## **Before the Oil Conservation Division Examiner Hearing January 9, 2025**

Case No. 25024
Application of Marathon Oil Permian LLC
To Amend Order R-23066
For The Limited Purpose of
Adding Additional Pooled Parties



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

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-23066 FOR THE LIMITED PURPOSE OF ADDING ADDITIONAL POOLED PARTIES.

> CASE NO. 25024 ORDER NO. R-23066

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Tab B: Declaration of Deana M. Bennett

- Exhibit B.1: Sample Notice Letter
- Exhibit B.2: Mailing List of Interested Parties
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- Exhibit B.4: Affidavit of Publication

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

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-23066 FOR THE LIMITED PURPOSE OF ADDING ADDITIONAL POOLED PARTIES.

> CASE NO. 25024 ORDER NO. R-23066

#### SELF-AFFIRMED STATEMENT OF RYAN GYLLENBAND

Ryan Gyllenband hereby states and declares as follows:

- 1. I am employed by Marathon Oil Permian LLC ("Marathon") as a landman. I am over the age of 18, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement.
- 2. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum land matters were accepted as a matter of record.
- 3. I am familiar with the application filed by Marathon in this case and with the land matters involved in this case. A copy of the application, which includes the proposed hearing notice, is attached as **Exhibit A-1**.
- 4. On February 28, 2024, the Division entered Order No. R-23066 ("Order") in Case No. 23755, which pooled uncommitted interests in the Wolfcamp formation underlying a 1,276-acres, more or less, standard horizontal spacing unit comprised of the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New

Marathon Oil Permian LLC Case No. 25024 Exhibit A Mexico ("Unit"), dedicated to Marathon's Decimus Fed Com wells ("Wells"). Marathon was designated as operator of the Unit and Wells.

- 5. A copy of the Order is attached as **Exhibit A-2**.
- 6. Since the Order was entered, Marathon has identified additional uncommitted mineral interests in the Unit that have not been pooled under the terms of the Order.
- 7. **Exhibit A-3** identifies the additional interest owners Marathon seeks to pool in this case, including the nature and percentage of ownership.
- 8. **Exhibit A-4** is a sample well proposal letter and AFE sent to the interest owners Marathon seeks to pool in this case. 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.
- 9. **Exhibit A-5** is a summary of contacts with the additional parties Marathon seeks to pool.
- 10. In my opinion, Marathon made a good faith effort to obtain voluntary joinder in the proposed wells.
- 11. 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.
- 12. Marathon requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

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13. None of the additional 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.

14. Marathon requests the additional uncommitted mineral interest owners be pooled

under the terms of the Order.

15. In my opinion, the granting of this application would protect correlative rights and

prevent waste.

16. The attachments to this Self-Affirmed Statement were prepared by me, or compiled

from company business records, or were prepared at my direction.

17. 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.

[Signature page follows]

Dated: <u>Pecember 18</u>, 2024

Ryan Gyllenband

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

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-23066 FOR THE LIMITED PURPOSE OF ADDING ADDITIONAL POOLED PARTIES.

> CASE NO. 25024 ORDER NO. R-23066

#### **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), Section 70-2-17, for the limited purpose of amending Order No. R-23066 (the "Order") to pool additional parties under the Order. In support of this application, Marathon states:

- 1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
- 2. Order R-23066 was issued in Case No. 23755. Pursuant to Order No. R-23066, Marathon is the operator of a standard 1276-acre, more or less, Wolfcamp horizontal spacing unit comprised of the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.
  - 3. The Order pooled uncommitted interest owners in the spacing unit described above.
- 4. Since the entry of the Order, Marathon has identified additional interest owners that it seeks to pool under the Order and include under the Order's terms.
- 5. Marathon sought, but has been unable to obtain, a voluntary agreement from the additional interest owners Marathon seeks to pool in this case to participate in the drilling of the wells or to otherwise commit their interests to the wells.

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EXHIBIT

A•

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6. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025 and after notice and hearing as required by law, the Division enter its order:

- A. Amending Order No. R-23066 to include additional pooled parties under Order No. R-23066's terms; and
  - B. Incorporating all of the provisions of Order No. R-23066.

Respectfully submitted,

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

By: Net Dan

Earl E. DeBrine, Jr Deana M. Bennett

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Attorneys for Marathon Oil Permian LLC

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CASE NO. 25024 : Application of Marathon Oil Permian to Amend Order No. R-23066, Eddy County, New Mexico for the Limited Purpose of Adding Additional Pooled Parties. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-23066 to pool additional parties under Order No. R-23066. Order R-23066 was issued in Case No. 23755 and pooled uncommitted interest owners in a standard 1276-acre, more or less, Wolfcamp horizontal spacing unit underlying the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 3.5 miles northwest of Loving, NM.

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MARATHON OIL PERMIAN

CASE NO. 23755 ORDER NO. R-23066

#### <u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on November 2, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

#### FINDINGS OF FACT

- 1. Marathon Oil Permian ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

#### **CONCLUSIONS OF LAW**

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### **ORDER**

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
- 20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
- 22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 23755 ORDER NO. R-23066

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Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

CASE NO. 23755 ORDER NO. R-23066

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- 30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 30 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAN M FUGE DIRECTOR (ACTING)

DMF/hat

**Date:** 2/28/2024

CASE NO. 23755 ORDER NO. R-23066

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#### Exhibit A

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OCD Example: Hearing 11: 2-22  $P_{a,2C}$   $\beta$  of SS

COMPULSORY POOLING APPLICAT	ION CHECKLIST
ALL INFORMATION IN THE APPLICATION MUST BE	SUPPORTED BY SIGNED AFFIDAVITS
Case: 23755	APPLICANT'S RESPONSE
Date	November 2, 2023
Applicant	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC OGRID No. 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:	Faskin Oil & Ranch LTD.
Well Family	Decimus
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Purple Sage; Wolfcamp (Gas) Pool (Code 98220)
Well Location Setback Rules:	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	Approx. 1276-acres
Building Blocks:	320-Acres
Orientation:	North/South
Description: TRS/County	S/2 of Sections 5 and 6, and the N/2 of Sections 7 and 8, Township South, Range 28 East, N.M.P.M., Eddy 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	N/A
Proximity Tracts: If yes, description	Yes.
Proximity Defining Well: if yes, description	The completed intervals for the Decimus Fed Com 702H and Decil Fed Com 803H wells are expected to be less than 330' from the adjoining racts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit.
Applicant's Ownership in Each Tract	See Exhibit B.3
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

Exhibit A

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Seed to CCD - 10-31-2022 3-31-4-1-4-PM	OCO Example Healing 11: 272 No. 22755 $P_{\rm Hall}$ $^{\rm A}$
Well #2: Decimus Fed Com 701H	
	SHL: 1670' FSL & 302' FWL, Section 6, T23S, R28E BHL: 1650' FSL & 330' FEL, Section 5, T23S, R28E Completion Target: Purple Sage Wolfcamp (Approx. 9,330 TVD)
Well #4: Decimus Fed Com 702H	
	SHL: 1610' FSL & 302' FWL, Section 6, T23S, R28E BHL: 300' FSL & 330' FEL, Section 5, T23S, R28E Completion Target: Purple Sage Wolfcamp (Approx. 9,330 TVD)
Well #6: Decimus Fed Com 703H	
	SHL: 536' FNL & 271' FEL, Section 12, T23S, R27E BHL: 990' FNL & 330' FEL, Section 8, T23S, R28E Completion Target: Purple Sage Wolfcamp (Approx. 9,480 TVD)
Well #8: Decimus Fed Com 704H	
	SHL: 635' FNL & 272' FEL, Section 12, T23S, R27E BHL: 2310' FNL & 330' FEL, Section 8, T23S, R28E Completion Target: Purple Sage Wolfcamp (Approx. 9,480 TVD)
Well #1: Decimus Fed Com 801H	
	SHL: 1700' FSL & 302' FWL, Section 6, T23S, R28E BHL: 2310' FSL & 330' FEL, Section 5, T23S, R28E Completion Target: Purple Sage Wolfcamp (Approx. 10,010 TVD)
Well #3: Decimus Fed Com 802H	
	SHL: 1640' FSL & 302' FWL, Section 6, T23S, R28E BHL: 990' FSL & 330' FEL, Section 5, T23S, R28E Completion Target: Purple Sage Wolfcamp (Approx. 10,010 TVD)
Well #5: Decimus Fed Com 803H	
	SHL: 505' FNL & 271' FEL, Section 12, T23S, R27E BHL: 300' FNL & 330' FEL, Section 8, T23S, R28E Completion Target: Purple Sage Wolfcamp (Approx. 10,010 TVD)
Well #7: Decimus Fed Com 804H	
	SHL: 605' FNL & 272' FEL, Section 12, T23S, R27E BHL: 1650' FNL & 330' FEL, Section 8, T23S, R28E Completion Target: Purple Sage Wolfcamp (Approx. 10,160 TVD)
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	See Exhibit B Pargraph 23
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B.7
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B.7
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B.7
Ownership Determination	

