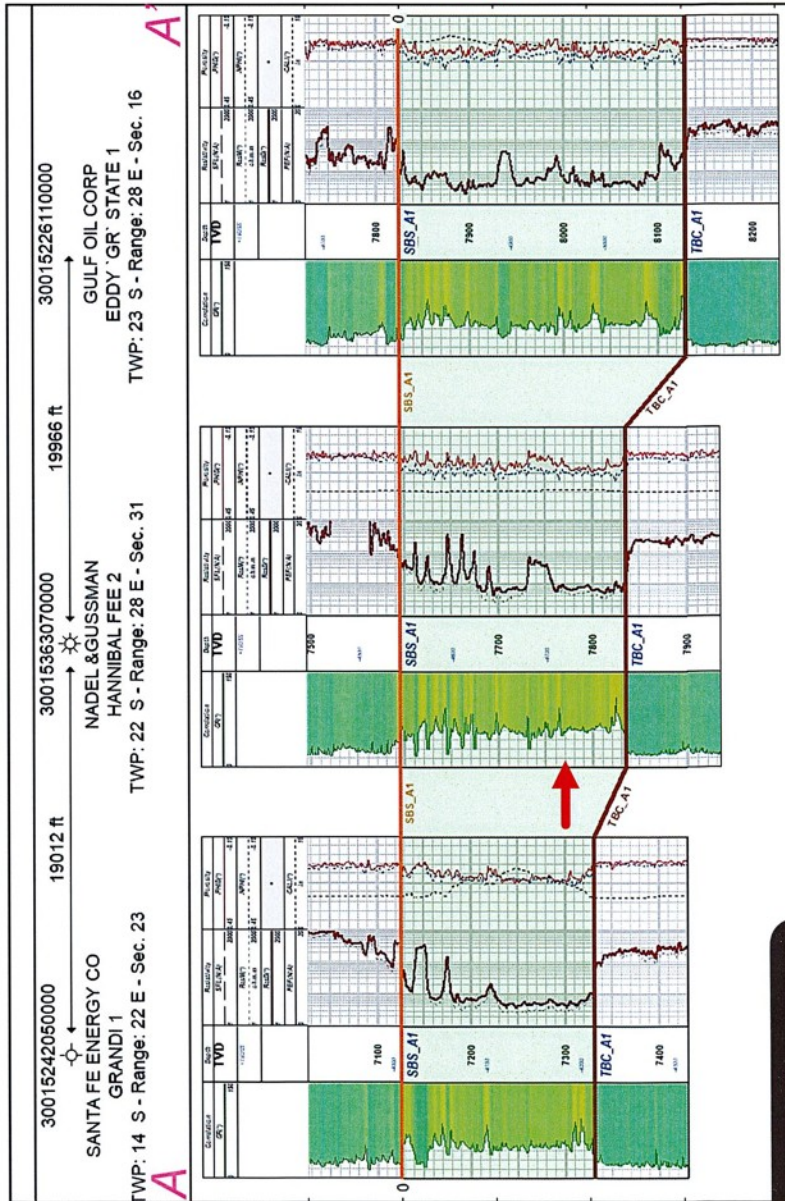
# Red Jaguar Fed Com Unit

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



Producing Zone –  
Second Bone Spring

Second Bone Spring thickens to  
the south across the area



EXHIBIT

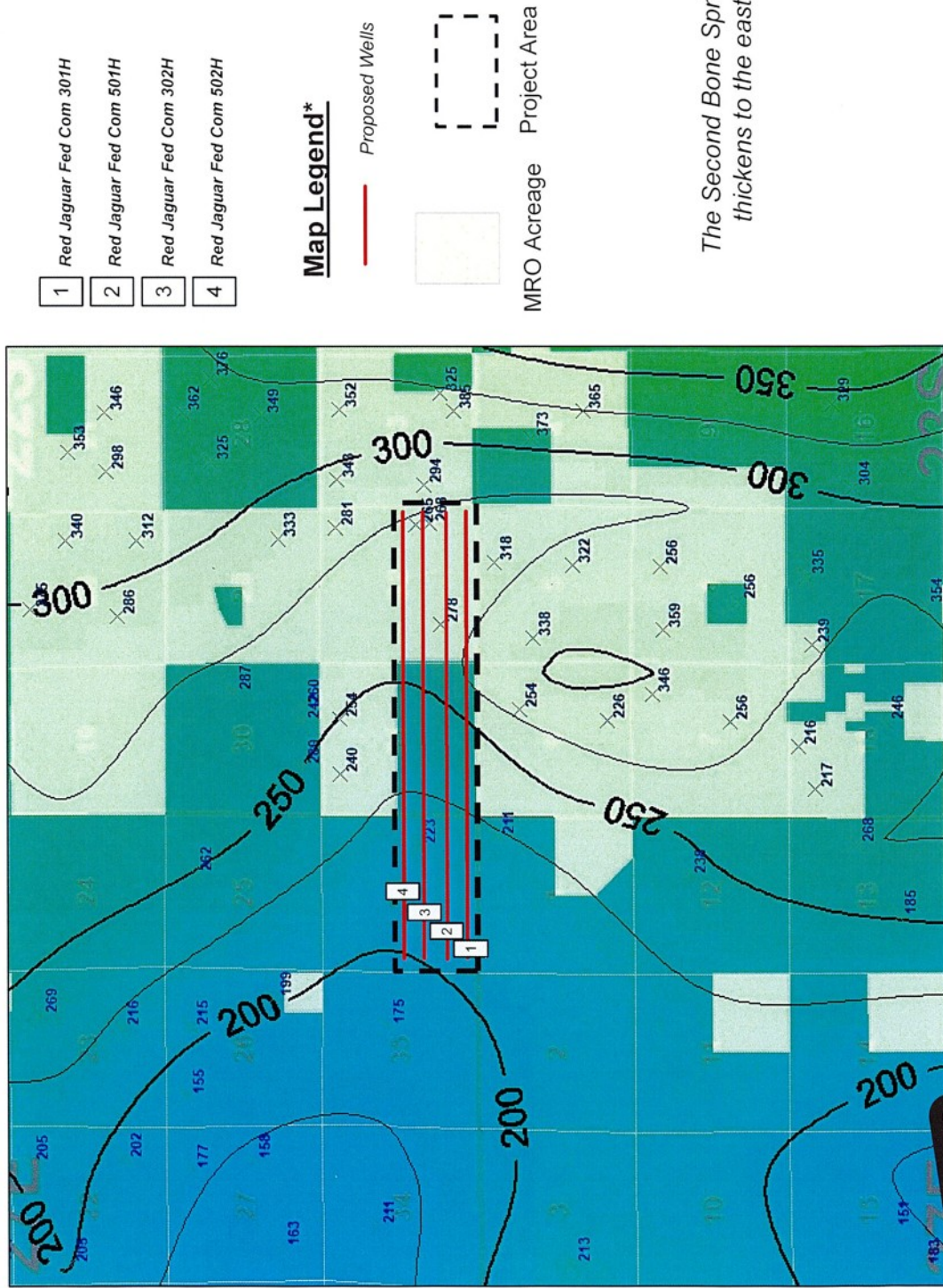
C.9

tabbles



# Red Jaguar Fed Com Unit

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



- 1 Red Jaguar Fed Com 301H
- 2 Red Jaguar Fed Com 501H
- 3 Red Jaguar Fed Com 302H
- 4 Red Jaguar Fed Com 502H

### Map Legend\*

- Proposed Wells
- MRO Acreage
- Project Area

The Second Bone Spring thickens to the east

C.I. = 25'

