

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

**APPLICATION OF MARATHON OIL PERMIAN  
LLC FOR COMPULSORY POOLING AND, TO THE EXTENT  
NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 24336**

**NOTICE OF FILING REVISED EXHIBITS**

Per the discussion at the May 16, 2024, Marathon Oil Permian LLC is providing the attached exhibit packet which includes a revised Exhibit A, Compulsory Pooling Checklist. The revision is to correct the case number on the first page of the Compulsory Pooling Checklist.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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*Attorneys for Marathon Oil Permian LLC*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on May 16, 2024.

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Deana M. Bennett

## Before the Oil Conservation Division Examiner Hearing April 4, 2024

*Case No. 24336*

*Olmec Federal Com 701H*

*Olmec Federal Com 702H*

*Olmec Federal Com 703H*

*Olmec Federal Com 704H*

*Olmec Federal Com 801H*

*Olmec Federal Com 802H*

*Olmec Federal Com 803H*

*Olmec Federal Com 804H*

*Olmec Federal Com 805H*

*Olmec Federal Com 806H*



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- Exhibit D.4: Affidavit of Publication

# COMPULSORY POOLING APPLICATION CHECKLIST

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

<b>Case: 24336</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:	Northern Oil and Gas, Inc; MRC Permian Company
Well Family	Olmec
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Purple Sage; Wolfcamp (Gas)--Pool Code 98220
Well Location Setback Rules:	Purple Sage Order and Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	1280-acres
Building Blocks:	320-Acres
Orientation:	West/East
Description: TRS/County	Section 36, Township 22 South, Range 27 East, N.M.P.M., Eddy County and Section 31, Township 22 South, Range 28 East, N.M.P.M., Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	No.
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: Omec Federal Com 701H	API No. Pending SHL: 1625' FSL & 769' FWL, Section 36, T-22-S R-27-E FTP: 990' FSL & 330' FWL, Section 36, T-22-S R-27-E BHL: 990' FSL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp XY Completion Status: Standard TVD: 9,225', MVD: 19,477'
Well #2: Omec Federal Com 702H	API No. Pending SHL: 1715' FSL & 768' FWL, Section 36, T-22-S R-27-E FTP: 2350' FSL & 330' FWL, Section 36, T-22-S R-27-E BHL: 2350' FSL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp XY Completion Status: Standard TVD: 9,225', MVD: 19,480'

Well #3: Omec Federal Com 703H	API No. Pending SHL: 1091' FNL & 687' FWL, Section 36, T-22-S R-27-E FTP: 1650' FNL & 330' FWL, Section 36, T-22-S R-27-E BHL: 1650' FNL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp XY Completion Status: Standard TVD: 9,220', MVD: 19,471'
Well #4: Omec Federal Com 704H	API No. Pending SHL: 1001' FNL & 685' FWL, Section 36, T-22-S R-27-E FTP: 330' FNL & 330' FWL, Section 36, T-22-S R-27-E BHL: 330' FSL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp XY Completion Status: Standard TVD: 9,220', MVD: 19,463'
Well #5: Omec Federal Com 801H	API No. Pending SHL: 1595' FSL & 770' FWL, Section 36, T-22-S R-27-E FTP: 330' FSL & 330' FWL, Section 36, T-22-S R-27-E BHL: 330' FSL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp C Completion Status: Standard TVD: 9,865', MVD: 20,113'
Well #6: Omec Federal Com 802H	API No. Pending SHL: 1685' FSL & 768' FWL, Section 36, T-22-S R-27-E FTP: 1650' FSL & 330' FWL, Section 36, T-22-S R-27-E BHL: 1650' FSL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp C Completion Status: Standard TVD: 9,685', MVD: 20,122'
Well #7: Omec Federal Com 803H	API No. Pending SHL: 1121' FNL & 687' FWL, Section 36, T-22-S R-27-E FTP: 2350' FNL & 330' FWL, Section 36, T-22-S R-27-E BHL: 2350' FNL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp C Completion Status: Standard TVD: 9,845', MVD: 20,109'
Well #8: Omec Federal Com 804H	API No. Pending SHL: 1031' FNL & 686' FWL, Section 36, T-22-S R-27-E FTP: 990' FNL & 330' FWL, Section 36, T-22-S R-27-E BHL: 990' FNL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp C Completion Status: Standard TVD: 9,845', MVD: 20,078'
Well #9: Omec Federal Com 805H	API No. Pending SHL: 1655' FSL & 769' FWL, Section 36, T-22-S R-27-E FTP: 1320' FSL & 330' FWL, Section 36, T-22-S R-27-E BHL: 1320' FSL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp B Completion Status: Standard TVD: 9,510', MVD: 19,761'
Well #10: Omec Federal Com 806H	API No. Pending SHL: 1061' FNL & 686' FWL, Section 36, T-22-S R-27-E FTP: 1320' FNL & 330' FWL, Section 36, T-22-S R-27-E BHL: 1320' FNL & 330' FEL, Section 31, T-22-S R-28-E Orientation: West/East Completion Target: Wolfcamp B Completion Status: Standard TVD: 9,500', MVD: 19,750'

Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B.6
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	See Exhibit B Paragraph 26
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.15
Target Formation	Exhibit C.3 to C.6; C.7 to C.10; C.11 to C.14
HSU Cross Section	Exhibit C.5; C.9; C.13
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; C.11
Structure Contour Map - Subsea Depth	Exhibit C.3; C.7; C.11
Cross Section Location Map (including wells)	Exhibit C.4; C.8; C.12
Cross Section (including Landing Zone)	Exhibit C.5; C.9; C.13
<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>	5/16/2024



STATE OF NEW MEXICO  
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APPLICATION OF MARATHON OIL PERMIAN  
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NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 24336

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. In addition, Marathon requests approval of an overlapping spacing unit, to the extent necessary.



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9. 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.

10. In this case, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a within a standard 1,280-acre, more or less, Wolfcamp horizontal spacing unit comprised of all of Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

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

- The **Olmec Federal Com 701H** and **Olmec Federal Com 801H** wells to be horizontally drilled with proposed first take points in the SW/4 SW/4 (Unit M) of Section 36 and proposed last take points in the SE/4 SE/4 (Unit P) of Section 31;
- The **Olmec Federal Com 702H**, **Olmec Federal Com 802H** and **Olmec Federal Com 805H** wells to be horizontally drilled with proposed first take points in the NW/4 SW/4 (Unit L) of Section 36 and proposed last take points in the NE/4 SE/4 (Unit I) of Section 31;
- The **Olmec Federal Com 703H** and **Olmec Federal Com 803H** wells to be horizontally drilled with proposed first take points in the SW/4 NW/4 (Unit E) of Section 36 and proposed last take points in the SE/4 NE/4 (Unit H) of Section 31; and
- The **Olmec Federal Com 704H**, **Olmec Federal Com 804H** and **Olmec Federal Com 806H** wells to be horizontally drilled with proposed first take

points in the NW/4 NW/4 (Unit D) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 31.

12. The producing area for the wells is expected to be orthodox.
13. The completed intervals for the Olmec Federal Com 702H and Olmec Federal Com 803H 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.
14. Attached as **Exhibit B.2** are the proposed C-102s for the wells.
15. 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.
16. The wells will develop the Purple Sage Wolfcamp Gas Pool, (Code 98220), which is subject to special pool rules that establish 330-foot setback requirements.
17. The wells will comply with the Division's setback requirements for this pool.
18. Marathon's proposed spacing unit in this case will partially overlap a 160-acre horizontal Wolfcamp spacing unit comprised of the S/2 S/2 of Section 36, Township 22 South, Range 27 East, dedicated to Matador Production Company's Scott Walker State 36 22S 27E RB #204H well (API: 30-015-43162).
19. **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.
20. **Exhibit B.4** is a list of the parties being pooled for this case.
21. 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.

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

23. **Exhibit B.5** is a summary of my contacts with the working interest owners and the unleased mineral interest owners.

24. **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.

25. **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.

26. 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.

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

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

29. MRC Permian Company ("MRC"), a working interest owner in Marathon's Olmec units, provided a letter in support of Marathon as operator for Marathon's proposed Olmec 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.

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

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

32. Marathon provided notice to the operator and working interest owners of record or known to Marathon in the existing and new wells’ spacing units.

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

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

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

*[Signature page follows]*

*[Handwritten Signature]*

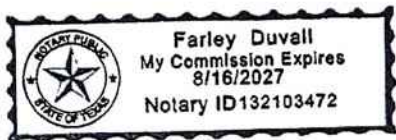
Samuel Cox

State of Texas

County of Harris

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

[Stamp]



*[Handwritten Signature]*

Notary Public in and for the  
State of Texas

Commission Number: 132103472

My Commission Expires: 8/16/2027

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LLC FOR COMPULSORY POOLING AND, TO THE EXTENT  
NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 24336

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 Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. Marathon also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 **Olmec Federal Com 701H** and **Olmec Federal Com 801H** wells to be horizontally drilled with proposed first take points in the SW/4 SW/4 (Unit M) of Section 36 and proposed last take points in the SE/4 SE/4 (Unit P) of Section 31;
  - b) The **Olmec Federal Com 702H**, **Olmec Federal Com 802H**, and **Olmec Federal Com 805H** wells to be horizontally drilled with proposed first take



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points in the NW/4 SW/4 (Unit L) of Section 36 and proposed last take points in the NE/4 SE/4 (Unit I) of Section 31;

- c) The **Olmec Federal Com 703H** and **Olmec Federal Com 803H** wells to be horizontally drilled with proposed first take points in the SW/4 NW/4 (Unit E) of Section 36 and proposed last take points in the SE/4 NE/4 (Unit H) of Section 31; and
- d) The **Olmec Federal Com 704H**, **Olmec Federal Com 804H**, and **Olmec Federal Com 806H** wells to be horizontally drilled with proposed first take points in the NW/4 NW/4 (Unit D) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 31.

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

4. The completed intervals for the **Olmec Federal Com 702H** and **Olmec Federal Com 803H** 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. 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.

6. These wells will comply with the Division's setback requirements for this pool.

7. Marathon's proposed spacing unit in this case will partially overlap a 160-acre horizontal well Wolfcamp spacing unit comprised of the S/2 S/2 of Section 36, Township 22 South, Range 27 East, dedicated to Matador Production Company's Scott Walker State 36 22S 27E RB #204H well (API: 30-015-43162).



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 and approving the overlapping spacing 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 April 4, 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 Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Approving, to the extent necessary, the proposed overlapping spacing unit;

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.

By: Deana M. Bennett

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*Attorneys for Marathon Oil Permian LLC*

**CASE NO. 24336** : **Application of Marathon Oil Permian LLC for Compulsory Pooling and Approval of an Overlapping Spacing Unit, 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 Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will target the Purple Sage Wolfcamp Gas Pool (Code 98220) and be dedicated to the **Olmec Federal Com 701H** and **Olmec Federal Com 801H** wells to be horizontally drilled with proposed first take points in the SW/4 SW/4 (Unit M) of Section 36 and proposed last take points in the SE/4 SE/4 (Unit P) of Section 31; the **Olmec Federal Com 702H**, **Olmec Federal Com 802H**, and **Olmec Federal Com 805H** wells to be horizontally drilled with proposed first take points in the NW/4 SW/4 (Unit L) of Section 36 and proposed last take points in the NE/4 SE/4 (Unit I) of Section 31; the **Olmec Federal Com 703H**, **Olmec Federal Com 803H** wells to be horizontally drilled with proposed first take points in the SW/4 NW/4 (Unit E) of Section 36 and proposed last take points in the SE/4 NE/4 (Unit H) of Section 31; and the **Olmec Federal Com 704H**, **Olmec Federal Com 804H** and **Olmec Federal Com 806H** wells to be horizontally drilled with proposed first take points in the NW/4 NW/4 (Unit D) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 31. The producing area for the wells is expected to be orthodox. The completed intervals for the Olmec Federal Com 702H and Olmec Federal Com 803H 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. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap a 160-acre horizontal well Wolfcamp spacing unit comprised of the S/2 S/2 of Section 36, Township 22 South, Range 27 East, dedicated to Matador Production Company's Scott Walker State 36 22S 27E RB #204H well (API: 30-015-43162). 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  
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District II  
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District IV  
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 98220		3 Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
4 Property Code		5 Property Name OLMEC FEDERAL COM		6 Well Number 701H	
7 OGRID No. 372098		8 Operator Name MARATHON OIL PERMIAN LLC		9 Elevation 3078'	

10 Surface Location

11 U.I. or lot no. L	Section 36	Township 22S	Range 27E	Lot Idn	Feet from the 1625'	North/South line SOUTH	Feet from the 769'	East/West line WEST	County EDDY
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11 Bottom Hole Location If Different From Surface

12 U.I. or lot no. P	Section 31	Township 22S	Range 28E	Lot Idn	Feet from the 990'	North/South line SOUTH	Feet from the 330'	East/West line EAST	County EDDY
13 Dedicated Acres 1.276.32		14 Joint or Infill		15 Consolidation Code		16 Order No.			

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

**SURFACE HOLE**  
FSL 1625' FWL 769', SECTION 36  
NAD 83, SPCS NM EAST  
X:598128.74' / Y:489702.48'  
LAT:32.34612916 / LON:-104.14943466  
NAD 27, SPCS NM EAST  
X:556946.71' / Y:489643.07'  
LAT:32.34600971 / LON:-104.14893543

**KOP/FTP/PPP-1**  
FSL 990' FWL 330', SECTION 36  
NAD 83, SPCS NM EAST  
X:597679.75' / Y:489062.95'  
LAT:32.34437332 / LON:-104.15089210  
NAD 27, SPCS NM EAST  
X:556497.71' / Y:489003.56'  
LAT:32.34425387 / LON:-104.15039288

**PPP-2**  
FSL 970' FWL 0', SECTIONS 36,31  
NAD 83, SPCS NM EAST  
X:602659.68' / Y:489092.29'  
LAT:32.34442962 / LON:-104.13476654  
NAD 27, SPCS NM EAST  
X:561477.57' / Y:489032.85'  
LAT:32.34430995 / LON:-104.13426790

**LAST TAKE/BOTTOM HOLE**  
FSL 990' FWL 330', SECTION 31  
NAD 83, SPCS NM EAST  
X:607584.03' / Y:489121.31'  
LAT:32.34448327 / LON:-104.11882093  
NAD 27, SPCS NM EAST  
X:566401.87' / Y:489061.80'  
LAT:32.34436337 / LON:-104.11832286

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**18 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_

**PRELIMINARY**  
THIS DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION, DRILLING, RECOMBINATION, OR ANY OTHER ACTION WITHOUT THE ASSISTANCE OF A PERMIT

PRODUCTION LINE	BEARING/LENGTH
L1	N 89°39'45" E - 9904.46'

CORNER COORDINATES NAD 83, SPCS NM EAST		CORNER COORDINATES NAD 27, SPCS NM EAST	
A - X: 607883.07' / Y: 493420.58'	B - X: 607921.17' / Y: 488131.89'	A - X: 566701.00' / Y: 493360.90'	B - X: 566738.97' / Y: 488072.41'
C - X: 605254.05' / Y: 488127.25'	D - X: 602656.23' / Y: 488122.56'	C - X: 564071.89' / Y: 488067.80'	D - X: 561474.10' / Y: 488063.14'
E - X: 599995.28' / Y: 488096.01'	F - X: 597334.35' / Y: 488069.45'	E - X: 558613.19' / Y: 488036.62'	F - X: 556152.29' / Y: 488010.10'
G - X: 597416.90' / Y: 493408.87'	H - X: 600045.62' / Y: 493419.23'	G - X: 556234.96' / Y: 493349.38'	H - X: 558863.65' / Y: 493359.70'
I - X: 602675.36' / Y: 493408.06'		I - X: 561493.35' / Y: 493348.50'	

**EXHIBIT B.2**

Scale: 1" = 1000'

Distances/areas relative to NAD 83 grid

Legend: ● Drill Line Events, ● Section Corners, --- Production Line

Legend: ■ NMSLO, ■ HSU, ● HSU Corners

Legend: ■ East Zone, U.S. Survey Feet.

SHEET 1 OF 2  
JOB No. MRO 0029\_OL  
REV 0 TCS 1/24/2024

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Santa Fe, NM 87505

Form C-102 Revised August 1, 2011  
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>1</sup> Pool Code 98220	<sup>1</sup> Pool Name PURPLE SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>4</sup> Property Name OLMEC FEDERAL COM	
<sup>5</sup> OGRID No. 372098	<sup>5</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>6</sup> Well Number 702H <sup>7</sup> Elevation 3079'

<sup>10</sup> Surface Location

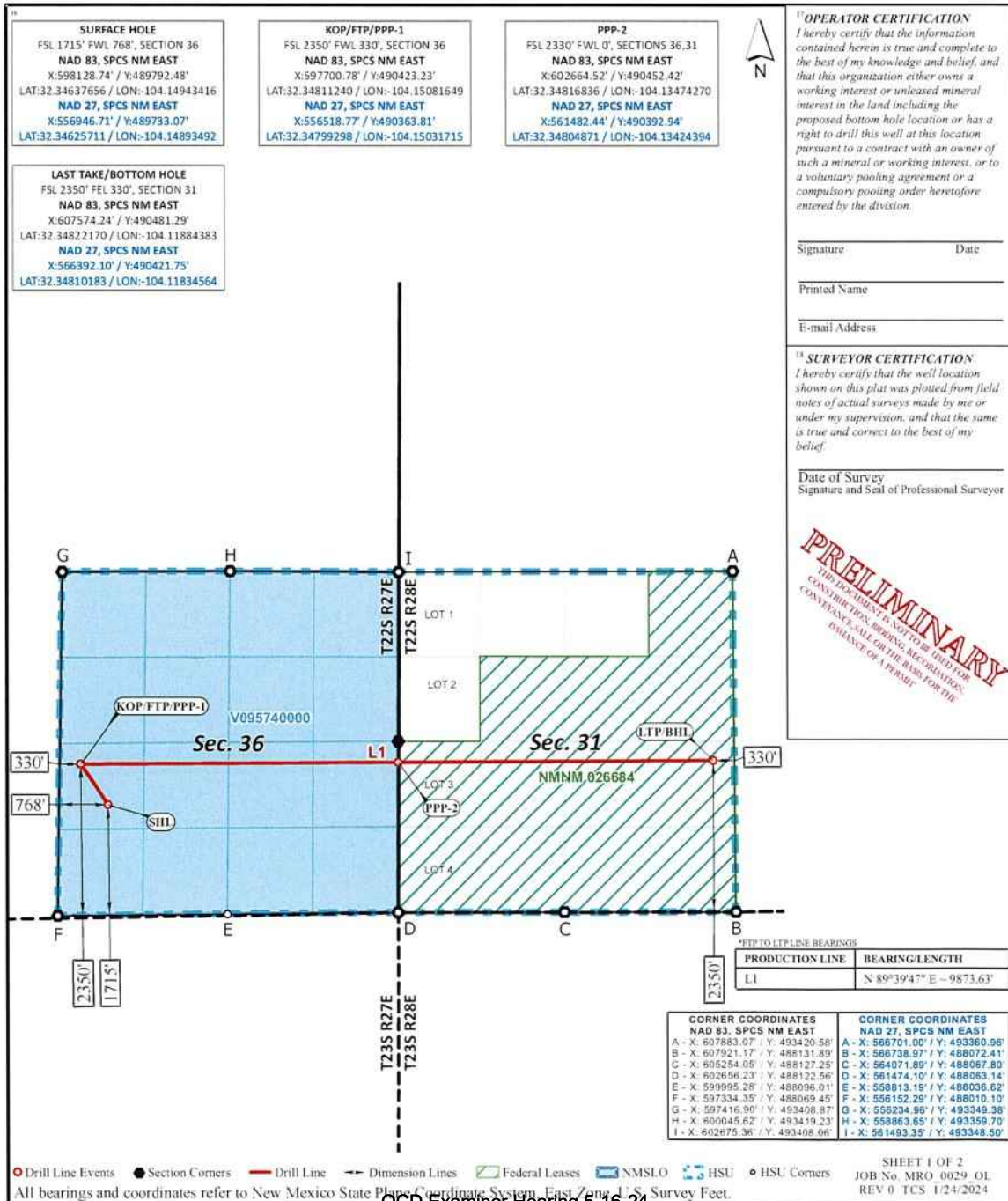
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	22S	27E		1715'	SOUTH	768'	WEST	EDDY

<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
I	31	22S	28E		2350'	SOUTH	330'	EAST	EDDY

<sup>12</sup> Dedicated Acres 1.276.32	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name OLMEC FEDERAL COM	
<sup>6</sup> OGRID No. 372098	<sup>7</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>8</sup> Well Number 703H <sup>9</sup> Elevation 3076'

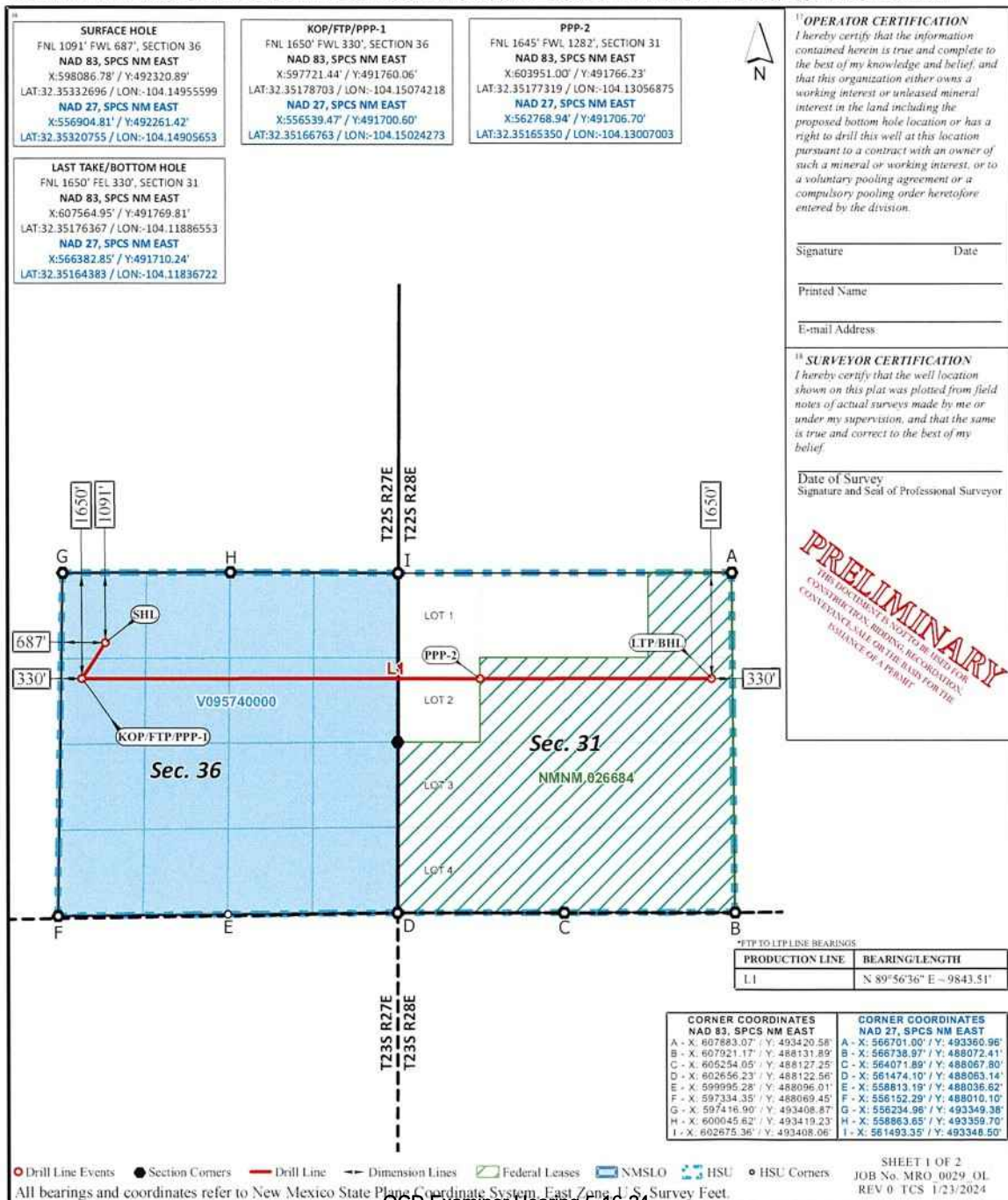
<sup>10</sup> Surface Location

LL 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		1091'	NORTH	687'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

LL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
H	31	22S	28E		1650'	NORTH	330'	EAST	EDDY
<sup>12</sup> Dedicated Acres 1,276.32		<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.				

