

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MARCH 26, 2026**

**CASE NO. 25947**

*MAGELLAN REOPEN ORDER NO. R-23223  
501H BS WELLS*

**EDDY COUNTY, NEW MEXICO**



**Marathon Oil®**

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

**APPLICATION OF MARATHON OIL PERMIAN, LLC  
TO ADD AN ADDITIONAL POOLED PARTY  
AND AMEND THE INTIAL WELLS INCLUDED  
UNDER ORDER NO. R-23223, AS AMENDED,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25947  
ORDER R-23223-A**

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- **MRO Exhibit B:** Original Pooling Order & Extension Order
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  - MRO Exhibit D-1: Land Tract Map
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STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

APPLICATION OF MARATHON OIL PERMIAN, LLC  
TO ADD AN ADDITIONAL POOLED PARTY  
AND AMEND THE INTIAL WELLS INCLUDED  
UNDER ORDER NO. R-23223, AS AMENDED,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 25947  
ORDER R-23223-A

AMENDED APPLICATION

Marathon Oil Permian, LLC (“Marathon” or “Applicant”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to (1) to amend Pooling Order R-23223, as amended, to add an additional interest owner to the pooling order, and (2) remove certain wells included in the original Pooling Order. In support of its application, Marathon states:

1. On May 22, 2024 the Division issued Order No. R-23223 (the “Order”) in Case No. 24150, pooling the uncommitted interest owners in the Bone Spring formation (Cass Draw; Bone Spring [10380]) underlying the S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico (the “Unit”), and dedicated this standard 640-acre, more or less, horizontal well spacing unit to the proposed initial **Magellan BS Fee 501H** (API No. 30-015-57453) and **Magellan BS Fee 502H** (API No. 30-015-PENDING). Marathon is the designated operator of the Unit under the Order.

2. On June 18, 2025, the Division issued Order No. R-23223-A, extending the period to drill the wells until May 22, 2026.

3. Applicant has discovered an additional interest owner in the pooled acreage that was not subject to the pooling proceedings giving rise to Order R-23223.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: Marathon Oil Permian, LLC  
Hearing Date: March 26, 2026  
Case No. 25947

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from this additional interest owner.

5. Marathon further requests to amend the Pooling Order and remove the **Magellan BS Fee 502H** (API No. 30-015-PENDING) from the Pooling Order.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 26, 2026, and, after notice and hearing as required by law, the Division enter an order adding this additional pooled party under the Pooling Order and remove certain wells from the original Pooling Order.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Adam G. Rankin  
Paula M. Vance  
A. Raylee Starnes  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
agrarkin@hollandhart.com  
pmvance@hollandhart.com  
arstarnes@hollandhart.com

**ATTORNEYS FOR MARATHON OIL PERMIAN,  
LLC**

CASE: 25947

**Amended Application of Marathon Oil Permian, LLC to Add An Additional Pooled Party and Amend the Initial Wells Included Under Order No. R-23223, As Amended, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to (1) amend Pooling Order R-23223, as amended, to add an additional interest owner to the pooling order, and (2) remove certain wells included in the original Pooling Order. Order R-23223 was issued in Case No. 24150 and pooled the uncommitted interests in the Bone Spring formation (Cass Draw; Bone Spring [10380]) underlying the S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard 640-acre, more or less, horizontal well spacing unit is dedicated to the proposed initial **Magellan BS Fee 501H** (API No. 30-015-57453) and **Magellan BS Fee 502H** (API No. 30-015-PENDING). Marathon seeks to remove the **Magellan BS Fee 502H** from the Pooling Order. The subject area is located approximately 3.5 miles southeast of Carlsbad, New Mexico.

**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, LLC**

**CASE NO. 24150  
ORDER NO. R-23223**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on May 2, 2024, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Marathon Oil Permian, LLC (“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.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Marathon Oil Permian, LLC  
Hearing Date: March 26, 2026  
Case No. 25947**

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

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.



- 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**

  
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**DYLAN M FUGE**  
**DIRECTOR (ACTING)**  
 DMF/hat

**Date:** 5/22/2024

CASE NO. 24150  
 ORDER NO. R-23223

Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 24150</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	May 2, 2024
Applicant	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC OGRID 372098
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Red River Energy Partners, LLC; Viper Energy Partners
Well Family	Magellan
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Cass Draw; Bone Spring Pool (Code 10380)
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	40-Acres
Orientation:	West/East
Description: TRS/County	S/2 of Sections 28 and 29, Township 22 South, Range 27 East, N.M.P.M., Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	Yes. The completed interval for Magellan BS Fee 501H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.
Proximity Defining Well: if yes, description	Magellan BS Fee 501H
Applicant's Ownership in Each Tract	Exhibit B.3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed



OCD Examiner Hearing 5-2-24  
No. 24150

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Well #1: Magellan BS Fee 501H	API No. Pending SHL: 1595' FSL & 601' FWL (Unit L), Section 29, T-22-S R-27-E FTP: 1640' FSL & 100' FWL, Section 29, T-22-S R-27-E BHL: 1640' FSL & 100' FWL (Unit I), Section 28, T-22-S R-27-E Orientation: West/East Completion Target: Second Bone Spring Completion Status: Standard TVD: 6,930', MVD: 17,180'
Well #2: Magellan BS Fee 502H	API No. Pending SHL: 1565' FSL & 601' FWL (Unit L), Section 29, T-22-S R-27-E FTP: 330' FSL & 100' FWL, Section 29, T-22-S R-27-E BHL: 330' FSL & 100' FEL (Unit P), Section 28, T-22-S R-27-E Orientation: West/East Completion Target: Second Bone Spring Completion Status: Standard TVD: 6,930', MVD: 17,180'
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B.6
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	See Exhibit B Paragraph 25
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.1, D.2, D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B.3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	Exhibit B.6
Cost Estimate to Drill and Complete	Exhibit B.7
Cost Estimate to Equip Well	Exhibit B.7
Cost Estimate for Production Facilities	Exhibit B.7
Geology	OCD Examiner Hearing 5-2-24 No 24150

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Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2
Well Orientation (with rationale)	Exhibit C.7
Target Formation	Exhibit C.3 to C.6
HSU Cross Section	Exhibit C.5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.3
Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section (including Landing Zone)	Exhibit C.5
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	4/30/2024

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OCD Examiner Hearing 5-2-24  
 No. 24-150  
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CASE NO. 24150  
 ORDER NO. R-23223

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**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, LLC**

**CASE NO. 25333  
ORDER NO. R-23223-A**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 5, 2025, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Marathon Oil Permian, LLC (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-23223, as amended (“Order”), and to pool additional uncommitted oil and gas interests under Order R-23223 and within the spacing unit described therein (“Unit”).
2. Subsequent to the issuance of Order R-23223, Operator discovered previously unidentified interest owner(s) in the Unit.
3. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
4. Operator has demonstrated good cause to extend the deadlines in the Order.
5. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application.
6. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
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. The previously unidentified interest owner(s) has not agreed to commit its interest to the Unit.
10. The pooling of the previously unidentified uncommitted interest in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
11. This Order affords the previously unidentified interest owner(s) the opportunity to produce its just and equitable share of the oil or gas in the pool.