1 mile

EXHIBIT C-10



# Red Jaguar Fed Com Unit

## Preferred Well Orientation - SHmax

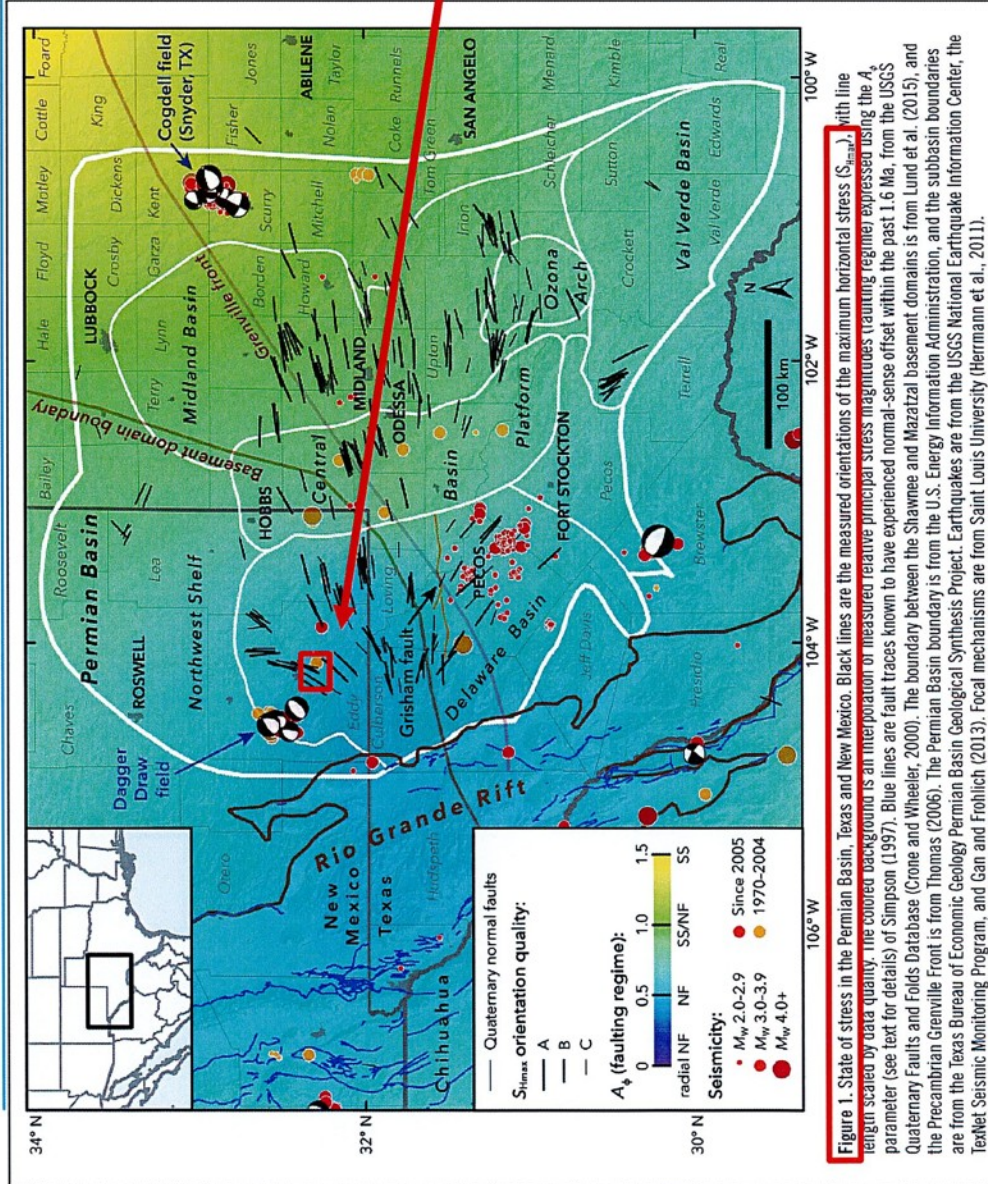


Figure 1. State of stress in the Permian Basin, Texas and New Mexico. Black lines are the measured orientations of the maximum horizontal stress ( $S_{Hmax}$ ), with line length scaled by data quality. The colored background is an interpolation of measured relative principal stress magnitudes (faulting 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 (Cron 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 subs basin boundaries are from the Texas Bureau of Economic Geology Permian Basin Geological Synthesis Project. Earthquakes are from the USGS National Earthquake Information Center, the TextNet Seismic Monitoring Program, and Gan and Frohlich (2013). Focal mechanisms are from Saint Louis University (Herrmann et al., 2011).