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



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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		98220	PURPLE SAGE; WOLFCAMP (GAS)
Property Code	Property Name		Well Number
	OLMEC FEDERAL COM		704H
DGRID No.	Operator Name		Elevation
372098	MARATHON OIL PERMIAN LLC		3076'

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		1001'	NORTH	685'	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
A	31	22S	28E		330'	NORTH	330'	EAST	EDDY
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
1,276.32									

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.

**SURFACE HOLE**  
FNL 1001' FWL 685', SECTION 36  
NAD 83, SPCS NM EAST  
X:598086.78' / Y:492410.89'  
LAT:32.35357436 / LON:-104.14955549  
NAD 27, SPCS NM EAST  
X:556904.81' / Y:492351.42'  
LAT:32.35345495 / LON:-104.14905603

**KOP/FTP/PPP-1**  
FNL 330' FWL 330', SECTION 36  
NAD 83, SPCS NM EAST  
X:597741.85' / Y:493080.15'  
LAT:32.35541565 / LON:-104.15066880  
NAD 27, SPCS NM EAST  
X:556559.90' / Y:493020.66'  
LAT:32.35529627 / LON:-104.15016923

**PI-1**  
FNL 330' FWL 0', SECTIONS 36, 31  
NAD 83, SPCS NM EAST  
X:602674.14' / Y:493078.06'  
LAT:32.35538577 / LON:-104.13469576  
NAD 27, SPCS NM EAST  
X:561492.13' / Y:493018.51'  
LAT:32.35526617 / LON:-104.13419676

**PPP-2**  
FNL 330' FEL 1310', SECTION 31  
NAD 83, SPCS NM EAST  
X:606575.05' / Y:493087.43'  
LAT:32.35539101 / LON:-104.12206274  
NAD 27, SPCS NM EAST  
X:565392.99' / Y:493027.84'  
LAT:32.35527124 / LON:-104.12156420

**LAST TAKE/BOTTOM HOLE**  
FNL 330' FEL 330', SECTION 31  
NAD 83, SPCS NM EAST  
X:607555.44' / Y:493089.79'  
LAT:32.35539213 / LON:-104.11888776  
NAD 27, SPCS NM EAST  
X:566373.37' / Y:493030.19'  
LAT:32.35527231 / LON:-104.11838933

**11 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E-mail Address \_\_\_\_\_

**11 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_

PRELIMINARY

THIS DOCUMENT IS NOT TO BE USED FOR CONVEYANCE, TITLE, RECORD, RECORDATION, OR ANY OTHER PURPOSE WITHOUT THE WRITTEN CONSENT OF THE BUREAU OF LAND MANAGEMENT.

**11 FTP TO LTP LINE BEARINGS**

PRODUCTION LINE	BEARING/LENGTH
L1	S 89°58'33" E - 492.29'
L2	N 89°51'44" E - 4881.32'

**CORNER COORDINATES**

NAD 83, SPCS NM EAST		NAD 27, SPCS NM EAST	
A - X: 607883.07' / Y: 493420.58'	B - X: 586701.00' / Y: 493360.98'	A - X: 586701.00' / Y: 493360.98'	B - X: 586738.07' / Y: 488072.41'
B - X: 607921.17' / Y: 488131.89'	C - X: 605254.05' / Y: 488127.25'	B - X: 586738.07' / Y: 488072.41'	C - X: 564071.89' / Y: 488067.80'
C - X: 602656.23' / Y: 488122.56'	D - X: 599995.28' / Y: 488096.01'	C - X: 564071.89' / Y: 488067.80'	D - X: 561474.10' / Y: 488063.14'
D - X: 597334.35' / Y: 488069.45'	E - X: 597416.90' / Y: 493408.87'	D - X: 561474.10' / Y: 488063.14'	E - X: 558813.19' / Y: 488036.62'
E - X: 597416.90' / Y: 493408.87'	F - X: 600045.62' / Y: 493419.23'	E - X: 558813.19' / Y: 488036.62'	F - X: 556152.29' / Y: 488010.30'
F - X: 600045.62' / Y: 493419.23'	G - X: 602675.36' / Y: 493408.06'	F - X: 556152.29' / Y: 488010.30'	G - X: 556234.86' / Y: 493349.38'
G - X: 602675.36' / Y: 493408.06'	H - X: 561493.35' / Y: 493348.50'	G - X: 556234.86' / Y: 493349.38'	H - X: 568863.65' / Y: 493359.70'
H - X: 561493.35' / Y: 493348.50'	I - X: 561493.35' / Y: 493348.50'	H - X: 568863.65' / Y: 493359.70'	I - X: 561493.35' / Y: 493348.50'

**Legend:**  
● 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: 1.00976573 and a Convergence Angle: 0.09834632°

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		98220	PURPLE SAGE; WOLFCAMP (GAS)
Property Code	Property Name		Well Number
	OLMEC FEDERAL COM		801H
OGRID No.	Operator Name		Elevation
372098	MARATHON OIL PERMIAN LLC		3077'

<sup>10</sup> Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	22S	27E		1595'	SOUTH	770'	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	31	22S	28E		330'	SOUTH	330'	EAST	EDDY
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			
1,276.32									

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.

**SURFACE HOLE**  
FSL 1595' FWL 770', SECTION 36  
**NAD 83, SPCS NM EAST**  
X:598128.74' / Y:489672.48'  
LAT:32.34604670' / LON:-104.14943482'  
**NAD 27, SPCS NM EAST**  
X:556946.71' / Y:489613.07'  
LAT:32.34592724' / LON:-104.14893560'

**KOP/FTP/PPP-1**  
FSL 330' FWL 330', SECTION 36  
**NAD 83, SPCS NM EAST**  
X:597669.54' / Y:488402.81'  
LAT:32.34255876' / LON:-104.15092878'  
**NAD 27, SPCS NM EAST**  
X:556487.49' / Y:488343.45'  
LAT:32.34243930' / LON:-104.15042962'

**PPP-2/PI-1**  
FSL 330' FWL 0', SECTIONS 36,31  
**NAD 83, SPCS NM EAST**  
X:602657.40' / Y:488452.56'  
LAT:32.34267112' / LON:-104.13477775'  
**NAD 27, SPCS NM EAST**  
X:561475.28' / Y:488393.13'  
LAT:32.34255144' / LON:-104.13427917'

**LAST TAKE/BOTTOM HOLE**  
FSL 330' FEL 330', SECTION 31  
**NAD 83, SPCS NM EAST**  
X:607588.79' / Y:488461.31'  
LAT:32.34266903' / LON:-104.11880981'  
**NAD 27, SPCS NM EAST**  
X:566406.60' / Y:488401.82'  
LAT:32.34254912' / LON:-104.11831181'

<sup>17</sup> OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

<sup>18</sup> SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_

PRODUCTION LINE	BEARING/LENGTH
L1	N 89°25'42" E - 4984.99'
L2	N 89°53'54" E - 4934.52'

CORNER COORDINATES		CORNER COORDINATES	
NAD 83, SPCS NM EAST		NAD 27, SPCS NM EAST	
A - X: 607883.07' / Y: 493420.58'	A - X: 566701.00' / Y: 493360.98'		
B - X: 607921.17' / Y: 488131.89'	B - X: 566738.97' / Y: 488072.41'		
C - X: 605294.05' / Y: 488127.25'	C - X: 564071.89' / Y: 488067.80'		
D - X: 602656.23' / Y: 488122.56'	D - X: 561474.10' / Y: 488063.14'		
E - X: 599995.28' / Y: 488096.01'	E - X: 558813.19' / Y: 488056.62'		
F - X: 597334.35' / Y: 488069.45'	F - X: 556152.28' / Y: 488010.10'		
G - X: 597416.90' / Y: 493408.87'	G - X: 556234.96' / Y: 493349.38'		
H - X: 600045.62' / Y: 493419.23'	H - X: 558863.65' / Y: 493359.70'		
I - X: 602675.36' / Y: 493408.06'	I - X: 561493.35' / Y: 493348.50'		

○ 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: 0.99976573 and a Convergence Angle: 0.09834632°



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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
		98220	PURPLE SAGE; WOLFCAMP (GAS)
Property Code	Property Name		Well Number
	OLMEC FEDERAL COM		802H
OGRID No.	Operator Name		Elevation
372098	MARATHON OIL PERMIAN LLC		3079'

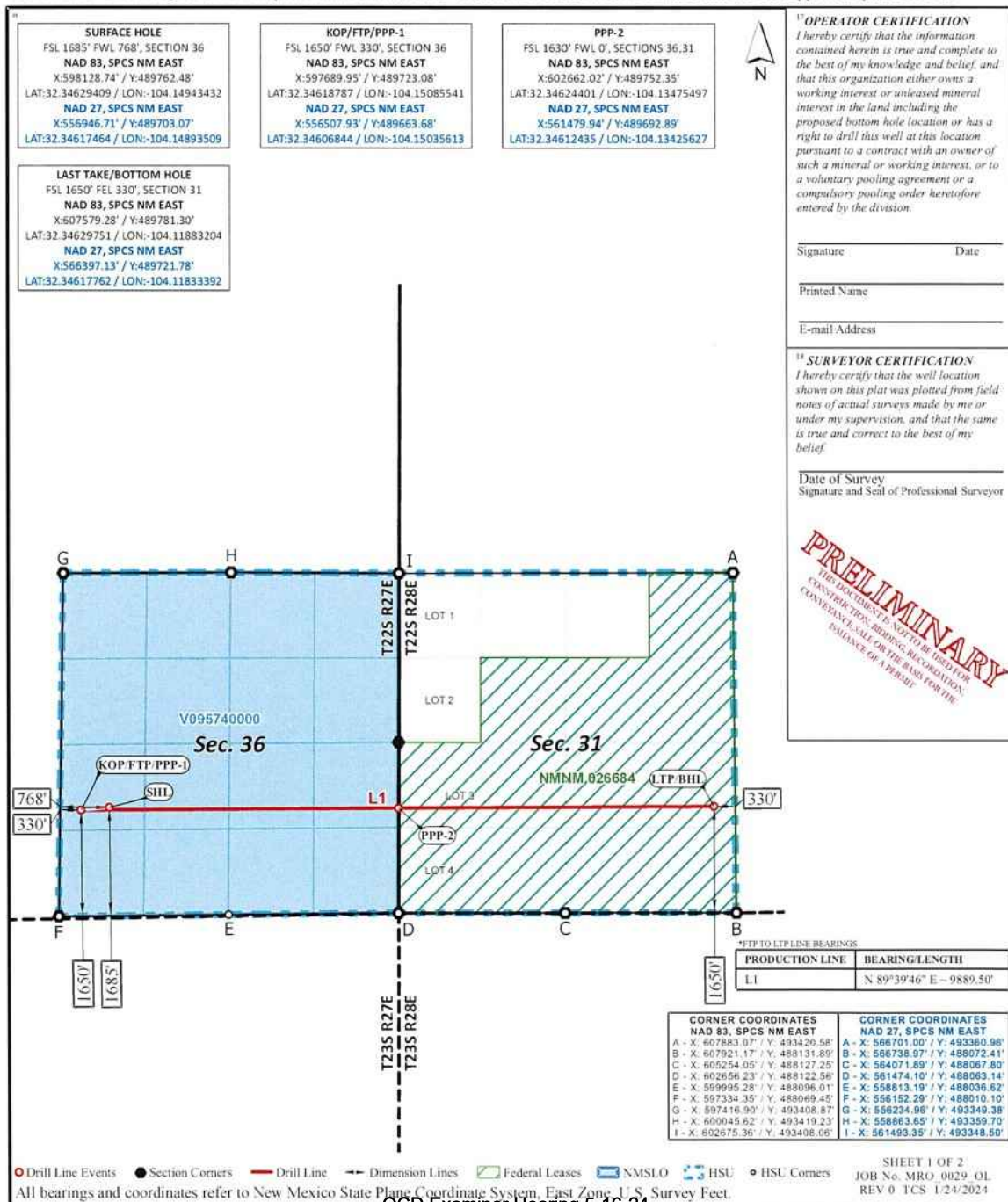
10 Surface Location

U.L. or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
L	36	22S	27E		1685'	SOUTH	768'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

U.L. or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
I	31	22S	28E		1650'	SOUTH	330'	EAST	EDDY
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
1.276.32									

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: 0.99976573 and a Convergence Angle: 0.09834632°

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Post Code 98220		3 Post Name PURPLE SAGE; WOLFCAMP (GAS)	
4 Property Code		5 Property Name OL.MEC FEDERAL COM		6 Well Number 803H	
7 OGRID No. 372098		8 Operator Name MARATHON OIL PERMIAN LLC		9 Elevation 3075'	

10 Surface Location

11 UL or lot no. D	12 Section 36	13 Township 22S	14 Range 27E	15 Lot Idn	16 Feet from the 1121'	17 North/South line NORTH	18 Feet from the 687'	19 East/West line WEST	20 County EDDY
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11 Bottom Hole Location If Different From Surface

21 UL or lot no. H	22 Section 31	23 Township 22S	24 Range 28E	25 Lot Idn	26 Feet from the 2350'	27 North/South line NORTH	28 Feet from the 330'	29 East/West line EAST	30 County EDDY
31 Dedicated Acres 1.276.32		32 Jctns or Infill		33 Consolidation Code		34 Order No.			

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

<p><b>SURFACE HOLE</b> FNL 1121' FWL 687', SECTION 36 <b>NAD 83, SPCS NM EAST</b> X:598086.78' / Y:492290.89' LAT:32.35324449 / LON:-104.14956616 <b>NAD 27, SPCS NM EAST</b> X:556904.81' / Y:492231.42' LAT:32.35312509 / LON:-104.14905670</p>	<p><b>KOP/FTP/PPP-1</b> FNL 2350' FWL 330', SECTION 36 <b>NAD 83, SPCS NM EAST</b> X:597710.62' / Y:491060.01' LAT:32.34986277 / LON:-104.15078110 <b>NAD 27, SPCS NM EAST</b> X:556528.63' / Y:491000.57' LAT:32.34974335 / LON:-104.15028170</p>	<p><b>PPP-2</b> FNL 2345' FWL 1282', SECTION 31 <b>NAD 83, SPCS NM EAST</b> X:603948.65' / Y:491066.22' LAT:32.34984898 / LON:-104.13058064 <b>NAD 27, SPCS NM EAST</b> X:562766.58' / Y:491006.71' LAT:32.34972929 / LON:-104.13008197</p>
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<p><b>LAST TAKE/BOTTOM HOLE</b> FNL 2350' FEL 330', SECTION 31 <b>NAD 83, SPCS NM EAST</b> X:607570.00' / Y:491069.82' LAT:32.34983949 / LON:-104.11885374 <b>NAD 27, SPCS NM EAST</b> X:566387.87' / Y:491010.27' LAT:32.34971963 / LON:-104.11835550</p>
--

11 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

12 SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor \_\_\_\_\_

PRELIMINARY

THIS DOCUMENT IS NOT TO BE USED FOR CONVEYANCE, TITLE, BORING, REGISTRATION, OR ANY OTHER PURPOSE WITHOUT THE ASSISTANCE OF A PERMITS

*FTP TO LTP LINE BEARINGS	
PRODUCTION LINE	BEARING/LENGTH
LI	N 89°56'35" E - 9859.38'

CORNER COORDINATES NAD 83, SPCS NM EAST		CORNER COORDINATES NAD 27, SPCS NM EAST	
A - X: 607883.07' / Y: 493420.58'	B - X: 566701.00' / Y: 493360.96'	A - X: 607883.07' / Y: 493420.58'	B - X: 566701.00' / Y: 493360.96'
B - X: 607921.17' / Y: 488131.89'	B - X: 566738.97' / Y: 488072.41'	B - X: 607921.17' / Y: 488131.89'	B - X: 566738.97' / Y: 488072.41'
C - X: 605254.05' / Y: 488127.25'	C - X: 564071.89' / Y: 488067.80'	C - X: 605254.05' / Y: 488127.25'	C - X: 564071.89' / Y: 488067.80'
D - X: 602856.23' / Y: 488122.56'	D - X: 561474.10' / Y: 488063.14'	D - X: 602856.23' / Y: 488122.56'	D - X: 561474.10' / Y: 488063.14'
E - X: 599995.28' / Y: 488096.01'	E - X: 568813.19' / Y: 488036.62'	E - X: 599995.28' / Y: 488096.01'	E - X: 568813.19' / Y: 488036.62'
F - X: 597334.35' / Y: 488069.45'	F - X: 566152.29' / Y: 488010.10'	F - X: 597334.35' / Y: 488069.45'	F - X: 566152.29' / Y: 488010.10'
G - X: 597416.90' / Y: 493408.87'	G - X: 566234.96' / Y: 493349.38'	G - X: 597416.90' / Y: 493408.87'	G - X: 566234.96' / Y: 493349.38'
H - X: 600045.82' / Y: 493419.23'	H - X: 568863.65' / Y: 493359.70'	H - X: 600045.82' / Y: 493419.23'	H - X: 568863.65' / Y: 493359.70'
I - X: 602675.36' / Y: 493408.06'	I - X: 561483.35' / Y: 493348.60'	I - X: 602675.36' / Y: 493408.06'	I - X: 561483.35' / Y: 493348.60'

○ Drill Line Events ● Section Corners — Drill Line - - - Dimension Lines [Green] Federal Leases [Blue] NMSLO [Light Blue] HSU [Light Blue] ○ 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: 0.99976573 and a Convergence Angle: 0.09834632°

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name	
		98220	PURPLE SAGE; WOLFCAMP (GAS)	
Property Code	Property Name			Well Number
	OLMEC FEDERAL COM			804H
OGRID No.	Operator Name			Elevation
372098	MARATHON OIL PERMIAN LLC			3076'

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		1031'	NORTH	686'	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	31	22S	28E		990'	NORTH	330'	EAST	EDDY
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
1.276.32									

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.

**SURFACE HOLE**  
FNL 1031' FWL 686', SECTION 36  
**NAD 83, SPCS NM EAST**  
X:598086.78' / Y:492380.89'  
LAT:32.35349189 / LON:-104.14955566  
**NAD 27, SPCS NM EAST**  
X:556904.81' / Y:492321.42'  
LAT:32.35337248 / LON:-104.14905620

**KOP/FTP/PPP-1**  
FNL 990' FWL 330', SECTION 36  
**NAD 83, SPCS NM EAST**  
X:597731.65' / Y:492420.10'  
LAT:32.35360134 / LON:-104.15070549  
**NAD 27, SPCS NM EAST**  
X:556549.69' / Y:492360.63'  
LAT:32.35348195 / LON:-104.15020598

**PPP-2**  
FNL 989' FEL 1313', SECTION 31  
**NAD 83, SPCS NM EAST**  
X:606576.72' / Y:492428.83'  
LAT:32.35358061 / LON:-104.12206154  
**NAD 27, SPCS NM EAST**  
X:565394.65' / Y:492369.25'  
LAT:32.35346082 / LON:-104.12156305

**LAST TAKE/BOTTOM HOLE**  
FNL 990' FEL 330', SECTION 31  
**NAD 83, SPCS NM EAST**  
X:607560.20' / Y:492429.80'  
LAT:32.35357790 / LON:-104.11887665  
**NAD 27, SPCS NM EAST**  
X:566378.11' / Y:492370.21'  
LAT:32.35345807 / LON:-104.11837828

**10 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**11 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	N 89°56'36" E - 9828.56'

CORNER COORDINATES NAD 83, SPCS NM EAST		CORNER COORDINATES NAD 27, SPCS NM EAST	
A - X: 607883.07' / Y: 493420.58'	B - X: 607921.17' / Y: 488131.89'	A - X: 568701.00' / Y: 493360.96'	B - X: 568738.97' / Y: 488072.41'
C - X: 605264.95' / Y: 488127.25'	D - X: 602656.23' / Y: 488122.56'	C - X: 564071.89' / Y: 488067.80'	D - X: 561474.10' / Y: 488063.14'
E - X: 599995.28' / Y: 488096.01'	F - X: 597334.35' / Y: 488069.45'	E - X: 558813.19' / Y: 488036.62'	F - X: 556152.29' / Y: 488010.10'
G - X: 597416.90' / Y: 493408.87'	H - X: 606045.62' / Y: 493419.23'	G - X: 558234.96' / Y: 493349.38'	H - X: 556883.95' / Y: 493359.70'
I - X: 602675.36' / Y: 493408.06'		I - X: 561493.35' / Y: 493348.50'	

○ 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: 0.99976375 and a Convergence Angle: 0.09834632°

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name	
		98220	PURPLE SAGE; WOLFCAMP (GAS)	
Property Code		Property Name		Well Number
		OLMEC FEDERAL COM		805H
OGRID No.	Operator Name			Elevation
372098	MARATHON OIL PERMIAN LLC			3078'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	22S	27E		1655'	SOUTH	769'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	31	22S	28E		1320'	SOUTH	330'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
1,276.32			

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**SURFACE HOLE**  
FSL 1655' FWL 769', SECTION 36  
NAD 83, SPCS NM EAST  
X:598128.74' / Y:489732.48'  
LAT:32.34621163 / LON:-104.14943449  
NAD 27, SPCS NM EAST  
X:556946.71' / Y:489673.07'  
LAT:32.34609218 / LON:-104.14893526

**KOP/FTP/PPP-1**  
FSL 1320' FWL 330', SECTION 36  
NAD 83, SPCS NM EAST  
X:597684.85' / Y:489393.02'  
LAT:32.34528059 / LON:-104.15087375  
NAD 27, SPCS NM EAST  
X:556502.82' / Y:489333.62'  
LAT:32.34516115 / LON:-104.15037450