**ORDER**

12. The period to drill the well(s) is extended until May 22, 2026.
13. The previously unidentified uncommitted interest in the Unit is hereby pooled in the Unit.
14. This Order shall terminate automatically if Operator fails to drill and complete the well(s) as stipulated herein unless prior to termination Operator applies, and OCD grants, to amend the Order for good cause shown.
15. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
16. The remaining provisions of the Order remain in force or effect.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS**  
**DIRECTOR (Acting)**  
GR/dm

**Date:** 6/18/2025

CASE NO. 25333  
ORDER NO. R-23223-A

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# COMPULSORY POOLING APPLICATION CHECKLIST

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

<b>Case: 25947 (Original Case No. 24150)</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	March 26,2026
Applicant	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC [OGRID 372098]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Magellan
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code (Only if NSP is requested):	N/A
Well Location Setback Rules (Only if NSP is Requested):	N/A
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	40-Acres
Orientation:	Laywdown
Description: TRS/County	S/2 of Sections 28 and 29, Township 22 South, Range 27 East, N.M.P.M., Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
<p style="text-align: center;"><b>BEFORE THE OIL CONSERVATION DIVISION</b>  Santa Fe, New Mexico  Exhibit No. C  Submitted by: Marathon Oil Permian, LLC  Hearing Date: March 26, 2026  Case No. 25947</p>	Yes. The completed interval for Magellan BS Fee 501H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.
Proximity Tracts: If yes, description	
Proximity Defining Well: if yes, description	Magellan BS Fee 501H
Applicant's Ownership in Each Tract	Exhibit B.3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1:	Magellan BS Fee 501H API No. 30-015-57453 SHL: 1,008' FSL & 327' FWL (Unit M) of Section 29 BHL: 1,150' FSL & 50' FEL (Unit P) of Section 28 Orientation: Laydown Completion Target: Bone Spring formation Well Orientation: Laydown Completion Status: Standard / Proximity Well
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B.6
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	See Exhibit B Paragraph 25
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.1, D.2, D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B.3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
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<b>Geology</b>	
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Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2



Well Orientation (with rationale)	Exhibit C.7
Target Formation	Exhibit C.3 to C.6
HSU Cross Section	Exhibit C.5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.3
Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section (including Landing Zone)	Exhibit C.5
<b>Additional Information</b>	
Special Provisions/Stipulations	Marathon removed the Magellan BS Fee 502H from the original pooling order.
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	3/18/2026

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

**APPLICATION OF MARATHON OIL PERMIAN, LLC  
TO ADD AN ADDITIONAL POOLED PARTY  
AND AMEND THE INTIAL WELLS INCLUDED  
UNDER ORDER NO. R-23223, AS AMENDED,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25947  
ORDER NO. R-23223-A**

**SELF-AFFIRMED STATEMENT OF SHELLEY KLINGLER**

1. My name is Shelley Klingler. I work for Marathon Oil Permian, LLC (“Marathon”) as a Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by Marathon in this case, and I am familiar with the status of the lands in the subject area.

4. On May 22, 2024 the Division issued Order No. R-23223 in Case No. 24150, pooling the uncommitted interest owners in the Bone Spring formation (Cass Draw; Bone Spring [10380]) underlying the S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico Marathon is the designated operator under the Pooling Order, as amended, and the pooled spacing unit is initially dedicated to the proposed initial **Magellan BS Fee 501H** (API No. 30-015-57453) and **Magellan BS Fee 502H** (API No. 30-015-PENDING).

5. On June 18, 2025, the Division issued Order No. R-23223-A, extending the period to drill the wells until May 22, 2026.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Marathon Oil Permian, LLC  
Hearing Date: March 26, 2026  
Case No. 25947**

6. Marathon requests (1) to amend Pooling Order R-23223, as amended, to add additional interest owners to the pooling order, and (2) remove the **Magellan BS Fee 502H** (API No. 30-015-PENDING) from the Pooling Order.

7. **MRO Exhibit D-1** contains a tract map showing the existing spacing unit in this case.

8. **MRO Exhibit D-2** is an updated copy of the pooling exhibit. The original interests pooled are highlighted in blue, the previously pooled parties (see exhibit notation) and the additional pooled parties are highlighted in yellow. The exhibit also includes the commitment status and type for each interest owner.

9. **MRO Exhibit D-3** contains a sample of the well proposal letter and AFEs for the well that was sent to the additional parties to be pooled. The costs reflected in the AFEs are consistent with what Marathon and other operators have incurred for drilling similar horizontal wells in the area in this formation.

10. **MRO Exhibit D-4** contains a general summary of the contacts with the additional parties to be pooled. As indicated in the exhibit, Marathon has made a good faith effort to locate and has had communications with the additional parties in an effort to reach voluntary joinder. In my opinion, Marathon has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

11. The granting of this application will prevent waste and protect correlative rights.

12. **MRO Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

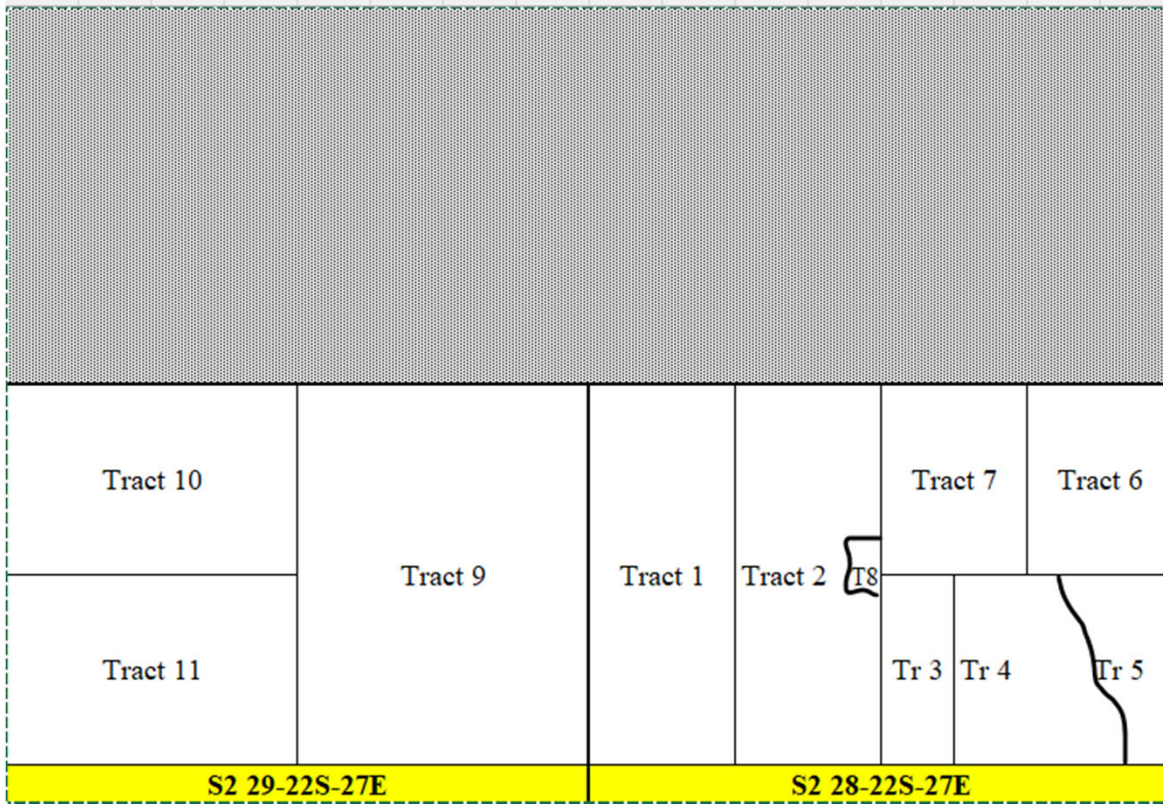
13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be

