

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

**APPLICATION OF MARLIN OPERATING,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 24516

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Vidal Quevedo
A-1	Copy of Resume
A-2	Application & Proposed Notice of Hearing
A-3	C-102
A-4	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-5	Sample Well Proposal Letter & AFE
A-6	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Dallas Rysavy
B-1	Copy of Resume
B-2	Location Map
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B-4	Structural Cross Section and Stratigraphic Cross Section
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Notice Letters to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for June 12, 2024

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24516	APPLICANT'S RESPONSE
Date: June 27, 2024	
Applicant	Marlin Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Marlin Operating, LLC (OGRID No. 331054)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Marlin Operating, LLC for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company
Well Family	Pegasus
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Third Bone Spring Interval
Pool Name and Pool Code:	WC-025 G-08 S233528D; Lower Bone Spring Pool (Code 97958)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	quarter-quarter
Orientation:	North to South
Description: TRS/County	E/2 E/2 of Sections 16 and 21, Township 23 South, Range 35 East, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	Yes. There is a depth severance in the Bone Spring formation. Applicant seeks to pool uncommitted interests in the Third Bone Spring interval at a stratigraphic equivalent of approximately 11,218' to 11,383' TVD as shown on the Sand Well Com #1 well log (API #30-025-25661).
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
Well(s)	
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	Pegasus 16 State Com #354H (API # pending) SHL: 500' FSL & 900' FEL (Unit P), Section 9, T23S-R35E BHL: 2' FSL & 350' FEL (Unit P), Section 21, T23S-R35E Completion Target: Third Bone Spring (Approx. 11,412' TVD)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A-5
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
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 A-4
Unlocatable Parties to be Pooled	N/A

Ownership Depth Severance (including percentage above & below)	Exhibit A-4
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	Exhibit A
Forms, Figures and Tables	
C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibits B-3
Cross Section Location Map (including wells)	Exhibit B-4
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	6/20/2024

**STATE OF NEW MEXICO
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**APPLICATION OF MARLIN OPERATING,
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LEA COUNTY, NEW MEXICO**

CASE NO. 24516

**SELF-AFFIRMED STATEMENT
OF VIDAL QUEVEDO**

1. I am the Director of Land at Marlin Operating, LLC (“Marlin”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division (“Division”). A copy of my resume, which sets out my education and experience in petroleum land matters, is attached as **Exhibit A-1**.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Marlin’s application and proposed hearing notice are attached as **Exhibit A-2**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. Marlin seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 16 and 21, Township 23 South, Range 35 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Pegasus 16 State Com #354H** well (“Well”), which will be completed in the WC-025 G-08 S233528D; Lower Bone Spring Pool (Code 97958). The Well will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 9 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 21.

6. The completed interval of the Well will be orthodox.

**Marlin Operating, LLC
Case No. 24516
Exhibit A**

7. There is a depth severance in the Bone Spring formation within the Unit. Accordingly, Marlin seeks to pool uncommitted interests in the Third Bone Spring interval of the Bone Spring formation at a stratigraphic equivalent of approximately 11,218' to 11,383' TVD as shown on the Sand Well Com #1 well log (API #30-025-25661).

8. **Exhibit A-3** contains the C-102 for the Well.

9. **Exhibit A-4** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Marlin seeks to pool highlighted in yellow.

10. Marlin has conducted a diligent search of all county public records, including phone directories and computer databases, to locate the interest owners.

11. **Exhibit A-5** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

12. In my opinion, Marlin made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-6**.

13. Marlin requests overhead and administrative rates of \$10,000 per month while the Well is being drilled and \$1,000 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Marlin and other operators in the vicinity.

14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

15. In my opinion, the granting of Marlin's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

16. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.


Vidal Quevedo

6-19-2024
Date



Biography of Vidal Quevedo

Mr. Quevedo is a Certified Professional Landman with the AAPL who graduated from the University of Texas at Austin with a Bachelor of Arts in Economics and from Texas Christian University with a Masters in Business Administration.

From 2005-2007, Mr. Quevedo worked as a field landman and Land Manager for Holland Acquisitions focused on title and leasing in the Fort Worth Basin.

From 2007 to 2013, he moved in-house with XTO Energy Inc. and handled negotiation of leasehold and creation of voluntary pooled units for horizontal development in a multi-rig programs in Texas, West Virginia and Pennsylvania.

In 2013, Mr. Quevedo continued these duties for XTO in North Dakota and Montana in addition to participating in regulatory and communitization proceedings with the NDIC, MBOGC and BLM through 2016.

In 2017, he was positioned as the senior landman in a business development team within XTO combined of engineering, geology and land focused on exploration and new development in the continental U.S. onshore, venturing into multiple basins throughout the U.S.

From 2018-2019, Mr. Quevedo held the role as one of XTO's Regional Land Managers in the Permian Basin including the overseeing of producing properties and exploration for lands within various areas of Texas and New Mexico.

Mr. Quevedo was Vice President – Land and Business Development for Lilis Energy, Inc., active in Winkler & Loving Counties, Texas and Lea County, New Mexico from 2019-2020.

Since 2020, Mr. Quevedo has been Managing Director for Hoss Resources LLC, including participating in new development as well as consulting with active operators in the Permian Basin.

As of 3rd Quarter 2023, Mr. Quevedo assumed his current role as Director of Land and Business Development for Marlin Operating, LLC handling all Land duties in their Lea County, New Mexico asset.

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LEA COUNTY, NEW MEXICO.**

CASE NO. 24516

APPLICATION

Pursuant to NMSA 1978, § 70-2-17, Marlin Operating, LLC (OGRID No. 331054) (“Applicant”) applies for an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 16 and 21, Township 23 South, Range 35 East, Lea County, New Mexico (“Unit”). In support of its application, Applicant states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the proposed **Pegasus 16 State Com #354H** well (“Well”), which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 9 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 21.
3. The completed interval of the Well will be orthodox.
4. There is a depth severance in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool uncommitted interests in the Third Bone Spring interval of the Bone Spring formation at a stratigraphic equivalent of approximately 11,218’ to 11,383’ TVD as shown on the Sand Well Com #1 well log (API #30-025-25661).
5. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

**Marlin Operating, LLC
Case No. 24516
Exhibit A-2**

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and the Unit.

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

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as the operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Counsel for Marlin Operating, LLC

Application of Marlin Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 16 and 21, Township 23 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the proposed **Pegasus 16 State Com #354H** well ("Well"), which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 9 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 21. Due to a depth severance in the Bone Spring formation within the Unit, Applicant seeks to pool uncommitted interests in the Third Bone Spring interval of the Bone Spring formation at a stratigraphic equivalent of approximately 11,218' to 11,383' TVD. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 16 miles southwest of Eunice, New Mexico.