**PPP-2**  
FSL 1300' FWL 0', SECTIONS 36,31  
NAD 83, SPCS NM EAST  
X:602660.85' / Y:489422.32'  
LAT:32.34533681 / LON:-104.13476076  
NAD 27, SPCS NM EAST  
X:561478.75' / Y:489362.87'  
LAT:32.34521715 / LON:-104.13426209

**LAST TAKE/BOTTOM HOLE**  
FSL 1320' FWL 330', SECTION 31  
NAD 83, SPCS NM EAST  
X:607581.66' / Y:489451.30'  
LAT:32.34539039 / LON:-104.11882648  
NAD 27, SPCS NM EAST  
X:566399.50' / Y:489391.79'  
LAT:32.34527050 / LON:-104.11832839

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**10 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

**11 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 \_\_\_\_\_

PRODUCTION LINE	BEARING/LENGTH
L1	N 89°39'45" E ~ 9896.98'

CORNER COORDINATES NAD 83, SPCS NM EAST		CORNER COORDINATES NAD 27, SPCS NM EAST	
A - X: 607883.07' / Y: 493420.58'	B - X: 566701.00' / Y: 493360.96'	A - X: 566701.00' / Y: 493360.96'	B - X: 566738.97' / Y: 488072.41'
B - X: 607921.17' / Y: 488131.89'	C - X: 564071.89' / Y: 488087.80'	B - X: 566738.97' / Y: 488072.41'	C - X: 564071.89' / Y: 488087.80'
C - X: 605254.05' / Y: 488122.25'	D - X: 561474.10' / Y: 488063.14'	C - X: 564071.89' / Y: 488087.80'	D - X: 561474.10' / Y: 488063.14'
D - X: 602656.23' / Y: 488122.56'	E - X: 558813.19' / Y: 488036.62'	D - X: 602656.23' / Y: 488122.56'	E - X: 558813.19' / Y: 488036.62'
E - X: 599995.28' / Y: 488096.01'	F - X: 556152.29' / Y: 488010.10'	E - X: 599995.28' / Y: 488096.01'	F - X: 556152.29' / Y: 488010.10'
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G - X: 597416.90' / Y: 493408.87'	H - X: 556863.65' / Y: 493359.70'	G - X: 597416.90' / Y: 493408.87'	H - X: 556863.65' / Y: 493359.70'
H - X: 600645.62' / Y: 493419.23'	I - X: 561493.35' / Y: 493348.50'	H - X: 600645.62' / Y: 493419.23'	I - X: 561493.35' / Y: 493348.50'
I - X: 602675.36' / Y: 493408.06'		I - X: 602675.36' / Y: 493408.06'	

SHEET 1 OF 2  
JOB No. MRO\_0029\_OL  
REV 0 TCS 2/2/2024

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 98220		3 Pool Name PURPLE SAGE; WOLFCAMP (GAS)	
4 Property Code		5 Property Name OLMEC FEDERAL COM		6 Well Number 806H	
7 OGRID No. 372098		8 Operator Name MARATHON OIL PERMIAN LLC		9 Elevation 3076'	

10 Surface Location

11 U.I. or lot no. D	Section 36	Township 22S	Range 27E	Lot Idn	Feet from the 1061'	North/South line NORTH	Feet from the 686'	East/West line WEST	County EDDY
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11 Bottom Hole Location If Different From Surface

12 U.I. or lot no. A	Section 31	Township 22S	Range 28E	Lot Idn	Feet from the 1320'	North/South line NORTH	Feet from the 330'	East/West line EAST	County EDDY
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13 Dedicated Acres 1,276.32	14 Joint or Infill	15 Consolidation Code	16 Order No.
--------------------------------	--------------------	-----------------------	--------------

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

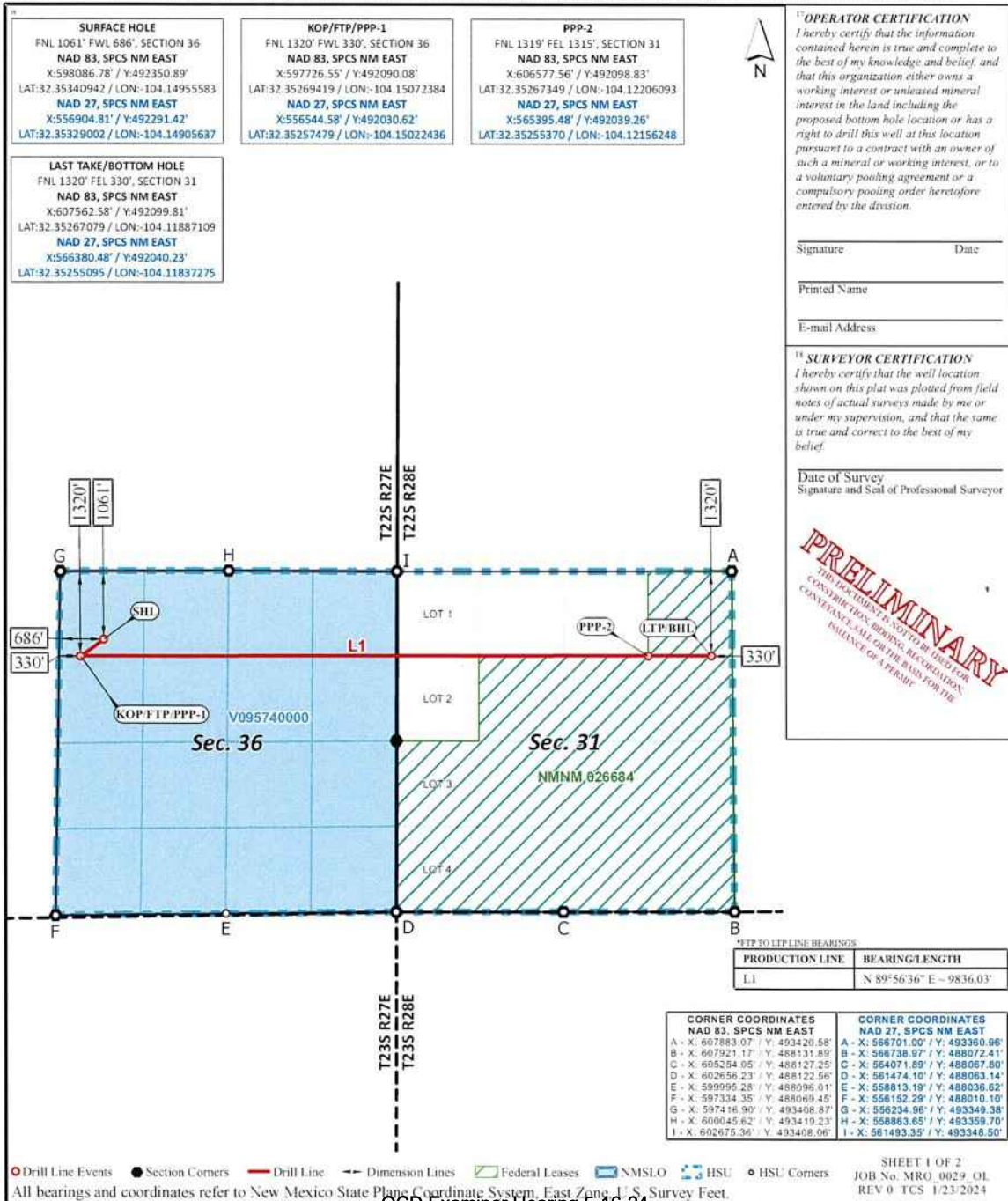


Exhibit "B.3" Lease Tract Map

Tr. 1				Tr. 4			Tr. 2	
D	C	B	A	1	C	B	A	
E	F	G	H	2	Tr. 3 F	G	H	
L	K	J	I	Tr. 5				
M	N	O	P	3	K	J	I	
				4	N	O	P	

All of Section 36-22S-27E

All of Section 31-22S-28E

- Tract 1: State (640 acres)
- Tract 2: Fed (120 acres)
- Tract 3: Fed (40 acres)
- Tract 4: Fee (154.24 acres)
- Tract 5: Fed (318.08 acres)



Exhibit "B.3" Summary of Interests

Name	% Interest
<b>Committed Working Interest Owners</b>	<b>18.410463%</b>
Marathon Oil Permian LLC	18.410463%
<b>Uncommitted Working Interest Owners</b>	<b>81.589537%</b>
MRC Permian Company*	50.301811%
OXY USA WTP, LP	31.287726%

\*Supports Marathon's development plan and pooling



Exhibit "B.3" Summary of Interests

<b>Committed Working Interest Owners</b>						<b>18.410463%</b>
Interest Owner	Tract 1 WI	Tract 2 WI	Tract 3 WI	Tract 4 WI	Tract 5 WI	Unit WI
Marathon Oil Permian LLC		50.000000%	50.000000%	100.000000%		18.410463%
<b>Uncommitted Working Interest Owners</b>						<b>81.589537%</b>
Interest Owner	Tract 1 WI	Tract 2 WI	Tract 3 WI	Tract 4 WI	Tract 5 WI	Unit WI
MRC Permian Company	100.000000%					50.301811%
OXY USA WTP, LP		50.000000%	50.000000%		100.000000%	31.287726%





Exhibit "B.3" Summary of Interests

ORRI Owners to be Pooled	
OXY USA WTP, LP	Spinnaker Oil & Gas, LP
Richardson Mineral & Royalty, LLC	Bantam Royalties, LLC
Tim Cavanaugh	TLM4, Ltd.
Colleen Blackman	TAS Royalty Company
Cathy Jones	Serenity Resources, LLC
Charles R. Wiggins	Williams WTX, LP
Richard Donnelly, Trustee Under the George A. Donnelly TA FBO David Preston, Richard Jr. and Martha Brittain Donnelly	Margaret Jones Kennedy
Richard Donnelly	Ruth S. Bell
Eastland Oil Company	L.S. Henry, LLC
Hooker Energy, LLC	Zunis Energy, LLC
RL & JJ Stevens FP, LP	Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts
MAP2006-OK	SSC, Inc.
Mike Stewart	Principal Properties, Doug Lauger and Suzanne Laufer
David Farmer	Andrews Oil, LP
Robert H. Marshall	Samuel H. Jolliffe, IV
William L. Porter	Teresa H. Jolliffe
Melissa O'Kelley	Westall Oil & Gas, LLC
Katherine Russell Schmidt	Lana Russell
Deborah Russell Neujahr	

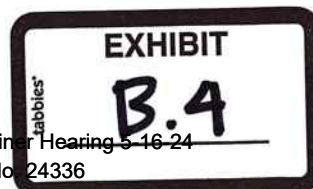


**Case 24336: Parties to Be Pooled**

**Working Interest Owners to Be Pooled**

MRC Permian Company  
 OXY USA WTP, LP

<b>ORRI Owners to be Pooled</b>	
OXY USA WTP, LP	Spinnaker Oil & Gas, LP
Richardson Mineral & Royalty, LLC	Bantam Royalties, LLC
Tim Cavanaugh	TLM4, Ltd.
Colleen Blackman	TAS Royalty Company
Cathy Jones	Serenity Resources, LLC
Charles R. Wiggins	Williams WTX, LP
Richard Donnelly, Trustee Under the George A. Donnelly TA FBO David Preston, Richard Jr. and Martha Brittain Donnelly	Margaret Jones Kennedy
Richard Donnelly	Ruth S. Bell
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Robert H. Marshall	Samuel H. Jolliffe, IV
William L. Porter	Teresa H. Jolliffe
Melissa O'Kelley	Westall Oil & Gas, LLC
Katherine Russell Schmidt	Lana Russell
Deborah Russell Neujahr	



Summary of Contacts

Summary of Contact with Working Interest Owners				
Name	% Interest	Proposal Letter Sent	Proposal Letter Received	Follow Up
MRC Permian Company	50.301811%	9/26/2023	10/6/2023	Well proposal sent 9/26/2023 and received on 10/6/2023. Discussed development timing and operations support agreement on 3/25/24. Provided support letter for Marathon's development.
OXY USA WTP, LP	31.287726%	9/26/2023	10/30/2023	Well proposal sent 9/26/2023 and received on 10/30/2023. Discussed development timing and interest owned on 11/7/2023



## Summary of Contacts

### 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.
- 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.





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: Olmec Federal Com 701H, 702H, 703H, 704H,  
801H, 802H, 803H, 804H, 805H & 806H (the "Wells")  
Participation Proposal  
Sections 36-T22S-R27E & 31-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 Section 36, Township 22 South, Range 27 East, and Section 31, 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
Olmec Federal Com 803H	330' FWL Section 36	2350' FNL Section 36	330' FWL Section 31	2350' FNL Section 31	9,845'	20,109'	Wolfcamp C
Olmec Federal Com 703H	330' FWL Section 36	1650' FNL Section 36	330' FWL Section 31	1650' FNL Section 31	9,220'	19,471'	Wolfcamp XY
Olmec Federal Com 806H	330' FWL Section 36	1320' FNL Section 36	330' FWL Section 31	1320' FNL Section 31	9,500'	19,750'	Wolfcamp B
Olmec Federal Com 804H	330' FWL Section 36	990' FNL Section 36	330' FWL Section 31	990' FNL Section 31	9,845'	20,078'	Wolfcamp C
Olmec Federal Com 704H	330' FWL Section 36	330' FNL Section 36	330' FWL Section 31	330' FNL Section 31	9,220'	19,463'	Wolfcamp XY
Olmec Federal Com 801H	330' FWL Section 36	330' FSL Section 36	330' FWL Section 31	330' FSL Section 31	9,865'	20,113'	Wolfcamp C
Olmec Federal Com 701H	330' FWL Section 36	990' FSL Section 36	330' FWL Section 31	990' FSL Section 31	9,225'	19,477'	Wolfcamp XY
Olmec Federal Com 805H	330' FWL Section 36	1320' FSL Section 36	330' FWL Section 31	1320' FSL Section 31	9,510'	19,761'	Wolfcamp B
Olmec Federal Com 802H	330' FWL Section 36	1650' FSL Section 36	330' FWL Section 31	1650' FSL Section 31	9,685'	20,122'	Wolfcamp C
Olmec Federal Com 702H	330' FWL Section 36	2350' FSL Section 36	330' FWL Section 31	2350' FSL Section 31	9,225'	19,480'	Wolfcamp XY

**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**

OCD Examiner Hearing 5-16-24

No. 24336

**Owner Name** hereby elects to:

Not to participate in the **OLMEC FEDERAL COM 803H** Well.

Participate in the **OLMEC FEDERAL COM 803H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 703H** Well.

Participate in the **OLMEC FEDERAL COM 703H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 806H** Well.

Participate in the **OLMEC FEDERAL COM 806H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 804H** Well.

Participate in the **OLMEC FEDERAL COM 804H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 704H** Well.

Participate in the **OLMEC FEDERAL COM 704H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 801H** Well.

Participate in the **OLMEC FEDERAL COM 801H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 701H** Well.

Participate in the **OLMEC FEDERAL COM 701H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 805H** Well.

Participate in the **OLMEC FEDERAL COM 805H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 802H** Well.

Participate in the **OLMEC FEDERAL COM 802H** Well by paying its proportionate share of all actual costs.

Not to participate in the **OLMEC FEDERAL COM 702H** Well.

Participate in the **OLMEC FEDERAL COM 702H** 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 9/26/2023  
 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	Wolfcamp FORMATION: WXY	WILDCAT	EXPLORATION
Lease/Facility	OLMEC FEDERAL COM 701H	DEVELOPMENT	RECOMPLETION
Location	36-22S-27E, 31-22S-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 19,400 Est Drilling Days 21.25 Est Completion Days 7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	0
7001250	Land Broker Fees and Services	0
		0
TOTAL LOCATION COST - INTANGIBLE		\$0

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,350
7012050	Surface Casing	47,164
7012050	Intermediate Casing 1	192,282
7012050	Intermediate Casing 2	-
7012050	Production Casing	943,272
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	-
7012550	Drilling Wellhead Equipment	43,536
7012040	Casing & Tubing Access	99,769
7290003	Miscellaneous MRO Materials	9,070
		-
TOTAL DRILLING - TANGIBLE		\$1,380,442

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	181,398
7290002	Drilling Rig - day work/footage	1,033,971
7019040	Directional Drilling Services	294,954
7019020	Cement and Cementing Service Surface	27,210
7019020	Cement and Cementing Service Intermediate 1	45,350
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	272,098
7019140	Mud Fluids & Services	120,176
7012310	Solids Control equipment	77,548
7012020	Bits	217,678
7019010	Casing Crew and Services	72,559
7016350	Fuel (Rig)	133,555
7019140	Fuel (Mud)	54,420
7001460	Water (non potable)	45,350
7012350	Water (potable)	9,070
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	25,101
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,489
7019110	Casing inspection/cleaning	27,210
7019110	Drill pipe/collar inspection services	18,140
7016180	Freight - truck	45,350
7001460	Water hauling and disposal (includes soil farming)	108,839
7001160	Contract Services - Disposal/Non-Hazardous Waste	145,119
7001440	Vacuum Trucks	18,140
7000030	Contract Labor - general	54,420
7000010	Contract Labor - Operations	5,442
7001200	Contract Services - Facilities	18,140
7019300	Well Services - Well Control Services	38,547
7019350	Well Services - Well/Wellhead Services	18,140
7290003	Rental Tools and Equipment (surface rentals)	21,541
7260001	Rig Equipment and Misc.	172,328
7001110	Telecommunications Services	9,070
7001120	Consulting Services	180,945
7001400	Safety and Environmental	60,315
7330002	Rental Buildings (trailers)	21,541
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	401,407



OCD Examined Hearing 5-18-24

No. 24336

TOTAL DRILLING - INTANGIBLE \$4,038,558

**TOTAL DRILLING COST \$5,419,000**

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WXY  
 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)	9,656
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	151,739
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)	617,426
7390002	Fracturing Services	3,969,910
7019330	Perforating	180,331
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	461,266
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)	44,832
7290003	Contract Labor - general	-
7000030	Telecommunications Services	34,486
7001110	Safety and Environmental	-
7001400	Consulting Services	90,698
7001120	Zipper Manifold	135,715
7019300	Frack Stack Rentals	117,253
7016180	Freight (Transportation Services)	6,621
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	175,414
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	34,486
7011010	8% Contingency & Taxes	-
<b>TOTAL COMPLETION - INTANGIBLE</b>		<b>\$6,029,834</b>

**TOTAL COMPLETION COST \$6,044,834**

**SURFACE EQUIPMENT - TANGIBLE**

7012350	Misc. Piping, Fittings & Valves	159,015
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	172,698
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	46,035
7012270	Miscellaneous Materials (containment system)	47,952
7008060	SCADA	15,170
7016180	Freight - truck	15,859
7001190	Contract Engineering	9,824
7012290	Metering and Instrumentation	269,097

7012290	I&E Materials	157,845
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	18,262
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	255,150
7012500	Tanks	44,912
7012100	Heater Treater	132,741
7012640	Flare & Accessories	19,282
7000010	Electrical Labor	87,218
7000010	Mechanical Labor	188,608
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	35,332
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,675,000

TOTAL SURFACE EQUIPMENT COST \$ 1,675,000

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	\$ -
TOTAL DRILLING COST	\$ 5,419,000
TOTAL COMPLETIONS COST	\$ 6,044,834
TOTAL SURFACE EQUIPMENT COST	\$ 1,675,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<b>\$13,393,834</b>

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

DATE 9/26/2023  
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 COMPLETION PREPARED BY KRISTEN DRAIN  
 FACILITIES PREPARED BY HARSHA DISSANAYAKE  
 ARTIFICIAL LIFT PREPARED BY CLAYTON DIETZE

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Lease/Facility	OLMEC FEDERAL COM 702H	DEVELOPMENT	RECOMPLETION
Location	36-225-27E, 31-225-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 19,400 Est Drilling Days 21.25 Est Completion Days 7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	0
7001250	Land Broker Fees and Services	0
		0
TOTAL LOCATION COST - INTANGIBLE		50

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,350
7012050	Surface Casing	47,164
7012050	Intermediate Casing 1	192,282
7012050	Intermediate Casing 2	-
7012050	Production Casing	943,272
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	-
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DRILLING COST - INTANGIBLE

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7019020	Cement and Cementing Service Intermediate 1	45,350
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	272,098
7019140	Mud Fluids & Services	120,176
7012310	Solids Control equipment	77,548
7012020	Bits	217,678
7019010	Casing Crew and Services	72,559
7016350	Fuel (Rig)	133,555
7019140	Fuel (Mud)	54,420
7001460	Water (non potable)	45,350
7012350	Water (potable)	9,070
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	25,101
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,489
7019110	Casing inspection/cleaning	27,210
7019110	Drill pipe/collar inspection services	18,140
7016180	Freight - truck	45,350
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7001440	Vacuum Trucks	18,140
7000030	Contract Labor - general	54,420
7000010	Contract Labor - Operations	5,442
7001200	Contract Services - Facilities	18,140
7019300	Well Services - Well Control Services	38,547
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7290003	Rental Tools and Equipment (surface rentals)	21,541
7260001	Rig Equipment and Misc.	172,328
7001110	Telecommunications Services	9,070
7001120	Consulting Services	180,945
7001400	Safety and Environmental	60,315
7330002	Rental Buildings (trailers)	21,541
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	401,407

TOTAL DRILLING - INTANGIBLE \$4,038,558

**TOTAL DRILLING COST \$5,419,000**

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WXY  
 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)	9,656
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	151,739
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)	617,426
7390002	Fracturing Services	3,969,910
7019330	Perforating	180,331
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	461,266
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)	44,832
7290003	Contract Labor - general	-
7000030	Telecommunications Services	34,486
7001110	Safety and Environmental	-
7001400	Consulting Services	90,698
7001120	Zipper Manifold	135,715
7019300	Frack Stack Rentals	117,253
7016180	Freight (Transportation Services)	6,621
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	175,414
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	34,486
7011010	8% Contingency & Taxes	-
	<b>TOTAL COMPLETION - INTANGIBLE</b>	<b>\$6,029,834</b>

**TOTAL COMPLETION COST \$6,044,834**

**SURFACE EQUIPMENT - TANGIBLE**

7012350	Misc. Piping, Fittings & Valves	159,015
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	172,698
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	46,035
7012270	Miscellaneous Materials (containment system)	47,952
7008060	SCADA	15,170
7016180	Freight - truck	15,859
7001190	Contract Engineering	9,824
7012290	Metering and Instrumentation	269,097

7012290	I&E Materials	157,845
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	18,262
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	255,150
7012500	Tanks	44,912
7012100	Heater Treater	132,741
7012640	Flare & Accessories	19,282
7000010	Electrical Labor	87,218
7000010	Mechanical Labor	188,608
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	35,332
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,675,000

TOTAL SURFACE EQUIPMENT COST \$ 1,675,000

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	\$ -
TOTAL DRILLING COST	\$ 5,419,000
TOTAL COMPLETIONS COST	\$ 6,044,834
TOTAL SURFACE EQUIPMENT COST	\$ 1,675,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
GRAND TOTAL COST	\$13,393,834