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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 Li	
(including lease numbers and owners) of Tracts subject to not requirements.	ice N/A
Pooled Parties (including ownership type)	Exhibit B.3
Unlocatable Parties to be Pooled	Exhibit B.3
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	Exhibit B.5
Cost Estimate to Drill and Complete	Exhibit B.6
Cost Estimate to Equip Well	Exhibit B.6
Cost Estimate for Production Facilities	Exhibit B.6
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2
Well Orientation (with rationale)	Exhibit C.11
Target Formation	Exhibit C.3 to C.6 & Exhibit C.7 to C.10
HSU Cross Section	Exhibit C.5 & Exhibit C.9
Depth Severance Discussion	N/A
Forms, Figures and Tables	
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.2
Structure Contour Map - Subsea Depth	Exhibit C.3 & Exhibit C.7
Cross Section Location Map (including wells)	Exhibit C.4 & Exhibit C.8
Cross Section (including Landing Zone)	Exhibit C.5 & Exhibit C.9
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information prov	ided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	10/31/2

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Decimus Additional Interest O	wners to be Pooled		
Name		% Interest	Interest Type
	523 Park Point Drive, Suite 200, Golden,		
Tap Rock Resources III, LLC	Colorado 80401	0.653689%	Working Interest
	600 N. Marienfeld St., Suite 1000, Midland, TX		
Powderhorn Assets, LLC	79701	2.161993%	Working Interest
	1010 North Halagueno Street, Carlsbad, New		
Kristi Rogge Fitzgerald and Kimberly Susan Rogge Rogers, as co-Trustees of	Mexico 88220, and 1414 Chico Street,		Unleased Mineral
the William Frank Smith and Gertrude Coolidge Smith Trust	Carlsbad, New Mexico 88220	2.349992%	Owner





Ryan Gyllenband Staff Land Professional Permian

Marathon Oil Company 990 Town & Country Blvd. Houston, TX 77024 Telephone 713.296.2453 mrgyllenband@marathonoil.com

September 26, 2024

SMP Titan Mineral Holdings, LP, SMP Sidecar Titan Mineral Holdings, LP, SMP Titan Flex, LP, and MSH Family Real Estate Partnership II, LLC 4143 Maple Ave., Ste. 500 Dallas, TX 75219

Re: Decimus Fed Com 701H, 702H, 703H, & 704H (the "Wells")

Participation Proposal

S/2 Sections 5 & 6, N/2 Sections 7 & 8, T23S-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 Wolfcamp formation, at a legal location in S/2 Sections 5 & 6, N/2 Sections 7 & 8, Township 23 South, Range 28 East, Eddy County, New Mexico (the "Subject Lands). Marathon's drilling plan is proposed in two phases as follows:

#### Phase 1:

Well Name	First Tal	e Point	Last Tak	e Point	TVD	MD	Target Interval
D : WG5 16 70411	330' FWL	1650' FSL	330' FEL	1650' FSL	9,330'	19.580'	Wolfcamp
Decimus WC Fed Com 701H	Section 6	Section 6	Section 5	Section 5	9,330	19,560	vvoircamp
B : W65 I6 T001	330' FWL	300' FSL	330' FEL	300' FSL	9.330'	19.580'	Wolfcamp
Decimus WC Fed Com 702H	Section 6	Section 6	Section 5	Section 5	9,330	19,560	vvoircamp

#### Phase 2:

Well Name	First Tak	ce Point	Last Tak	e Point	TVD	MD	Target Interval
D : WG5 16 7001	330' FEL	990' FNL	330' FWL	990' FNL	9,480'	19.730'	Wolfcamp
Decimus WC Fed Com 703H	Section 8	Section 8	Section 7	Section 7	9,460	19,730	vvoiicamp
D : WGE 16 TON	330' FEL	2310' FNL	330' FWL	2310' FNL	9.480'	19.730'	Wolfcamp
Decimus WC Fed Com 704H	Section 8	Section 8	Section 7	Section 7	9,480	19,730	vvoiicamp

**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 being 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."

As an unleased mineral owner, Marathon would also like to offer to lease your interest on at the following basic terms:

In addition, 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, you will be deemed non-consent in the wells.

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

Ryan Gyllenband Staff Land Professional

Ryan Gyllenband

**PARTICIPATION BALLOT** 

SMP Titan Mineral Holdings, LP hereby elects to:
Participate in the <b>Decimus WC Fed Com 701H</b> Well by paying its proportionate share of all actual costs.  Not to participate in the <b>Decimus WC Fed Com 701H</b> Well.
Participate in the <b>Decimus WC Fed Com 702H</b> Well by paying its proportionate share of all actual costs.  Not to participate in <b>Decimus WC Fed Com 702H</b> Well.
Participate in the <b>Decimus WC Fed Com 703H</b> Well by paying its proportionate share of all actual costs.  Not to participate in the <b>Decimus WC Fed Com 703H</b> Well.
Participate in the <b>Decimus WC Fed Com 704H</b> Well by paying its proportionate share of all actual costs.  Not to participate in <b>Decimus WC Fed Com 704H</b> Well.
By:
Title:
Print Name:
Date:
SMP Sidecar Titan Mineral Holdings, LP hereby elects to:
Participate in the <b>Decimus WC Fed Com 701H</b> Well by paying its proportionate share of all actual costs.  Not to participate in the <b>Decimus WC Fed Com 701H</b> Well.
Participate in the <b>Decimus WC Fed Com 702H</b> Well by paying its proportionate share of all actual costs.  Not to participate in <b>Decimus WC Fed Com 702H</b> Well.
Participate in the <b>Decimus WC Fed Com 703H</b> Well by paying its proportionate share of all actual costs.  Not to participate in the <b>Decimus WC Fed Com 703H</b> Well.
Participate in the <b>Decimus WC Fed Com 704H</b> Well by paying its proportionate share of all actual costs.  Not to participate in <b>Decimus WC Fed Com 704H</b> Well.
By:
Title:
Print Name:
Date:
SMP Titan Flex, LP hereby elects to:
Participate in the <b>Decimus WC Fed Com 701H</b> Well by paying its proportionate share of all actual costs.  Not to participate in the <b>Decimus WC Fed Com 701H</b> Well.

	$ \hbox{Participate in the $\bf Decimus WC Fed Com 702H$ Well by paying its proportionate share of all actual costs. } \\$
	Not to participate in <b>Decimus WC Fed Com 702H</b> Well.
	Participate in the <b>Decimus WC Fed Com 703H</b> Well by paying its proportionate share of all actual costs. Not to participate in the <b>Decimus WC Fed Com 703H</b> Well.
	Participate in the <b>Decimus WC Fed Com 704H</b> Well by paying its proportionate share of all actual costs. Not to participate in <b>Decimus WC Fed Com 704H</b> Well.
Bv:	
	Name:
	•
MSH	Family Real Estate Partnership II, LLC hereby elects to:
	Participate in the <b>Decimus WC Fed Com 701H</b> Well by paying its proportionate share of all actual costs. Not to participate in the <b>Decimus WC Fed Com 701H</b> Well.
	Participate in the <b>Decimus WC Fed Com 702H</b> Well by paying its proportionate share of all actual costs. Not to participate in <b>Decimus WC Fed Com 702H</b> Well.
	Participate in the <b>Decimus WC Fed Com 703H</b> Well by paying its proportionate share of all actual costs. Not to participate in the <b>Decimus WC Fed Com 703H</b> Well.
	Participate in the <b>Decimus WC Fed Com 704H</b> Well by paying its proportionate share of all actual costs. Not to participate in <b>Decimus WC Fed Com 704H</b> Well.
By:	
	Name:
Date	