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

FORM C-10

Revised August 1, 201

Submit one copy to appropriate

District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-		² Pool Code 97958		³ Pool Name WC-025 G-08 S233528D; LWR BONE SPRING	
⁴ Property Code 332942		⁵ Property Name PEGASUS UNIT STATE COM			⁶ Well Number 354H
⁷ OGRID No. 331054		⁸ Operator Name MARLIN OPERATING, LLC			⁹ Elevation 3485'

¹⁰Surface Location

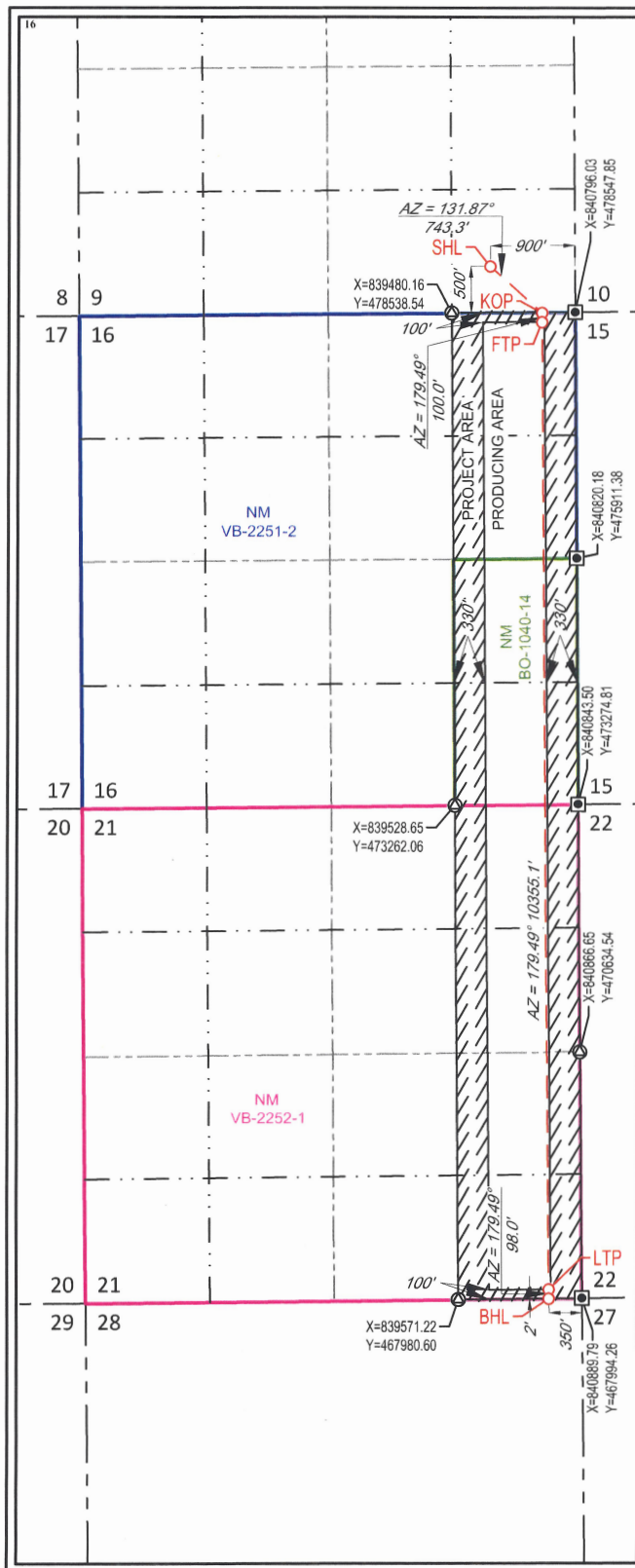
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	23-S	35-E	-	500'	SOUTH	900'	EAST	LEA

¹¹Bottom 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	21	23-S	35-E	-	2'	SOUTH	350'	EAST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



<p>NEW MEXICO EAST NAD 1983</p> <p><u>SURFACE LOCATION (SHL)</u></p> <p>500' FSL - SEC. 9 900' FEL - SEC. 9 X=839893 Y=479041 LAT.: N 32.3132577 LONG.: W 103.3669351</p> <p><u>KICK OFF POINT (KOP)</u></p> <p>0' FNL - SEC. 16 350' FEL - SEC. 16 X=840446 Y=478545 LAT.: N 32.3118804 LONG.: W 103.3651582</p> <p><u>FIRST TAKE POINT (FTP)</u></p> <p>100' FNL - SEC. 16 350' FEL - SEC. 16 X=840447 Y=478445 LAT.: N 32.3116056 LONG.: W 103.3651582</p> <p><u>LAST TAKE POINT (LTP)</u></p> <p>100' FSL - SEC. 21 350' FEL - SEC. 21 X=840539 Y=468091 LAT.: N 32.2831435 LONG.: W 103.3651631</p> <p><u>BOTTOM HOLE LOCATION (BHL)</u></p> <p>2' FSL - SEC. 21 350' FEL - SEC. 21 X=840540 Y=467993 LAT.: N 32.2828741 LONG.: W 103.3651632</p>

¹⁷OPERATOR 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] 4/8/2024
 Signature Date

Dallas Rysavy
 Printed Name

dallas@marlinoperating.com
 E-mail Address

¹⁸SURVEYOR 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 to the best of my belief.