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.

Source:

Snee, J.L. & M.D. Zoback, 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 810-819, <https://doi.org/10.1190/le37020810.1>.





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. 24182

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 April 5, 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 April 5, 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 May 16, 2024 hearing was published on April 10, 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.

Dated: May 9, 2024

*Deana M. Bennett*

Deana M. Bennett





MODRALL SPERLING

LAWYERS

April 5, 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, EDDYCOUNTY,  
NEW MEXICO.**

**CASE NO. 24182**

TO: AFFECTED PARTIES

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

In Case No. 24182, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a standard 960-acre, more or less, Bone Spring horizontal spacing unit underlying the N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Red Jaguar Federal Com 301H** and **Red Jaguar Federal Com 501H** wells with first takes points in the SW/4 NW/4 (Unit E) of Section 36 and last take points in the SE/4 NE/4 (Unit H) of Section 32; and the **Red Jaguar Federal Com 302H** and **Red Jaguar Federal Com 502H** wells with first take points in the NW/4 NW/4 (Unit D) of Section 36 and last take points in the NE/4 NE/4 (Unit A) of Section 32. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox. The completed intervals for the Red Jaguar Federal Com 302H and Red Jaguar Federal Com 501H are 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 5.45 miles northwest of Loving, New Mexico.

Modrall Sperring  
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

**The hearing is set for May 16, 2024 beginning at 8:15 a.m. 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. 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 this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

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

Sincerely,



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. 24182

**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 960-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the spacing unit to the following wells:
  - a) The **Red Jaguar Federal Com 301H** and **Red Jaguar Federal Com 501H** wells to be horizontally drilled with first take points in the SW/4 NW/4 (Unit E) of Section 36 and last take points in the SE/4 NE/4 (Unit H) of Section 32; and
  - b) The **Red Jaguar Federal Com 302H** and **Red Jaguar Federal Com 502H** wells to be horizontally drilled with first take points in the NW/4 NW/4 (Unit D) of Section 36 and last take points in the NE/4 NE/4 (Unit A) of Section 32.
3. The producing area for the wells is expected to be orthodox.

4. The completed intervals for the **Red Jaguar Federal Com 302H** and **Red Jaguar Federal Com 501H** are 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 March 7, 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 N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico;

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

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

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: Deana M. Bennett

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Deana M. Bennett  
Yarithza Peña  
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yarithza.pena@modrall.com  
*Attorneys for Marathon Oil Permian LLC*

**CASE NO. 24182** : **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 960-acre, more or less, Bone Spring horizontal spacing unit underlying the N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Red Jaguar Federal Com 301H** and **Red Jaguar Federal Com 501H** wells with first takes points in the SW/4 NW/4 (Unit E) of Section 36 and last take points in the SE/4 NE/4 (Unit H) of Section 32; and the **Red Jaguar Federal Com 302H** and **Red Jaguar Federal Com 502H** wells with first take points in the NW/4 NW/4 (Unit D) of Section 36 and last take points in the NE/4 NE/4 (Unit A) of Section 32. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox. The completed intervals for the Red Jaguar Federal Com 302H and Red Jaguar Federal Com 501H are 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 5.45 miles northwest of Loving, New Mexico.