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

DATE 9/26/2023  
 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	Wolfcamp FORMATION: WXY	WILDCAT	EXPLORATION
Lease/Facility	OLMEC FEDERAL COM 703H	DEVELOPMENT	RECOMPLETION
Location	36-22S-27E, 31-22S-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 19,400 Est Drilling Days 21.25 Est Completion Days 7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	0
7001250	Land Broker Fees and Services	0
		0
TOTAL LOCATION COST - INTANGIBLE		\$0

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,350
7012050	Surface Casing	47,164
7012050	Intermediate Casing 1	192,282
7012050	Intermediate Casing 2	-
7012050	Production Casing	943,272
7012050	Drlg Liner Hanger, Tieback Eq & Csg Accessories	-
7012550	Drilling Wellhead Equipment	43,536
7012040	Casing & Tubing Access	99,769
7290003	Miscellaneous MRO Materials	9,070
		-
TOTAL DRILLING - TANGIBLE		\$1,380,442

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	181,398
7290002	Drilling Rig - day work/footage	1,033,971
7019040	Directional Drilling Services	294,954
7019020	Cement and Cementing Service Surface	27,210
7019020	Cement and Cementing Service Intermediate 1	45,350
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	272,098
7019140	Mud Fluids & Services	120,176
7012310	Solids Control equipment	77,548
7012020	Bits	217,678
7019010	Casing Crew and Services	72,559
7016350	Fuel (Rig)	133,555
7019140	Fuel (Mud)	54,420
7001460	Water (non potable)	45,350
7012350	Water (potable)	9,070
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	25,101
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,489
7019110	Casing inspection/cleaning	27,210
7019110	Drill pipe/collar inspection services	18,140
7016180	Freight - truck	45,350
7001460	Water hauling and disposal (includes soil farming)	108,839
7001160	Contract Services - Disposal/Non-Hazardous Waste	145,119
7001440	Vacuum Trucks	18,140
7000030	Contract Labor - general	54,420
7000010	Contract Labor - Operations	5,442
7001200	Contract Services - Facilities	18,140
7019300	Well Services - Well Control Services	38,547
7019350	Well Services - Well/Wellhead Services	18,140
7290003	Rental Tools and Equipment (surface rentals)	21,541
7260001	Rig Equipment and Misc.	172,328
7001110	Telecommunications Services	9,070
7001120	Consulting Services	180,945
7001400	Safety and Environmental	60,315
7330002	Rental Buildings (trailers)	21,541
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	401,407

TOTAL DRILLING - INTANGIBLE \$4,038,558

TOTAL DRILLING COST \$5,419,000

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WXY  
 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	-
		-
TOTAL COMPLETION - TANGIBLE		\$15,000

COMPLETION - INTANGIBLE

7001270	Location and Access (dress location after rig move, set anchors)	9,656
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	151,739
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)	617,426
7390002	Fracturing Services	3,969,910
7019330	Perforating	180,331
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	461,266
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)	44,832
7290003	Contract Labor - general	-
7000030	Telecommunications Services	34,486
7001110	Safety and Environmental	-
7001400	Consulting Services	90,698
7001120	Zipper Manifold	135,715
7019300	Frac Stack Rentals	117,253
7016180	Freight (Transportation Services)	6,621
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	175,414
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	34,486
7011010	8% Contingency & Taxes	-
TOTAL COMPLETION - INTANGIBLE		\$6,029,834

TOTAL COMPLETION COST \$6,044,834

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	159,015
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	172,698
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	46,035
7012270	Miscellaneous Materials (containment system)	47,952
7008060	SCADA	15,170
7016180	Freight - truck	15,859
7001190	Contract Engineering	9,824
7012290	Metering and Instrumentation	269,097



7012290	I&E Materials	157,845
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	18,262
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	255,150
7012500	Tanks	44,912
7012100	Heater Treater	132,741
7012640	Flare & Accessories	19,282
7000010	Electrical Labor	87,218
7000010	Mechanical Labor	188,608
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	35,332
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,675,000

TOTAL SURFACE EQUIPMENT COST \$ 1,675,000

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	\$ -
TOTAL DRILLING COST	\$ 5,419,000
TOTAL COMPLETIONS COST	\$ 6,044,834
TOTAL SURFACE EQUIPMENT COST	\$ 1,675,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
GRAND TOTAL COST	\$13,393,834

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

DATE 9/26/2023  
 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	Wolfcamp FORMATION: WXY	WILDCAT	EXPLORATION
Lease/Facility	OLMEC FEDERAL COM 704H	DEVELOPMENT	RECOMPLETION
Location	36-22S-27E, 31-22S-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 19,400 Est Drilling Days 21.25 Est Completion Days 7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	0
7001250	Land Broker Fees and Services	0
		0
TOTAL LOCATION COST - INTANGIBLE		\$0

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,350
7012050	Surface Casing	47,164
7012050	Intermediate Casing 1	192,282
7012050	Intermediate Casing 2	-
7012050	Production Casing	943,272
7012050	Drlg Liner Hanger, Tieback Eq & Csg Accessories	-
7012550	Drilling Wellhead Equipment	43,536
7012040	Casing & Tubing Access	99,769
7290003	Miscellaneous MRO Materials	9,070
		-
TOTAL DRILLING - TANGIBLE		\$1,380,442

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	181,398
7290002	Drilling Rig - day work/footage	1,033,971
7019040	Directional Drilling Services	294,954
7019020	Cement and Cementing Service Surface	27,210
7019020	Cement and Cementing Service Intermediate 1	45,350
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	272,098
7019140	Mud Fluids & Services	120,176
7012310	Solids Control equipment	77,548
7012020	Bits	217,678
7019010	Casing Crew and Services	72,559
7016350	Fuel (Rig)	133,555
7019140	Fuel (Mud)	54,420
7001460	Water (non potable)	45,350
7012350	Water (potable)	9,070
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	25,101
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,489
7019110	Casing inspection/cleaning	27,210
7019110	Drill pipe/collar inspection services	18,140
7016180	Freight - truck	45,350
7001460	Water hauling and disposal (includes soil farming)	108,839
7001160	Contract Services - Disposal/Non-Hazardous Waste	145,119
7001440	Vacuum Trucks	18,140
7000030	Contract Labor - general	54,420
7000010	Contract Labor - Operations	5,442
7001200	Contract Services - Facilities	18,140
7019300	Well Services - Well Control Services	38,547
7019350	Well Services - Well/Wellhead Services	18,140
7290003	Rental Tools and Equipment (surface rentals)	21,541
7260001	Rig Equipment and Misc.	172,328
7001110	Telecommunications Services	9,070
7001120	Consulting Services	180,945
7001400	Safety and Environmental	60,315
7330002	Rental Buildings (trailers)	21,541
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	401,407

TOTAL DRILLING - INTANGIBLE \$4,038,558

TOTAL DRILLING COST \$5,419,000

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WXY  
 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	-
TOTAL COMPLETION - TANGIBLE		\$15,000

COMPLETION - INTANGIBLE

7001270	Location and Access (dress location after rig move, set anchors)	9,656
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	151,739
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)	617,426
7390002	Fracturing Services	3,969,910
7019330	Perforating	180,331
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	461,266
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)	44,832
7290003	Contract Labor - general	-
7000030	Telecommunications Services	34,486
7001110	Safety and Environmental	-
7001400	Consulting Services	90,698
7001120	Zipper Manifold	135,715
7019300	Frac Stack Rentals	117,253
7016180	Freight (Transportation Services)	6,621
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	175,414
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	34,486
7011010	8% Contingency & Taxes	-
TOTAL COMPLETION - INTANGIBLE		\$6,029,834

TOTAL COMPLETION COST \$6,044,834

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	159,015
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	172,698
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	46,035
7012270	Miscellaneous Materials (containment system)	47,952
7008060	SCADA	15,170
7016180	Freight - truck	15,859
7001190	Contract Engineering	9,824
7012290	Metering and Instrumentation	269,097

7012290	I&E Materials	157,845
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	18,262
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	255,150
7012500	Tanks	44,912
7012100	Heater Treater	132,741
7012640	Flare & Accessories	19,282
7000010	Electrical Labor	87,218
7000010	Mechanical Labor	188,608
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	35,332
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,675,000

TOTAL SURFACE EQUIPMENT COST \$ 1,675,000

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	\$ -
TOTAL DRILLING COST	\$ 5,419,000
TOTAL COMPLETIONS COST	\$ 6,044,834
TOTAL SURFACE EQUIPMENT COST	\$ 1,675,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<b>\$13,393,834</b>

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

DATE 9/26/2023  
 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	Wolfcamp FORMATION: WC	WILDCAT	EXPLORATION
Lease/Facility	OLMEC FEDERAL COM 801H	DEVELOPMENT	RECOMPLETION
Location	36-22S-27E, 31-22S-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 19,700 Est Drilling Days 24.5 Est Completion Days 7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	86,400
7001250	Land Broker Fees and Services	57,600
		0
TOTAL LOCATION COST - INTANGIBLE		\$144,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,581
7012050	Surface Casing	30,995
7012050	Intermediate Casing 1	94,807
7012050	Intermediate Casing 2	390,169
7012050	Production Casing	681,885
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	45,581
7012550	Drilling Wellhead Equipment	43,757
7012040	Casing & Tubing Access	118,509
7290003	Miscellaneous MRO Materials	9,116
		-
TOTAL DRILLING - TANGIBLE		\$1,460,400

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	118,509
7290002	Drilling Rig - day work/footage	984,539
7019040	Directional Drilling Services	343,859
7019020	Cement and Cementing Service Surface	27,348
7019020	Cement and Cementing Service Intermediate 1	45,581
7019020	Cement and Cementing Service Intermediate 2	82,045
7019020	Cement and Cementing Service Production	154,974
7019140	Mud Fluids & Services	126,714
7012310	Solids Control equipment	88,609
7012020	Bits	246,135
7019010	Casing Crew and Services	91,161
7016350	Fuel (Rig)	152,604
7019140	Fuel (Mud)	54,697
7001460	Water (non potable)	45,581
7012350	Water (potable)	9,116
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	29,673
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,813
7019110	Casing inspection/cleaning	27,348
7019110	Drill pipe/collar inspection services	18,232
7016180	Freight - truck	45,581
7001460	Water hauling and disposal (includes soil farming)	109,393
7001160	Contract Services - Disposal/Non-Hazardous Waste	145,858
7001440	Vacuum Trucks	18,232
7000030	Contract Labor - general	54,697
7000010	Contract Labor - Operations	5,470
7001200	Contract Services - Facilities	18,232
7019300	Well Services - Well Control Services	41,706
7019350	Well Services - Well/Wellhead Services	18,232
7290003	Rental Tools and Equipment (surface rentals)	24,613
7260001	Rig Equipment and Misc.	196,908
7001110	Telecommunications Services	9,116
7001120	Consulting Services	206,753
7001400	Safety and Environmental	68,918
7330002	Rental Buildings (trailers)	24,613
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	412,741

TOTAL DRILLING - INTANGIBLE \$4,111,600

**TOTAL DRILLING COST \$5,572,000**

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WC  
 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)	8,715
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	136,957
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)	334,841
7390002	Fracturing Services	3,583,168
7019330	Perforating	162,764
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	250,683
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)	40,464
7290003	Contract Labor - general	-
7000030	Telecommunications Services	31,127
7001110	Safety and Environmental	-
7001400	Consulting Services	81,863
7001120	Zipper Manifold	122,494
7019300	Frack Stack Rentals	105,830
7016180	Freight (Transportation Services)	5,976
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	158,325
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	31,127
7011010	8% Contingency & Taxes	-
<b>TOTAL COMPLETION - INTANGIBLE</b>		<b>\$5,054,333</b>

**TOTAL COMPLETION COST \$5,069,333**

**SURFACE EQUIPMENT - TANGIBLE**

7012350	Misc. Piping, Fittings & Valves	90,188
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	97,948
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,110
7012270	Miscellaneous Materials (containment system)	27,197
7008060	SCADA	8,604
7016180	Freight - truck	8,995
7001190	Contract Engineering	5,572
7012290	Metering and Instrumentation	152,622

7012290	I&E Materials	89,524
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	10,358
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	144,712
7012500	Tanks	25,472
7012100	Heater Treater	75,286
7012640	Flare & Accessories	10,936
7000010	Electrical Labor	49,467
7000010	Mechanical Labor	106,972
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	20,039
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$950,000

**TOTAL SURFACE EQUIPMENT COST** \$ **950,000**

**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	\$ 144,000
TOTAL DRILLING COST	\$ 5,572,000
TOTAL COMPLETIONS COST	\$ 5,069,333
TOTAL SURFACE EQUIPMENT COST	\$ 950,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<b>\$11,990,333</b>

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

DATE 9/26/2023  
 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	Wolfcamp	FORMATION: WC	WILDCAT
Lease/Facility	OLMEC FEDERAL COM 802H		DEVELOPMENT
Location	36-22S-27E, 31-22S-28E	X	EXPLOITATION
Prospect	Malaga		WORKOVER

Est Total Depth	19,700	Est Drilling Days	24.5	Est Completion Days	7
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	86,400
7001250	Land Broker Fees and Services	57,600
		0
TOTAL LOCATION COST - INTANGIBLE		\$144,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,581
7012050	Surface Casing	30,995
7012050	Intermediate Casing 1	94,807
7012050	Intermediate Casing 2	390,169
7012050	Production Casing	681,885
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	45,581
7012550	Drilling Wellhead Equipment	43,757
7012040	Casing & Tubing Access	118,509
7290003	Miscellaneous MRO Materials	9,116
		-
TOTAL DRILLING - TANGIBLE		\$1,460,400

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	118,509
7290002	Drilling Rig - day work/footage	984,539
7019040	Directional Drilling Services	343,859
7019020	Cement and Cementing Service Surface	27,348
7019020	Cement and Cementing Service Intermediate 1	45,581
7019020	Cement and Cementing Service Intermediate 2	82,045
7019020	Cement and Cementing Service Production	154,974
7019140	Mud Fluids & Services	126,714
7012310	Solids Control equipment	88,609
7012020	Bits	246,135
7019010	Casing Crew and Services	91,161
7016350	Fuel (Rig)	152,604
7019140	Fuel (Mud)	54,697
7001460	Water (non potable)	45,581
7012350	Water (potable)	9,116
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	29,673
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,813
7019110	Casing inspection/cleaning	27,348
7019110	Drill pipe/collar inspection services	18,232
7016180	Freight - truck	45,581
7001460	Water hauling and disposal (includes soil farming)	109,393
7001160	Contract Services - Disposal/Non-Hazardous Waste	145,858
7001440	Vacuum Trucks	18,232
7000030	Contract Labor - general	54,697
7000010	Contract Labor - Operations	5,470
7001200	Contract Services - Facilities	18,232
7019300	Well Services - Well Control Services	41,706
7019350	Well Services - Well/Wellhead Services	18,232
7290003	Rental Tools and Equipment (surface rentals)	24,613
7260001	Rig Equipment and Misc.	196,908
7001110	Telecommunications Services	9,116
7001120	Consulting Services	206,753
7001400	Safety and Environmental	68,918
7330002	Rental Buildings (trailers)	24,613
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	412,741



TOTAL DRILLING - INTANGIBLE \$4,111,600

TOTAL DRILLING COST \$5,572,000

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WC  
 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	-
	TOTAL COMPLETION - TANGIBLE	\$15,000

COMPLETION - INTANGIBLE

7001270	Location and Access (dress location after rig move, set anchors)	8,715
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	136,957
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)	334,841
7390002	Fracturing Services	3,583,168
7019330	Perforating	162,764
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	250,683
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)	40,464
7290003	Contract Labor - general	-
7000030	Telecommunications Services	31,127
7001110	Safety and Environmental	-
7001400	Consulting Services	81,863
7001120	Zipper Manifold	122,494
7019300	Frack Stack Rentals	105,830
7016180	Freight (Transportation Services)	5,976
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	158,325
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	31,127
7011010	8% Contingency & Taxes	-
	TOTAL COMPLETION - INTANGIBLE	\$5,054,333

TOTAL COMPLETION COST \$5,069,333

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	90,188
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	97,948
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,110
7012270	Miscellaneous Materials (containment system)	27,197
7008060	SCADA	8,604
7016180	Freight - truck	8,995
7001190	Contract Engineering	5,572
7012290	Metering and Instrumentation	152,622

7012290	I&E Materials	89,524
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	10,358
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	144,712
7012500	Tanks	25,472
7012100	Heater Treater	75,286
7012640	Flare & Accessories	10,936
7000010	Electrical Labor	49,467
7000010	Mechanical Labor	106,972
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	20,039
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$950,000

TOTAL SURFACE EQUIPMENT COST \$ 950,000

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	\$ 144,000
TOTAL DRILLING COST	\$ 5,572,000
TOTAL COMPLETIONS COST	\$ 5,069,333
TOTAL SURFACE EQUIPMENT COST	\$ 950,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<b>\$11,990,333</b>

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

DATE 9/26/2023  
 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	Wolfcamp	FORMATION: WC	WILDCAT
Lease/Facility	OLMEC FEDERAL COM 803H		DEVELOPMENT
Location	36-22S-27E, 31-22S-28E	X	EXPLOITATION
Prospect	Malaga		EXPLORATION RECOMPLETION WORKOVER
Est Total Depth	19,700	Est Drilling Days	24.5
		Est Completion Days	7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	86,400
7001250	Land Broker Fees and Services	57,600
		0
TOTAL LOCATION COST - INTANGIBLE		\$144,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,581
7012050	Surface Casing	30,995
7012050	Intermediate Casing 1	94,807
7012050	Intermediate Casing 2	390,169
7012050	Production Casing	681,885
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	45,581
7012550	Drilling Wellhead Equipment	43,757
7012040	Casing & Tubing Access	118,509
7290003	Miscellaneous MRO Materials	9,116
		-
TOTAL DRILLING - TANGIBLE		\$1,460,400

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	118,509
7290002	Drilling Rig - day work/footage	984,539
7019040	Directional Drilling Services	343,859
7019020	Cement and Cementing Service Surface	27,348
7019020	Cement and Cementing Service Intermediate 1	45,581
7019020	Cement and Cementing Service Intermediate 2	82,045
7019020	Cement and Cementing Service Production	154,974
7019140	Mud Fluids & Services	126,714
7012310	Solids Control equipment	88,609
7012020	Bits	246,135
7019010	Casing Crew and Services	91,161
7016350	Fuel (Rig)	152,604
7019140	Fuel (Mud)	54,697
7001460	Water (non potable)	45,581
7012350	Water (potable)	9,116
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	29,673
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,813
7019110	Casing inspection/cleaning	27,348
7019110	Drill pipe/collar inspection services	18,232
7016180	Freight - truck	45,581
7001460	Water hauling and disposal (includes soil farming)	109,393
7001160	Contract Services - Disposal/Non-Hazardous Waste	145,858
7001440	Vacuum Trucks	18,232
7000030	Contract Labor - general	54,697
7000010	Contract Labor - Operations	5,470
7001200	Contract Services - Facilities	18,232
7019300	Well Services - Well Control Services	41,706
7019350	Well Services - Well/Wellhead Services	18,232
7290003	Rental Tools and Equipment (surface rentals)	24,613
7260001	Rig Equipment and Misc.	196,908
7001110	Telecommunications Services	9,116
7001120	Consulting Services	206,753
7001400	Safety and Environmental	68,918
7330002	Rental Buildings (trailers)	24,613
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	412,741

TOTAL DRILLING - INTANGIBLE \$4,111,600

TOTAL DRILLING COST \$5,572,000

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WC  
 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	-
		-
	TOTAL COMPLETION - TANGIBLE	\$15,000

COMPLETION - INTANGIBLE

7001270	Location and Access (dress location after rig move, set anchors)	8,715
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	136,957
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)	334,841
7390002	Fracturing Services	3,583,168
7019330	Perforating	162,764
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	250,683
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)	40,464
7290003	Contract Labor - general	-
7000030	Telecommunications Services	31,127
7001110	Safety and Environmental	-
7001400	Consulting Services	81,863
7001120	Zipper Manifold	122,494
7019300	Frac Stack Rentals	105,830
7016180	Freight (Transportation Services)	5,976
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	158,325
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	31,127
7011010	8% Contingency & Taxes	-
	TOTAL COMPLETION - INTANGIBLE	\$5,054,333

TOTAL COMPLETION COST \$5,069,333

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	90,188
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	97,948
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,110
7012270	Miscellaneous Materials (containment system)	27,197
7008060	SCADA	8,604
7016180	Freight - truck	8,995
7001190	Contract Engineering	5,572
7012290	Metering and Instrumentation	152,622



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

DATE 9/26/2023  
 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	Wolfcamp FORMATION: WC	WILDCAT	EXPLORATION
Lease/Facility	OLMEC FEDERAL COM 804H	DEVELOPMENT	RECOMPLETION
Location	36-22S-27E, 31-22S-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 19,700 Est Drilling Days 24.5 Est Completion Days 7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	86,400
7001250	Land Broker Fees and Services	57,600
		0
TOTAL LOCATION COST - INTANGIBLE		\$144,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,581
7012050	Surface Casing	30,995
7012050	Intermediate Casing 1	94,807
7012050	Intermediate Casing 2	390,169
7012050	Production Casing	681,885
7012050	Drlg Liner Hanger, Tieback Eq & Csg Accessories	45,581
7012550	Drilling Wellhead Equipment	43,757
7012040	Casing & Tubing Access	118,509
7290003	Miscellaneous MRO Materials	9,116
		-
TOTAL DRILLING - TANGIBLE		\$1,460,400

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	118,509
7290002	Drilling Rig - day work/footage	984,539
7019040	Directional Drilling Services	343,859
7019020	Cement and Cementing Service Surface	27,348
7019020	Cement and Cementing Service Intermediate 1	45,581
7019020	Cement and Cementing Service Intermediate 2	82,045
7019020	Cement and Cementing Service Production	154,974
7019140	Mud Fluids & Services	126,714
7012310	Solids Control equipment	88,609
7012020	Bits	246,135
7019010	Casing Crew and Services	91,161
7016350	Fuel (Rig)	152,604
7019140	Fuel (Mud)	54,697
7001460	Water (non potable)	45,581
7012350	Water (potable)	9,116
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	29,673
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,813
7019110	Casing inspection/cleaning	27,348
7019110	Drill pipe/collar inspection services	18,232
7016180	Freight - truck	45,581
7001460	Water hauling and disposal (includes soil farming)	109,393
7001160	Contract Services - Disposal/Non-Hazardous Waste	145,858
7001440	Vacuum Trucks	18,232
7000030	Contract Labor - general	54,697
7000010	Contract Labor - Operations	5,470
7001200	Contract Services - Facilities	18,232
7019300	Well Services - Well Control Services	41,706
7019350	Well Services - Well/Wellhead Services	18,232
7290003	Rental Tools and Equipment (surface rentals)	24,613
7260001	Rig Equipment and Misc.	196,908
7001110	Telecommunications Services	9,116
7001120	Consulting Services	206,753
7001400	Safety and Environmental	68,918
7330002	Rental Buildings (trailers)	24,613
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	412,741