01/30/2024
 Date of Survey

[Signature and Seal]
 Signature and Seal of Professional Surveyor

2/13/2024 8:37:29 AM
 Certificate Number

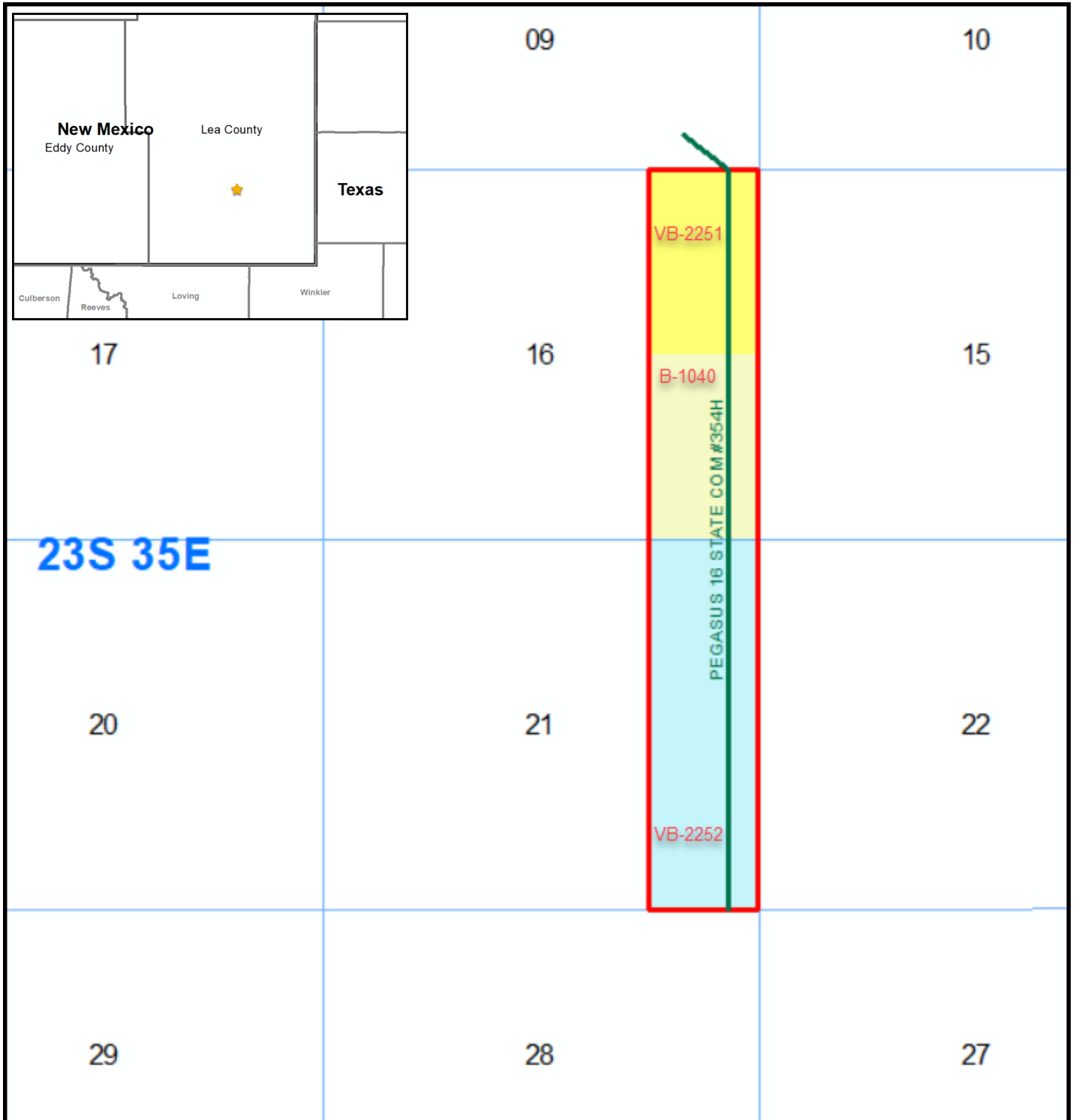
N


Released to Imaging: 6/21/2024 4:15:42 PM

Received by: OCD: 6/21/2024 9:37:52 AM

Pegasus 16 State Com #354H Unit

Lea County, New Mexico



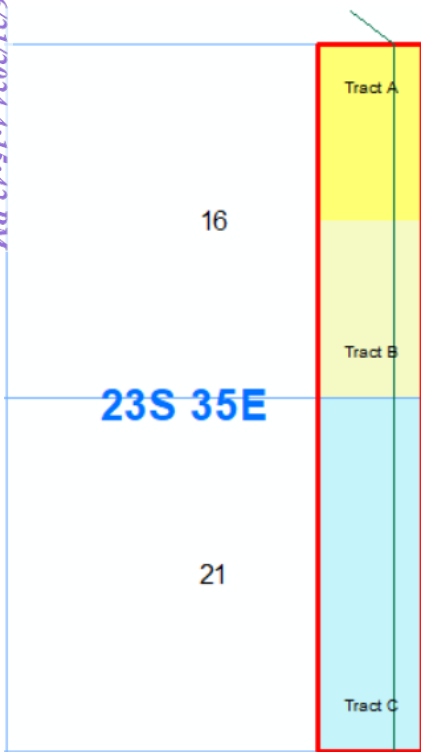
-  MARLIN HORIZONTAL
-  SPACING UNIT

Marlin Operating, LLC
 Case No. 24516
 Exhibit A-4



Pegasus 16 State Com #354H Unit

Lea County, New Mexico



— MARLIN HORIZONTAL
 □ SPACING UNIT

Est. Unit Working Interests:

• Marlin Operating LLC	0.050%
• Nogal Resources LLC	50.047%
• EOG Resources Inc.	20.307%
• LeaCo New Mexico Exploration & Production, LLC	12.500%
• XTO Delaware Basin, LLC	7.785%
• Chief Capital (O&G) II LLC	3.870%
• MRC Permian Company	1.935%
• Occidental Permian, Ltd.	1.573%
• Spearpoint Resources MDU, LLC	1.451%
• Marlin South Texas Minerals Corporation	0.484%

Parties Marlin is Seeking to Pool:

- EOG Resources Inc.
- LeaCo New Mexico Exploration & Production, LLC
- XTO Delaware Basin, LLC
- Chief Capital (O&G) II LLC
- MRC Permian Company
- Occidental Permian, Ltd.
- Spearpoint Resources MDU, LLC
- Marlin South Texas Minerals Corporation
- Brigham Royalties Fund I Holdco, LLC
- Nilo Operating Company

Ownership by Tract:

Tract A: State Lease VB-2241: 80 acres, more or less, being E2NE4 of Section 16, Township 23 South, Range 35 East, Lea County, New Mexico.

- Marlin Operating LLC: 0.0007250
- Nogal Resources LLC: 0.7242750
- Chief Capital (O&G) II LLC: 0.1375000
- MRC Permian Company: 0.0687500
- Spearpoint Resources MDU, LLC: 0.0515625
- Marlin South Texas Minerals Corporation: 0.0171875

Tract B: State Lease B-1040: 80 acres, more or less, being E2SE4 of Section 16, Township 23 South, Range 35 East, Lea County, New Mexico.

- Marlin Operating LLC: 0.0000911
- Nogal Resources LLC: 0.0910414
- LeaCo New Mexico Exploration & Production, LLC: 0.5000000
- XTO Delaware Basin, LLC: 0.3114000
- Chief Capital (O&G) II LLC: 0.0172838
- MRC Permian Company: 0.0086419
- Occidental Permian, Ltd.: 0.0629000
- Spearpoint Resources MDU, LLC: 0.0064814
- Marlin South Texas Minerals Corporation: 0.0021605

Tract C: State Lease VB-2252: 160 acres, more or less, being E2E2 of Section 21, Township 23 South, Range 35 East, Lea County, New Mexico.

- Marlin Operating LLC: 0.0005939
- Nogal Resources LLC: 0.5932761
- EOG Resources Inc.: 0.4061300



July 6, 2023

Chief Capital (O&G) II LLC
Attn: Nate Coffee
8111 Westchester Dr., Suite 900
Dallas, Texas 75225

Re: Pegasus 16 State #354H Well Proposal
E2E2, Sections 16 & 21, T23S-R35E
Lea County, New Mexico
AFE 233541

Dear Working Interest Owner:

Marlin Operating, LLC ("Marlin") hereby proposes to drill and complete the Pegasus 16 State #354H well, with a surface hole location in NE4 of Section 16, Township 23 South, Range 35 East and a bottom hole location in SE4 of Section 21, Township 23 South, Range 35 East, targeting the 3rd Bone Spring Formation at an estimated total vertical depth of 11,412', with an approximate horizontal lateral length of 10,000', further described in the enclosed plat. Spacing unit for the Pegasus 16 State #354H shall include the E2E2 of Section 16, Township 23 South, Range 35 East, and the E2E2 of Section 21, Township 23 South, Range 35 East, comprising approximately 320 acres. Anticipated spud date for this well is March 2024. Our records indicate Chief Capital (O&G) II LLC has a 3.86959% WI in the Pegasus 16 State #354H well. In addition, enclosed for your review is AFE #233541 detailing the estimated costs to drill and complete the Pegasus 16 State #354H well.

Marlin is proposing to drill this well under the terms of an AAPL Form 610-1989 Model Form Operating Agreement, with Marlin as the Operator, and will be supplied for your review. The proposed Operating Agreement contract area will include the E2E2 of Sections 16 & 21, Township 23 South, Range 35 East, less and except 100' above the top of the 2nd Bone Spring formation to 100' below the base of the 2nd Bone Spring formation.

Please contact me with any questions or concerns at (817) 912-1496 or via email at vidal@marlinoperating.com, and return your election to the undersigned at the address below.