used as written testimony in this case. This statement is made on the date next to my signature below.

  
Shelley Klingler

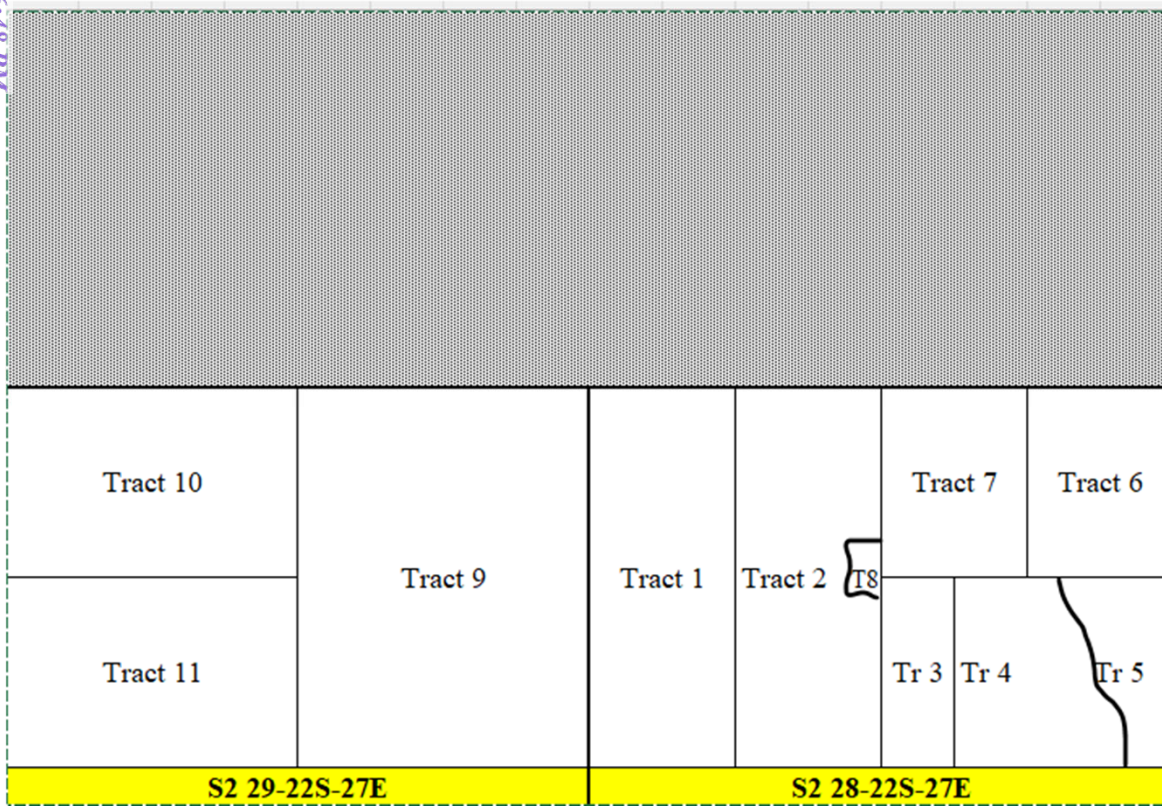
3/17/2026  
Date

Lease Tract Map  
Magellan BS Fee 501H  
S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM



Tract 1	80
Tract 2	76.88
Tract 3	20
Tract 4	75.12
Tract 5	16.88
Tract 6	40
Tract 7	8
Tract 8	3.12
Tract 9	160
Tract 10	80
Tract 11	80
Total	640

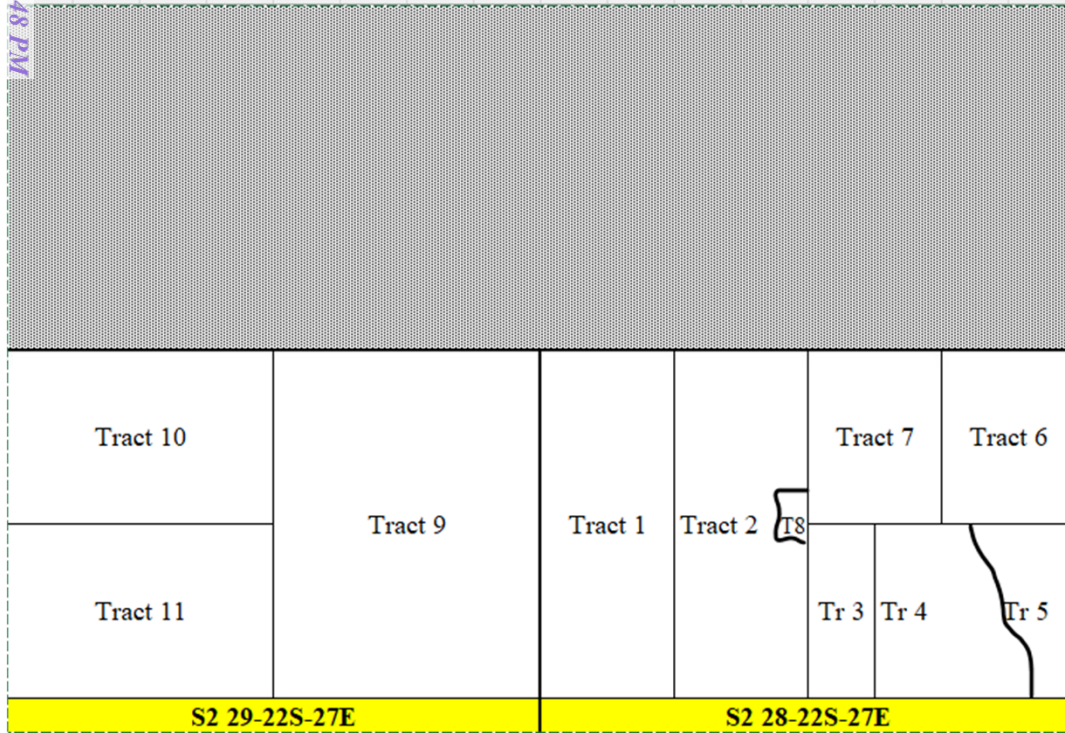
Working Interests by Tract  
Magellan BS Fee 501H  
S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM



Marathon Oil Permian LLC	T1	0.46986605
Ridge Runner AssetCo II, LLC	T1	0.03013395
West Pecos Trading Company, LLC	T1	0.50000000
Marathon Oil Permian LLC	T2	0.15662202
Ridge Runner AssetCo II, LLC	T2	0.01004464
West Pecos Trading Company, LLC	T2	0.16666667
PEO LOBO, LLC	T2	0.05000000
Granite Ridge Holdings, LLC	T2	0.22500000
GREP IV-A Permian, LLC	T2	0.03300719
GREP IV-B Permian, LLC	T2	0.01724282
GREP V Holdings, LP	T2	0.02475000
Balam Resources, LLC	T2	0.04166667
Gosier Energy, LLC	T2	0.04166667
Arroyo Energy Fund III, LP	T2	0.03250000
Carnegie Energy, LLC	T2	0.01750000
McMullen Minerals II, LP	T2	0.00400000
Sarvis Energy	T2	0.17933334
West Pecos Trading Company, LLC	T3	0.43333335
PEP Frio Development SVP, LLC	T3	0.31666665
Frio Energy Holdings I, LLC	T3	0.25000000
West Pecos Trading Company, LLC	T4	1.00000000
Red Stone Resources, LLC	T5	1.00000000
Bean Family Limited Company	T6	0.11935000
New Mexico Western Minerals, Inc.	T6	0.23870000
CBR Oil Properties, LLC	T6	0.07643334
David M. Stevens, as his separate property	T6	0.02547752
F.I.S.C.O., Inc.	T6	0.05460000
First Century Oil, Inc.	T6	0.05460000
Frio Energy Holdings I, LLC	T6	0.02183333
Permian Resources Operating LLC	T6	0.35805000
Stevens Oil & Gas, LLC	T6	0.05095581
Northern Oil and Gas, Inc.	T7	0.75000000
Bird Creek Resources, Inc.	T7	0.25000000
West Pecos Trading Company, LLC	T8	1.00000000
Marathon Oil Permian LLC	T9	0.70312500
Ridge Runner AssetCo II, LLC	T9	0.04687500
Chi Energy, Inc.	T9	0.25000000
Marathon Oil Permian LLC	T10	0.93750000
Ridge Runner AssetCo II, LLC	T10	0.06250000
Marathon Oil Permian LLC	T11	0.93750000
Ridge Runner AssetCo II, LLC	T11	0.06250000



Unit Wide Working Interests  
 Magellan BS Fee 501H  
 S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM



Marathon Oil Permian LLC	0.48770373
Ridge Runner AssetCo II, LLC	0.03231711
West Pecos Trading Company, LLC	0.08414583
PEO LOBO, LLC	0.00781250
Granite Ridge Holdings, LLC	0.03515625
GREP IV-A Permian, LLC	0.00515737
GREP IV-B Permian, LLC	0.00269419
GREP V Holdings, LP	0.00386719
Balam Resources, LLC	0.00651042
Gosier Energy, LLC	0.00651042
PEP Frio Development SVP, LLC	0.12140208
Frio Energy Holdings I, LLC	0.00775417
Red Stone Resources, LLC	0.02637500
Bean Family Limited Company	0.00745938
New Mexico Western Minerals, Inc.	0.01491875
CBR Oil Properties, LLC	0.00477708
David M. Stevens, as his separate property	0.00159235
F.I.S.C.O., Inc.	0.00341250
First Century Oil, Inc.	0.00341250
Permian Resources Operating LLC	0.02237813
Stevens Oil & Gas, LLC	0.00318474
Northern Oil and Gas, Inc.	0.00937500
Bird Creek Resources, Inc.	0.00312500
Chi Energy, Inc.	0.06250000
Carnegie Energy, LLC	0.00273438
McMullen Minerals II, LP	0.00062500
Sarvis Energy	0.02802083
Arroyo Energy Fund III, LP	0.00507813
<b>TOTAL</b>	<b>1.00000000</b>



# Summary of Working Interests – Committed and Pooled Parties

## Magellan BS Fee 501H

### S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM

#### **COMMITTED PARTIES: 0.967437**

Marathon Oil Permian LLC	JOA
Ridge Runner AssetCo II, LLC	JOA
West Pecos Trading Company, LLC	JOA
PEO LOBO, LLC	JOA
Granite Ridge Holdings, LLC	JOA
GREP IV-A Permian, LLC	JOA
GREP IV-B Permian, LLC	JOA
GREP V Holdings, LP	JOA
Balam Resources, LLC	JOA
Gosier Energy, LLC	JOA
PEP Frio Development SVP, LLC	JOA
Frio Energy Holdings I, LLC	JOA
Red Stone Resources, LLC	JOA
Bean Family Limited Company	JOA
New Mexico Western Minerals, Inc.	JOA
CBR Oil Properties, LLC	JOA
David M. Stevens, as his separate property	JOA
Stevens Oil & Gas, LLC	JOA
Northern Oil and Gas, Inc.	JOA
Bird Creek Resources, Inc.	JOA
Chi Energy, Inc.	JOA
Sarvis Energy	JOA
Arroyo Energy Fund III, LP	JOA

#### **POOLED UNDER POOLING ORDER: 0.00745**

F.I.S.C.O., Inc.	0.00341250
First Century Oil, Inc.	0.00341250
McMullen Minerals II, LP	0.00062500