TOTAL DRILLING - INTANGIBLE \$4,111,600

TOTAL DRILLING COST \$5,572,000

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WC  
 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	-
		-
	TOTAL COMPLETION - TANGIBLE	\$15,000

COMPLETION - INTANGIBLE

7001270	Location and Access (dress location after rig move, set anchors)	8,715
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	136,957
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)	334,841
7390002	Fracturing Services	3,583,168
7019330	Perforating	162,764
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	250,683
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)	40,464
7290003	Contract Labor - general	-
7000030	Telecommunications Services	31,127
7001110	Safety and Environmental	-
7001400	Consulting Services	81,863
7001120	Zipper Manifold	122,494
7019300	Frac Stack Rentals	105,830
7016180	Freight (Transportation Services)	5,976
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	158,325
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	31,127
7011010	8% Contingency & Taxes	-
	TOTAL COMPLETION - INTANGIBLE	\$5,054,333

TOTAL COMPLETION COST \$5,069,333

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	90,188
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	97,948
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,110
7012270	Miscellaneous Materials (containment system)	27,197
7008060	SCADA	8,604
7016180	Freight - truck	8,995
7001190	Contract Engineering	5,572
7012290	Metering and Instrumentation	152,622

7012290	I&E Materials	89,524
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	10,358
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	144,712
7012500	Tanks	25,472
7012100	Heater Treater	75,286
7012640	Flare & Accessories	10,936
7000010	Electrical Labor	49,467
7000010	Mechanical Labor	106,972
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	20,039
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$950,000

TOTAL SURFACE EQUIPMENT COST \$ 950,000

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	\$ 144,000
TOTAL DRILLING COST	\$ 5,572,000
TOTAL COMPLETIONS COST	\$ 5,069,333
TOTAL SURFACE EQUIPMENT COST	\$ 950,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<b>\$11,990,333</b>



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

DATE 9/26/2023  
 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	Wolfcamp FORMATION; WB	WILDCAT	EXPLORATION
Lease/Facility	OLMEC FEDERAL COM 805H	DEVELOPMENT	RECOMPLETION
Location	36-22S-27E, 31-22S-28E	X EXPLOITATION	WORKOVER
Prospect	Malaga		

Est Total Depth 19,700 Est Drilling Days 24.5 Est Completion Days 7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	86,400
7001250	Land Broker Fees and Services	57,600
		0
TOTAL LOCATION COST - INTANGIBLE		\$144,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,581
7012050	Surface Casing	30,995
7012050	Intermediate Casing 1	94,807
7012050	Intermediate Casing 2	390,169
7012050	Production Casing	681,885
7012050	Drlg Liner Hanger, Tieback Eq & Csg Accessories	45,581
7012550	Drilling Wellhead Equipment	43,757
7012040	Casing & Tubing Access	118,509
7290003	Miscellaneous MRO Materials	9,116
		-
TOTAL DRILLING - TANGIBLE		\$1,460,400

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	118,509
7290002	Drilling Rig - day work/footage	984,539
7019040	Directional Drilling Services	343,859
7019020	Cement and Cementing Servici Surface	27,348
7019020	Cement and Cementing Servici Intermediate 1	45,581
7019020	Cement and Cementing Servici Intermediate 2	82,045
7019020	Cement and Cementing Servici Production	154,974
7019140	Mud Fluids & Services	126,714
7012310	Solids Control equipment	88,609
7012020	Bits	246,135
7019010	Casing Crew and Services	91,161
7016350	Fuel (Rig)	152,604
7019140	Fuel (Mud)	54,697
7001460	Water (non potable)	45,581
7012350	Water (potable)	9,116
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	29,673
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,813
7019110	Casing inspection/cleaning	27,348
7019110	Drill pipe/collar inspection services	18,232
7016180	Freight - truck	45,581
7001460	Water hauling and disposal (includes soil farming)	109,393
7001160	Contract Services - Disposal/Non-Hazardous Waste	145,858
7001440	Vacuum Trucks	18,232
7000030	Contract Labor - general	54,697
7000010	Contract Labor - Operations	5,470
7001200	Contract Services - Facilities	18,232
7019300	Well Services - Well Control Services	41,706
7019350	Well Services - Well/Wellhead Services	18,232
7290003	Rental Tools and Equipment (surface rentals)	24,613
7260001	Rig Equipment and Misc.	196,908
7001110	Telecommunications Services	9,116
7001120	Consulting Services	206,753
7001400	Safety and Environmental	68,918
7330002	Rental Buildings (trailers)	24,613
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	412,741

TOTAL DRILLING - INTANGIBLE \$4,111,600

TOTAL DRILLING COST \$5,572,000

MARATHON OIL PERMIAN LLC DATE 9/26/2023  
 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WB  
 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	-
		-
	TOTAL COMPLETION - TANGIBLE	\$15,000

COMPLETION - INTANGIBLE

7001270	Location and Access (dress location after rig move, set anchors)	8,715
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	136,957
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)	334,841
7390002	Fracturing Services	3,583,168
7019330	Perforating	162,764
7019360	Wireline Services	-
7001460	Water Hauling & Disposal (frac fluids)	250,683
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)	40,464
7290003	Contract Labor - general	-
7000030	Telecommunications Services	31,127
7001110	Safety and Environmental	-
7001400	Consulting Services	81,863
7001120	Zipper Manifold	122,494
7019300	Frac Stack Rentals	105,830
7016180	Freight (Transportation Services)	5,976
7260001	Equipment Rental ( w/o operator, frac tanks, lightplants)	158,325
7330002	Rental Buildings (trailers)	-
7000030	Contract Labor - Pumping (pump-down pumps)	31,127
7011010	8% Contingency & Taxes	-
	TOTAL COMPLETION - INTANGIBLE	\$5,054,333

TOTAL COMPLETION COST \$5,069,333

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	90,188
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	97,948
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,110
7012270	Miscellaneous Materials (containment system)	27,197
7008060	SCADA	8,604
7016180	Freight - truck	8,995
7001190	Contract Engineering	5,572
7012290	Metering and Instrumentation	152,622

7012290	I&E Materials	89,524
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	10,358
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	144,712
7012500	Tanks	25,472
7012100	Heater Treater	75,286
7012640	Flare & Accessories	10,936
7000010	Electrical Labor	49,467
7000010	Mechanical Labor	106,972
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	20,039
TOTAL SURFACE EQUIPMENT - TANGIBLE		950,000

TOTAL SURFACE EQUIPMENT COST \$ 950,000

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	\$ 144,000
TOTAL DRILLING COST	\$ 5,572,000
TOTAL COMPLETIONS COST	\$ 5,069,333
TOTAL SURFACE EQUIPMENT COST	\$ 950,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<b>\$11,990,333</b>

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

DATE 9/26/2023  
 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	Wolfcamp FORMATION: WB		WILDCAT	EXPLORATION	
Lease/Facility	OLMEC FEDERAL COM 805H		DEVELOPMENT	RECOMPLETION	
Location	36-22S-27E, 31-22S-28E	X	EXPLOITATION	WORKOVER	
Prospect	Malaga				
Est Total Depth	19,700	Est Drilling Days	24.5	Est Completion Days	7

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	86,400
7001250	Land Broker Fees and Services	57,600
		0
TOTAL LOCATION COST - INTANGIBLE		\$144,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	45,581
7012050	Surface Casing	30,995
7012050	Intermediate Casing 1	94,807
7012050	Intermediate Casing 2	390,169
7012050	Production Casing	681,885
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	45,581
7012550	Drilling Wellhead Equipment	43,757
7012040	Casing & Tubing Access	118,509
7290003	Miscellaneous MRO Materials	9,116
		-
TOTAL DRILLING - TANGIBLE		\$1,460,400

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	118,509
7290002	Drilling Rig - day work/footage	984,539
7019040	Directional Drilling Services	343,859
7019020	Cement and Cementing Service Surface	27,348
7019020	Cement and Cementing Service Intermediate 1	45,581
7019020	Cement and Cementing Service Intermediate 2	82,045
7019020	Cement and Cementing Service Production	154,974
7019140	Mud Fluids & Services	126,714
7012310	Solids Control equipment	88,609
7012020	Bits	246,135
7019010	Casing Crew and Services	91,161
7016350	Fuel (Rig)	152,604
7019140	Fuel (Mud)	54,697
7001460	Water (non potable)	45,581
7012350	Water (potable)	9,116
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	29,673
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	63,813
7019110	Casing inspection/cleaning	27,348
7019110	Drill pipe/collar inspection services	18,232
7016180	Freight - truck	45,581
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7000030	Contract Labor - general	54,697
7000010	Contract Labor - Operations	5,470
7001200	Contract Services - Facilities	18,232
7019300	Well Services - Well Control Services	41,706
7019350	Well Services - Well/Wellhead Services	18,232
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7001120	Consulting Services	206,753
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7330002	Rental Buildings (trailers)	24,613
7019310	Coring (sidewalls & analysis)	-
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TOTAL DRILLING COST \$5,572,000

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 AUTHORITY FOR EXPENDITURE  
 DETAIL OF ESTIMATED WELL COSTS

Asset Team PERMIAN  
 Field FORMATION: WB  
 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	-
	TOTAL COMPLETION - TANGIBLE	\$15,000

COMPLETION - INTANGIBLE

7001270	Location and Access (dress location after rig move, set anchors)	8,715
7290002	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	136,957
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
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7290003	Rental Tools and Equipment ( incl drlg; lightplant,hydra-walk)	-
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	TOTAL COMPLETION - INTANGIBLE	\$5,054,333

TOTAL COMPLETION COST \$5,069,333

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7006640	Company Labor & Burden	-
7000030	Contract Labor - General	97,948
7001110	Telecommunication equip (Telemetry)	-
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7012200	Dehydration	-
7012010	Compressor	10,358
7012350	Power	-
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7012500	Tanks	25,472
7012100	Heater Treater	75,286
7012640	Flare & Accessories	10,936
7000010	Electrical Labor	49,467
7000010	Mechanical Labor	106,972
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	20,039
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$950,000

TOTAL SURFACE EQUIPMENT COST \$ 950,000

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

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TOTAL SURFACE EQUIPMENT COST	\$ 950,000
TOTAL ARTIFICIAL LIFT COST	\$ 255,000
<b>GRAND TOTAL COST</b>	<b>\$11,990,333</b>

# 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 AND, TO THE EXTENT  
NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 24336

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 Olmec Federal Com 701H, Olmec Federal Com 702H, Olmec Federal Com 703H, and Olmec Federal Com 704H wells, which will target the Wolfcamp A formation.



OCD Examiner Hearing 5-16-24

No. 24336



8. **Exhibit C.3** is a structure map of the top of the Wolfcamp 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 top of the Wolfcamp dips towards 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 Upper Wolfcamp 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 Upper Wolfcamp is near constant thickness across the area.

11. **Exhibit C.6** is a Gross Interval Isochore for the Upper Wolfcamp. The Upper Wolfcamp has consistent thickness across the unit.

12. **Exhibits C.7 through C.10** are the geology study I prepared for the Olmec Federal Com 805H, and Olmec Federal Com 806H wells, which will target the Wolfcamp B formation.

13. **Exhibit C.7** is a structure map of the top of the Wolfcamp B 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 top of the Wolfcamp B dips towards 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 Wolfcamp B 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 Wolfcamp B thickens towards the southeast.

16. **Exhibit C.10** is a Gross Interval Isochore for the Wolfcamp B formation. The Wolfcamp B has consistent thickness across the unit.

17. **Exhibits C.11** through **C.14** are the geology study I prepared for the Olmec Federal Com 801H, Olmec Federal Com 802H, Olmec Federal Com 803H, Olmec Federal Com 804H, wells, which will target the Wolfcamp C formation.

18. **Exhibit C.11** is a structure map of the top of the Wolfcamp C 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 top of the Wolfcamp C dips towards the east.

19. **Exhibit C.12** 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'.

20. **Exhibit C.13** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Wolfcamp C 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 Wolfcamp C thickens towards the southeast.

21. **Exhibit C.14** is a Gross Interval Isochore for the Wolfcamp C formation. The Wolfcamp C thickens to the south but is consistent within the unit.

22. 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.

23. **Exhibit C.15** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

24. 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.

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

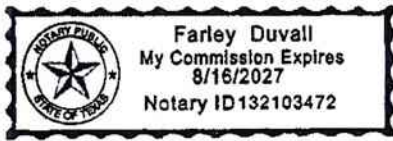
26. In my opinion, the granting of Marathon's application is in the interests of conservation and the prevention of waste.

Matt Baker  
Matt Baker

State of Texas

County of Harris

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

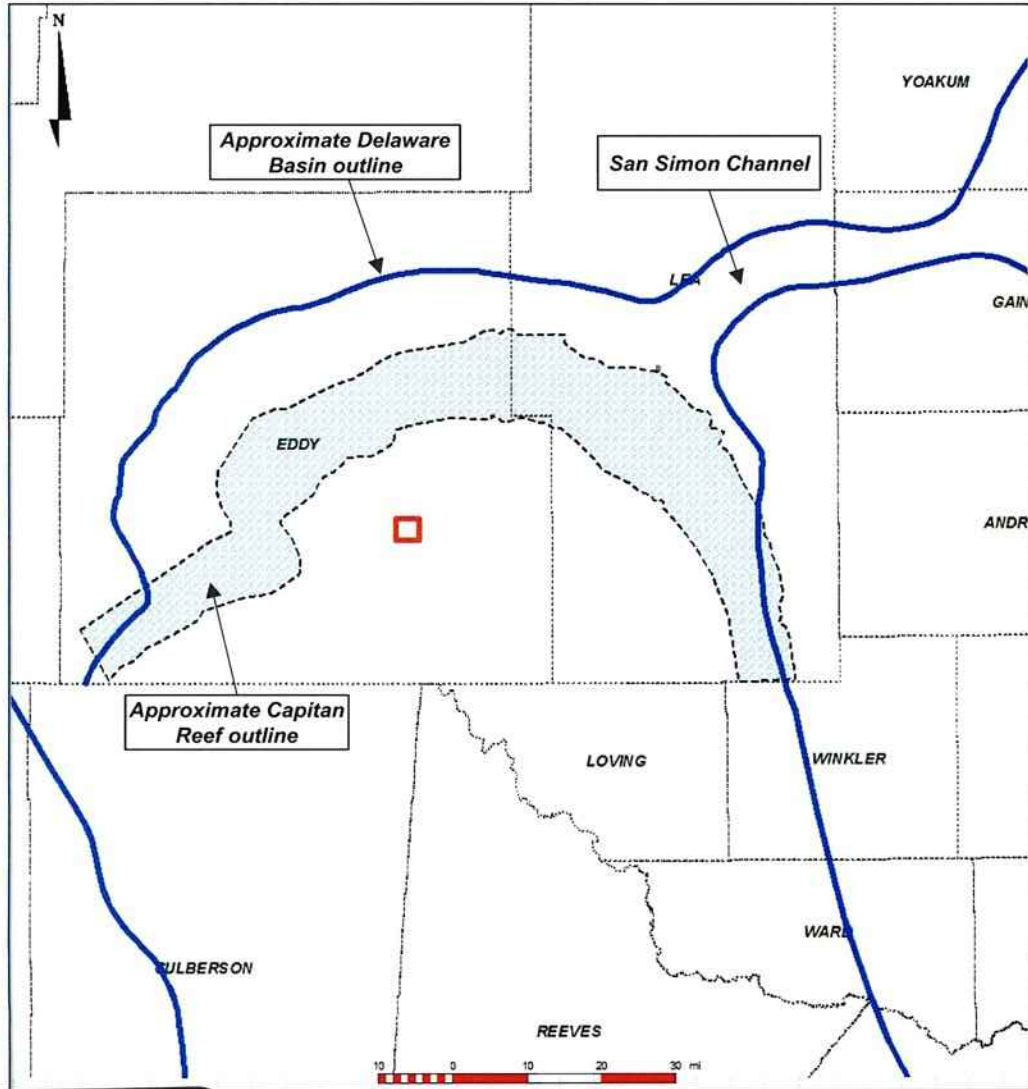


Farley Duvall  
Notary Public in and for the  
State of Texas  
Commission Number: 132103472

My Commission Expires: 8/16/2027

# Olmec Fed Com Unit

## Locator Map



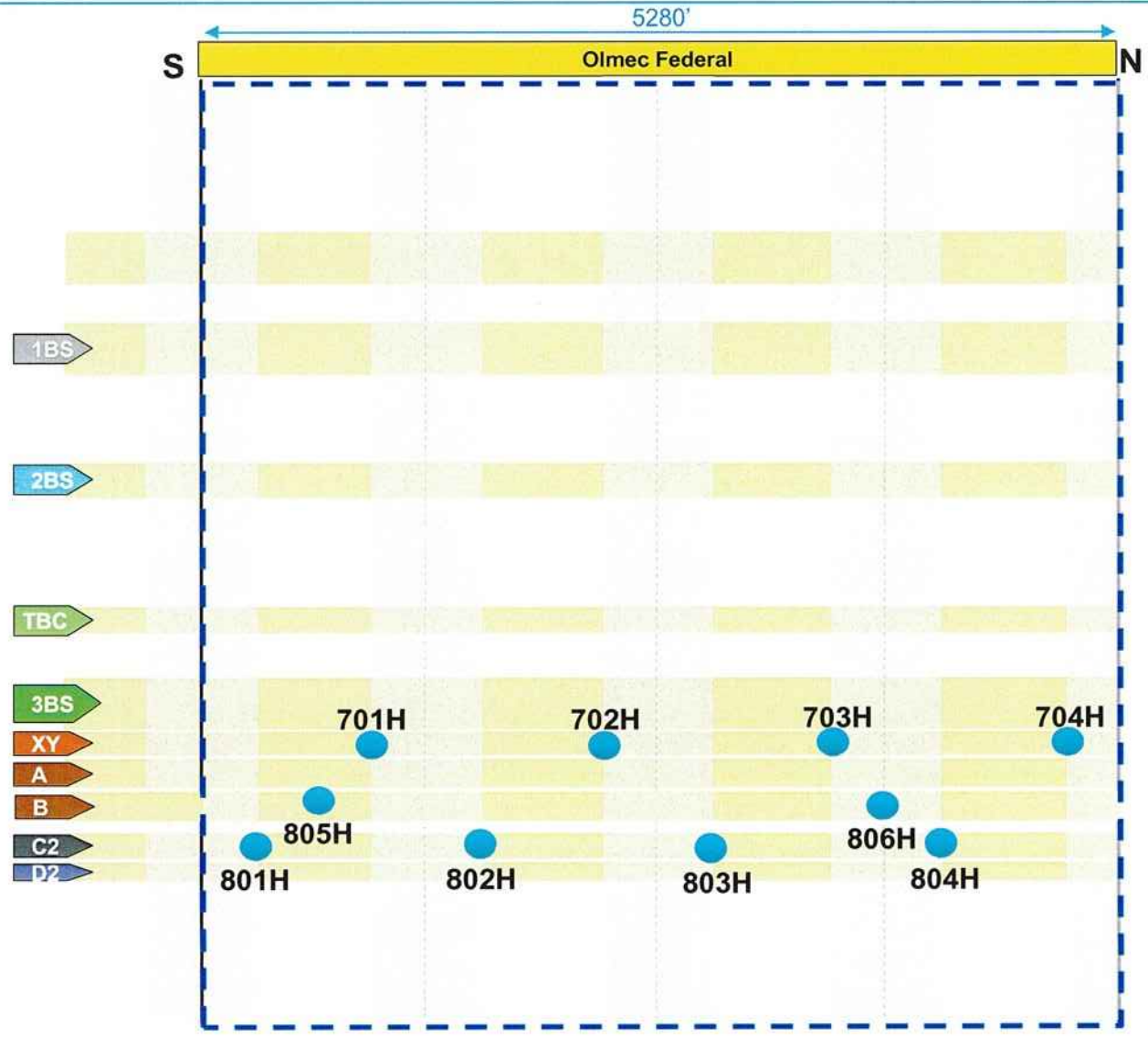
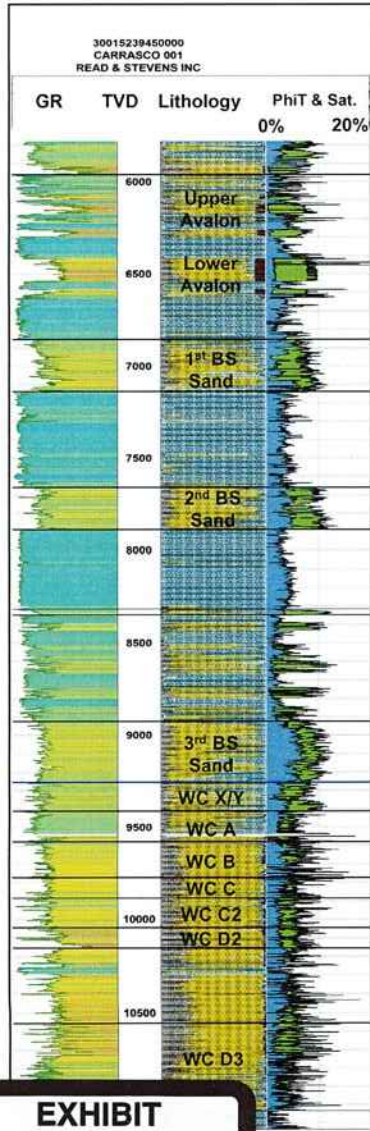
- Approximate location of proposed Olmec Fed well locations shown with red box
- Located outside of the Capitan Reef
- Mid-eastern Eddy County