Sincerely,

Vidal Quevedo
MARLIN OPERATING LLC

Marlin Operating, LLC
1371 Brumlow Avenue, Suite A
Southlake, TX 76092

Marlin Operating, LLC
Case No. 24516
Exhibit A-5

Please indicate your election, execute and date in the space provided below:

CHIEF CAPITAL (O&G) II LLC

_____ Elect to participate in the drill and complete costs for AFE 233541 for the Pegasus 16 State #354H

_____ Elect NOT to participate in the drill and complete costs for AFE 233541 for the Pegasus 16 State #354H

By: _____

Executed this _____ day of _____, 2023

MARLIN OPERATING

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE	7/5/2023	AFE NO	233541
WELL NAME	Pegasus 16 State #354H	FIELD	ANTELOPE RIDGE N
LOCATION	Section 16, TN 23, RGE 35, State Lands Survey, Lea Co, New Mexico	MD / TVD	11412
COUNTY STATE	Lea, NM	LATERAL LENGTH	10000
OPERATOR WI			
GEOLOGIC TARGET	TBSPNG		
COMMENTS	Drill and complete a 10,000' horizontal well with 50 stage frac		

	DRILLING	COMPLETION	PRODUCTION	FACILITIES	TOTAL
INTANGIBLE COSTS					
Overhead	8500	8500		0	17,000.00
Contractors / Testers	0	0		0	-
Directional	380000	0		0	380,000.00
Drilling	475000	0		0	475,000.00
Welding	8000	0		50000	58,000.00
Drilling Mud / Transport	300000	0		0	300,000.00
Insurance	10000	0		0	10,000.00
Rental - Drill String / BHA	15000	30000		0	45,000.00
Rental - Equipment / Surface	165000	120000		50000	335,000.00
Rental - Living Quarters/Equipment/Materials	135000	95000		0	230,000.00
Mobilization / Demobilization	285000	0		0	285,000.00
Tubing Testing / Inspection	85000	8500		0	93,500.00
Casing Crew	25000	0		0	25,000.00
Perforating/Slickline/Wireline	0	185000		0	185,000.00
Supervision	85500	150000		36000	271,500.00
Power and Fuel	150000	325000		0	475,000.00
Acidizing	0	85000		0	85,000.00
Mud/Chemicals/Dyed Diesel	45000	0		0	45,000.00
Mud Circulating System	95000	0		0	95,000.00
Mud Logging	3000	0		0	3,000.00
Water / Brine	35000	800000		15000	850,000.00
Environmental/Waste	350000	50000		10000	410,000.00
Plugging and Abandonment	0	0		0	-
Location / Construction / Damages / ROW's	318000	50000		10000	376,000.00
Land / Legal / Regulatory / Permits / Surveys	47500	0		0	47,500.00
Bits	84000	25500		0	109,500.00
Coring	0	0		0	-
Fishing	0	0		0	-
Surface Pipe Cementing	40000	0		0	40,000.00
Intermediate Pipe Cementing	75000	0		0	75,000.00
Production Pipe Cementing	160000	0		0	160,000.00
Liner Pipe Cementing	0	0		0	-
Rathole / Mousehole / Conductor	38000	0		0	38,000.00
Float Equipment / Centralizers	65000	0		0	65,000.00
Whipstock / Sidetrack	0	0		0	-
Completion Fluids	0	30000		0	30,000.00
Coil Tubing Units	0	100000		0	100,000.00
Fracturing / Stimulation	0	2350000		0	2,350,000.00
Fracturing / Flowback / Support	0	150000		0	150,000.00
Logging/Formation Evaluation	0	0		0	-
Completion/Swab Rig	0	84000		0	84,000.00
Crane	0	35000		15000	50,000.00
Flowback - Surface Rentals	0	150000		0	150,000.00
Flowback - Labor	0	50000		0	50,000.00
MISC/Contingency	185310	259015		26600	470,925.00
TOTAL INTANGIBLES >	\$ 3,665,810.00	\$ 5,140,515.00	\$ -	\$ 212,600.00	\$ 9,018,925.00

	DRILLING	COMPLETION	PRODUCTION	FACILITIES	TOTAL
TANGIBLE COSTS					
Surface Casing	90000	0		0	90,000.00
Intermediate Casing	235200	0		0	235,200.00
Production Casing	483000	0		0	483,000.00
Casing Head Equipment	40000	0		0	40,000.00
Wellhead	28000	50000		0	78,000.00
Production Tubing	0	118800		0	118,800.00
Packers	0	15000		0	15,000.00
Dehydration Equipment	0	0		0	-
Meter Run	0	0		8000	8,000.00
Saltwater Tanks	0	0		0	-
Production Tanks	0	0		0	-
Separation Equipment	0	0		85000	85,000.00
Tank Facility/Containment	0	0		15000	15,000.00
Surface Pump	0	0		8000	8,000.00
Subsurface Pump	0	0		0	-
Compressor	0	15000		15000	30,000.00
Pumping Unit	0	0		0	-
Rod String	0	0		0	-
Tubing Head	0	0		0	-
Electrical Noncontrol	0	0		35000	35,000.00
Scada	0	0		15000	15,000.00
Valves / Gauges, etc	0	100000		45000	145,000.00
Artificial Lift Equipment	0	0		0	-
Flow Line	0	0		120000	120,000.00
TOTAL TANGIBLES >	\$ 876,200.00	\$ 298,800.00	\$ -	\$ 346,000.00	\$ 1,521,000.00
TOTAL COSTS >	\$ 4,542,010.00	\$ 5,439,315.00	\$ -	\$ 558,600.00	\$ 10,539,925.00

PREPARED BY MARLIN OPERATING:

Chief Operating Officer: Jose Rosales _____
 Drilling Engineer: _____
 Completions Engineer: _____
 Production Engineer: _____

MARLIN OPERATING APPROVALS

Chief Operating Officer: Jose Rosales _____
 Chief Executive Officer: Dallas Rysavy _____

NON OPERATING PARTNER APPROVAL

Company Name: _____ Working Interest (%): _____ Tax ID: _____
 Authorized Signatory: _____ Date: _____
 Title: _____ Indicates Approval (Y or N): _____

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to one year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including legal, curative, regulatory, brokerage, and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well control and general liability insurance, unless participant provided Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of Spud.



Pegasus – Chronology of Communication

April 11, 2024 – Proposal to all parties sent.

April 12, 2024 – Correspondence with MRC Permian Company, which included discussion of Marlin development plans.

April 15, 2024 – Email correspondence with Chief Capital (O&G) II LLC addressing additional information request.

April 15, 2024 – Email correspondence with Spearpoint Resources MDU, LLC addressing additional information request.

April 15, 2024 – Email received from XTO Delaware Basin, LLC acknowledging receipt of proposals.

April 16, 2024 – Email correspondence with LeaCo New Mexico Exploration & Production, LLC (“Apache”) addressing additional information request.

April 17, 2024 – Email correspondence with Spearpoint Resources MDU, LLC to discuss proposed JOA.

April 23, 2024 – Correspondence with MRC Permian Company regarding Marlin plans.

April 30, 2024 – Email correspondence with Spearpoint Resources MDU, LLC, noting that Spearpoint and MRC Permian Company will compare notes on JOA and addressing timing.

May 3, 2024 – Discussion with MRC Permian Company regarding Marlin plans.

May 8, 2024 – Receipt of response to elect to participate from Spearpoint Resources MDU, LLC.

May 21, 2024 – Correspondence with Chief Capital (O&G) II LLC to discuss proposed JOA.

May 21, 2024 – Meeting with EOG Resources Inc. which included discussion of Marlin development plans.

May 23, 2024 – Correspondence with Chief Capital (O&G) II LLC to discuss proposed JOA.

