

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

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

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

**APPLICATION**

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a standard 1,280-acre, more or less, Wolfcamp 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, standard spacing unit.
3. Marathon seeks to dedicate the spacing unit to the following wells:
  - a) The **Wobbegong WC Fed Com 701H** and **Wobbegong WC Fed Com 801H** wells to be horizontally drilled from 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; and
  - b) The **Wobbegong WC Fed Com 702H** and **Wobbegong WC Fed Com 803H** wells to be horizontally drilled from 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.

4. The producing area for the wells is expected to be orthodox.
5. The completed interval for the Wobbecong WC Fed Com 702H 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.
6. These wells will be located within the Purple Sage Wolfcamp Gas Pool (Code 98220), which is subject to special pool rules that establish 330-foot setback requirements.
7. These wells will comply with the Division's setback requirements for this pool.
8. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
9. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024 and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within all of Sections 15 and 22, Township 24 South, Range 26 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.

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**CASE NO. \_\_\_\_\_: Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 1,280-acre, more or less, Wolfcamp 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 target the Purple Sage Wolfcamp Gas Pool (Code 98220) and be dedicated to the **Wobbegong WC Fed Com 701H** and **Wobbegong WC Fed Com 801H** wells to be horizontally drilled from a surface hole location 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; and the **Wobbegong WC Fed Com 702H** and **Wobbegong WC Fed Com 803H** wells to be horizontally drilled from a surface hole location 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. The producing area for the wells is expected to be orthodox. The completed interval for the Wobbegong WC Fed Com 702H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11.3 miles southwest of Loving, New Mexico.