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS		DRILLING & LOCATION PRI COMPLETION PRI FACILITIES PR	EPARED BY KRISTEN DRAIN EPARED BY HARSHA DISSANAYAKE
		ARTIFICIAL LIFT PR	EPARED BY CLAYTON DIETZE
	PERMIAN		
Formation Lease/Facility	DECIMUS WC FED COM 701H	WILDCAT DEVELOPMENT	EXPLORATION RECOMPLETION
Location	S/2 Sec. 5 & 6, N/2 Sec. 7 & 8, 235-28E	X EXPLOITATION	WORKOVER
	Malaga		
Est Total Depth	19,580' Est Drilling Days	22 Est Comp	letion Days 7
LOCATION COST - INTANGIBLE	AND THE PROPERTY OF THE PROPER	OMENIA CONTRACTOR OF THE PROPERTY OF THE PROPE	
CI CODE	255	CRIPTION	CCTIMATED COST
GL CODE 7001270	Location and Access	CRIPTION	ESTIMATED COST 127,800
7001250	Land Broker Fees and Services		85,200
	TOTAL LOCATION COST - INTANGIBLE		\$213,000
DRILLING COST - TANGIBLE			
7001270	Conductor Pipe		45,350
7012050	Surface Casing		47,164
7012050	Intermediate Casing 1		192,282
7012050 7012050	Intermediate Casing 2 Production Casing		943,272
7012050	Drlg Liner Hanger, Tieback Eq & C	Csg Accessories	
7012550	Drilling Wellhead Equipment		43,536
7012040 7290003	Casing & Tubing Access Miscellaneous MRO Materials		99,769
7250003	Wiscenaneous WRO Waterials		
	TOTAL DRILLING - TANGIBLE		\$1,380,442
DRILLING COST - INTANGIBLE			
730000	Duilling Die Mah /Damah		191 208
7290002 7290002	Drilling Rig Mob/Demob  Drilling Rig - day work/footage		
7019040	Directional Drilling Services		294,954
7019020	Cement and Cementing Service	Surface	27,210
7019020 7019020	Cement and Cementing Service Cement and Cementing Service	Intermediate 1 Intermediate 2	45,350
7019020	Cement and Cementing Service	Production	272,098
7019140	Mud Fluids & Services		120,176
7012310	Solids Control equipment		77,548
7012020 7019010	Bits Casing Crew and Services		217,678 72,559
7016350	Fuel (Rig)		133,555
7019140	Fuel (Mud)		54,420
7001460 7012350	Water (non potable) Water (potable)		45,350 9,070
7019000	Well Logging Services		
7019150	Mud Logging+geosteering		25,101
7019250	Stabilizers, Hole Openers, Under	reamers (DH rentals)	63,489
7019110 7019110	Casing inspection/cleaning Drill pipe/collar inspection servi	(es	
7016180	Freight - truck	-	45,350
7001460	Water hauling and disposal (incl		108,839
7001160 7001440	Contract Services - Disposal/Nor Vacuum Trucks	-Hazardous Waste	145,119
7000030	Contract Labor - general		54,420
7000010	Contract Labor - Operations		5,442
7001200 7019300	Contract Services - Facilities Well Services - Well Control Serv	d	18,140 38,547
7019300	Well Services - Well/Wellhead S		18,140
7290003	Rental Tools and Equipment (sur		21,541
7260001	Rig Equipment and Misc.		172,328
7001110 7001120	Telecommunications Services Consulting Services		9,070 180,945
7001400	Safety and Environmental		60,315
7330002	Rental Buildings (trailers)		21,541
7019310 7011010	Coring (sidewalls & analysis) 8% Contingency & Taxes		401,407
7011010			
	TOTAL DRILLING - INTANGIBLE		\$4,038,558
	TOTAL DRILLING COST		¢5 410 000
	TOTAL DRILLING COST		\$5,419,000
COMPLETION - TANGIBLE	******		
GL CODE	000	CRIPTION	ESTIMATED COST
7012580	Tubing	ickir 1101	-
7012040	Tubing Accessories (nipple, wire	line entry)	
7012550	Wellhead Equip		15,000
7012560	Packers - Completion Equipmen	t	
	TOTAL COMPLETION - TANGIBLE		\$15,000
COMPLETION - INTANGIBLE			
7001270	Location and Access (dress locat	ion after rig move, set anchors)	9,656
7290002 7019140	Drilling Rig During Completion  Mud Fluids & Services		:
7019030	Coiled Tubing Services (3 runs)		151,739
7019240	Snubbing Services		
7019270 7016350	Pulling/Swab Units Fuel (from drlg)		
7019010	Casing Crew and Services		= <del>====</del>
7019020	Cement and Cementing Service		

7019080	Well Testing Services (flow hand & equip)	617,426
7390002 7019330	Fracturing Services Perforating	3,969,9 <u>10</u> 180,331
7019330	Wireline Services	180,331
7001460	Water Hauling & Disposal (frac fluids)	461,266
7016180	Freight - Truck (haul pipe; drlg & compl)	
7290003	BOP Rental & Testing	
7290003 7290003	Rental Tools and Equipment ( incl drig; lightplant,hydra-walk) CT Downhole Rental Equipment (ie. Bit, BHA)	44,832
7290003	Contract Labor - general	44,002
7000030	Telecommunications Services	34,486
7001110	Safety and Environmental	•
7001400	Consulting Services	90,698
7001120 7019300	Zipper Manifold Frack Stack Rentals	135,715 117,253
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	121,991
7012350	Company Labor & Burden	
7000030	Contract Labor - General	132,488
7001110	Telecommunication equip (Telemetry)	
7012410	Line Pipe & Accessories	35,317
7012270 7008060	Miscellaneous Materials (containment system)  SCADA	36,787 11,638
7016180	Freight - truck	12,167
7001190	Contract Engineering	7,537
7012290	Metering and Instrumentation	206,441
7012290	I&E Materials	121,093
7012200	Gas Treating	
7012200 7012010	Dehydration Compressor	14,010
7012350	Power	
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	195,742
7012500		34,455
7012100 7012640	Heater Treater Flare & Accessories	101,834
7000010	Electrical Labor	66,911
7000010	Mechanical Labor	144,693
7012480	Rod Pumping unit & Pad	<u> </u>
7012180	Pumping Unit Engine	
7012350	Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE	27,105 \$1,285,000
7012350		\$ 1,285,000
	TOTAL SURFACE EQUIPMENT - TANGIBLE	\$1,285,000
ARTIFICIAL LIFT	TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000
ARTIFICIAL LIFT 7000030	TOTAL SURFACE EQUIPMENT COST  Contract Labor	\$1,285,000
ARTIFICIAL LIFT	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead	\$ 1,285,000
ARTIFICIAL LIFT  7000030  7001120  7008230  7012180	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200
700030 7001120 7008230 7012280 7012280 7012250	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200
7000030 7001120 7008230 7012180 7012280 7012350 7012550	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree	\$ 1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,3000
ARTIFICIAL LIFT  7000030  7001120  7008230  7012180  7012350  7012550  7012560	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 53,000
ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012350 7012550 7012580 7015190 7018150	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,3000
ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012350 7012550 701550 701590 7018190 7018150 7019130	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid	\$ 1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000 3,000 3,000 1,200 1,200 1,200
7000030 7001120 7008230 7012180 7012280 7012250 7012580 7015190 7018150	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals	\$ 1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000 3,000 1,200 1
700030 7001120 7008230 7012180 7012280 7012250 7012580 7016190 7018150 7019330	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid	\$ 1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000
700030 7001120 7008230 7012180 7012280 7012250 7012580 7016190 7018150 7019330	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig	\$ 1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 3,000 3,000 3,000 1,200 1,200 1,200 1,200 1,200 1,200
700030 7001120 7008230 7012180 7012280 7012250 7012580 7016190 7018150 7019330	TOTAL SURFACE EQUIPMENT - TANGIBLE  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT	\$ 1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 3,000 3,000 3,000 3,000 1,200 1,200 1,200 1,400
ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012350 7012550 701550 701590 7018190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 1,200 1,200 1,200 2,55,000  \$ 255,000
ARTIFICIAL LIFT  7000030 7001120 7008230 7012380 7012350 7012550 701550 701590 7018150 7018150	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 1,200 1,4400 255,000  \$ 255,000
ARTIFICIAL LIFT  7000030 7001120 7008230 7012380 7012350 7012550 701550 701590 7018150 7018150	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 1,200 3,000 3,000 1,200 1,200 1,200 1,200 2,55,000  \$ 255,000  TOTAL COST \$ 213,000 \$ 5,419,000
ARTIFICIAL LIFT  7000030 7001120 7008230 7012380 7012350 7012550 701550 701590 7018150 7018150	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 11,200 3,000 3,000 3,000 1,200 14,400 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834
ARTIFICIAL LIFT  7000030 7001120 7008230 7012380 7012350 7012550 701550 701590 7018150 7018150	TOTAL SURFACE EQUIPMENT - TANGIBLE  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000
700030 7001120 7008230 7012180 7012280 7012250 7012580 7016190 7018150 7019330	TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,600 1,200 3,600 1,200 1,4400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
700030 7001120 7008230 7012180 7012280 7012250 7012580 7016190 7018150 7019330	TOTAL SURFACE EQUIPMENT - TANGIBLE  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,600 1,200 3,600 1,200 1,4400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
700030 7001120 7008230 7012180 7012280 7012250 7012580 7016190 7018150 7019330	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL LOST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000
ARTIFICIAL LIFT  7000030 7001120 7002130 7012180 7012180 7012580 701550 701550 701350 7018150 7018150 7019130 7019120	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,600 1,200 3,600 1,200 1,4400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7000030 7000120 7000230 70012180 7012250 7012250 7012250 7012550 7018150 7018150 7019120	TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,600 1,200 3,600 1,200 1,4400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
ARTIFICIAL LIFT  7000030  7001120  7008230  7012380  7012350  7012550  7012580  7016190  7018150  7019120   By:	TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,600 1,200 3,600 1,200 1,4400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
ARTIFICIAL LIFT  7000030 7001120 7002130 7012180 7012180 7012550 7012580 7015150 7018150 7018150 7019220   By:	TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,600 1,200 3,600 1,200 1,4400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS				DATI IG & LOCATION PREPARED B' COMPLETION PREPARED B' FACILITIES PREPARED B' ARTIFICIAL LIFT PREPARED B'	Y COURT NELSON Y KRISTEN DRAIN Y HARSHA DISSANAYAKE
Asset Team	PERMIAN				
Formation	WOLFCAMP			WILDCAT DEVELOPMENT	EXPLORATION
Lease/Facility	DECIMUS WC FED	COM 702H		DEVELOPMENT	RECOMPLETION
Location Prospect	S/2 Sec. 5 & 6, N/2 Malaga	Sec. 7 & 8, 235-28E	X	EXPLOITATION	WORKOVER
		5 · 5 · 10 · 5 · ·		5 . 0 (-1) D	_
Est Total Depth	19,580'	Est Drilling Days	22	Est Completion Day	rs
LOCATION COST - INTANGIBLE					
GL CODE		DESC	RIPTION		ESTIMATED COST
7001270		and Access			127,800
7001250	Land Bro	oker Fees and Services			85,200
	TOTAL LOCATION	COST - INTANGIBLE			\$213,000
DRILLING COST - TANGIBLE					
					45 250
7001270 7012050	Conduct Surface				45,350 47,164
7012050		diate Casing 1			192,282
7012050 7012050		diate Casing 2 ion Casing			943,272
7012050		er Hanger, Tieback Eq & C:	g Accessories		
7012550		Wellhead Equipment	· · · · · · · · · · · · · · · · · · ·		43,536
7012040		Tubing Access			99,769
7290003	Miscella	neous MRO Materials			9,070
	TOTAL DRILLING -	TANGIBLE			\$1,380,442
DRILLING COST - INTANGIBLE			··· 1. *********************************		
7290002		Rig Mob/Demob			181,398
7290002		Rig - day work/footage			1,033,971
7019040 7019020		nal Drilling Services and Cementing Service	Surface		294,954 27,210
7019020		and Cementing Service	Intermedi	ate 1	45,350
7019020	Cement	and Cementing Service	Intermedi	ate 2	
7019020		and Cementing Service	Production	<u> </u>	272,098
7019140 7012310		nids & Services ontrol equipment			120,176 77,548
7012020	Bits	Onti or Equipment			217,678
7019010	Casing C	rew and Services			72,559
7016350	Fuel (Ri	g)			133,555 54,420
7019140 7001460	Fuel (M Water (	non potable)			45,350
7012350		potable)			9,070
7019000	Well Lo	gging Services			
7019150	Mud Lo	gging+geosteering			25,101
7019250 7019110		ers, Hole Openers, Underr nspection/cleaning	eamers (DH renta	.5)	63,489 27,210
7019110		e/collar inspection service	25		18,140
7016180	Freight	- truck			45,350
7001460		auling and disposal (inclu t Services - Disposal/Non-			108,839 145,119
7001160 7001440		Trucks	riazardous vvaste		18,140
7000030	Contrac	t Labor - general			54,420
7000010		t Labor - Operations		<del></del>	5,442 18,140
7001200 7019300		t Services - Facilities rvices - Well Control Servi	res		38,547
7019350		rvices - Well/Wellhead Se			18,140
7290003		Fools and Equipment (surf	ace rentals)		21,541
7260001		pment and Misc. nmunications Services			172,328 9,070
7001110 7001120		ing Services			180,945
7001400	Safety a	nd Environmental			60,315
7330002	Rental	Buildings (trailers)			21,541
7019310 7011010		sidewalls & analysis) tingency & Taxes			401,407
	TOTAL DRILLING -				\$4,038,558
	TOTAL DRILLI	NG COST	· · · · · · · · · · · · · · · · · · ·		\$5,419,000
COMPLETION - TANGIBLE	77.78VI			<del>_</del> .	
GL CODE		DESC	RIPTION		ESTIMATED COST
7012580	Tubing	DESC			
7012040	Tubing	Accessories (nipple, wirel	ine entry)		
7012550		ad Equip			15,000
7012560		- Completion Equipment	***		\$15,000
	TOTAL COMPLETI	ON - I ANGIBLE			\$15,000
COMPLETION - INTANGIBLE		_			
_					_
7001270		n and Access (dress location	on after rig move,	set anchors)	9,656
7290002 7019140		Rig During Completion uids & Services			
7019030		Tubing Services (3 runs)			151,739
7019240	Snubbi	ng Services			•
7019270 7016350		/Swab Units om drlg)			
7019010		Crew and Services			
7019020		t and Cementing Services			