May 31, 2024 - Correspondence with Chief Capital (O&G) II LLC to discuss proposed JOA.

June 3, 2024 – Email correspondence with Apache to discuss proposed JOA.

June 5, 2024 – Email correspondence with Apache to discuss JOA.

June 6, 2024 – Correspondence with Chief Capital (O&G) II LLC to discuss JOA.

June 11, 2024 – Discussion with MRC Permian Company regarding their and Marlin development plans.

June 17, 2024 – Correspondence with XTO Delaware Basin, LLC regarding development information.

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

**APPLICATION OF MARLIN OPERATING,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 24516

**SELF-AFFIRMED STATEMENT
OF DALLAS RYSAVY**

1. I am the Chief Executive Officer of Marlin Operating, LLC (“Marlin”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division (“Division”). A copy of my resume, which sets out my education and experience in petroleum geology, is attached as **Exhibit B-1**.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-2** is a map that shows the location of the proposed horizontal well spacing unit.

4. Marlin is targeting the Lower Bone Spring formation. **Exhibit B-3** is a subsea structure map that I prepared for this interval with 20-foot contours. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a green dashed line. Existing producing wells in the Bone Spring formation are represented by solid orange lines. The structure map shows the Bone Spring formation dipping to the Southwest. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells in this area.

5. **Exhibit B-3** also shows a cross-section line in blue running North to South reflecting two wells penetrating the Bone Spring formation and bracketing our proposed drilling,

that I used to construct a structural cross-section from A to A'. These wells contain good logs and I consider them representative of the geology in the subject area.

6. **Exhibit B-4** is a structural cross-section that I prepared using the logs from the two wells noted on Exhibit B-3. Each well in the cross-section contains the gamma ray in the first track, resistivity in the second track, porosity curves in the third track and sonic in the fourth track (where available). The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.


7. In my opinion the stand-up orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

8. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will be productive and contribute proportionately to the production from the well.

9. In my opinion, the granting of Marlin's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 11 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.


Dallas Rysavy

6.19.2024
Date



Biography of Dallas Rysavy

Mr. Rysavy graduated from the University of North Dakota with a bachelor's degree in Geology and immediately began his career by 'sitting rigs' in the Williston Basin as a Wellsite Geologist for Neset Consulting.

In 2004 Mr. Rysavy moved to Fort Worth Texas to take an office position with Encore Acquisition Company as a Senior Geologist where his responsibilities included Williston Basin, Permian and waterflood assets. Mr. Rysavy was part of a JV with Exxon Mobil in the Permian that had him overseeing development of some of their legacy assets (Parks/Pegasus/Brown Bassett fields).

Encore sold to Denbury and Mr. Rysavy became part of Denbury's Conroe team that oversaw implementing a Co2 flood in the Conroe sands. While working at Denbury, an offer to Join an Encore offshoot, Athlon Energy, presented itself and Mr. Rysavy moved back to developing the Midland Basin.

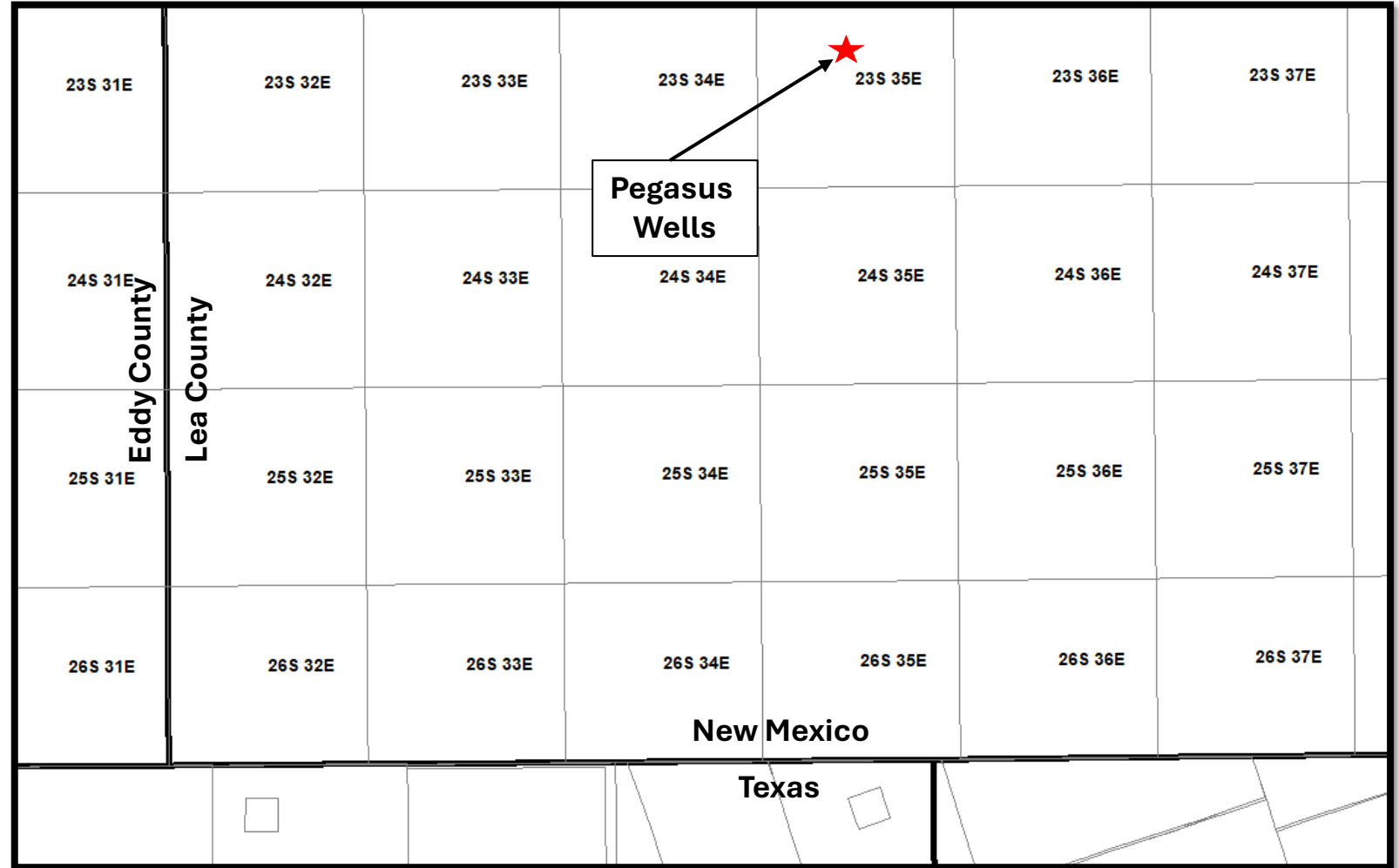
While at Athlon Energy, Mr. Rysavy was in charge of up to 8 drilling rigs targeting the Spraberry Trend Area as well as helping with acquisition evaluation and managing younger geologic staff. On November 13, 2014 Athlon Energy was acquired by Encana Corporation for \$7.1 billion. Mr. Rysavy was retained by Encana and promoted to Permian Geoscience Manager. This new role saw him in charge of a 14 rig drilling program and up to 10 direct reports. Mr. Rysavy left Encana in 2015 after they closed the Fort Worth Office.