#### **ADDITIONAL PARTY TO BE POOLED: 0.025113**

Permian Resources Operating LLC	0.02237813
Carnegie Energy, LLC	0.00273438



# Summary of ORRI Owners

## Magellan BS Fee 501H

S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM



### ORRI OWNERS POOLED UNDER POOLING ORDER

### ADDITIONAL ORRI OWNER TO BE POOLED

<b>Chi Energy, Inc. f/b/o Chi Royalty Pool</b> P.O. Box 1799 Midland, TX 79702	<b>Robert F. Duke, as Trustee of the Family Trust created under the amended and restated Trust Agreement dated 9/3/2008</b> P.O. Box 3729 Midland, TX 79702
<b>CHI Energy, Inc.</b> P.O. Box 1799 Midland, TX 79702	<b>Ronald T. May</b> 2163 Lima Loop 2-213 Laredo, TX 78045
<b>Dave Shatzer</b> 11848 Brookhill Lane Dallas, TX 75230	<b>Spindletop Exploration Company, Inc.</b> P.O. Box 25163 Dallas, TX 75225
<b>David M. Stevens, as his sole and separate property</b> 3101 Diamond A Drive Roswell, NM 88201	<b>Stevens Oil &amp; Gas, LLC</b> P.O. Box 3087 Roswell, NM 88202
<b>Gary Womack</b> 1507 Princeton Avenue Midland, TX 79701	<b>The Estate of Matthew Porter Qualls</b> 1500 S. Avenue A, Portales, NM 88130
<b>J. David Williams</b> 507 N. Marienfeld Street, #208 Midland, TX 79701	<b>White Star Energy, Inc.</b> P.O. Box 51108 Midland, TX 79710
<b>Kathleen A. Phillips</b> 124 S. Glenwood Drive Midland, TX 79703	<b>Wildhorse Interest, LLC</b> 218 N. Main Street, Suite C Midland, TX 79701
<b>L.E. Oppermann</b> 1505 Neely Avenue Midland, TX 79705	<b>WPX Energy Permian, LLC</b> 15205 Traditions Lake Parkway Edmond, OK 73013
<b>Patrick Cole Qualls</b> 4801 Rust Trail Midland, TX 79707	

**Permian Resources Operating LLC**  
300 N Marienfeld St  
Midland, TX 79701



Shelley C. Klingler  
Staff Land Negotiator  
600 W. Illinois Ave  
Midland, TX 79701  
O: 432-688-9027  
F: 432-221-0470  
Shelley.c.klingler@conocophillips.com

December 9, 2025

*Via Email*

**Permian Resources Operating LLC**  
300 N. Marienfeld St, Suite 1000  
Midland, TX 79701

Re: **Magellan BS Fee 501H, Magellan WC Fee 701H-702H**  
S2 of Sections 28 & 29, T22S-R27E  
Eddy County, New Mexico

Dear Sir or Madam:

Marathon Oil Permian, LLC ("Marathon"), as Operator, proposes the drilling of the following horizontal wells with productive laterals located in the S2 of Sections 28 and 29, T22S-R27E, Eddy County, New Mexico (collectively, the "Operation"). The surface pad(s) will be located in Unit M of Section 29, T22S-R27E (subject to change).

- **MAGELLAN BS FEE 501H**, to be drilled to a depth sufficient to test the Bone Spring formation at an approximate total vertical depth of 7,489'. The surface location for this well is proposed at a legal location in Unit M of Section 29, T22S-R27E, and a bottom hole location at a legal location in Unit P of Section 28, T22S-R27E. The dedicated horizontal spacing unit will be the S2 of Sections 28 and 29, T22S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,303,089.42, as shown on the attached Authority for Expenditure ("AFE").
- **MAGELLAN WC FEE 701H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 8,799'. The surface location for this well is proposed at a legal location in Unit M of Section 29, T22S-R27E, and a bottom hole location at a legal location in Unit P of Section 28, T22S-R27E. The dedicated horizontal spacing unit will be the S2 of Sections 28 and 29, T22S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,617,089.42, as shown on the attached Authority for Expenditure ("AFE").
- **MAGELLAN WC FEE 702H**, to be drilled to a depth sufficient to test the Wolfcamp formation at an approximate total vertical depth of 8,804'. The surface location for this well is proposed at a legal location in Unit M of Section 29, T22S-R27E, and a bottom hole location at a legal location in Unit I of Section 28, T22S-R27E. The dedicated horizontal spacing unit will be the S2 of Sections 28 and 29, T22S-R27E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$10,617,089.42, as shown on the attached Authority for Expenditure ("AFE").

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. D-3  
Submitted by: Marathon Oil Permian, LLC  
Hearing Date: March 26, 2026  
Case No. 25947

December 9, 2025 –Page 2  
Magellan BS Fee 501H, Magellan WC Fee 701H-702H

Marathon is proposing to drill these wells under the terms of the Operating Agreement dated effective 11032025, attached. If, within 30 days of receipt of the ballots, AFEs and OA, your company is not willing to execute the Operating Agreement attached, Marathon will proceed with reopening and amending NMOCD Pooling Order(s) R-23223-A and R-23224-A, to include your interest in the pooling.

Marathon has added a No Cash Call clause to the Operating Agreement dated 11032025. Parties who participate in the wells under the pooling orders will be subject to pay the cash call upon election to be deemed fully consent. Permian Resources Operating LLC is credited with 0.02237813 working interest, 0.01678359 net revenue interest. A cash call total based on your interest would be \$705,745.89.

Please indicate your participation elections in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFEs, executed OA signature pages (body and Exhibit H) and a copy of your geologic requirements, to my attention at the letterhead address or by email to shelley.c.klingler@conocophillips.com. Should you have any questions, please do not hesitate to contact me.

Sincerely,

**COG Operating LLC**



Shelley C. Klingler  
Staff Land Negotiator

Please Indicate your election below:

<b>PARTICIPATE</b> Elect to participate in drilling & completion of well	<b>DO NOT PARTICIPATE</b> Elect <b>NOT</b> to participate in drilling & completion of well	<b>WELL NAME</b>
		<b>MAGELLAN BS FEE 501H</b>
		<b>MAGELLAN WC FEE 701H</b>
		<b>MAGELLAN WC FEE 702H</b>

**Permian Resources Operating LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# Project Cost Estimate Detail



This document contains proposed and estimated project cost information which is proprietary and confidential to ConocoPhillips

**Well Name:** MAGELLAN BS FEE 501H

**Job Type:** Drill (Ver)

<b>State</b>	New Mexico - 30
<b>County/Parish</b>	Eddy - 015
<b>Authorization Number</b>	DBW.00534