7019080 7390002	Well Testing Services (flow hand & equip) Fracturing Services	617,426 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 7290003	Rental Tools and Equipment ( incl drig; lightplant, hydra-walk)	44,832
7290003	CT Downhole Rental Equipment (ie. Bit, BHA)  Contract Labor - general	44,632
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 7330002	Equipment Rental ( w/o operator, frac tanks, lightplants)	175,414
7000030	Rental Buildings (trailers)  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 - TANGIE	BLE	
7012350	Misc. Piping, Fittings & Valves	121,991
7006640	Company Labor & Burden	121,931
7000030	Contract Labor - General	132,488
7001110	Telecommunication equip (Telemetry)	
7012410	Line Pipe & Accessories	35,317
7012270	Miscellaneous Materials (containment system)	36,787
7008060	SCADA	11,638
7016180	Freight - truck	12,167
7001190	Contract Engineering	7,537 206,441
7012290 7012290	Metering and Instrumentation  I&E Materials	121,093
7012200	Gas Treating	121,093
7012200	Dehydration	-
7012010	Compressor	14,010
7012350	Power	
7012610	Vapor Recovery Unit	
7012440	Separator & other pressure vessels	195,742
7012500	Tanks	34,455
7012100	Heater Treater	101,834
7012640	Flare & Accessories	14,792
7000010 7000010	Electrical Labor  Mechanical Labor	66,911 144,693
7012480	Rod Pumping unit & Pad	144,033
7012180	Pumping Unit Engine	
7012350	Electrical Power (electrical cooperative construction costs)	27,105
	TOTAL SURFACE EQUIPMENT - TANGIBLE	
		\$1,285,000 \$ 1,285,000
ARTIFICIAL LIFT	TOTAL SURFACE EQUIPMENT - TANGIBLE	\$1,285,000
	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST	\$1,285,000
7000030	TOTAL SURFACE EQUIPMENT COST  Contract Labor	\$1,285,000 \$ 1,285,000
7000030 7001120	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant	\$1,285,000 \$ 1,285,000 3,000 2,400
7000030	TOTAL SURFACE EQUIPMENT COST  Contract Labor	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000
7000030 7001120 7008230	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200
700030 7001120 7008230 7012180 7012350 7012550	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial lift Equipment	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200
7001120 7008230 7012180 7012350 7012550 7012580	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial lift Equipment Materials & Supplies Production Tree Tubing	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 1157,200 1,200 3,000 63,000
7000030 7001120 7008230 7011280 7012350 7012550 7012580 7016190	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000
700030 7001120 7008230 7012180 7012180 7012550 7012580 7012580 7016190 7018150	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000 3,000
7000030 7001120 7008230 7012180 7012250 7012550 7012550 701550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000 1,200 1,
700030 7001120 7008230 7012180 7012180 7012550 7012580 7012580 7016190 7018150	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000 1,200 1,
7000030 7001120 7008230 7012180 7012250 7012550 7012550 701550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 117,200 3,000 3,000 3,000 3,000 3,000 1,200 1,200 1,200 1,200 1,200 1,200 1,4
7000030 7001120 7008230 7012180 7012250 7012550 7012550 701550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 3,000 3,000 1,200 1,200 1,200 1,200 1,200 2,400 1,2
700030 7001120 7008230 7012180 7012350 7012550 7012550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT - TANGIBLE  Contract Labor Consultant Time Writing/Overhead Artificial LIR Equipment Materials & Supplies Production Tree Tubing Freight Rentals KII Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST	\$1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 1,200 1,200 1,200 1,200 255,000
7000030 7001120 7008230 7012180 7012250 7012550 7012550 701550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST	\$1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,2
700030 7001120 7008230 7012180 7012550 7012550 7012580 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST	\$1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 63,000 3,000 3,600 1,200 1,
700030 7001120 7008230 7012180 7012550 7012550 7012580 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000
700030 7001120 7008230 7012180 7012550 7012550 7012580 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 15,720 3,000 3,000 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834
700030 7001120 7008230 7012180 7012350 7012550 7012550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 15,720 3,000 3,000 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834
700030 7001120 7008230 7012180 7012350 7012550 7012550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production free Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 15,720 65,000 3,000 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,044,834 \$ 1,285,000
700030 7001120 7008230 7012180 7012350 7012550 7012550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals KII Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  3,000 3,000 63,000 3,000 3,600 1,200 14,404 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 2555,000
700030 7001120 7008230 7012180 7012350 7012550 7012550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production free Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  3,000 3,000 63,000 3,000 3,600 1,200 14,404 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 2555,000
700030 7001120 7008230 7012180 7012350 7012550 7012550 7016190 7018150 7019130	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL ORALLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL LIFT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 1,200 3,000 3,600 1,200 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,944,834 \$ 1,285,000 \$ 255,000
7000030 7001120 7008230 7012180 7012180 7012580 7012580 7016190 7018150 7019130 7019120	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL ORDILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL LIFT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 1,200 3,000 3,600 1,200 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,944,834 \$ 1,285,000 \$ 255,000
7000030 7001120 7008230 7012180 7012180 7012580 7012580 7016190 7018150 7018150 7019120  TOTRICO	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL ORDILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 3,000 \$ 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7000030 7001120 7008230 7012180 7012180 7012550 7012580 7016190 7018150 7019130 7019120	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL ORDILLING COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,000 3,000 3,000 3,000 1,200 1,200 1,200 1,200 1,200 5,000  \$ 255,000   **TOTAL COST**  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7000030 7001120 7008230 7012180 7012350 7012350 7012550 7012580 7016190 7018150 7019130 7019120  By:  Title:  Print Name:	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals KIR Huid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 1,200 1,4,400 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,644,834 \$ 1,285,000
7000030 7001120 7008120 7012180 7012180 7012580 7012580 7016190 7018150 7019130 7019120	TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals KIR Huid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,000 3,000 3,000 3,000 1,200 1,200 1,200 1,200 1,200 5,000  \$ 255,000   **TOTAL COST**  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000