**EXHIBIT**  
**C.1**



# Olmec Fed Com Unit

## Wellbore Schematic



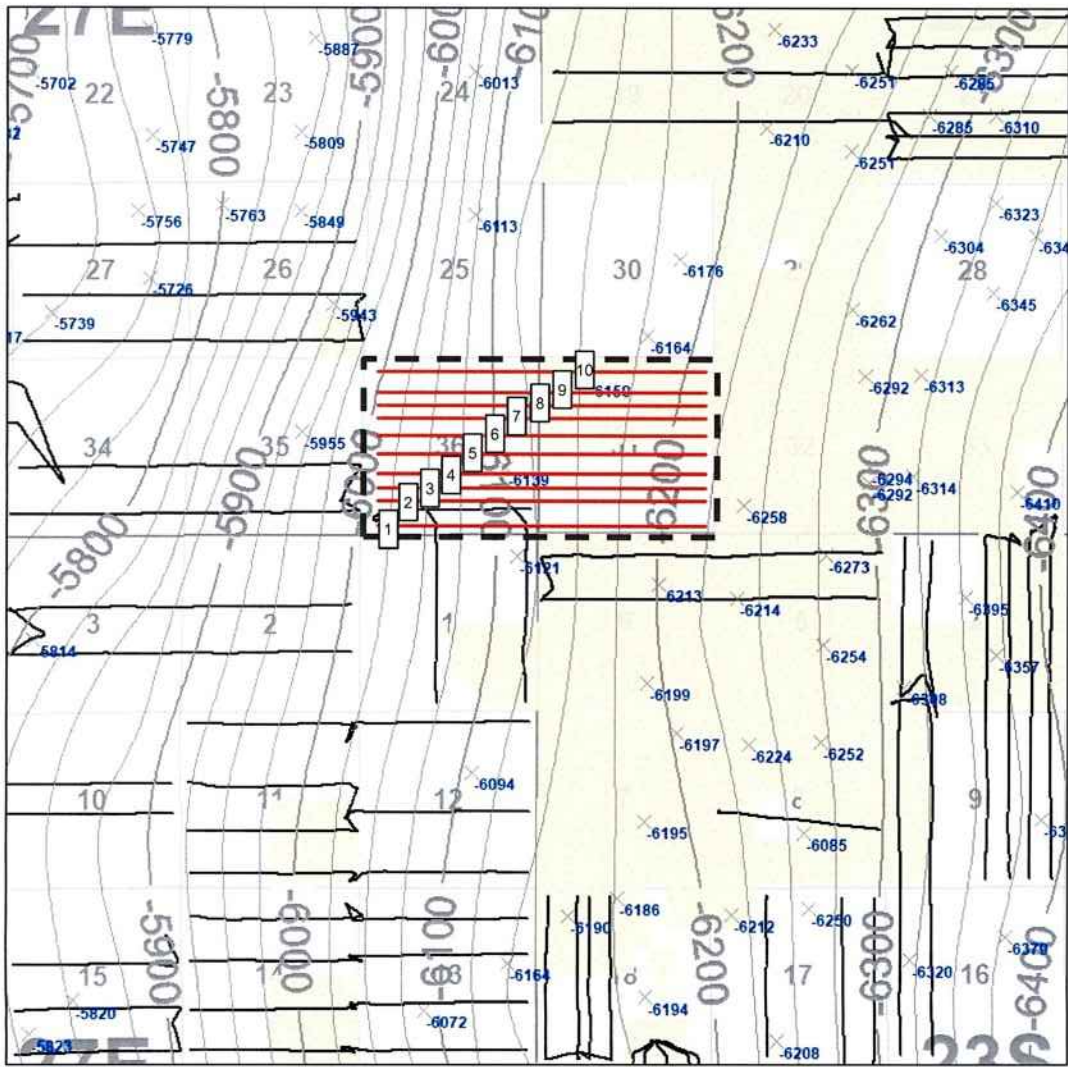
● Planned



**EXHIBIT**  
**C-2**



# Olmec Fed Com Unit

## Structure Map – Top of Wolfcamp (TVDSS)



- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*

-  Proposed Wells
-  Existing Upper Wolfcamp wells



MRO Acreage



Project Area

*The top of the Wolfcamp dips towards the east.*

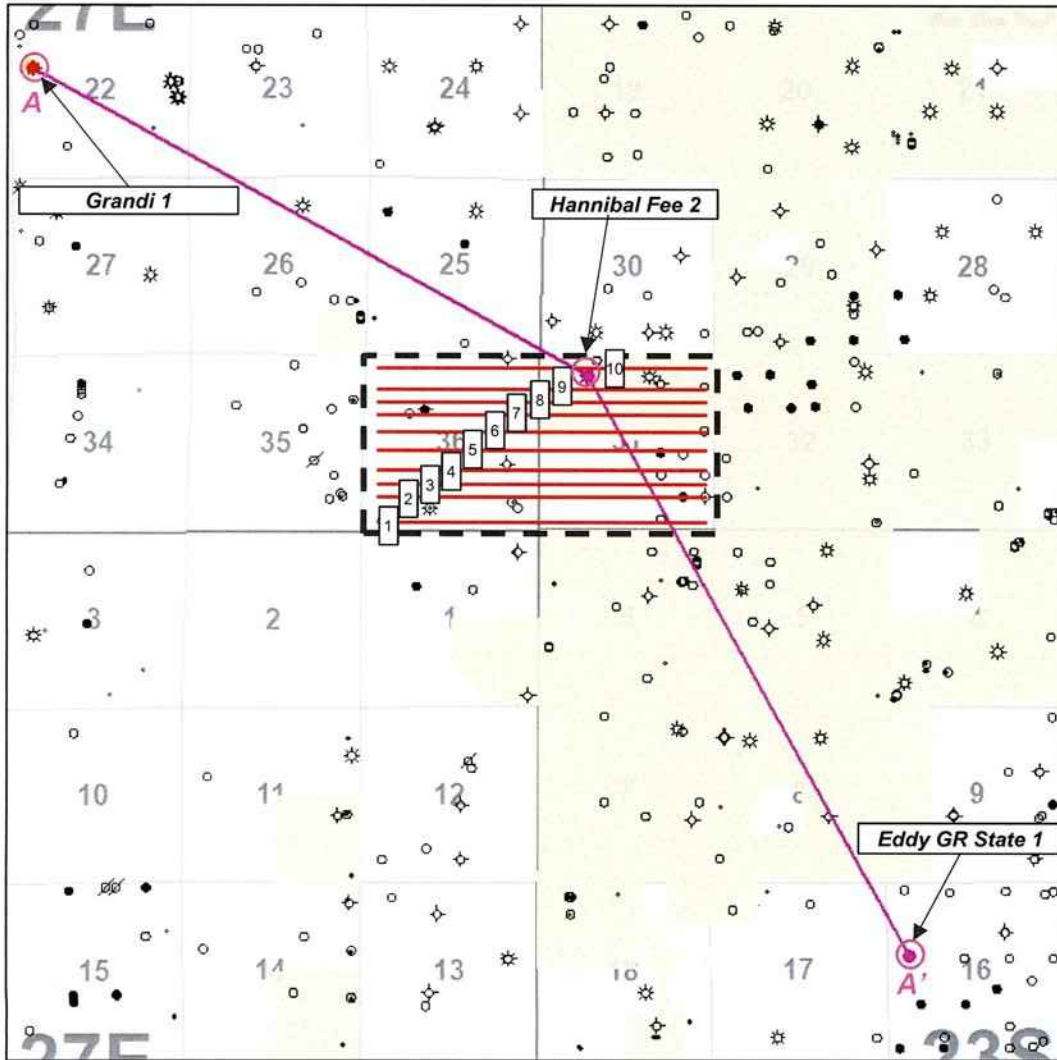
EXHIBIT  
**C-3**

1 mile

C.I. = 25'

# Olmec Fed Com Unit

## Reference Map for Cross Section



- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*



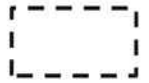
-  Proposed Wells
-  MRO Acreage
-  Project Area

EXHIBIT  
C.4

1 mile

C.I. = 25'

OCD Examiner Hearing 5-16-24

No. 24336

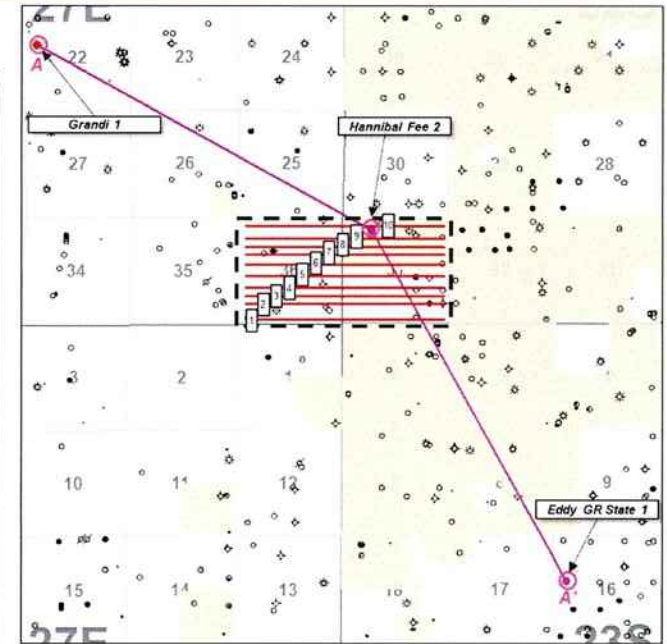
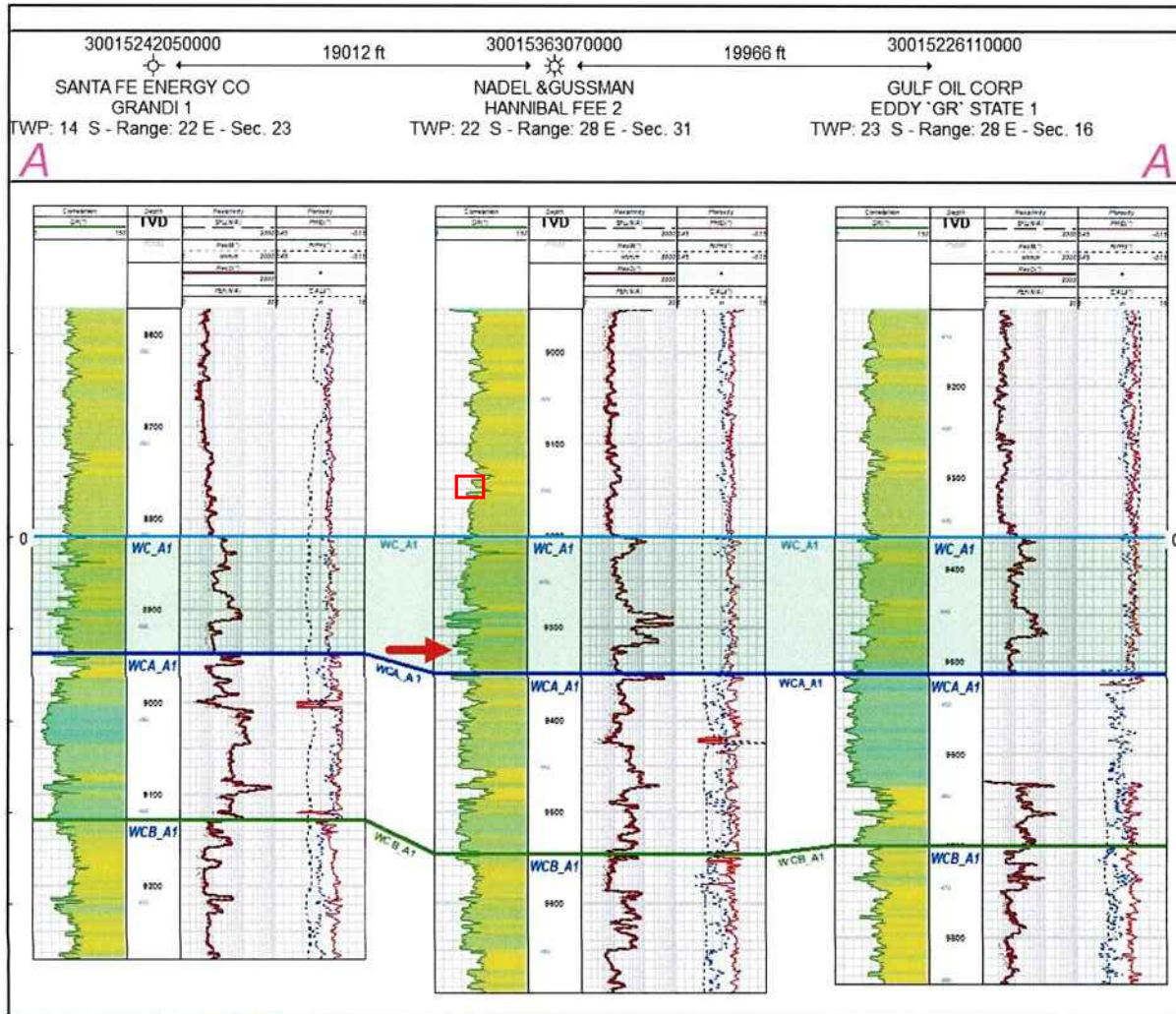
76





# Olmec Fed ComUnit

## Stratigraphic Cross Section (Top Wolfcamp Datum)



Producing Zone –  
Wolfcamp X-Y Sands

Upper Wolfcamp is near constant  
thickness across the area

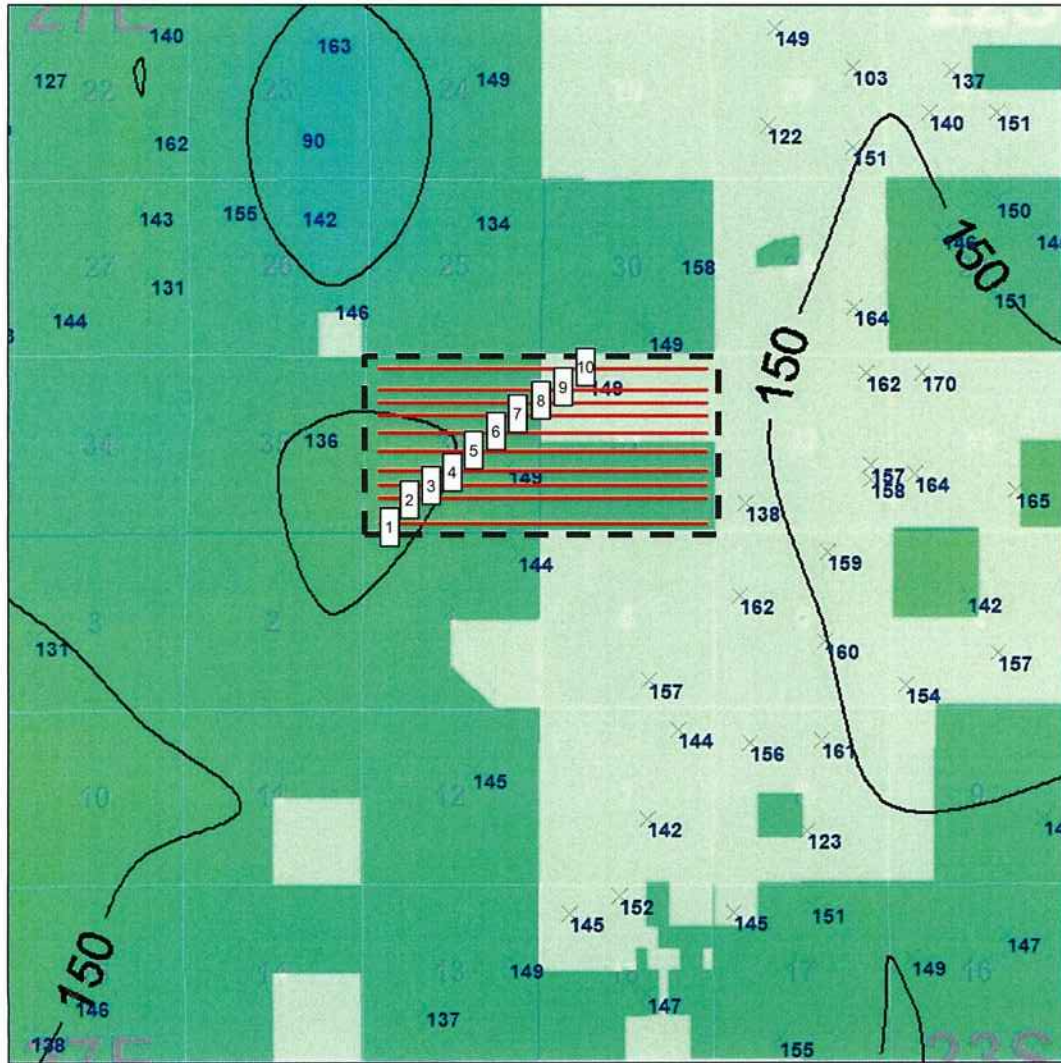
tabbies

**EXHIBIT**

**C.5**

# Olmec Fed Com Unit

## Gross Interval Isochore – Top Wolfcamp to Top Wolfcamp A



- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*

 Proposed Wells



MRO Acreage



Project Area

*The Upper Wolfcamp has consistent thickness across the unit*

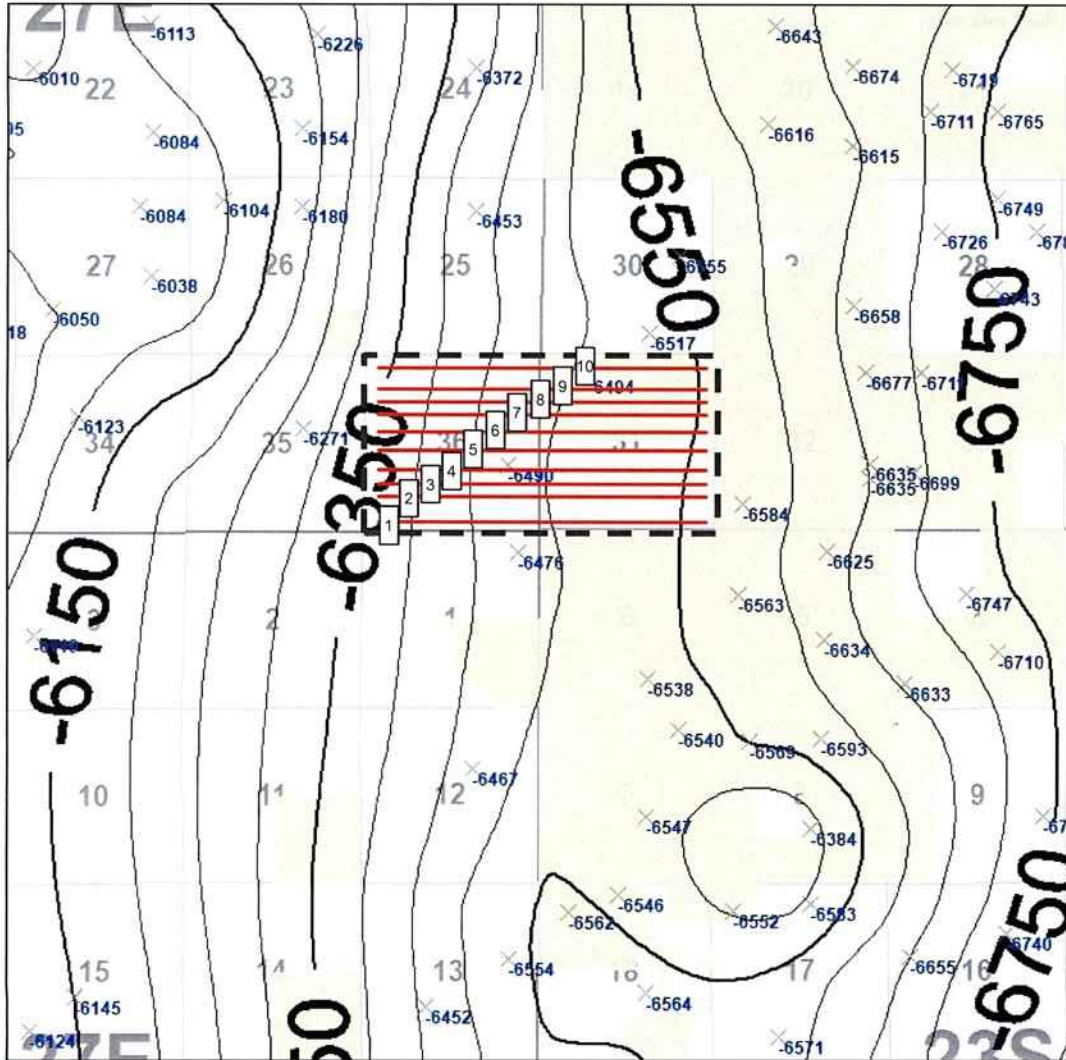
EXHIBIT  
 C.6

1 mile

C.I. = 25'

# Olmec Fed Com Unit

## Structure Map – Top of Wolfcamp B (TVDSS)



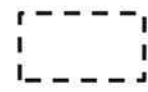
- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*

- Proposed Wells
- Existing Wolfcamp B wells



MRO Acreage



Project Area

*The top of the Wolfcamp B dips towards the east.*

tabbies®

**EXHIBIT**

**C.7**

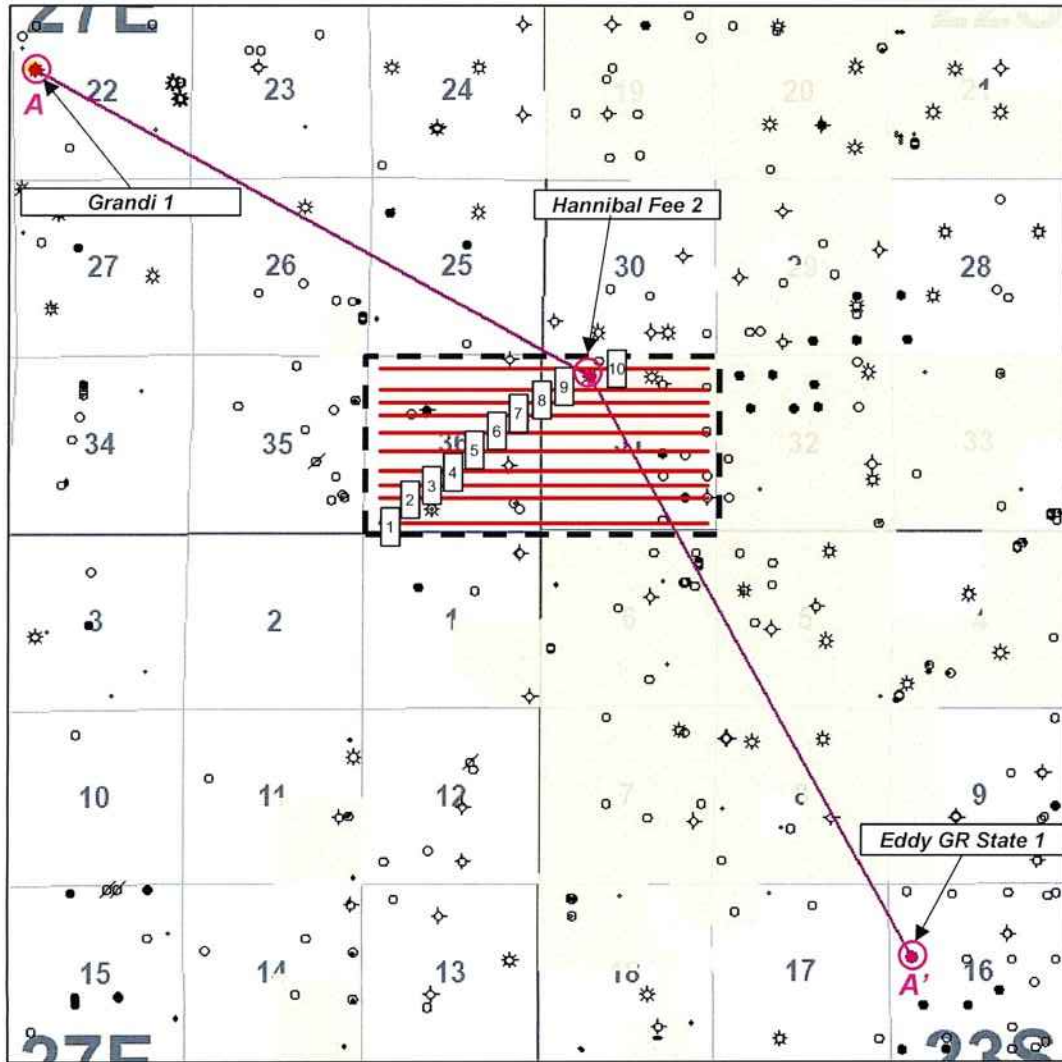
1 mile

C.I. = 50'