In 2018 Mr. Rysavy joined Point Energy Partners as their Vice President of Geology where he helped get their development program up and running in the Delaware Basin. After 2 years at Point, Mr. Rysavy left to start Marlin Operating LLC where he currently holds the role of Chief Executive Officer.

Marlin Operating, LLC
Case No. 24516
Exhibit B-1

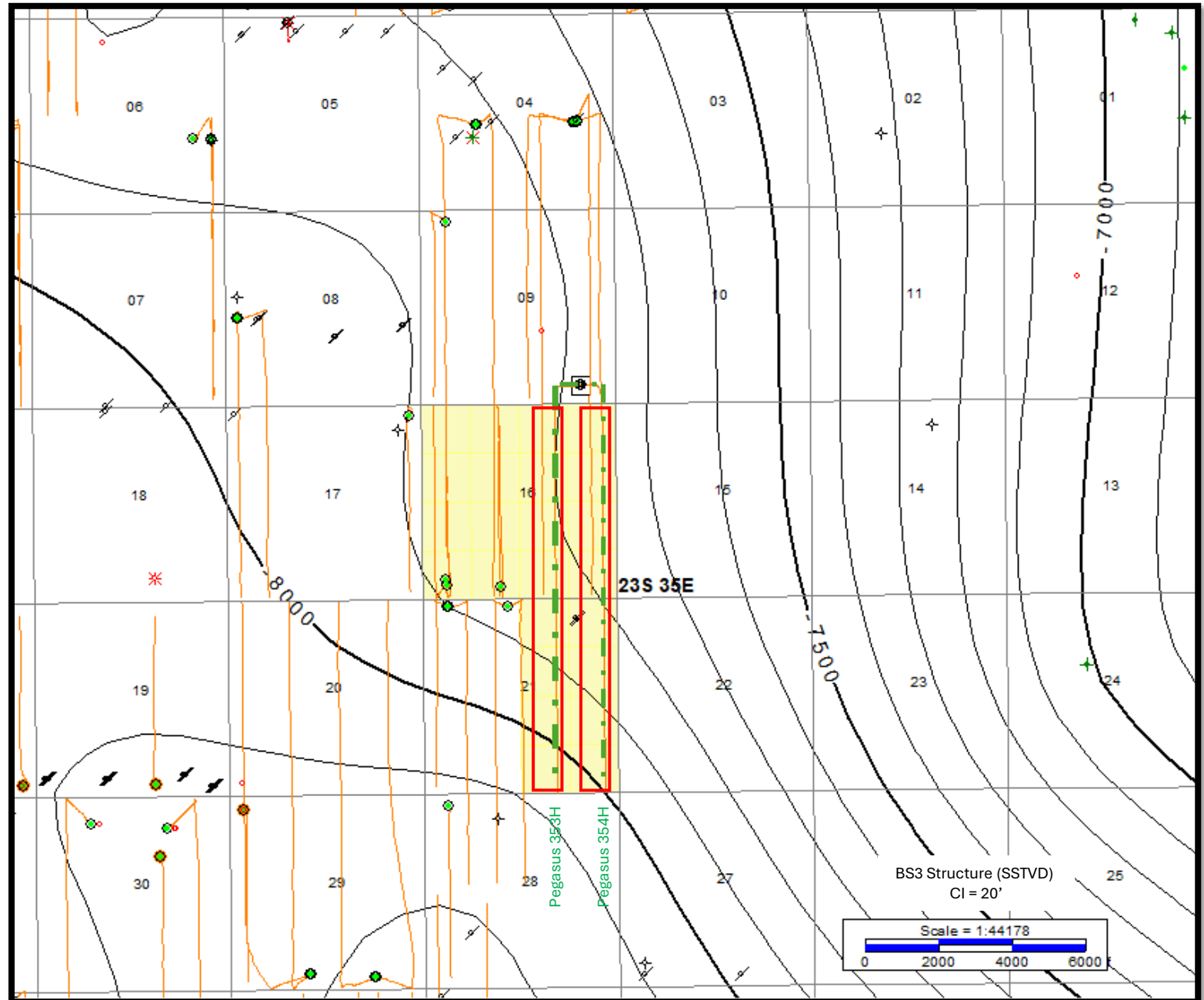
Marlin Operating, LLC
1371 Brumlow Avenue, Suite A
Southlake, TX 76092

Locator Map



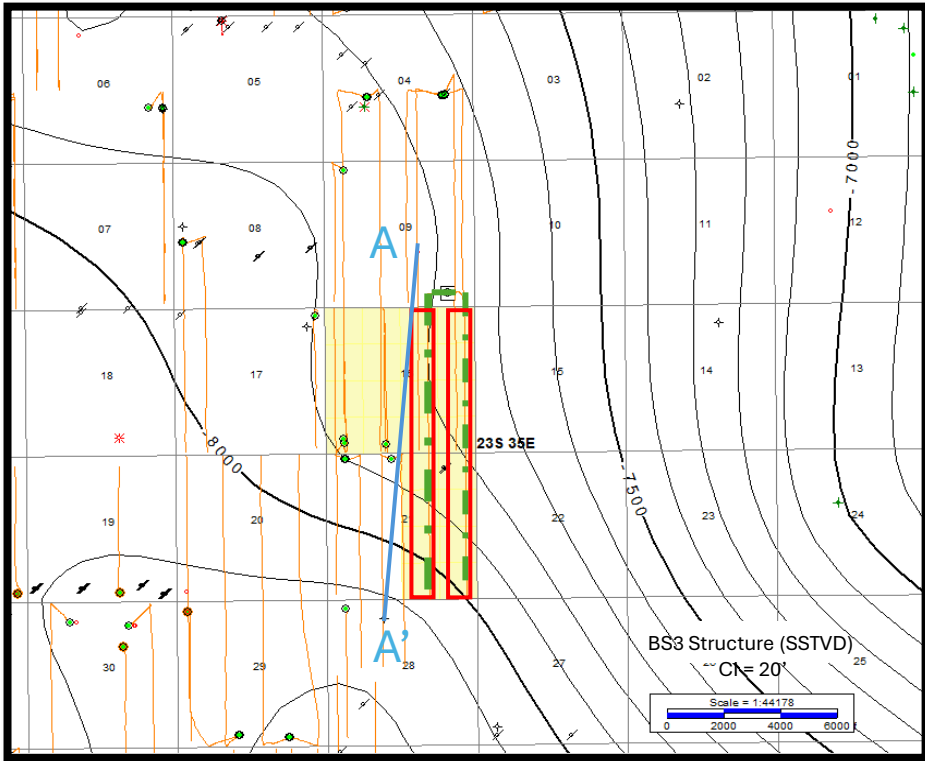
Marlin Operating, LLC
Case No. 24516
Exhibit B-2