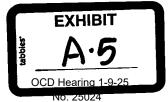
MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS		DATI DRILLING & LOCATION PREPARED BY COMPLETION PREPARED BY FACILITIES PREPARED BY ARTIFICIAL LIFT PREPARED BY	COURT NELSON KRISTEN DRAIN HARSHA DISSANAYAKE
Asset Team	PERMIAN		CONTINUE
Formation	WOLFCAMP	WILDCAT	EXPLORATION
Lease/Facility	DECIMUS WC FED COM 703H  \$\frac{1}{2}\$ Sec. 5 & 6, N/2 Sec. 7 & 8, 235-28E	DEVELOPMENT	_ RECOMPLETION  WORKOVER
Prospect	Malaga	-	_
Est Total Depth	19,730' Est Drilling Days	Est Completion Day	s7
LOCATION COST - INTANGIBLE			
GL CODE	D	ESCRIPTION	ESTIMATED COST
7001270 7001250	Location and Access  Land Broker Fees and Services		127,800 85,200
1002250			0
<u>.</u>	TOTAL LOCATION COST - INTANGIBLE		\$213,000
DRILLING COST - TANGIBLE			
7001270	Conductor Pipe		45,350
7012050 7012050	Surface Casing Intermediate Casing 1		47,164 192,282
7012050	Intermediate Casing 2		- 152,202
7012050	Production Casing		943,272
7012050	Drig Liner Hanger, Tieback Eq Drilling Wellhead Equipment		
7012550 7012040	Casing & Tubing Access		43,536 99,769
7290003	Miscellaneous MRO Materials		9,070
10.100	TOTAL DRILLING - TANGIBLE		\$1,380,442
DRILLING COST - INTANGIBLE			
7290002	Drilling Rig Mob/Demob		181,398
7290002	Drilling Rig - day work/footag	e	1,033,971
7019040 7019020	Directional Drilling Services  Cement and Cementing Service	e Surface	294,954 27,210
7019020	Cement and Cementing Service		45,350
7019020	Cement and Cementing Service	e Intermediate 2	
7019020	Cement and Cementing Service	e Production	272,098
7019140 7012310	Mud Fluids & Services Solids Control equipment		120,176 77,548
7012020	Bits		217,678
7019010	Casing Crew and Services		72,559
7016350 7019140	Fuel (Rig) Fuel (Mud)		133,555 54,420
7001460	Water (non potable)		45,350
7012350	Water (potable)		9,070
7019000	Well Logging Services		
7019150 7019250	Mud Logging+geosteering Stabilizers, Hole Openers, Uni	derreamers (OH rentals)	25,101 63,489
7019110	Casing inspection/cleaning	errediters (orrested)	27,210
7019110	Drill pipe/collar inspection se	rvices	18,140
7016180 7001460	Freight - truck Water hauling and disposal (in	aludo osil farminal	45,350
7001460	Contract Services - Disposal/N		108,839 145,119
7001440	Vacuum Trucks		18,140
7000030	Contract Labor - general		54,420
7000010 7001200	Contract Labor - Operations Contract Services - Facilities		5,442 18,140
7019300	Well Services - Well Control S	ervices	38,547
7019350	Well Services - Well/Wellhead		18,140
7290003	Rental Tools and Equipment ( Rig Equipment and Misc.	surface rentals)	21,541
7260001 7001110	Telecommunications Services		<u>172,328</u> 9,070
7001120	Consulting Services		180,945
7001400	Safety and Environmental		60,315
7330002 7019310	Rental Buildings (trailers)  Coring (sidewalls & analysis)		21,541
7011010	8% Contingency & Taxes		401,407
	TOTAL DRILLING - INTANGIBLE		\$4,038,558
	TOTAL DRILLING COST		\$5,419,000
COMPLETION - TANGIBLE			
GL CODE	n	ESCRIPTION	ESTIMATED COST
7012580	Tubing	ESCAL FIGH	COTIVIATED COST
7012040	Tubing Accessories (nipple, w	ireline entry)	
7012550	Wellhead Equip		15,000
7012560	Packers - Completion Equipm	ent	
	TOTAL COMPLETION - TANGIBLE		\$15,000
COMPLETION - INTANGIBLE			
7001270	Location and Access Ideas In	cation after rig move, set anchors)	9,656
7290002	Drilling Rig During Completion		- 5,036
7019140	Mud Fluids & Services		
7019030 7019240	Coiled Tubing Services (3 runs	5)	151,739
7019240	Snubbing Services Pulling/Swab Units		
7016350	Fuel (from drig)		
7019010 7019020	Casing Crew and Services Cement and Cementing Servi	CPS	

