

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

**APPLICATION OF MARATHON OIL PERMIAN  
LLC FOR A NON-STANDARD UNIT,  
AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1,280-acre, more or less, Bone Spring horizontal spacing unit comprised of all of Sections 15 and 22, Township 24 South, Range 26 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 Sections 15 and 22, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico to form a 1,280-acre, more or less, non-standard spacing unit.
3. Marathon seeks approval of the 1,280-acre non-standard spacing unit for several reasons.
4. First, Marathon is filing a similar application to pool uncommitted interests within a standard 1280-acre Wolfcamp unit underlying this same acreage. Approval of this application will allow Marathon to create a Bone Spring unit that is consistent with the standard Wolfcamp unit.

5. Additionally, approval of this application will allow Marathon to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See, e.g.,* Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

6. Marathon seeks to dedicate the spacing unit to the following wells:

- a) The **Wobbegong WC Fed Com 501H** well to be horizontally drilled with a proposed first take point in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 15;
- b) The **Wobbegong WC Fed Com 502H** well to be horizontally drilled with a proposed first take point in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 15;
- c) The **Wobbegong WC Fed Com 503H** well to be horizontally drilled with a proposed first take point in the SW/4SE/4 (Unit O) of Section 22 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 15; and
- d) The **Wobbegong WC Fed Com 504H** well to be horizontally drilled with a proposed first take point in the SE/4SE/4 (Unit P) of Section 22 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 15.

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

8. 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.

9. 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 June 13, 2024 and after notice and hearing as required by law, the Division enter its order:

- A. Approving the non-standard Bone Spring spacing unit;
- B. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within all of Sections 15 and 22, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico;
- C. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Marathon to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- F. 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.

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**CASE NO. \_\_\_\_\_: Application of Marathon Oil Permian LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted mineral interests within a 1280-acre Bone Spring horizontal spacing unit underlying all of Sections 15 and 22, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico. This spacing unit will the **Wobbegong WC Fed Com 501H** well to be horizontally drilled with a proposed first take point in the SW/4 SW/4 (Unit M) of Section 22 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 15; the **Wobbegong WC Fed Com 502H** well to be horizontally drilled with a proposed first take point in the SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 15; the **Wobbegong WC Fed Com 503H** well to be horizontally drilled with a proposed first take point in the SW/4SE/4 (Unit O) of Section 22 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 15; and the **Wobbegong WC Fed Com 504H** well to be horizontally drilled with a proposed first take point in the SE/4SE/4 (Unit P) of Section 22 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 15. The producing area for the wells is expected to be orthodox. 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 11.3 miles southwest of Loving, New Mexico.