BS 3 Structure Map



Marlin Operating, LLC
Case No. 24516
Exhibit B-3

Structural Cross Section

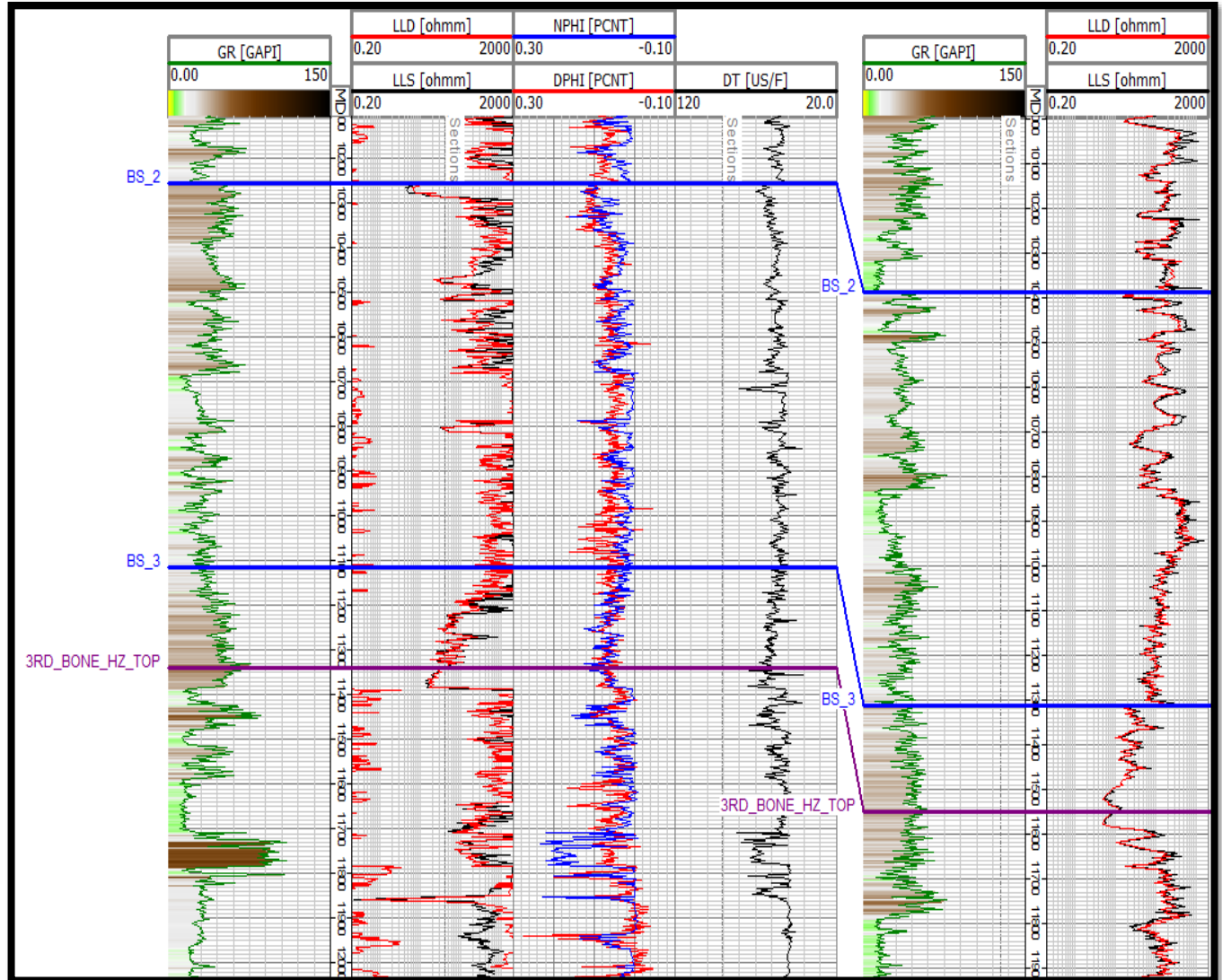


30025256610000
 Sand Well Com #1
 EOG Y Resources Inc.
 T23S R35E S9

30025216010000
 North Custer TN Unit #1
 Bass Brothers Enterprises Inc.
 T23S R35E S28

A

A'



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

**APPLICATION OF MARLIN OPERATING,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24516

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Marlin Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On June 12, 2024, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy
Dana S. Hardy

June 19, 2024
Date

**Marlin Operating, LLC
Case No. 24516
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

June 7, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24516 – Application of Marlin Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **June 27, 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, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/oed/oedpermitting/>) or via e-mail to oed.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Vidal Quevedo, at Marlin Operating, LLC, by phone at (512) 627-8133 or via email at vidal@marlinoperating.com if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy
Dana S. Hardy

Marlin Operating, LLC
Case No. 24516
Exhibit C-1

Enclosure

PO BOX 10
ROSWELL, NEW MEXICO 88202
(575) 622-6510
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

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

**APPLICATION OF MARLIN OPERATING,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24516

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Chief Capital (O&G) II LLC 8111 Westchester Dr., Suite 900 Dallas, Texas 75225	06/07/24	06/13/24
EOG Resources, Inc. 5509 Champions Dr. Midland, Texas 79706	06/07/24	Per USPS Tracking (Last Checked 06/19/24): 06/11/24 – Delivery attempted.
LeaCo New Mexico Exploration & Production, LLC 2000 Post Oak Blvd., Suite 100 Houston, Texas 77056	06/07/24	06/17/24
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240	06/07/24	06/14/24
Marlin South Texas Minerals Corp. 919 Milam St., Suite 2010 Houston, Texas 77002	06/07/24	06/17/24
Occidental Permian, Ltd. 5 Greenway Plaza, Suite 110 Houston, Texas 77046	06/07/24	06/17/24
Spearpoint Resources MDU, LLC 1225 North Loop W, Suite 1055 Houston, Texas 77708	06/07/24	06/14/24
XTO Delaware Basin, LLC 22777 Spring Woods Village Pkwy. Spring, Texas 77389	06/07/24	06/17/24

**Marlin Operating, LLC
Case No. 24516
Exhibit C-2**

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For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
 \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage
 \$ _____

Total Postage and Fees
 \$ _____

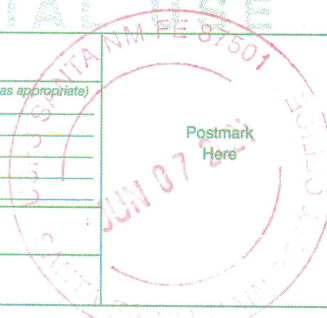
Sent To


Street and Apt. No., or PO Box No. Chief Capital (O&G) II LLC
 8111 Westchester Dr., Suite 900
 Dallas, Texas 75225

City, State, ZIP+4® 24516 - Marlin Pegasus 354H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

9589 0710 5270 0415 9519 70



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Paul Horne</i> C. Date of Delivery <i>6/10/24</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center;">RECEIVED JUN 13 2024</p>
<p>1. Article Addressed to:</p> <p>Chief Capital (O&G) II LLC 8111 Westchester Dr., Suite 900 Dallas, Texas 75225</p> <p style="text-align: right;">24516 - Marlin Pegasus 354H</p>  <p>9590 9402 8562 3186 0239 47</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery 87504</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0415 9519 70</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

Marlin Operating, LLC
Case No. 24516
Exhibit C-3

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Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To _____
 Street and Apt. No., or PO Box No. _____
 City, State, ZIP+4® _____

LeaCo New Mexico Exploration
 & Production, LLC
 2000 Post Oak Blvd., Suite 100
 Houston, Texas 77056
 24516 - Marlin Pegasus 354H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____</p> <p>RECEIVED JUN 17 2024 Hinkle Shanor LLP Santa Fe NM 87506</p>
<p>1. Article Addressed to:</p> <p>LeaCo New Mexico Exploration & Production, LLC 2000 Post Oak Blvd., Suite 100 Houston, Texas 77056 24516 - Marlin Pegasus 354H</p> <p>9590 9402 8562 3186 0236 02</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0415 9519 56</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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SANTA FE NM MAIN POST OFFICE