7019080	Well Testing Services (flow hand & equip)	617,426
7390002	Fracturing Services	3,969,910
7019330	Perforating	180,331
7019360	Wireline Services	
7001460 7016180	Water Hauling & Disposal (frac fluids) Freight - Truck (haul pipe; drlg & compl)	461,266
7290003	BOP Rental & Testing	
7290003	Rental Tools and Equipment ( incl drig; lightplant, hydra-walk)	
7290003	CT Downhole Rental Equipment (ie. Bit, BHA)	44,832
7290003	Contract Labor - general	
7000030	Telecommunications Services	34,486
7001110 7001400	Safety and Environmental 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 7011010	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	121,991
7006640	Company Labor & Burden	
7000030	Contract Labor - General	132,488
7001110 7012410	Telecommunication equip (Telemetry)	
7012410	Line Pipe & Accessories Miscellaneous Materials (containment system)	35,317 36,787
7012270	SCADA SCADA	11,638
7016180	Freight - truck	12,167
7001190	Contract Engineering	7,537
7012290	Metering and Instrumentation	206,441
7012290	I&E Materials	121,093
7012200	Gas Treating	
7012200	Dehydration Compressor	14,010
7012350	Power	14,010
7012610	Vapor Recovery Unit	
7012440	Separator & other pressure vessels	195,742
7012500	Tanks	34,455
7012100	Heater Treater	101,834
7012640 7000010	Flare & Accessories  Electrical Labor	14,792
7000010	Mechanical Labor	66,911 144,693
7012480	Rod Pumping unit & Pad	
		-
7012180 7012350	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)	27,105
7012180	Pumping Unit Engine	27,105 \$1,285,000
7012180	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE	\$1,285,000
7012180	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)	•
7012180	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE	\$1,285,000
7012180 7012350	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST	\$1,285,000
7012180 7012350 ARTIFICIAL LIFT 7000030	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor	\$1,285,000
7012180 7012350 ARTIFICIAL LIFT 7000030 7001120	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant	\$1,285,000 \$ 1,285,000 
7012180 7012350 ARTIFICIAL LIFT 7000030 7001120 7008230	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000
7012180 7012350 ARTIFICIAL LIFT 7000030 7001120	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment	\$1,285,000 \$ 1,285,000 
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012350 7012550 7012550	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 1,57,200 1,200 3,000 63,000
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012350 7012550 7012560 701690	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000
7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012350 701250 701250 701250 701250 701250	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 1,200 1,200 3,000 63,000 3,000 3,000
7012180 7012350 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012350 7012550 7012580 701590 7018150 7018150 7018150	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 3,000 63,000 3,000 3,000 3,000 3,000 1,200 1,
7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012350 701250 701250 701250 701250 701250	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 1,200 1,200 3,000 63,000 3,000 3,000
7012180 7012350 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012350 7012550 7012580 701590 7018150 7018150 7018150	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 3,000 63,000 3,000 3,000 1,200 1,
7012180 7012350 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012550 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 1,57,200 1,200 3,000 63,000 3,000 1,200 1,200 1,400 1,400
7012180 7012350 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012350 7012550 7012580 701590 7018150 7018150 7018150	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,600 1,200
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012580 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT	\$1,285,000 \$ 1,285,000 3,000 2,400 3,000 157,200 3,000 63,000 3,000 3,000 1,200 1,200 1,200 1,200 1,200 2,500 1,200 1,
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012580 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST	\$1,285,000  \$ 1,285,000  3,000 2,400 3,000 1,7200 3,000 63,000 3,000 1,200 1,400 255,000  \$ 255,000
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012580 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 3,000 255,000  \$ 255,000  TOTAL COST \$ 213,000
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012580 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Life Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL DRILLING COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 1,200 3,000 3,000 1,200 1,200 1,200 \$ 255,000   TOTAL COST  \$ 213,000 \$ 5,419,000
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012580 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 14,400 255,000  **TOTAL COST**  \$ 213,000 \$ 5,419,000 \$ 6,044,834
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012580 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Sequipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012580 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 14,400 255,000  **TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012550 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Sequipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 1,200 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012550 7012580 7016190 7018150 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Sequipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL DRILLING COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 3,600 1,200 1,200 1,200 \$ 255,000   **TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7012180 7012350  ARTIFICIAL LIFT  7000030 700120 7008230 7012180 7012350 7012560 7012560 701550 7019130 7019120	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 3,600 1,200 1,200 1,200 \$ 255,000   **TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230 7012180 7012550 7012550 7012580 7012580 7016190 7016190 7019130	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 3,600 1,200 1,200 1,200 \$ 255,000   **TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7012180 7012350  ARTIFICIAL LIFT  7000030 700120 700230 7012180 701250 701250 701250 701550 701550 7019130 7019120	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,000 3,600 1,200 1,200 1,200 3,000 \$ 255,000   **TOTAL COST**  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012550 7012580 7012580 701590 7019120  7019120  Title:	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Mill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL ARTIFICIAL LIFT COST  TOTAL OCCATION COST TOTAL ORDINATIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,600 1,200 1,200 1,200 1,200 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012550 7012580 7012580 701590 7019120  7019120	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Mill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL ARTIFICIAL LIFT COST  TOTAL OCCATION COST TOTAL ORDINATIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 11,200 3,000 3,000 3,000 1,200 14,400 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000
7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012550 7012580 7012580 701550 7019120 7019120  Tollog	Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL DRILLING COST TOTAL OCATION COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 3,000 3,000 3,600 1,200 1,200 1,200 1,200 255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS			PREPARED BY KRISTEN DRAIN PREPARED BY HARSHA DISSANAYAKE
		ARTIFICIAL LIFT P	PREPARED BY CLAYTON DIETZE
Asset Team	PERMIAN		
Formation Lease/Facility	WOLFCAMP DECIMUS WC FED COM 704H	WILDCAT DEVELOPMENT	EXPLORATION RECOMPLETION
Location Prospect	S/2 Sec. 5 & 6, N/2 Sec. 7 & 8, 23S-28E Malaga	XEXPLOITATION	WORKOVER
Est Total Depth	19,730' Est Drilling Days	22 Est Com	ppletion Days7
8"" .			
LOCATION COST - INTANGIBLE			
GL CODE		RIPTION	ESTIMATED COST
7001270 7001250	Land Broker Fees and Services		127,800 85,200
	TOTAL LOCATION COST - INTANGIBLE		\$213,000
DRILLING COST - TANGIBLE			
7001270	Conductor Pipe		45,350
7012050 7012050	Surface Casing Intermediate Casing 1		47,164 192,282
7012050	Intermediate Casing 2		
7012050	Production Casing		943,272
7012050 7012550	Drig Liner Hanger, Tieback Eq & Co	sg Accessories	43,536
7012040	Casing & Tubing Access		99,769
7290003	Miscellaneous MRO Materials		9,070
	TOTAL DRILLING - TANGIBLE		\$1,380,442
DRILLING COST - INTANGIBLE			
DRILLING COST - INTANGIBLE			
7290002	Drilling Rig Mob/Demob		181,398
7290002 7019040	Drilling Rig - day work/footage		1,033,971 294,954
7019020	Directional Drilling Services  Cement and Cementing Service	Surface	27,210
7019020	Cement and Cementing Service	Intermediate 1	45,350
7019020	Cement and Cementing Service	Intermediate 2	
7019020 7019140	Cement and Cementing Service Mud Fluids & Services	Production	272,098 120,176
7012310	Solids Control equipment		77,548
7012020	Bits Casing Crew and Services		217,678
7019010 7016350	Fuel (Rig)		72,559 133,555
7019140	Fuel (Mud)		54,420
7001460	Water (non potable)		
7012350 7019000	Water (potable) Well Logging Services		9,070
7019150	Mud Logging+geosteering		25,101
7019250	Stabilizers, Hole Openers, Undern	eamers (DH rentals)	63,489
7019110 7019110	Casing inspection/cleaning Drill pipe/collar inspection service	25	27,210
7016180	Freight - truck		45,350
7001460	Water hauling and disposal (inclusion	des soil farming)	108,839
7001160 7001440	Contract Services - Disposal/Non- Vacuum Trucks	nazardous waste	
7000030	Contract Labor - general		54,420
7000010	Contract Labor - Operations		5,442
7001200 7019300	Contract Services - Facilities Well Services - Well Control Services	795	
7019350	Well Services - Well/Wellhead Ser		18,140
7290003	Rental Tools and Equipment (surf	ace rentals)	21,541
7260001 7001110	Rig Equipment and Misc. Telecommunications Services		9,070
7001120	Consulting Services		180,945
7001400	Safety and Environmental		60,315
7330002 7019310	Rental Buildings (trailers)  Coring (sidewalls & analysis)		
7011010	8% Contingency & Taxes		401,407
	TOTAL DRILLING - INTANGIBLE		\$4,038,558
	TOTAL DRILLING COST		\$5,419,000
COMPLETION - TANGIBLE			
GL CODE		CRIPTION	ESTIMATED COST
7012580 7012040	Tubing Tubing Accessories (nipple, wireli		
7012550	Wellhead Equip	ne entry)	15,000
7012560	Packers - Completion Equipment		
	TOTAL COMPLETION - TANGIBLE		\$15,000
COMPLETION - INTANGIBLE		- 4	
7001270	Location and Access (dress location	on after rig move, set anchors)	9,656
7290002	Drilling Rig During Completion		
7019140 7019030	Mud Fluids & Services Coiled Tubing Services (3 runs)		151,739
7019240	Snubbing Services		
7019270	Pulling/Swab Units		
7016350 7019010	Fuel (from drlg) Casing Crew and Services		
7019020	Cement and Cementing Services		