# Olmec Fed Com Unit

## Reference Map for Cross Section



- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*




-  Proposed Wells
-  MRO Acreage
-  Project Area

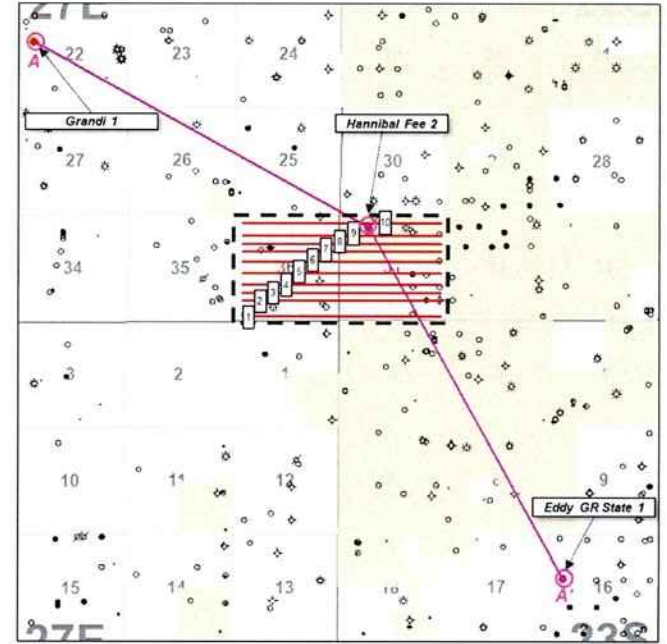
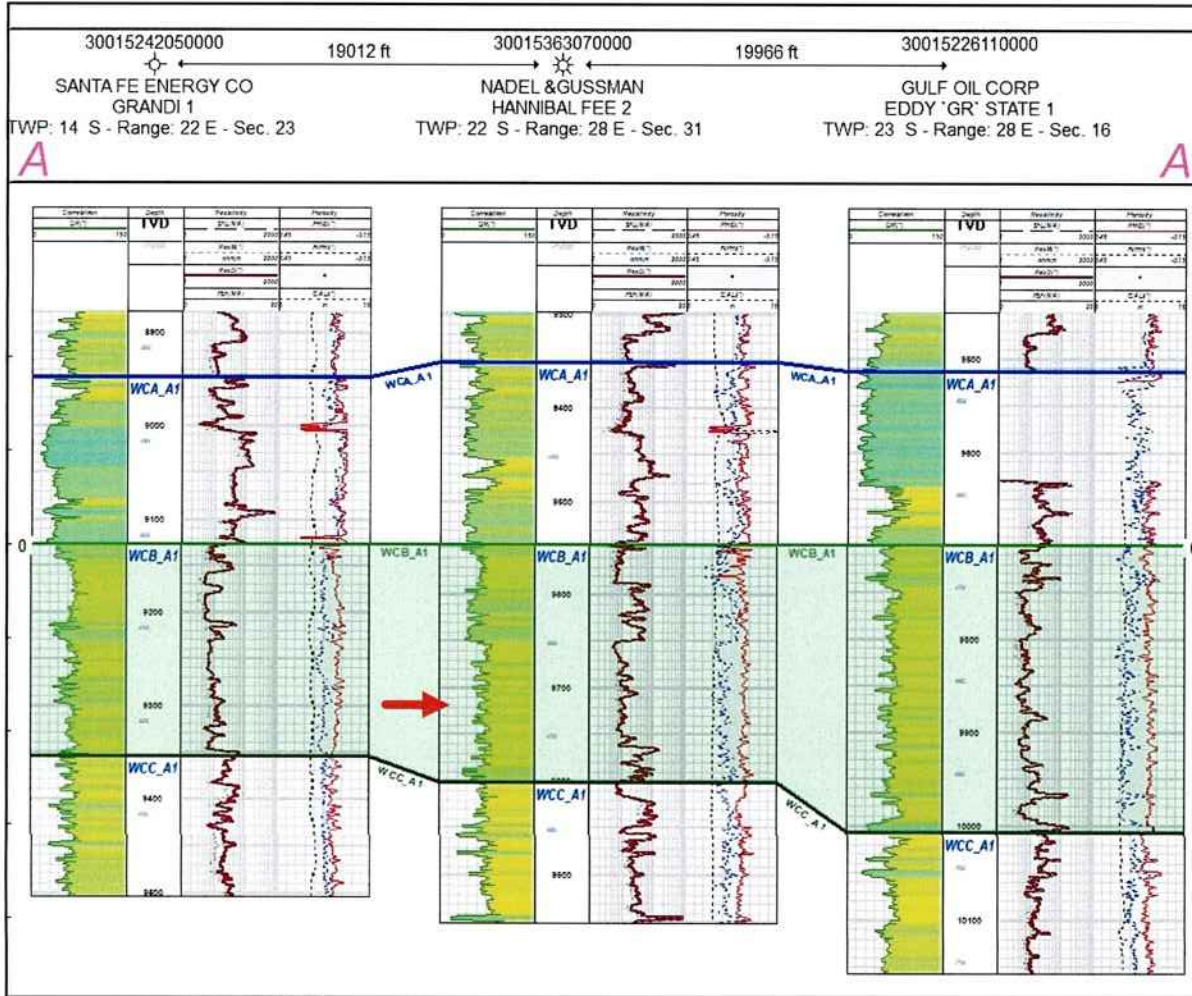
EXHIBIT  
C-8

1 mile

C.I. = 25'

# Olmec Fed ComUnit

## Stratigraphic Cross Section (Top Wolfcamp B Datum)



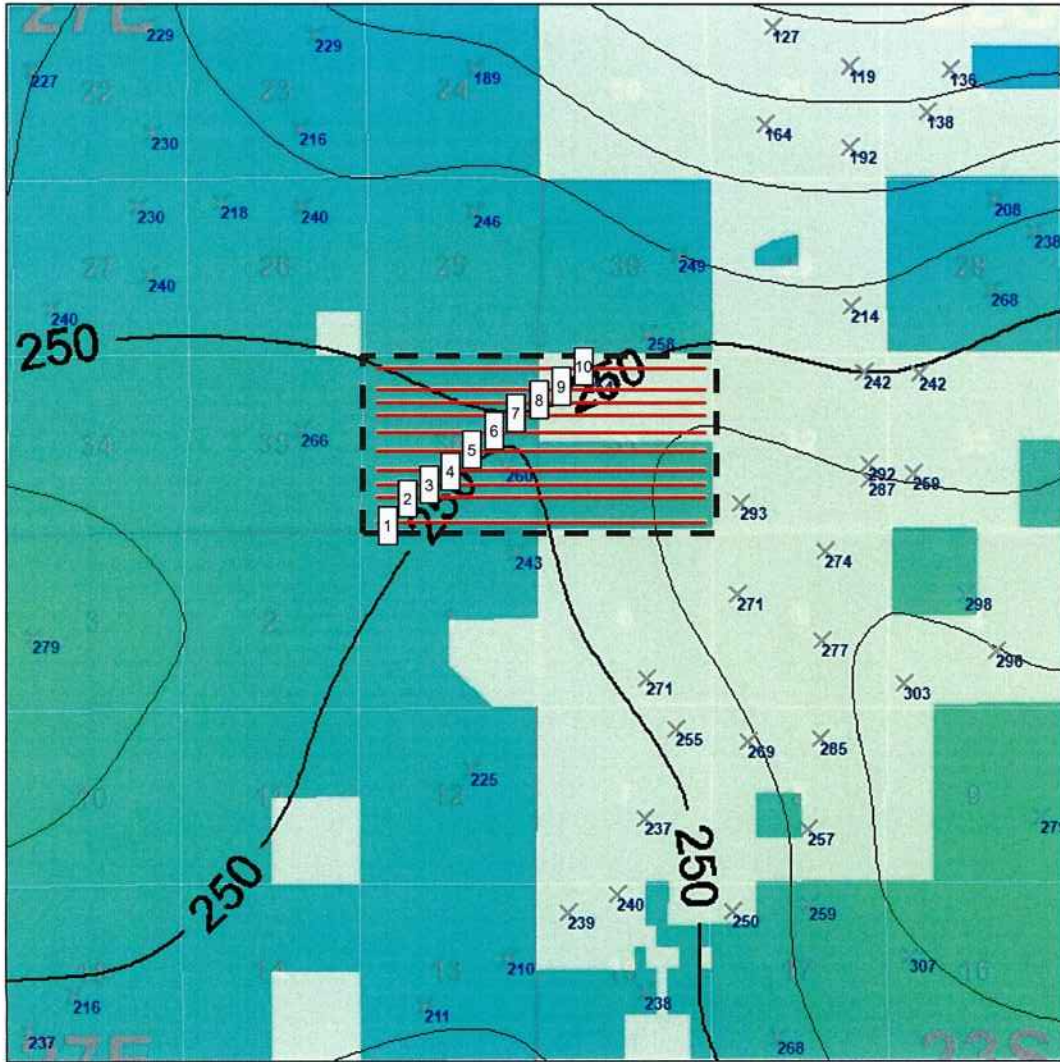
Producing Zone –  
Wolfcamp B

*Wolfcamp B thickens towards the southeast*

EXHIBIT  
C.9

# Olmec Fed Com Unit

## Gross Interval Isochore – Top Wolfcamp B to Top Wolfcamp C



- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*

— Proposed Wells



MRO Acreage



Project Area

*The Wolfcamp B has consistent thickness across the unit*

tabbies

**EXHIBIT**

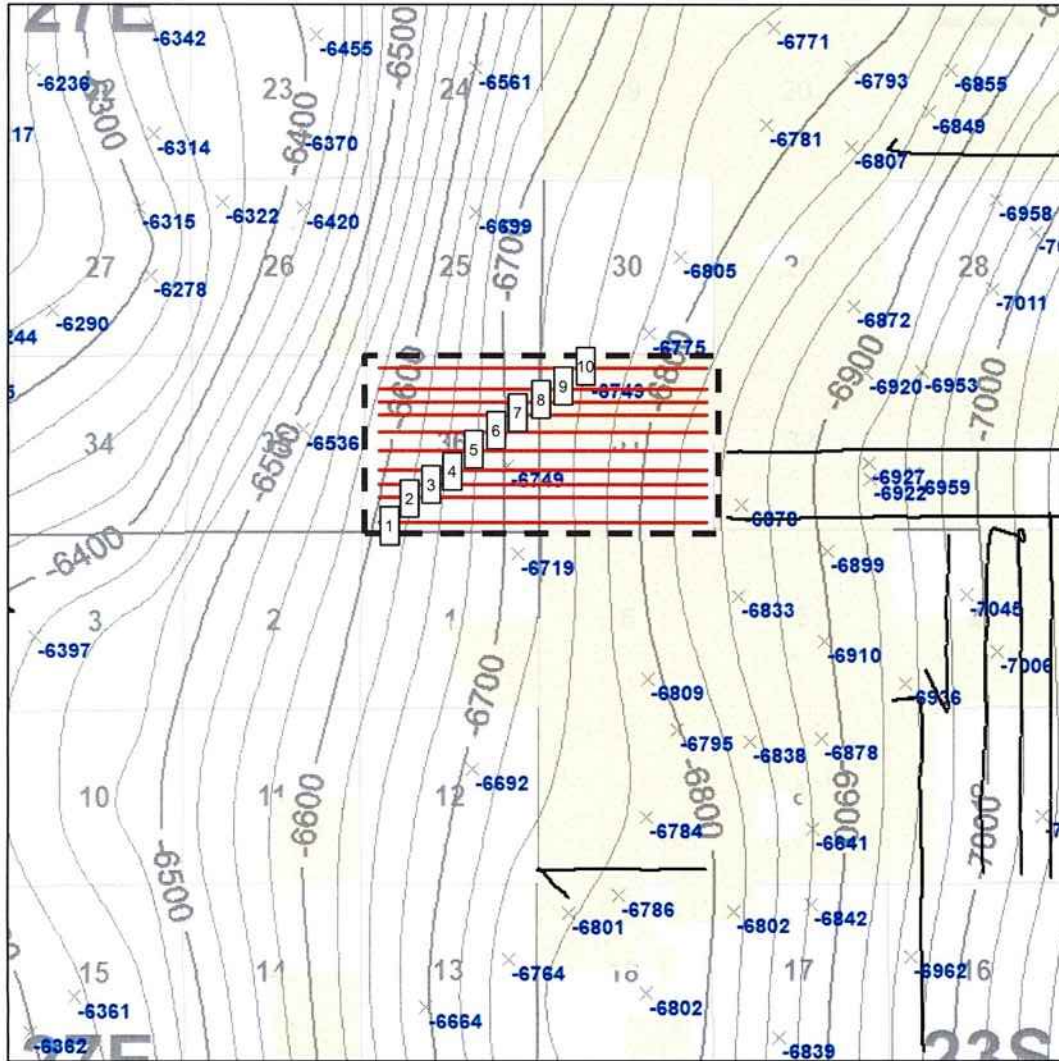
**C-10**

1 mile

C.I. = 25'



# Olmec Fed Com Unit

## Structure Map – Top of Wolfcamp C (TVDSS)



- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*

-  Proposed Wells
-  Existing Wolfcamp C wells

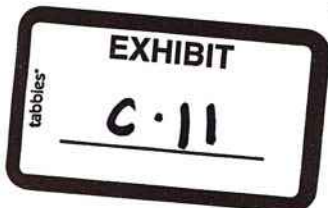


MRO Acreage



Project Area

*The top of the Wolfcamp C dips towards the east.*

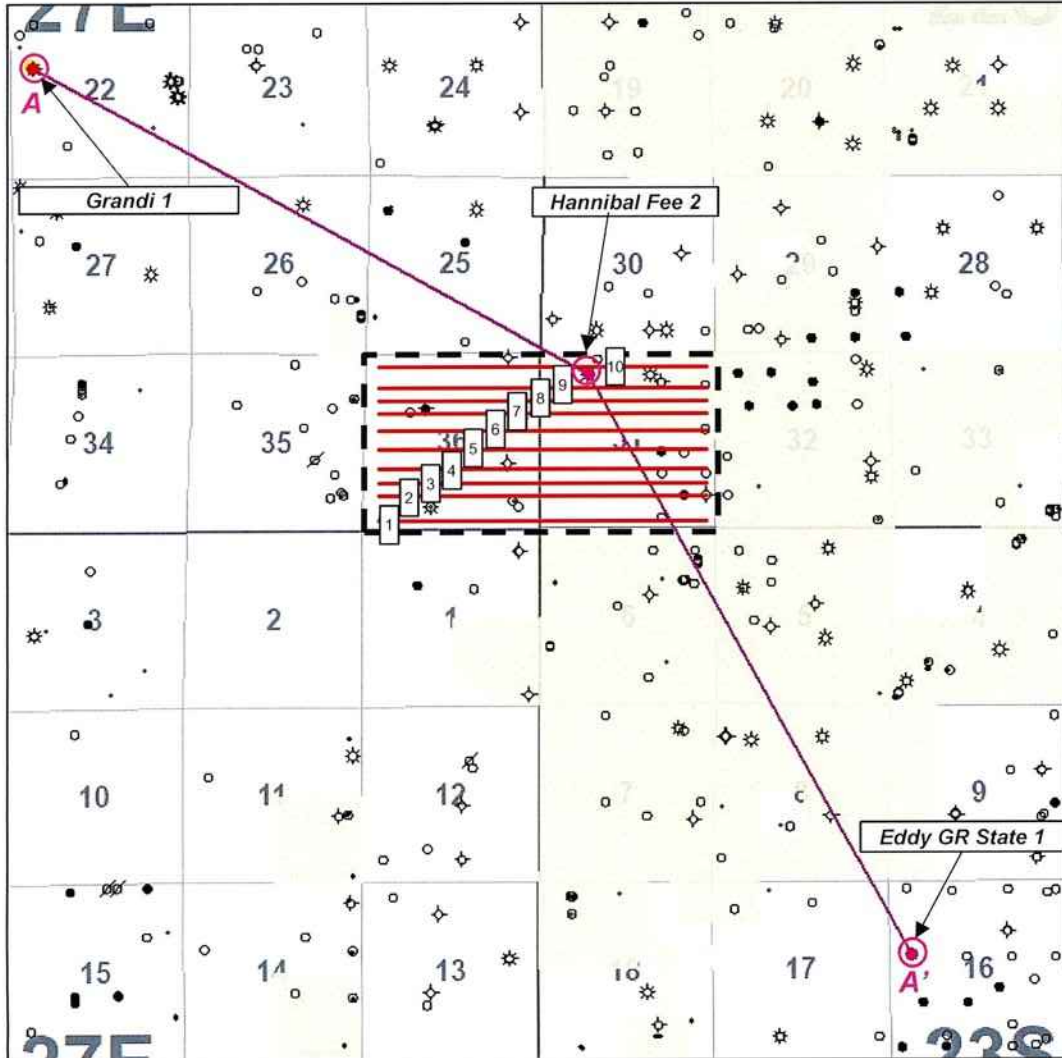


1 mile

C.I. = 25'




# Olmec Fed Com Unit

## Reference Map for Cross Section



- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*

-  Proposed Wells
-  MRO Acreage
-  Project Area

1 mile

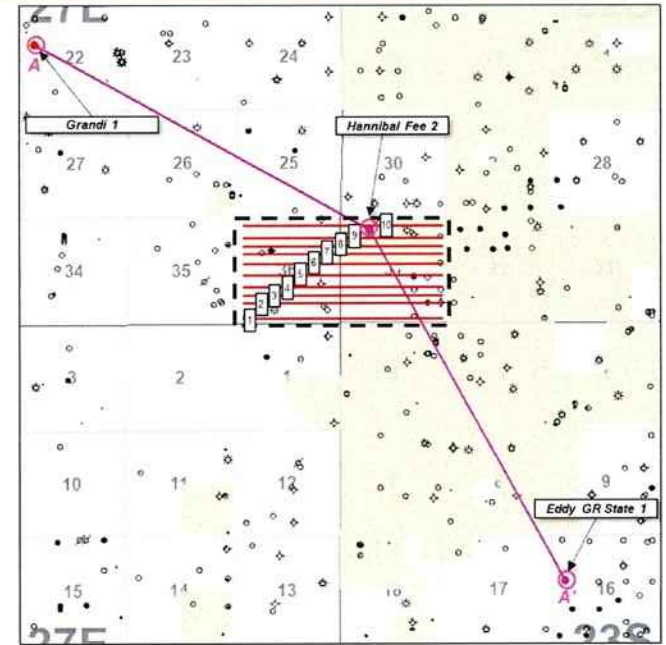
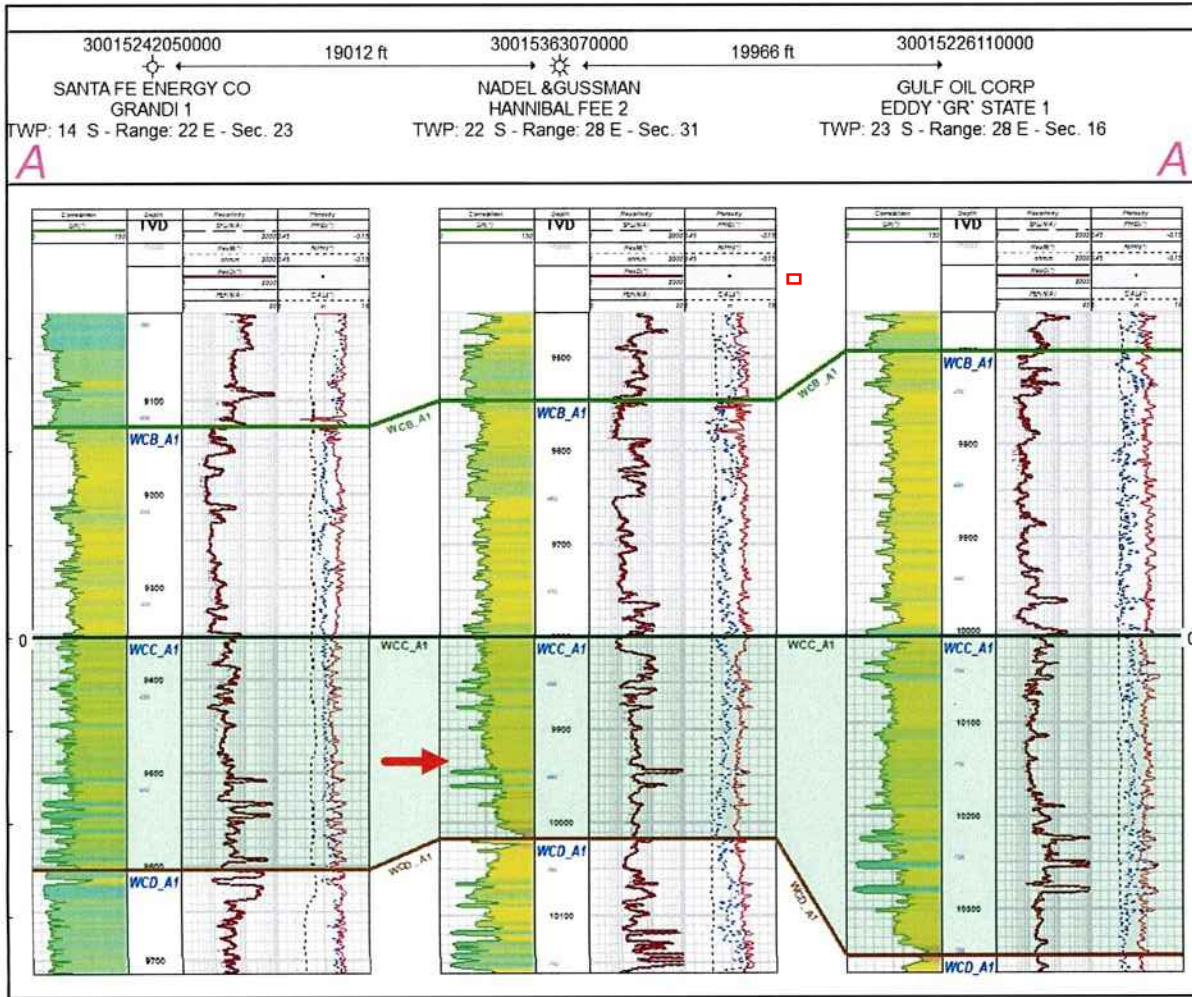
C.I. = 25'