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Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	
\$	
Total Postage and Fees	
\$	
Sent To	
Street and Apt. No., or PO Box No.	MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240
City, State, ZIP+4®	24516 - Marlin Pegasus 354H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X JUN 14 2024</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; opacity: 0.5;">RECEIVED</p> <p style="text-align: center; font-size: 1.5em;">JUN 14 2024</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240</p> <p style="text-align: right; font-size: 0.8em;">24516 - Marlin Pegasus 354H</p> </div> <p style="text-align: center;">9590 9402 8562 3186 0236 19</p>	<p>3. Service Type Hinkle Shanon LLP</p> <p><input type="checkbox"/> Adult Signature Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0415 9519 49</p>	<p style="text-align: right;">Domestic Return Receipt</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	

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Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

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Street and Apt. No., or PO Box No. Marlin South Texas Minerals Corp.
919 Milam St., Suite 2010
Houston, Texas 77002

City, State, ZIP+4® 24516 -- Marlin Pegasus 354H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p style="text-align: center;">Marlin South Texas Minerals Corp. 919 Milam St., Suite 2010 Houston, Texas 77002</p> <p style="text-align: center; font-size: 0.8em;">24516 -- Marlin Pegasus 354H</p> </div> <p style="text-align: center;">9590 9402 8561 3186 6057 00</p> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9589 0710 5270 0415 9519 32</p>	<p>A. Signature <input checked="" type="checkbox"/> Agent <i>[Signature]</i> <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>6-11-24</i> C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <div style="text-align: center; font-size: 2em; font-weight: bold; margin: 10px 0;">RECEIVED</div> <p style="text-align: center; font-size: 1.2em;">JUN 17 2024</p> <p>3. Service Type</p> <table style="width: 100%; font-size: 0.8em;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
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<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt																

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SANTA FE NM FE 87501

SANTA FE NM MAIL POST OFFICE

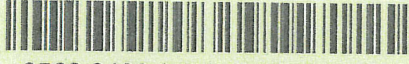
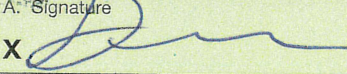
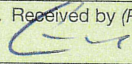
JUN 0 2024

Postmark Here

9589 0710 5270 0415 9519 25

Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	
\$	
Total Postage and Fees	
\$	
Sent To	
Street and Apt. No., or PO Box No.	Occidental Permian, Ltd. 5 Greenway Plaza, Suite 110 Houston, Texas 77046 24516 - Marlin Pegasus 354H
City, State, ZIP+4®	

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

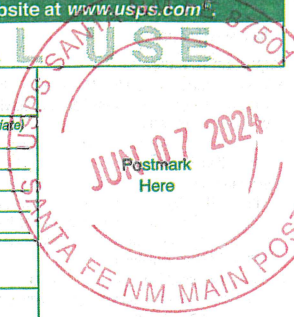
Sent To _____

Street and Apt. No., or PO Box No. _____

City, State, ZIP+4® _____

Spearpoint Resources MDU, LLC
 1225 North Loop W, Suite 1055
 Houston, Texas 77708
 24516 – Martin Pegasus 354H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Spearpoint Resources MDU, LLC
 1225 North Loop W, Suite 1055
 Houston, Texas 77708
 24516 – Martin Pegasus 354H

9590 9402 8561 3186 6057 24

2. Article Number (Transfer from service label)
 9589 0710 5270 0415 9519 18

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature *Hutton Bone* Agent Addressee

B. Received by (Printed Name) _____

C. Date of Delivery 6/11/24

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

RECEIVED
 JUN 14 2024

3. Service Type Hinkle Shanor LP Priority Mail Express®
 Adult Signature Santa Fe NM 87504 Registered Mail™
 Adult Signature Restricted Delivery Registered Mail Restricted Delivery
 Certified Mail® Signature Confirmation™
 Certified Mail Restricted Delivery Signature Confirmation Restricted Delivery
 Collect on Delivery Insured Mail
 Collect on Delivery Restricted Delivery Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

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OFFICIAL USE

Certified Mail Fee \$ _____

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Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

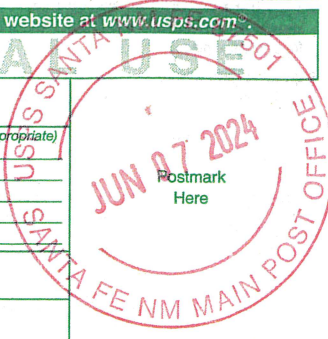
Total Postage and Fees \$ _____

Sent To

Street and Apt. No., or PO Box No. XTO Delaware Basin, LLC
 22777 Spring Woods Village Pkwy.
 Spring, Texas 77389

City, State, ZIP+4® 24516 - Marlin Pegasus 354H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



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<p>1. Article Addressed to:</p> <p>XTO Delaware Basin, LLC 22777 Spring Woods Village Pkwy. Spring, Texas 77389 24516 - Marlin Pegasus 354H</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>RECEIVED JUN 17 2024</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0415 9519 01</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

9589 0710 5270 0415 9519 63

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Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$



Postmark
Here

Sent To	
Street and Apt. No., or PO Box No.	EOG Resources, Inc. 5509 Champions Dr. Midland, Texas 79706
City, State, ZIP+4®	24516 - Marlin Pegasus 354H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

ALERT: FLOODING AND SEVERE WEATHER IN THE SOUTH, SOUTHEAST, AND CENTRAL U.S. ...

USPS Tracking®

FAQs >

Tracking Number:

Remove X

9589071052700415951963

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item is being held at the MIDLAND, TX 79706 post office at 9:09 am on June 11, 2024. This is at the request of the customer.

Get More Out of USPS Tracking:

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Feedback

Delivery Attempt

Held at Post Office, At Customer Request

MIDLAND, TX 79706
June 11, 2024, 9:09 am

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER
June 10, 2024, 5:45 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101
June 8, 2024, 8:06 am

Arrived at USPS Facility

ALBUQUERQUE, NM 87101
June 7, 2024, 9:45 pm

Hide Tracking History

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

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USPS Tracking Plus®



Product Information



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Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA


I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
June 12, 2024
and ending with the issue dated
June 12, 2024.



Publisher

Sworn and subscribed to before me this
12th day of June 2024.



Business Manager

My commission expires
January 29, 2027

(Seal)
STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL	LEGAL
LEGAL NOTICE June 12, 2024	
<p>This is to notify all interested parties, including Chief Capital (O&G) II LLC; EOG Resources, Inc.; LeaCo New Mexico Exploration and Production, LLC; MRC Permian Company; Marlin South Texas Minerals Corporation; Occidental Permian, Ltd.; Spearpoint Resources MDU, LLC; XTO Delaware Basin, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Marlin Operating, LLC (Case No. 24516). The hearing will be conducted on June 27, 2024, 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 virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. Marlin Operating, LLC ("Applicant") seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 16 and 21, Township 23 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the proposed Pegasus 16 State Com #354H well ("Well"), which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 9 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 21. Due to a depth severance in the Bone Spring formation within the Unit, Applicant seeks to pool uncommitted interests in the Third Bone Spring interval of the Bone Spring formation at a stratigraphic equivalent of approximately 11,218' to 11,383' TVD. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 16 miles southwest of Eunice, New Mexico. #00291236</p>	

02107475

00291236

GILBERT
HINKLE, SHANOR LLP
PO BOX 2068
SANTA FE, NM 87504

Marlin Operating, LLC
Case No. 24516
Exhibit C-4