## Cost Estimate Detail

Cost Code Header	Cost Type	Category	Code	Line Item Description	Subtotal (\$)
M000: MATERIAL	Art Lift	Capital	M742	Completion Fluid and Chemical	5000
S000: SERVICES	Art Lift	Capital	S318	Electric Logging - Cased Hole	1960
S000: SERVICES	Art Lift	Capital	S710	Land Freight	9690
M000: MATERIAL	Art Lift	Capital	M560	Tubing	122170
E000: EQUIPMENT	Art Lift	Capital	E100	Wellhead, X-Mas Tree and Associated Eq	84000
M000: MATERIAL	Art Lift	Capital	M630	Packer, Plug and Accessories	28500
E000: EQUIPMENT	Art Lift	Capital	E230	Permanent Downhole Gauge and Accessories	42000
E000: EQUIPMENT	Art Lift	Capital	E370	Packaged Unit	12445
E000: EQUIPMENT	Art Lift	Capital	E223	Gas Lift	16500
E000: EQUIPMENT	Art Lift	Capital	E220	Artificial Lift Equipment	55734
E000: EQUIPMENT	Art Lift	Capital	E400	Electrical Equipment	130000
S000: SERVICES	Art Lift	Capital	S311	Completion/Workover/Service Rig Day Rate	11400
S000: SERVICES	Art Lift	Capital	S850	Surfc Comp & Well Svcs Tools & Eq Rental	3790
S000: SERVICES	Art Lift	Capital	S830	Surface Drilling Tools & Equipt Rental	10150
S000: SERVICES	Art Lift	Capital	S470	Other Specialized Service	12000
S000: SERVICES	Art Lift	Capital	S450	Pump / Kill / Pressure / Hot Oil Truck	7050
O000: OWNER'S COSTS	Art Lift	Capital	O120	Contract Personnel and Overhead	170537
S000: SERVICES	Art Lift	Capital	S273	Coring & Specialized Geological Service	1900
S000: SERVICES	Art Lift	Capital	S333	Perforating	12500
S000: SERVICES	Art Lift	Capital	S530	Electrical, Instrumentation and Telecom	37700
S000: SERVICES	Art Lift	Capital	S140	Survey, Inspection, Certification, QA/QC and Testing Service	5400
O000: OWNER'S COSTS	Art Lift	Capital	O600	Contingency	5000
O000: OWNER'S COSTS	Art Lift	Capital	O600	Contingency	2500
S000: SERVICES	Art Lift	Capital	S810	Bulk Tank Rental	900
S000: SERVICES	Art Lift	Capital	S860	Wellhead and Tree Rental and Services	240

**Last Edited By** morenc

**Approved By**

morenc

Released for Imaging: 3/19/2026 2:56:48 PM

**Approved Date**

Oct 17, 2025

**Cost Estimate Detail**

Cost Code Header	Cost Type	Category	Code	Line Item Description	Subtotal (\$)
M000: MATERIAL	Art Lift	Capital	M720	Water	8085
S000: SERVICES	Drilling	Capital	S272	Mud Logging Services	34500
S000: SERVICES	Drilling	Capital	S710	Land Based Transport	82532
S000: SERVICES	Drilling	Capital	S820	Drilling Tools & Equipt Rental w/ Oper	135000
S000: SERVICES	Drilling	Capital	S850	Drilling / Compl Surface Equip Rental w/ Oper	67500
M000: MATERIAL	Drilling	Capital	M620	Bits & Mills	103000
S000: SERVICES	Drilling	Capital	S860	Wellhead & Tree Service (Labor Only)	20000
S000: SERVICES	Drilling	Capital	S220	Tubular Running Services	45000
S000: SERVICES	Drilling	Capital	S470	Other Miscellaneous Services & Consumables	64000
O000: OWNER'S COSTS	Drilling	Capital	O120	Wellsite Contract Labor & Supervisor	87750
O000: OWNER'S COSTS	Drilling	Capital	O320	Trailer Rentals, Sanitary, Trash Trailer	33000
S000: SERVICES	Drilling	Capital	S160	Environmental, including Cuttings Handling	144431
O000: OWNER'S COSTS	Drilling	Capital	O400	Permits, Fees, Surface Damages	42500
S000: SERVICES	Drilling	Capital	S210	Rig Cost	686465
M000: MATERIAL	Drilling	Capital	M510	Casing - Conductor	32000
M000: MATERIAL	Drilling	Capital	M521	Casing - Surface	28000
M000: MATERIAL	Drilling	Capital	M523	Casing - 1st Intermediate or Liner	299000
M000: MATERIAL	Drilling	Capital	M532	Casing - Production	443000
S000: SERVICES	Drilling	Capital	S210	Drilling Rig	43000
S000: SERVICES	Drilling	Capital	S511	Location, Roads, Survey, etc	236128
S000: SERVICES	Drilling	Capital	S211	Rig Cost - Mob/Demob	90667
M000: MATERIAL	Drilling	Capital	M710	Fuel - Rig	79380
M000: MATERIAL	Drilling	Capital	M720	Water-General	86659
E000: EQUIPMENT	Drilling	Capital	E600	Information / Communication (Rigsite)	30000
M000: MATERIAL	Drilling	Capital	M741	Drilling Fluids, Engineering, Solids Control	246370
S000: SERVICES	Drilling	Capital	S230	Directional Drlg Equip, MWD, Motors, Srvc	224700
S000: SERVICES	Drilling	Capital	S281	Cementing Materials & Services	177444
S000: SERVICES	Drilling	Capital	S283	Float Eqp, Centralizers & Other Cmt Accessories	70000
S000: SERVICES	Completion	Capital	S210	Drilling Rig	60000
S000: SERVICES	Completion	Capital	S870	Well Auxiliary & Surface Equipt Rental	267000
M000: MATERIAL	Completion	Capital	M720	Water	321000
M000: MATERIAL	Completion	Capital	M741	Drilling Fluid and Chemical	35000
M000: MATERIAL	Completion	Capital	M742	Completion Fluid and Chemical	240000
M000: MATERIAL	Completion	Capital	M770	Stimulation Proppant and Gravel	667000
O000: OWNER'S COSTS	Completion	Capital	O110	Company Personnel and Overhead	47000

Last Edited By morenc

Approved By

morenc

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Approved Date

Oct 17, 2025

**Cost Estimate Detail**

Cost Code Header	Cost Type	Category	Code	Line Item Description	Subtotal (\$)
O000: OWNER'S COSTS	Completion	Capital	O120	Contract Personnel and Overhead	114000
S000: SERVICES	Completion	Capital	S313	Fracture Stimulation Unit	937000
S000: SERVICES	Completion	Capital	S317	Coiled Tubing	120000
S000: SERVICES	Completion	Capital	S333	Perforating	317000
S000: SERVICES	Completion	Capital	S412	Liquid Disposal	35000
S000: SERVICES	Completion	Capital	S414	Water Hauling	15000
S000: SERVICES	Completion	Capital	S440	DST, Production Testing and Flowback	26300
S000: SERVICES	Completion	Capital	S450	Pump / Kill / Pressure / Hot Oil Truck	25000
S000: SERVICES	Completion	Capital	S470	Other Specialized Service	35000
S000: SERVICES	Completion	Capital	S511	Site Preparation and Road Work	20000
S000: SERVICES	Completion	Capital	S820	Downhole Drilling Tools & Equipt Rental	45000
S000: SERVICES	Completion	Capital	S820	Downhole Drilling Tools & Equipt Rental	45000
S000: SERVICES	Completion	Capital	S850	Surfc Comp & Well Svcs Tools & Eq Rental	343000
M000: MATERIAL	Completion	Capital	M710	Fuel and Lubricant	354000