7019080 7390002 7019330 7019360	Well Testing Services (flow hand & equip) Fracturing Services	547.475
7390002 7019330		
7019330		617,426 3,969,910
7019360	Perforating	180,331
	Wireline Services	
7001460	Water Hauling & Disposal (frac fluids)	451,265
7016180	Freight - Truck (haul pipe; drlg & compl)	<u> </u>
7290003 7290003	BOP Rental & Testing	
7290003	Rental Tools and Equipment ( incl drlg; lightplant, hydra-walk) 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 7016180	Frack Stack Rentals Freight (Transportation Services)	117,253 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 - TANGIE	BLE	
7012350	Misc. Piping, Fittings & Valves	121,991
7006640	Company Labor & Burden	<u> </u>
7000030	Contract Labor - General	132,488
7001110 7012410	Telecommunication equip (Telemetry)	
7012410 7012270	Line Pipe & Accessories Miscellaneous Materials (containment system)	35,317 36,787
7008060	SCADA	11,638
7016180	Freight - truck	12,167
7001190	Contract Engineering	7,537
7012290	Metering and Instrumentation	206,441
7012290	I&E Materials	121,093
7012200	Gas Treating	
7012200 7012010	Dehydration	14,010
7012350	Compressor Power	14,010
7012610	Vapor Recovery Unit	
7012440	Separator & other pressure vessels	195,742
7012500	Tanks	34,455
7012100	Heater Treater	101,834
	Flare & Accessories	14,792
7012640		
7000010	Electrical Labor Mechanical Labor	66,911
7000010 7000010	Mechanical Labor	144,693
7000010	Mechanical Labor Rod Pumping unit & Pad	
7000010 7000010 7012480	Mechanical Labor	
7000010 7000010 7012480 7012180	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine	144,693
7000010 7000010 7012480 7012180	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE	144,693 - - 27,105 \$1,285,000
7000010 7000010 7012480 7012180	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)	144,693 - - - 27,105
7000010 7000010 7012480 7012180	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE	144,693 - - 27,105 \$1,285,000
7000010 7000010 7012480 7012180 7012180 7012350	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000
7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT 7000030	Mechanical Labor  Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor	\$ 1,285,000
7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT 7000030 7001220	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant	\$ 1,285,000 \$ 1,285,000 \$ 27,105
7000010 7000010 7012480 7012180 7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7008230	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead	\$ 1,285,000 \$ 1,285,000 \$ 3,000 2,400 3,000
7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT 7000030 7001220	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment	\$ 1,285,000 \$ 1,285,000 \$ 27,105 \$ 1,285,000
7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7002330 70012180	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead	\$ 1,285,000 \$ 1,285,000 \$ 27,105 \$ 1,285,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT 7000030 700120 700230 7012180 7012550 7012550 7012550	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing	\$ 1,285,000 \$ 1,285,000 \$ 1,285,000 \$ 1,285,000 \$ 1,000 \$ 2,400 \$ 3,000 \$ 157,200 \$ 1,200 \$ 3,000 \$ 3,
7000010 7000010 7012480 7012180 7012280 7012350  ARTIFICIAL LIFT  7000030 7001230 7001230 7012180 701250 701250 7012580 7016190	Mechanical Labor Rad Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Unit Equipment Materials & Supplies Production Tree Tubing Freight	\$ 1,285,000 \$ 1,285,000 \$ 1,285,000 \$ 3,000 2,400 3,000 157,200 1,200 3,000 63,000 63,000
7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7001230 7012180 7012350 701250 7012580 7016190 7016150	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000  2,400  3,000  157,200  1,200  3,000  63,000  3,000  3,000  3,000  3,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 701250 701250 701250 701250 701250 701250 701250 7015100 7016190 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid	\$ 1,285,000 \$ 1,285,000 \$ 1,285,000 \$ 3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000 3,000
7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT 7000030 7001120 7001230 7012180 7012350 701250 7012580 7016190 7016150	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Contract Labor Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  3,000 2,400 3,000 157,200 1,200 3,000 63,000 3,000 3,000 3,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 701250 701250 701250 701250 701250 701250 701250 7015100 7016190 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid	\$ 1,285,000 \$ 1,285,000 \$ 1,285,000 \$ 3,000 2,400 3,000 157,200 1,200 3,000 63,000 63,000 3,000 3,000 3,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 701250 701250 701250 701250 701250 701250 701250 7015100 7016190 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Uff Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 701250 701250 701250 701250 701250 701250 701250 7015100 7016190 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Contract Labor Consultant Time Writing/Overhead Artificial It Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 1,200  1,20
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 701250 701250 701250 701250 701250 701250 701250 7015100 7016190 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Küll Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012550 7012550 7012550 7012550 7012550 7015190 7018150 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL ARTIFICIAL LIFT COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000  2,400  3,000  157,200  1,200  3,000  3,000  14,400  255,000  \$ 255,000  TOTAL COST  \$ 213,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012550 7012550 7012550 7012550 7012550 7015190 7018150 7019130	Mechanical Labor Rad Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Consultant Time Writing/Overhead Artificial Unit Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL DRILLING COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012550 7012550 7012550 7012550 7012550 7015190 7018150 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Uft Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL OCMPLETIONS COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 701250 701250 701250 701250 701250 701250 701250 7015100 7016190 7019130	Mechanical Labor Rad Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Consultant Time Writing/Overhead Artificial Unit Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL DRILLING COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 701250 701250 701250 701250 701250 701250 701250 7015100 7016190 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial Uft Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL DRILLING COST TOTAL OCMPLETIONS COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000  2,400  3,000  157,200  3,000  3,000  1,200  3,000  1,200  3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 5,3600  \$ 255,000   \$ 255,000   TOTAL COST  \$ 213,000  \$ 5,419,000  \$ 5,419,000  \$ 6,044,834
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 701250 701250 701250 701250 701250 701250 701250 7015100 7016190 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Consultant Time Writing/Overhead Artificial Uff Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 2,400  \$ 3,000  \$ 1,200  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 3,000  \$ 5,400  \$ 5,000   TOTAL COST  \$ 213,000  \$ 5,419,000  \$ 5,419,000  \$ 5,419,000  \$ 6,044,834  \$ 1,285,000
7000010 7000010 7012480 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001120 7008230 7012180 7012550 7012550 7012550 7012550 7012550 7015190 7018150 7019130	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Consultant Time Writing/Overhead Artificial Uff Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL LOCATION COST TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000  2,400  3,000  157,200  3,000  3,000  3,000  3,1000  3,1000  3,000  \$ 255,000   **TOTAL COST  \$ 213,000  \$ 5,419,000  \$ 5,419,000  \$ 6,044,834  \$ 1,285,000
7000010 7000010 70012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001230 7001230 7012350 7012380 7012580 7012580 7018150 701930 7019220	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Artificial It Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COMPLETIONS COST TOTAL COMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL LIFT COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000  2,400  3,000  157,200  1,200  3,000  3,600  1,200  14,400  255,000   **TOTAL COST  \$ 213,000  \$ 5,419,000  \$ 5,419,000  \$ 6,044,834  \$ 1,285,000  \$ 255,000
7000010 7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001230 7001230 7012180 701250 701250 701250 701250 701250 701250 7019130 7019120	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST  Consultant Time Writing/Overhead Antificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL LOCATION COST TOTAL OCMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL LIFT COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000  2,400  3,000  157,200  1,200  3,000  3,600  1,200  14,400  255,000   **TOTAL COST  \$ 213,000  \$ 5,419,000  \$ 5,419,000  \$ 6,044,834  \$ 1,285,000  \$ 255,000
7000010 7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT 7000030 700120 7008230 7012180 7012550 7012580 7012580 7016190 7018150 7019220  By:	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL ARTIFICIAL LIFT COST  TOTAL COMPLETIONS COST TOTAL OCMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000  2,400 3,000 3,000 3,000 3,000 157,200 1,200 3,000 3,000 \$ 2,500  \$ 255,000  \$ 5,419,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000
7000010 7000010 7000010 7012480 7012180 7012350  ARTIFICIAL LIFT  7000030 7001230 7001230 7012180 701250 701250 701250 701250 701250 701250 7019130 7019120	Mechanical Labor Rod Pumping unit & Pad Pumping Unit Engine Electrical Power (electrical cooperative construction costs)  TOTAL SURFACE EQUIPMENT - TANGIBLE  TOTAL SURFACE EQUIPMENT COST   Consultant Time Writing/Overhead Artificial Lift Equipment Materials & Supplies Production Tree Tubing Freight Rentals Kill Fluid Well Services & Rig  TOTAL ARTIFICIAL LIFT COST  SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL ARTIFICIAL LIFT COST  TOTAL COMPLETIONS COST TOTAL OCMPLETIONS COST TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST  GRAND TOTAL COST	\$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 1,285,000  \$ 3,000  2,400 3,000 157,200 1,200 3,000 3,600 1,200 14,400  255,000  \$ 255,000  TOTAL COST  \$ 213,000 \$ 5,419,000 \$ 5,419,000 \$ 5,419,000 \$ 6,044,834 \$ 1,285,000 \$ 255,000

Summary of Contact with Additional Interest Owners to be Pooled						
		Proposal	Letter	<u></u>		
Name	% Interest	Letter Sent	Received	Follow Up		
				Initial discussions and lease offers began in July 2024 with Elk Range Resources. Elk Range and		
				MOP agreed to terms and were planning to execute a lease when Elk Range received an offer from		
				Tap Rock. Once it was clear Elk Range was going to lease to someone other than MOP, but before		
				the lessee was known, proposal letters were sent to Elk Range. On 11/11/24 it was learned that		
				Tap Rock was the lessee and they were immediately reached out to. Well proposals and a JOA		
				form was sent to Tap Rock on 11/11/24. Tap Rock and MOP have been in contact since then. Tap		
Tap Rock Resources III, LLC	0.653689%	9/26/2024	9/27/2024			
				Initial discussions and lease offers began in August 2024 with Pegasus Resources. Pegasus let		
				MOP know they would likely be leasing to a 3rd party in September 2024. Once it was clear		
				Pegasus was going to lease to someone other than MOP, but before the lessee was known,		
				proposal letters were sent to Pegasus. On 11/12/24 it was learned that Powderhorn was the		
				lessee and they were reached out to 11/13/24. Well proposals and a JOA form was sent to		
				Powderhorn on 11/15/24. Powderhorn and MOP have been in contact since then. Powderhorn		
Powderhorn Assets, LLC	2.161993%	9/26/2024	9/27/2024	has expressed interest in signing the JOA, but they have not yet done so.		
l						
Kristi Rogge Fitzgerald and				Sent lease offer to owners in July 2024 and have continued discussions with them since then,		
Kimberly Susan Rogge Rogers, as				following up weekly. The owners are somewhat responsive but the trustees don't get along and		
co-Trustees of the William Frank				they have not provided much feedback other than they are discussing with their attorney.		
Smith and Gertrude Coolidge			- 44	Proposals were finally sent in September since MOP was going to spud the wells and we needed		
Smith Trust	2.349992%	9/26/2024	9/27/2024	to get their interest committed.		