# Olmec Fed ComUnit

## Stratigraphic Cross Section (Top Wolfcamp C Datum)



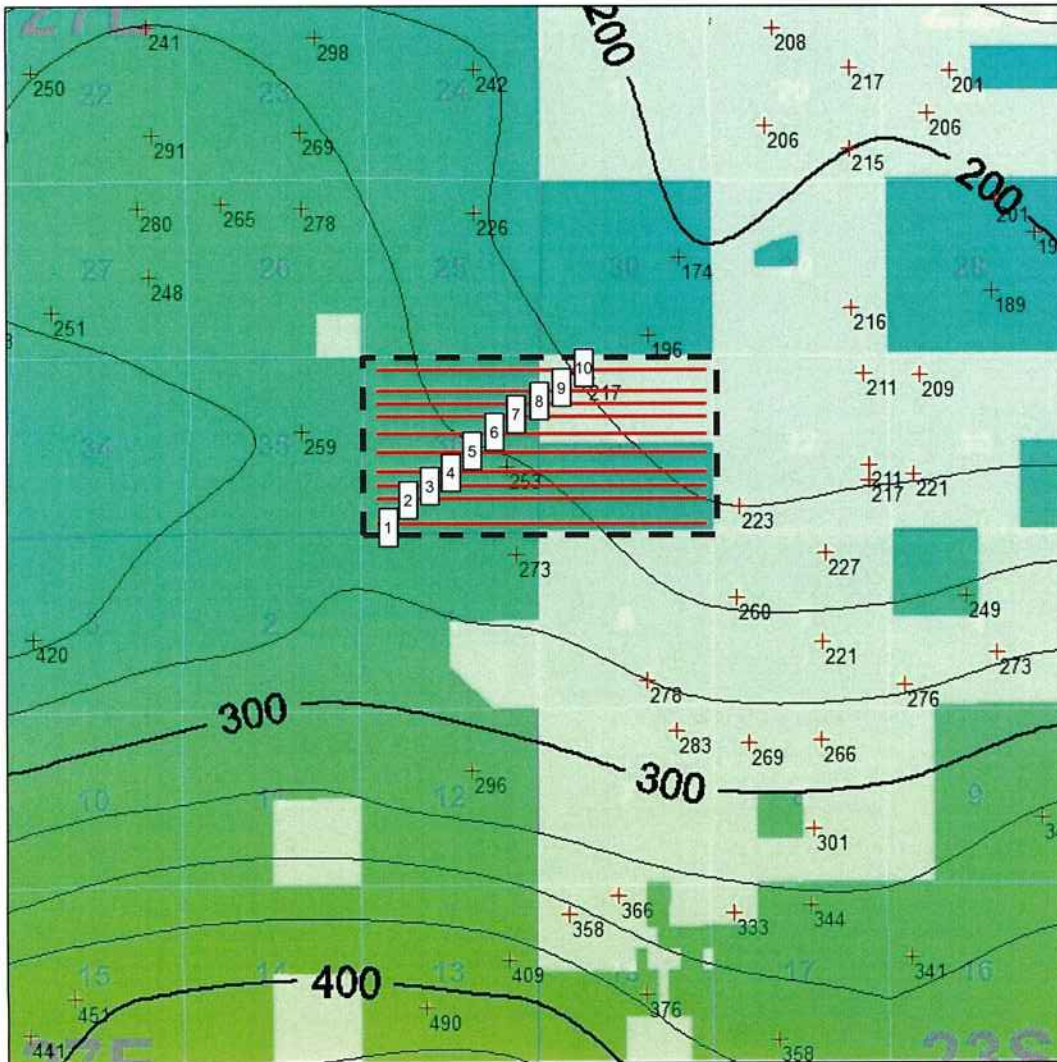
Producing Zone –  
Wolfcamp C

*Wolfcamp C thickens towards the southeast*






# Olmec Fed Com Unit

## Gross Interval Isochore – Top Wolfcamp C to Top Wolfcamp D



- 1 Olmec Fed Com 801H
- 2 Olmec Fed Com 701H
- 3 Olmec Fed Com 805H
- 4 Olmec Fed Com 802H
- 5 Olmec Fed Com 702H
- 6 Olmec Fed Com 803H
- 7 Olmec Fed Com 703H
- 8 Olmec Fed Com 806H
- 9 Olmec Fed Com 804H
- 10 Olmec Fed Com 704H

### Map Legend\*

-  Proposed Wells
-  MRO Acreage
-  Project Area

*The Wolfcamp C thickens to the south but is consistent within the unit*

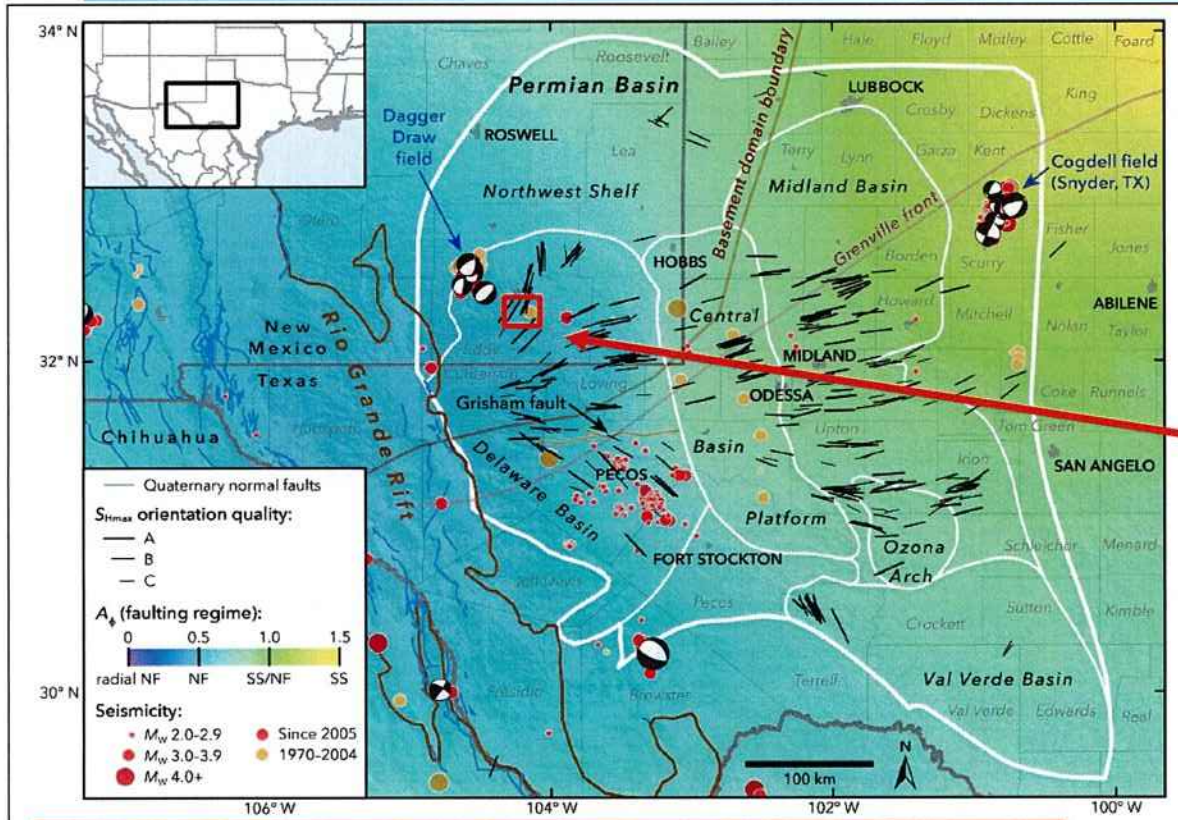
1 mile

C.I. = 25'

**EXHIBIT**  
**C-14**

# Olmec Fed Com Unit

## Preferred Well Orientation - SHmax



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

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

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

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/tle37020810.1>.



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

APPLICATION OF MARATHON OIL PERMIAN  
LLC FOR COMPULSORY POOLING AND, TO THE EXTENT  
NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO

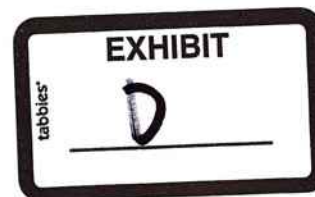
CASE NO. 24336

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 March 14, 2024, attached hereto, labeled Exhibit D.1.
- 2) Exhibit D.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing March 14, 2024.
- 3) Exhibit D.3 is the certified mailing tracking information, which is automatically compiled 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 the Carlsbad Current Argus, confirming that notice of the April 4, 2024 hearing was published on March 19, 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: April 1, 2024



Deana M. Bennett

---

Deana M. Bennett



MODRALL SPERLING  
LAWYERS

March 14, 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 AND, TO THE EXTENT  
NECESSARY, APPROVAL OF AN OVERLAPPING SPACING  
UNIT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24336**

TO: AFFECTED PARTIES

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

In Case No. 24336, Marathon 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 Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will target the Purple Sage Wolfcamp Gas Pool (Code 98220) and be dedicated to the **Olmec Federal Com 701H** and **Olmec Federal Com 801H** wells to be horizontally drilled with proposed first take points in the SW/4 SW/4 (Unit M) of Section 36 and proposed last take points in the SE/4 SE/4 (Unit P) of Section 31; the **Olmec Federal Com 702H**, **Olmec Federal Com 802H**, and **Olmec Federal Com 805H** wells to be horizontally drilled with proposed first take points in the NW/4 SW/4 (Unit L) of Section 36 and proposed last take points in the NE/4 SE/4 (Unit I) of Section 31; the **Olmec Federal Com 703H**, **Olmec Federal Com 803H** wells to be horizontally drilled with proposed first take points in the SW/4 NW/4 (Unit E) of Section 36 and proposed last take points in the SE/4 NE/4 (Unit H) of Section 31; and the **Olmec Federal Com 704H**, **Olmec Federal Com 804H** and **Olmec Federal Com 806H** wells to be horizontally drilled with proposed first take points in the NW/4 NW/4 (Unit D) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 31. The producing area for the wells is expected to be orthodox. The completed intervals for the Olmec Federal Com 702H and Olmec Federal Com 803H are expected to be less than 330 feet from the adjoining tracts thereby

Modrall Spierling  
Roehl Harris & Sisk P.A.

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www.modrall.com



OCD Examiner Hearing 16-24

No. 24336

Page 2

allowing for the inclusion of the proximity tracts within the proposed spacing unit. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap a 160-acre horizontal well Wolfcamp spacing unit comprised of the S/2 S/2 of Section 36, Township 22 South, Range 27 East, dedicated to Matador Production Company's Scott Walker State 36 22S 27E RB #204H well (API: 30-015-43162). 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.

**The hearing is set for April 4, 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 AND, TO THE EXTENT  
NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 24336

**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 Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. Marathon also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 **Olmec Federal Com 701H** and **Olmec Federal Com 801H** wells to be horizontally drilled with proposed first take points in the SW/4 SW/4 (Unit M) of Section 36 and proposed last take points in the SE/4 SE/4 (Unit P) of Section 31;
  - b) The **Olmec Federal Com 702H**, **Olmec Federal Com 802H**, and **Olmec Federal Com 805H** wells to be horizontally drilled with proposed first take



points in the NW/4 SW/4 (Unit L) of Section 36 and proposed last take points in the NE/4 SE/4 (Unit I) of Section 31;

- c) The **Olmec Federal Com 703H** and **Olmec Federal Com 803H** wells to be horizontally drilled with proposed first take points in the SW/4 NW/4 (Unit E) of Section 36 and proposed last take points in the SE/4 NE/4 (Unit H) of Section 31; and
- d) The **Olmec Federal Com 704H**, **Olmec Federal Com 804H**, and **Olmec Federal Com 806H** wells to be horizontally drilled with proposed first take points in the NW/4 NW/4 (Unit D) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 31.

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

4. The completed intervals for the **Olmec Federal Com 702H** and **Olmec Federal Com 803H** 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. 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.

6. These wells will comply with the Division's setback requirements for this pool.

7. Marathon's proposed spacing unit in this case will partially overlap a 160-acre horizontal well Wolfcamp spacing unit comprised of the S/2 S/2 of Section 36, Township 22 South, Range 27 East, dedicated to Matador Production Company's Scott Walker State 36 22S 27E RB #204H well (API: 30-015-43162).

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 and approving the overlapping spacing 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 April 4, 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 Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Approving, to the extent necessary, the proposed overlapping spacing unit;

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.

By: Deana M. Bennett

Earl E. DeBrine, Jr  
Deana M. Bennett  
Yarithza Peña  
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[yarithza.pena@modrall.com](mailto:yarithza.pena@modrall.com)  
*Attorneys for Marathon Oil Permian LLC*

**CASE NO. 24336** : **Application of Marathon Oil Permian LLC for Compulsory Pooling and Approval of an Overlapping Spacing Unit, 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 Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will target the Purple Sage Wolfcamp Gas Pool (Code 98220) and be dedicated to the **Olmec Federal Com 701H** and **Olmec Federal Com 801H** wells to be horizontally drilled with proposed first take points in the SW/4 SW/4 (Unit M) of Section 36 and proposed last take points in the SE/4 SE/4 (Unit P) of Section 31; the **Olmec Federal Com 702H**, **Olmec Federal Com 802H**, and **Olmec Federal Com 805H** wells to be horizontally drilled with proposed first take points in the NW/4 SW/4 (Unit L) of Section 36 and proposed last take points in the NE/4 SE/4 (Unit I) of Section 31; the **Olmec Federal Com 703H**, **Olmec Federal Com 803H** wells to be horizontally drilled with proposed first take points in the SW/4 NW/4 (Unit E) of Section 36 and proposed last take points in the SE/4 NE/4 (Unit H) of Section 31; and the **Olmec Federal Com 704H**, **Olmec Federal Com 804H** and **Olmec Federal Com 806H** wells to be horizontally drilled with proposed first take points in the NW/4 NW/4 (Unit D) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 31. The producing area for the wells is expected to be orthodox. The completed intervals for the Olmec Federal Com 702H and Olmec Federal Com 803H 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. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap a 160-acre horizontal well Wolfcamp spacing unit comprised of the S/2 S/2 of Section 36, Township 22 South, Range 27 East, dedicated to Matador Production Company's Scott Walker State 36 22S 27E RB #204H well (API: 30-015-43162). 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.

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
03/14/2024

Firm Mailing Book ID: 262254

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0118 6259 15	OXY USA WTP, LP 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
2	9314 8699 0430 0118 6259 22	MRC Permian Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
3	9314 8699 0430 0118 6259 39	Richardson Mineral & Royalty, LLC P.O. Box 2423 Roswell NM 88202	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
4	9314 8699 0430 0118 6259 46	Tim Cavanaugh 7217 Hollis St. NE Albuquerque NM 87109	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
5	9314 8699 0430 0118 6259 53	Colleen Blackman 739 Homestead Circle Las Cruces NM 88011	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
6	9314 8699 0430 0118 6259 60	Cathy Jones 1400 N. Fannin San Benito TX 78586	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
7	9314 8699 0430 0118 6259 77	Patricia Gourley No. 18 Wycklow Overland Park KS 66207	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
8	9314 8699 0430 0118 6259 84	John D. Gourley No. 18 Wycklow Overland Park KS 66207	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
9	9314 8699 0430 0118 6259 91	Charles R. Wiggins P.O. Box 10862 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
10	9314 8699 0430 0118 6260 04	Richard Donnelly, Trustee Under the George A. Donnelly TA FBO P.O. Box 3506 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
11	9314 8699 0430 0118 6260 11	Richard Donnelly 315 Brownell Howland Road Santa Fe NM 87501	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
12	9314 8699 0430 0118 6260 28	Eastland Oil Company 415 W. Wall Street, # 1415 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
	9314 8699 0430 0118 6260 35	Hooker Energy, LLC 400 Pine Street, Suite 300 Abilene TX 79601	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
	9314 8699 0430 0118 6260 42	RL & JJ Stevens FP, LP P.O. Box 51240 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
	9314 8699 0430 0118 6260 59	MAP2006-OK 101 North Robinson, Suite 1000 Oklahoma City OK 73102	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice



Received by OCD: 5/16/2024 6:03:51 PM

Page 101 of 108

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
03/14/2024

Firm Mailing Book ID: 262254

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0118 6260 66	Mike Stewart 3714 Mark Lane Midland TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
17	9314 8699 0430 0118 6260 73	David Farmer P.O. Box 1173 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
18	9314 8699 0430 0118 6260 80	Robert H. Marshall P.O. Box 1422 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
19	9314 8699 0430 0118 6260 97	William L. Porter 1700 Community Ln. Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
20	9314 8699 0430 0118 6261 03	Rendova Oil Co., Inc. P.O. Box 3106 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
21	9314 8699 0430 0118 6261 10	Melissa O'Kelley P.O. Box 3106 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
22	9314 8699 0430 0118 6261 27	Katherine Russell Schmidt P.O. Box 2318 Edmond OK 73083	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
23	9314 8699 0430 0118 6261 34	Deborah Russell Neujahr P.O. Box 3753 Littleton CO 80161	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
24	9314 8699 0430 0118 6261 41	Lana Russell P.O. Box 303424 Austin, TX 78703 TX 78703	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
25	9314 8699 0430 0118 6261 58	Spinnaker Oil & Gas, LP 415 W. Wall Street, Suite 1415 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
26	9314 8699 0430 0118 6261 65	Bantam Royalties, LLC 1011 W. Wall Street Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
27	9314 8699 0430 0118 6261 72	TLM4, Ltd. 808 W. Wall St. Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
28	9314 8699 0430 0118 6261 89	TAS Royalty Company P.O. Box 5279 Austin TX 78763	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
29	9314 8699 0430 0118 6261 96	Serenity Resources, LLC P.O. Box 5240 Midland TX 79704	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
30	9314 8699 0430 0118 6262 02	Williams WTX, LP 6000 Green Hill Court Midland TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice



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Page 102 of 108

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
03/14/2024

Firm Mailing Book ID: 262254

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0118 6262 19	Margaret Jones Kennedy P.O. Drawer 432 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
32	9314 8699 0430 0118 6262 26	Orla Petco Inc. P.O. Box 695 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
33	9314 8699 0430 0118 6262 33	Ruth S. Bell 900 W. Cuthbert Ave. Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
34	9314 8699 0430 0118 6262 40	L.S. Henry, LLC P.O. Box 742735 Dallas TX 75374	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
35	9314 8699 0430 0118 6262 57	Zunis Energy, LLC 15 East 5th Street, Suite 3300 Tulsa OK 74119	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
36	9314 8699 0430 0118 6262 64	Susannah D. Adelson, Trustee of the James Adelson & Fam. 2015 Trusts 15 East 5th Street, Suite 3300 Tulsa OK 74103	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
37	9314 8699 0430 0118 6262 71	SSC, Inc. P.O. Box 321425 Jackson MS 39232	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
38	9314 8699 0430 0118 6262 88	Principal Properties Doug & Suzanne Laufer 1603 Enfield Road, Suite 101 Austin TX 78703	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
39	9314 8699 0430 0118 6262 95	Andrews Oil, LP C/o DJA, LLC 3715 Windsor Road Austin TX 78703	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
40	9314 8699 0430 0118 6263 01	STR Corporation 3150 McMasters Road Billings MT 59101	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
41	9314 8699 0430 0118 6263 18	Samuel H. Jolliffe, IV 3150 McMasters Road Billings MT 59101	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
42	9314 8699 0430 0118 6263 25	Teresa H. Jolliffe 408 Kenniston Austin TX 78752	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
43	9314 8699 0430 0118 6263 32	Westall Oil & Gas, LLC 132447 Lovington Highway Loco Hills NM 88255	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
44	9314 8699 0430 0118 6263 49	McCombs Energy, Ltd. 755 East Mulberry, Suite 600 San Antonio TX 78212	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
03/14/2024

Firm Mailing Book ID: 262254

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
45	9314 8699 0430 0118 6263 56	CM Resources II, LLC 300 N. Marienfeld Street, Suite 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
46	9314 8699 0430 0118 6263 63	Colgate Energy Management, LLC 300 N. Marienfeld Street, Suite 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
47	9314 8699 0430 0118 6263 70	Colgate Opportunistic Investments I, LLC 300 N. Marienfeld Street, Suite 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
48	9314 8699 0430 0118 6263 87	Northern Oil and Gas, Inc. 4350 Baker Road, Suite 400 Minnetonka MN 55343	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
49	9314 8699 0430 0118 6263 94	United States of America Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.63	\$4.40	\$2.32	\$0.00	81363.0240.24336. Notice
<b>Totals:</b>			<b>\$79.87</b>	<b>\$215.60</b>	<b>\$113.68</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$409.15</b>	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
49			

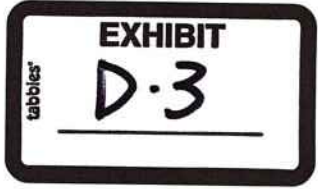


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Transaction Report Details - CertifiedPro.net											
Firm Mail Book ID= 262254											
Generated: 5/13/2024 10:37:35 AM											
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date	
9314869904300118626394	2024-03-14 12:35 PM	81363.0240.24336	United States of America	Bureau of Land Management	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-18 11:19 AM	
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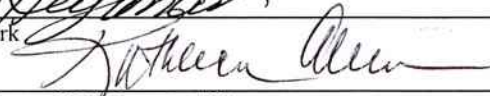
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Modrall Sperling  
Pobox 2168  
Albuquerque NM 87103

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:

03/19/2024

and that the fees charged are legal.  
Sworn to and subscribed before on 03/19/2024

  
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Legal Clerk  
  
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Notary, State of WI, County of Brown  
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Notary Public  
State of Wisconsin

EXHIBIT  
D-4  
tabbies  
OCD Examiner Hearing 5-16-24  
No. 24336  
102

CASE NO. 24336: Notice to all affected parties, as well as heirs and devisees of: OXY USA WTP, LP; 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; Rendova Oil Co., Inc.; Melissa O'Kelley; Katherine Russell Schmidt; Deborah Russell Neujahr; 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; STR Corporation; Samuel H. Jolliffe, IV; Teresa H. Jolliffe; Westall Oil & Gas, 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 and Approval of an Overlapping Spacing Unit, 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 April 4, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 1,280-acre, more or less, Wolfcamp horizontal spacing unit underlying all of Section 36, Township 22 South, Range 27 East, and all of Section 31, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will target the Purple Sage Wolfcamp Gas Pool (Code 98220) and be dedicated to the Olmec Federal Com 701H and Olmec Federal Com 801H wells to be horizontally drilled with proposed first take points in the SW/4 SW/4 (Unit M) of Section 36 and proposed SE/4 (Unit N) of Section 31; the Olmec Federal

OCD Examination 5-16-24

Com 702H, Olmec Federal Com 802H, and Olmec Federal Com 805H wells to be horizontally drilled with proposed first take points in the NW/4 SW/4 (Unit L) of Section 36 and proposed last take points in the NE/4 SE/4 (Unit I) of Section 31; the Olmec Federal Com 703H, Olmec Federal Com 803H wells to be horizontally drilled with proposed first take points in the SW/4 NW/4 (Unit E) of Section 36 and proposed last take points in the SE/4 NE/4 (Unit H) of Section 31; and the Olmec Federal Com 704H, Olmec Federal Com 804H and Olmec Federal Com 806H wells to be horizontally drilled with proposed first take points in the NW/4 NW/4 (Unit D) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 31. The producing area for the wells is expected to be orthodox. The completed intervals for the Olmec Federal Com 702H and Olmec Federal Com 803H 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. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap a 160-acre horizontal well Wolfcamp spacing unit comprised of the S/2 S/2 of Section 36, Township 22 South, Range 27 East, dedicated to Matador Production Company's Scott Walker State 36 22S 27E RB #204H well (API: 30-015-43162). 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.  
March 19, 2024 #9965919