	Completions (\$)	Drilling (\$)	Abandonment (\$)	Facilities (\$)
<b>Project Totals:</b>	<b>4,068,300.00</b>	<b>3,632,025.42</b>	<b>0.00</b>	<b>797,151.00</b>
<b>Grand Total (\$)</b>			<b>8,497,476.42</b>	

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

## Summary of **Additional Party to be Pooled** – Communication Log

Magellan BS Fee 501H

S/2 of Sections 28 and 29, Township 22 South, Range 27 East, Eddy County, NM

Company	Date	Communication	Notes
Permian Resources Operating LLC	12/9/2025	email	Interest verification
Permian Resources Operating LLC	12/9/2025	email	Interest verification
Permian Resources Operating LLC	12/9/2025	email	Interest verification
Permian Resources Operating LLC	12/9/2025	email	Interest verification
Permian Resources Operating LLC	12/9/2025	email	Interest verification
Permian Resources Operating LLC	12/9/2025	email	Interest numbers
Permian Resources Operating LLC	12/9/2025	email	Proposals, AFEs, OA
Permian Resources Operating LLC	12/10/2025	email	Acknowledgement of docs
Permian Resources Operating LLC	1/5/2026	email	follow up on proposals
Permian Resources Operating LLC	1/7/2026	email	follow up on proposals
Permian Resources Operating LLC	1/22/2026	email	follow up on proposals, AFE questions, pooling
Permian Resources Operating LLC	2/23/2026	email	follow up on proposals, OA and pooling
Permian Resources Operating LLC	2/24/2026	email	follow up on proposals, OA and pooling
Carnegie Energy LLC	11/25/2025	email	Interest change, follow up on proposals, OA and pooling
Carnegie Energy LLC	12/1/2025	email	follow up on proposals, OA and pooling
Carnegie Energy LLC	2/27/2026	email	follow up on proposals, OA and pooling
Carnegie Energy LLC	3/2/2026	email	follow up on proposals, OA and pooling
Carnegie Energy LLC	3/2/2026	phone	follow up on proposals, OA and pooling
Carnegie Energy LLC	3/17/2026	email	follow up on proposals, OA and pooling

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

**APPLICATION OF MARATHON OIL PERMIAN, LLC  
TO ADD AN ADDITIONAL POOLED PARTY  
AND AMEND THE INTIAL WELLS INCLUDED  
UNDER ORDER NO. R-23223, AS AMENDED,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25947  
ORDER NO. R-23223-A**

**SELF-AFFIRMED STATEMENT OF  
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Marathon Oil Permian, LLC (“Marathon”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of March 16, 2026 and March 18, 2026.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice of publication is attached herein.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: Marathon Oil Permian, LLC  
Hearing Date: March 26, 2026  
Case No. 25947**



6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



\_\_\_\_\_  
Paula M. Vance

03/18/26

\_\_\_\_\_  
Date



**Paula M. Vance**  
**Associate**  
Phone (505) 988-4421  
Email pmvance@hollandhart.com

March 6, 2026

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Amended Application of Marathon Oil Permian, LLC to Add An Additional Pooled Party and Amend the Initial Wells Included Under Order No. R-23223, As Amended, Eddy County, New Mexico: Magellan BS Fee 501H Well**

Greetings:

This letter is to advise you that Marathon Oil Permian, LLC (“Marathon”) has filed the enclosed amended application with the New Mexico Oil Conservation Division (“Division”). This amended application includes a request to remove certain wells from the original pooling order, in addition to the request to add an additional pooled party. A hearing has been requested before a Division Examiner on March 26, 2026, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

**It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Shelley Klingler at (432) 688-9027, or at shelley.c.klingler@conocophillips.com.

Sincerely,

Paula M. Vance  
**ATTORNEY FOR MARATHON OIL PERMIAN, LLC**

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
[www.hollandhart.com](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



**Paula M. Vance**  
**Associate**  
Phone (505) 988-4421  
Email pmvance@hollandhart.com

March 17, 2026

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Amended Application of Marathon Oil Permian, LLC to Add An Additional Pooled Party and Amend the Initial Wells Included Under Order No. R-23223, As Amended, Eddy County, New Mexico: Magellan BS Fee 501H Well**

Greetings:

This letter is to advise you that Marathon Oil Permian, LLC (“Marathon”) has filed the enclosed amended application with the New Mexico Oil Conservation Division (“Division”). This amended application includes a request to remove certain wells from the original pooling order, in addition to the request to add an additional pooled party. A hearing has been requested before a Division Examiner on March 26, 2026, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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If you have any questions about this matter, please contact Shelley Klingler at (432) 688-9027, or at shelleys.c.klingler@conocophillips.com.

Sincerely,

Paula M. Vance  
**ATTORNEY FOR MARATHON OIL PERMIAN, LLC**

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Marathon - Magellan Reopen Order Nos. R-23223, R-23224 BS/WC wells - Case nos. 25947 and 25949  
Postal Delivery Report (Amended)