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

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Type of Mailing: CERTIFIED MAIL  
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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0119 4677 36	OXY USA WTP, LP 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
2	9314 8699 0430 0119 4677 43	EOG Resources, Inc. P.O. Box 4362 Houston TX 77210	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
3	9314 8699 0430 0119 4677 50	Irene Hryb Melsaac 3452 Lyrac Street Oakton VA 22124	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
4	9314 8699 0430 0119 4677 67	Chester J. Stuebben 100 Monroe Street, Apt. 307 Bridgewater NJ 08807	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
5	9314 8699 0430 0119 4677 74	Alan D. Tuck, Jr. and Evelyn Tuck 9065 Artisan Way Sarasota FL 34240	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
6	9314 8699 0430 0119 4677 81	SITL Energy, LLC 308 North Colorado, Suite 200 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
7	9314 8699 0430 0119 4677 98	R.E.B. Resources, LLC 125 E. Van Dorn Avenue, Suite 200 Holly Springs MS 38635	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
8	9314 8699 0430 0119 4678 04	The Estate of Mr. Sande Wische, deceased Carol Wische, Personal Rep. 13118 Redon Drive Palm Beach Grdn FL 33410	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
9	9314 8699 0430 0119 4678 11	MRC Permian Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
10	9314 8699 0430 0119 4678 28	Richardson Mineral & Royalty, LLC P.O. Box 2423 Roswell NM 88202	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
11	9314 8699 0430 0119 4678 35	Tim Cavanaugh 7217 Hollis St. NE Albuquerque NM 87109	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
12	9314 8699 0430 0119 4678 42	Colleen Blackman 739 Homestead Circle Las Cruces NM 88011	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
13	9314 8699 0430 0119 4678 59	Cathy Jones 1400 N. Fannin San Benito TX 78586	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
14	9314 8699 0430 0119 4678 66	Patricia Gourley No. 18 Wycklow Overland Park KS 66207	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
15	9314 8699 0430 0119 4678 73	John D. Gourley No. 18 Wycklow Overland Park KS 66207	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice





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Woodrall Sperling Rochl Harris & Sisk P.A.  
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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0119 4678 80	Charles R. Wiggins P.O. Box 10862 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
17	9314 8699 0430 0119 4679 03	Richard Donnelly, Tee - George A. Donnelly TA FBO D. Preston, R. & Martha Donnelly P.O. Box 3506 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
18	9314 8699 0430 0119 4679 10	Richard Donnelly 315 Brownell Howland Road Santa Fe NM 87501	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
19	9314 8699 0430 0119 4679 27	Eastland Oil Company 415 W. Wall Street, # 1415 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
20	9314 8699 0430 0119 4679 34	Hooker Energy, LLC 400 Pine Street, Suite 300 Abilene TX 79601	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
21	9314 8699 0430 0119 4679 41	RL & JJ Stevens FP, LP P.O. Box 51240 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
22	9314 8699 0430 0119 4679 58	MAP2006-OK 101 North Robinson, Suite 1000 Oklahoma City OK 73102	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
23	9314 8699 0430 0119 4679 65	Mike Stewart 3714 Mark Lane Midland TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
24	9314 8699 0430 0119 4679 72	David Farmer P.O. Box 1173 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
25	9314 8699 0430 0119 4679 89	Robert H. Marshall P.O. Box 1422 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
26	9314 8699 0430 0119 4679 96	William L. Porter 1700 Community Ln. Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
27	9314 8699 0430 0119 4680 09	Melissa O'Kelley P.O. Box 3106 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
28	9314 8699 0430 0119 4680 16	Katherine Russell Schmidt P.O. Box 2318 Edmond OK 73083	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
29	9314 8699 0430 0119 4680 23	Deborah Russell Neujahr P.O. Box 3753 Littleton CO 80161	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
30	9314 8699 0430 0119 4680 30	Lana Russell P.O. Box 303424 Austin TX 78703	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice



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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0119 4680 47	Spinnaker Oil & Gas, LP 415 W. Wall Street, Suite 1415 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
32	9314 8699 0430 0119 4680 54	Bantam Royalties, LLC 1011 W. Wall Street Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
33	9314 8699 0430 0119 4680 61	TLM4, Ltd. 808 W. Wall St. Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
34	9314 8699 0430 0119 4680 78	TAS Royalty Company P.O. Box 5279 Austin TX 78763	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
35	9314 8699 0430 0119 4680 85	Serenity Resources, LLC P.O. Box 5240 Midland TX 79704	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
36	9314 8699 0430 0119 4680 92	Williams WTX, LP 6000 Green Hill Court Midland TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
37	9314 8699 0430 0119 4681 08	Margaret Jones Kennedy P.O. Drawer 432 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
38	9314 8699 0430 0119 4681 15	Oria Petco Inc. P.O. Box 695 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
39	9314 8699 0430 0119 4681 22	Ruth S. Bell 900 W. Cuthbert Ave. Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
40	9314 8699 0430 0119 4681 39	L.S. Henry, LLC P.O. Box 742735 Dallas TX 75374	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
41	9314 8699 0430 0119 4681 46	Zunis Energy, LLC 15 East 5th Street, Suite 3300 Tulsa OK 74119	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
42	9314 8699 0430 0119 4681 53	Susannah D. Adelson, Trustee of James Adelson & Family 2015 Trusts 15 East 5th Street, Suite 3300 Tulsa OK 74103	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
43	9314 8699 0430 0119 4681 60	SSC, Inc. P.O. Box 321425 Jackson MS 39232	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
44	9314 8699 0430 0119 4681 77	Principal Properties Doug and Suzanne Laufer 1603 Enfield Road, Suite 101 Austin TX 78703	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
45	9314 8699 0430 0119 4681 84	Andrews Oil, LP c/o DJA, LLC 3715 Windsor Road Austin TX 78703	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice



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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
46	9314 8699 0430 0119 4681 91	Samuel H. Jolliffe, IV 3150 McMasters Road Billings MT 59101	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
47	9314 8699 0430 0119 4682 07	Teresa H. Jolliffe 408 Kenniston Austin TX 78752	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
48	9314 8699 0430 0119 4682 14	Westall Oil & Gas, LLC 132447 Lovington Highway Loco Hills NM 88255	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
49	9314 8699 0430 0119 4682 21	Spinnaker Investments, LP 415 West Wall Street, Suite 1415 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
50	9314 8699 0430 0119 4682 38	Jo Ann Rustamier Stinson 2300 Barton Creek Boulevard, Apt. 11 Austin TX 78735	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
51	9314 8699 0430 0119 4682 45	Judy Lee Rustamier Makowsky 1206 West Scharbauer Drive Midland TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
52	9314 8699 0430 0119 4682 52	The Beneficarie(s) of the Rustamier Grandchildren's Trust 1206 West Scharbauer Drive Midland TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
53	9314 8699 0430 0119 4682 69	Pamela Power Burton P.O. Box 69 Camp Wood TX 78833	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
54	9314 8699 0430 0119 4682 76	David Lee Power 3523 Stanolind Avenue Midland TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
55	9314 8699 0430 0119 4682 83	Rusk Capital Management LLC 7600 West Tidwell Road, Suite 800 Houston TX 77040	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
56	9314 8699 0430 0119 4682 90	Kimbell Royalty Holdings, LLC 777 Taylor Street, Suite 810 Fort Worth TX 76102	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
57	9314 8699 0430 0119 4683 06	Warren Ventures, Ltd. 808 West Wall Street Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
58	9314 8699 0430 0119 4683 13	Eastland Resources, Inc. P.O. Box 3488 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
59	9314 8699 0430 0119 4683 20	Irene Hryb McIsaac 3452 Lyrac Street Oakton VA 22124	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice
60	9314 8699 0430 0119 4683 37	CEP Minerals, LLC 4849 Greenville Avenue, Suite 1265 Dallas TX 75206	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239,Red J Notice



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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
61	9314 8699 0430 0119 4683 44	Good News Minerals, LLC P.O. Box 50820 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
62	9314 8699 0430 0119 4683 51	McCombs Energy, Ltd. 755 East Mulberry, Suite 600 San Antonio TX 78212	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
63	9314 8699 0430 0119 4683 68	CM Resources II, LLC 300 N. Marienfeld Street, Suite 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
64	9314 8699 0430 0119 4683 75	Colgate Energy Management, LLC 300 N. Marienfeld Street, Suite 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
65	9314 8699 0430 0119 4683 82	Colgate Opportunistic Investments I, LLC 300 N. Marienfeld Street, Suite 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
66	9314 8699 0430 0119 4683 99	Northern Oil and Gas, Inc. 4350 Baker Road, Suite 400 Minnetonka MN 55343	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
67	9314 8699 0430 0119 4684 05	United States of America Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.63	\$4.40	\$2.32	\$0.00	81363.0239.Red J Notice
<b>Totals:</b>			<b>\$109.21</b>	<b>\$294.80</b>	<b>\$155.44</b>	<b>\$0.00</b>	
			<b>Grand Total:</b>		<b>\$559.45</b>		