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

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-23066 FOR THE LIMITED PURPOSE OF ADDING ADDITIONAL POOLED PARTIES.

> CASE NO. 25024 ORDER NO. R-23066

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

December 16, 2024, attached hereto, labeled Exhibit B.1.

2) Exhibit B.2 is the mailing list, which show the notice letters were delivered to the

USPS for mailing December 16, 2024.

3) Exhibit B.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 B.4 is the Affidavit of Publication from the Carlsbad Current Argus,

confirming that notice of the January 9, 2025 hearing was published on December 21, 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.

EXHIBIT B

Dated: December 30, 2024

By: Nelsona 9. Ben

Deana M. Bennett



December 16, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Deana M. Bennett 505.848.1834 dmb@modrall.com

Re: APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-23066 FOR THE LIMITED PURPOSE OF ADDING ADDITIONAL POOLED PARTIES.

CASE NO. 25024 ORDER NO. R-23066

TO: AFFECTED PARTIES

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

In Case No. 25024, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-23066 to pool additional parties under Order No. R-23066. Order R-23066 was issued in Case No. 23755 and pooled uncommitted interest owners in a standard 1276-acre, more or less, Wolfcamp horizontal spacing unit underlying the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 3.5 miles northwest of Loving, NM.

The hearing is set for January 9, 2025 beginning at 9:00 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 in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>.

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.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com

**EXHIBIT B.1** 

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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

Deena 4. Bennett

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

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-23066 FOR THE LIMITED PURPOSE OF ADDING ADDITIONAL POOLED PARTIES.

> CASE NO. 25024 ORDER NO. R-23066

#### **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), Section 70-2-17, for the limited purpose of amending Order No. R-23066 (the "Order") to pool additional parties under the Order. In support of this application, Marathon states:

- 1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
- 2. Order R-23066 was issued in Case No. 23755. Pursuant to Order No. R-23066, Marathon is the operator of a standard 1276-acre, more or less, Wolfcamp horizontal spacing unit comprised of the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.
  - 3. The Order pooled uncommitted interest owners in the spacing unit described above.
- 4. Since the entry of the Order, Marathon has identified additional interest owners that it seeks to pool under the Order and include under the Order's terms.
- 5. Marathon sought, but has been unable to obtain, a voluntary agreement from the additional interest owners Marathon seeks to pool in this case to participate in the drilling of the wells or to otherwise commit their interests to the wells.

OCD Hearing 1-9-25 No. 25024 6. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025 and after notice and hearing as required by law, the Division enter its order:

- A. Amending Order No. R-23066 to include additional pooled parties under Order No. R-23066's terms; and
  - B. Incorporating all of the provisions of Order No. R-23066.

Respectfully submitted,

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

By: Wella M. Bennett Earl E. DeBrine, Jr

Deana M. Bennett

Yarithza Peña

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

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yarithza.pena@modrall.com

Attorneys for Marathon Oil Permian LLC

Page 3 of 3

CASE NO. 25024 : Application of Marathon Oil Permian to Amend Order No. R-23066, Eddy County, New Mexico for the Limited Purpose of Adding Additional Pooled Parties. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-23066 to pool additional parties under Order No. R-23066. Order R-23066 was issued in Case No. 23755 and pooled uncommitted interest owners in a standard 1276-acre, more or less, Wolfcamp horizontal spacing unit underlying the S/2 of Sections 5 and 6 and the N/2 of Sections 7 and 8, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 3.5 miles northwest of Loving, NM.

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

#### **PS Form 3877**

### Type of Mailing: CERTIFIED MAIL 12/16/2024

Firm Mailing Book ID: 278591

							Reference
Line	<b>USPS Article Number</b>	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Contents
1	9314 8699 0430 0129 4560 72	Tap Rock Resources III, LLC 523 Park Point Drive, Suite 200 Golden CO 80401	\$1.77	\$4.85	\$2.62	\$0.00	81363.0217. Notice
2	9314 8699 0430 0129 4560 89	Kristi Rogge Fitzgerald & Kimberly Susan Rogers co trustees of Smith Trust 1010 North Halagueno Street Carlsbad NM 88220	\$1.77	\$4.85	\$2.62	\$0.00	81363.0217. Notice
3	9314 8699 0430 0129 4560 96	Kimberly Susan Rogers & Kristi Rogge Fitzgerald co trustees of Smith Trust 1414 Chico Street Carlsbad NM 88220	\$1.77	\$4.85	\$2.62	\$0.00	81363.0217. Notice
4	9314 8699 0430 0129 4561 02	Powderhorn Assets, LLC 600 N. Marienfeld St., Suite 1000 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	81363.0217. Notice
		Т	otals: \$7.08	\$19.40	\$10.48	\$0.00	
				Gran	d Total:	\$36.96	

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

4



Received by OCD: 12/31/2024 12:12:57 PM

#### Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 278591 Generated: 12/30/2024 9:32:18 AM USPS Article Number Date Created Reference Number Name 1 City State Zip Mailing Status Batch ID Mail Delivery Date Name 2 Service Options 9314869904300129456102 2024-12-16 1:54 PM 81363.0217. Powderhorn Assets, LLC Midland TX 79701 Delivered Return Receipt - Electronic, Certified Mail 299092 2024-12-19 10:48 AM 9314869904300129456096 2024-12-16 1:54 PM 81363.0217. Kimberly Susan Rogers & Kristi Rogge Fitzgerald co trustees of Smith Trust Carlsbad NM 88220 Delivered Return Receipt - Electronic, Certified Mail 299092 2024-12-21 1:00 PM 9314869904300129456089 2024-12-16 1:54 PM 81363.0217. Kristi Rogge Fitzgerald & Kimberly Susan Rogers co trustees of Smith Trust Carlsbad NM 88220 Delivered Return Receipt - Electronic, Certified Mail 299092 2024-12-27 8:00 AM 9314869904300129456072 2024-12-16 1:54 PM 81363.0217. Tap Rock Resources III, LLC Golden CO 80401 Mailed Return Receipt - Electronic, Certified Mail 299092

**EXHIBIT B.3** 

#### AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO SS COUNTY OF EDDY

Account Number: 80 26550 Ad Number:

Description:

25024 Marathon Decinus

Ad Cost:

\$89.35

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

That said newspaper was regularly issued and circulated on those dates. SIGNED:

Sherry Dances

Subscribed to and sworn to me this 21<sup>th</sup> day of December 2024.

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

#### PUBLIC NOTICE

CASE NO. 25024: Notice to all affected parties, as well as heirs and devisees of: Tap Rock Resources III, LLC; Kristi Rogge Fitzgerald and Kimberly Susan Rogge Rog-ers, as co-Trustees of the William Frank Smith and Gertrude Coolidge Smith Trust; Powderhorn Assets, LLC of the Application of Marathon Oil Permian to Amend Order No. R-23066, Eddy County, New Mexico for the Limited Purpose of Adding Additional Pooled Parties. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a status conference at 9:00 a.m. on January 9, 2025 to consider this application. The conference 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 a 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/hearinginfo/. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-23066 to pool additional parties under Order No. R-23066. Order R-23066 was issued in Case No. 23755 and pooled uncommitted interand pooled uncommitted interest owners in a standard
1276-acre, more or less,
Wolfcamp horizontal spacing
unit underlying the S/2 of
Sections 5 and 6 and the N/2
of Sections 7 and 8, Township
23 South, Range 28 East,
NMPM, Eddy County, New
Mexico, Said area is located
approximately 3.5 miles
northwest of Loving, NM. northwest of Loving, NM.

Published in the Carlsbad Current-Argus December 21. 2024 #26550

Modrall Sperling Pobox 2168 Albuquerque, NM 87103