9414811898765436463416	Chi Energy, Inc. f/b/o Chi Royalty Pool	PO Box 1799	Midland	TX	79702-1799	Your item arrived at our MIDLAND TX DISTRIBUTION CENTER destination facility on March 14, 2026 at 2:54 pm. The item is currently in transit to the destination.
9414811898765436463454	Dave Shatzer	11848 Brookhill Ln	Dallas	TX	75230-2363	Your item was delivered to an individual at the address at 1:06 pm on March 10, 2026 in DALLAS, TX 75230.
9414811898765436463461	David M. Stevens, as his sole and separate property	3101 Diamond A Dr	Roswell	NM	88201-3420	Your item was delivered to an individual at the address at 4:00 pm on March 10, 2026 in ROSWELL, NM 88201.
9414811898765436463423	F.I.S.C.O., Inc.	PO Box 3087	Roswell	NM	88202-3087	Your item was picked up at the post office at 3:18 pm on March 10, 2026 in ROSWELL, NM 88201.
9414811898765436463409	First Century Oil, Inc.	400 N Pennsylvania Ave Ste 1000	Roswell	NM	88201-4780	Your item was returned to the sender on March 12, 2026 at 4:23 pm in ROSWELL, NM 88201 because the addressee was not known at the delivery address noted on the package.
9414811898765436463492	Gary Womack	1507 Princeton Ave	Midland	TX	79701-5761	Your item was returned to the sender on March 10, 2026 at 1:11 pm in MIDLAND, TX 79701 because the addressee was not known at the delivery address noted on the package.
9414811898765436463447	J. David Williams	507 N Marienfeld St Ste 208	Midland	TX	79701-4356	Your item arrived at our MIDLAND TX DISTRIBUTION CENTER destination facility on March 9, 2026 at 7:26 pm. The item is currently in transit to the destination.
9414811898765436463430	Kathleen A. Phillips	124 S Glenwood Dr	Midland	TX	79703-6008	Your item was delivered to an individual at the address at 2:02 pm on March 10, 2026 in MIDLAND, TX 79703.
9414811898765436463553	L.E. Oppermann	1505 Neely Ave	Midland	TX	79705-7558	Your item has been delivered to an agent for final delivery in MIDLAND, TX 79705 on March 10, 2026 at 1:24 pm.
9414811898765436463522	McMullen Minerals II, LP	PO Box 470857	Fort Worth	TX	76147-0857	Your shipment was received at 3:04 pm on March 6, 2026 in DENVER, CO 80217. The acceptance of your package is pending.
9414811898765436463546	Patrick Cole Qualls	4801 Rust Trail	Midland	TX	79707	Your item was delivered to an individual at the address at 2:10 pm on March 10, 2026 in MIDLAND, TX 79707.
9414811898765436463539	Permian Resources Operating LLC	300 N Marienfeld St Ste 1000 Attn Obo Land	Midland	TX	79701-4688	Your item was delivered to an individual at the address at 12:42 pm on March 10, 2026 in MIDLAND, TX 79701.
9414811898765436464215	Read & Stevens, Inc.	PO Box 1518	Roswell	NM	88202-1518	Your item was returned to the sender on March 10, 2026 at 8:36 am in ROSWELL, NM 88201 because the address was vacant or the business was no longer operating at the location and no further information was available.
9414811898765436464260	Robert F. Duke, as Trustee of the Family Trust created under the amended and restated Trust Agreement dated 9/3/2008	PO Box 3729	Midland	TX	79702-3729	Your item was picked up at the post office at 3:13 pm on March 11, 2026 in MIDLAND, TX 79701.
9414811898765436464291	Ronald T. May	2163 Lima Loop PMB 2-213	Laredo	TX	78045-6420	Your item was picked up at a postal facility at 9:51 am on March 11, 2026 in LAREDO, TX 78045.
9414811898765436464246	Spindletop Exploration Company, Inc.	PO Box 25163	Dallas	TX	75225-1163	Your item was picked up at the post office at 10:29 am on March 11, 2026 in DALLAS, TX 75225.
9414811898765436464284	Stevens Oil & Gas, LLC	PO Box 3087	Roswell	NM	88202-3087	Your item was picked up at the post office at 10:04 am on March 13, 2026 in ROSWELL, NM 88201.
9414811898765436464239	The Estate of Matthew Porter Qualls	1500 S Avenue A	Portales	NM	88130-6915	We attempted to deliver your item at 3:33 pm on March 13, 2026 in PORTALES, NM 88130 and a notice was left because an authorized recipient was not available. If this item is unclaimed after 16 days then it will be returned to the sender.

Marathon - Magellan Reopen Order Nos. R-23223, R-23224 BS/WC wells - Case nos. 25947 and 25949  
 Postal Delivery Report (Amended)

9414811898765436464277	White Star Energy, Inc.	PO Box 51108	Midland	TX	79710-1108	Your item was picked up at a postal facility at 10:39 am on March 12, 2026 in MIDLAND, TX 79705.
9414811898765436464819	Wildhorse Interest, LLC	218 N Main St Unit C	Midland	TX	79701-5212	Your item was delivered to an individual at the address at 11:47 am on March 10, 2026 in MIDLAND, TX 79701.
9414811898765436464857	WPX Energy Permian, LLC	15205 Traditions Lake Pkwy	Edmond	OK	73013-1198	Your item was delivered to the front desk, reception area, or mail room at 12:27 pm on March 10, 2026 in EDMOND, OK 73013.
9414811898765436464826	Carnegie Energy, LLC	3811 Turtle Creek Blvd Ste 1860	Dallas	TX	75219-4481	Your item arrived at our DALLAS TX DISTRIBUTION CENTER destination facility on March 9, 2026 at 10:30 am. The item is currently in transit to the destination.

Postal Delivery Report

9214 8901 9403 8362 1028 95	Carnegie Energy LLC 3811 Turtle Creek Suite 1860 Dallas TX 75219	In-Transit
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# Affidavit of Publication

# Copy of Publication:

No. 87720

State of New Mexico

County of Eddy:

**Adrian Hedden**

being duly sworn, says that he is the Publisher

of the Carlsbad Current Argus, a weekly newspaper of general circulation, published in English at Carlsbad, said county and state, and that the hereto attached

### Legal Ad

was published in a regular and entire issue of the said Carlsbad Current Argus, a weekly newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/day on the same

day as follows:

First Publication	March 12, 2026
Second Publication	
Third Publication	
Fourth Publication	
Fifth Publication	
Sixth Publication	
Seventh Publication	
Eighth Publication	

Subscribed and sworn before me this

12th day of March 2026

LATISHA ROMINE  
 Notary Public, State of New Mexico  
 Commission No. 1076333  
 My Commission Expires  
 05-12-2027

Latisha Romine  
Notary Public, Eddy County, New Mexico

Case No. 25947: Amended Application of Marathon Oil Permian, LLC to Add An Additional Pooled Party and Amend the Initial Wells Included Under Order No. R-23223, As Amended, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: Carnegie Energy, LLC; Chi Energy, Inc. f/b/o Chi Royalty Pool; Dave Shatzer; David M. Stevens, as his sole and separate property; F.I.S.C.O., Inc.; First Century Oil, Inc.; Gary Womack; J. David Williams; Kathleen A. Phillips; L.E. Oppermann; McMullen Minerals II, LP; Patrick Cole Qualls; Permian Resources Operating LLC; Read & Stevens, Inc.; Robert F. Duke, as Trustee of the Family Trust created under the amended and restated Trust Agreement dated 9/3/2008; Ronald T. May; Spindletop Exploration Company, Inc.; Stevens Oil & Gas, LLC; The Estate of Matthew Porter Qualls; White Star Energy, Inc.; Wildhorse Interest, LLC; and WPX Energy Permian, LLC. The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division (Division) hereby gives notice that the Division will hold public hearing 8:30 a.m. on March 26, 2026, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearing electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov). Applicant in the above-styled cause seeks to (1) amend Pooling Order R-23223, as amended, to add an additional interest owner to the pooling order, and (2) remove certain wells included in the original Pooling Order. Order R-23223 was issued in Case No. 24150 and pooled the uncommitted interests in the Bone Spring formation (Cass Draw; Bone Spring [10380]) underlying the S/2 of Sections 28 and 29, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard 640-acre, more or less, horizontal well spacing unit is dedicated to the proposed initial Magellan BS Fee 501H (API No. 30-015-57453) and Magellan BS Fee 502H (API No. 30-015-PENDING). Marathon seeks to remove the Magellan BS Fee 502H from the Pooling Order. The subject area is located approximately 3.5 miles southeast of Carlsbad, New Mexico.

87720-Published in Carlsbad Current Argus March 12, 2026.

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. F  
 Submitted by: Marathon Oil Permian, LLC  
 Hearing Date: March 26, 2026  
 Case No. 25947