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Postmaster: Name of receiving employee  
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**AFFIDAVIT OF PUBLICATION**

Modrall Sperling  
Modrall Sperling  
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Albuquerque NM 87103

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

04/10/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 04/10/2024

CASE NO. 24182: Notice to all affected parties, as well as heirs and devisees of: OXY USA WTP, LP; EOG Resources, Inc.; Irene Hryb McIsaac; Chester J. Stuebben; Alan D. Tuck, Jr. and Evelyn Tuck; SITL Energy, LLC; R.E.B. Resources, LLC; The Estate of Mr. Sande Wische, deceased, Carol Wische, Personal Representative; MRC Permian Company; Richardson Mineral & Royalty, LLC; Tim Cavanaugh; Colleen Blackman; Cathy Jones; Patricia Gourley; John D. Gourley; Charles R. Wiggins; Richard Donnelly, Trustee Under the George A. Donnelly TA FBO David Preston, Richard Jr. and Martha Brittain Donnelly; Richard Donnelly; Eastland Oil Company; Hooker Energy, LLC; RL & JJ Stevens FP, LP; MAP2006-OK; Mike Stewart; David Farmer; Robert H. Marshall; William L. Porter; Melissa O'Kelley; Katherine Russell Schmidt; Deborah Russell Neuhahr; Lana Russell; Spinnaker Oil & Gas, LP; Bantam Royalties, LLC; TLM4, Ltd.; TAS Royalty Company; Serenity Resources, LLC; Williams WTX, LP; Margaret Jones Kennedy; Orla Petco Inc.; Ruth S. Bell; L.S. Henry, LLC; Zunis Energy, LLC; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts; SSC, Inc.; Principal Properties Doug Laufer and Suzanne Laufer; Andrews Oil, LP c/o DJA, LLC; Samuel H. Jolliffe, IV; Teresa H. Jolliffe; Westfall Oil & Gas, LLC; Spinnaker Investments, LP; JoAnn Rustamier Stinson; Judy Lee Rustamier Makowsky; The Beneficiarie(s) of the Rustamier Grandchildren's Trust; Pamela Power Burton; David Lee Power; Rusk Capital Management LLC; Kimbell Royalty Holdings, LLC; Warren Ventures, Ltd.; Eastland Resources, Inc.; CEP Minerals, LLC; Good News Minerals, LLC; McCombs Energy, Ltd.; CM Resources, II, LLC; Colgate Energy Management, LLC; Colgate Opportunistic Investments I, LLC; Northern Oil and Gas, Inc.; United States of America Bureau of Land Management 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 May 16, 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/oed/hearings-info>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 960-acre, more or less, Bone Spring horizontal spacing unit underlying the N/2 of Section 36, Township 22 South, Range 27 East, and the N/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Red Jaguar Federal Com 301H and Red Jaguar Federal Com 501H wells with first takes points in the SW/4 NW/4 (Unit E) of Section 36 and last take points in the SE/4 NE/4 (Unit H) of Section 32; and the Red Jaguar Federal Com 302H and Red Jaguar Federal Com 502H wells with first take points in the NW/4 NW/4 (Unit D) of Section 36 and last take points in the NE/4 NE/4 (Unit A) of Section 32. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox. The completed intervals for the Red Jaguar Federal Com 302H and Red Jaguar Federal Com 501H are 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 5.45 miles northwest of Loving, New Mexico.

*Linda Tutt*

Legal Clerk

*Kathleen Allen*

Notary, State of WI, County of Brown

*1-2-25*

My commission expires

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**THIS IS NOT AN INVOICE!**

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KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

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