

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

**APPLICATION OF MARATHON OIL PERMIAN
LLC FOR APPROVAL OF AN OVERLAPPING
NON-STANDARD HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Marathon Oil Permian LLC (“Marathon” or “Applicant”) (OGRID No. 372098), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a non-standard 799.29 acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation comprised of Lots 3 & 4, S/2 NW/4, and SW/4 of irregular Section 2 (W/2 equivalent), the W/2 of Section 11, and E/2 W/2 of Section 14, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling the uncommitted interests therein. In support of this application, Marathon states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Dolly Purrton Federal Com 301H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 14, with a first take point in the SE/4 SW/4 (Unit N) Section 14 and last take point in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 2.
3. This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 160-acre horizontal wells spacing unit comprised of the W/2 W/2 of Section 14, dedicated to Coterra Energy Operating Co's Federal 23H (API: 30-025-41921);
- 160-acre horizontal wells spacing unit comprised of the W/2 W/2 of Section 11, dedicated to Marathon Oil Permian LLC's Urraca 11 SB Fed Com 4H (API: 30-025-41968); and
- 160-acre horizontal wells spacing unit comprised of the E/2 W/2 of Section 11, dedicated to Marathon Oil Permian LLC's Urraca 11 AV Fed Com 24H (API: 30-025-42226).

4. Marathon seeks approval of a non-standard spacing unit to accommodate existing development in the Bone Spring formation and to provide for efficient well spacing.

5. An ownership depth severance exists in the Bone Spring formation, within the proposed horizontal well spacing unit. Accordingly, Applicant seeks to pool only the Avalon interval of the Bone Spring formation, defined as the stratigraphic equivalent of between 11,104 feet and 12,312 feet total vertical depth, as seen in the Triste Draw Federal #2 (API 30-025-27708). Marathon will provide notice of this hearing to the vertical offset affected parties within the pool who are not subject to this pooling application.

6. Applicant has reached a voluntary agreement with all working interest owners in this proposed unit but seeks a pooling order for certain non-cost-bearing interest owners, including overriding royalty interest owners and record title owners, who have yet to execute the necessary federal and state communitization agreements.

7. The pooling of the uncommitted interest owners will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 3, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping non-standard horizontal well spacing unit and pooling certain overriding royalty interest owners and record title owners in the proposed overlapping horizontal well spacing unit; and
- B. Designating Applicant as the operator of this spacing unit and the horizontal well to be drilled thereon.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
A. Raylee Starnes
215 Lincoln Avenue, Suite 100
Santa Fe, New Mexico 87501
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com
arstarnes@hollandhart.com

ATTORNEYS FOR MARATHON OIL PERMIAN LLC

CASE _____:

Application of Marathon Oil Permian LLC for Approval of an Overlapping Non-Standard Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a non-standard 799.29 acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation comprised of Lots 3 & 4, S/2 NW/4, and SW/4 of irregular Section 2 (W/2 equivalent), the W/2 of Section 11, and E/2 W/2 of Section 14, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling the uncommitted interests therein. Applicant seeks to pool only the Avalon interval of the Bone Spring formation, defined as the stratigraphic equivalent of between 11,104 feet and 12,312 feet total vertical depth, as seen in the Triste Draw Federal #2 (API 30-025-27708). This unit will be initially dedicated to the **Dolly Purrrton Federal Com 301H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 14, with a first take point in the SE/4 SW/4 (Unit N) Section 14 and last take point in Lot 4 (NW/4 NW/4 equivalent) of irregular Section 2. This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 160-acre horizontal wells spacing unit comprised of the W/2 W/2 of Section 14, dedicated to Coterra Energy Operating Co's Cuervo Federal 23H (API: 30-025-41921);
- 160-acre horizontal wells spacing unit comprised of the W/2 W/2 of Section 11, dedicated to Marathon Oil Permian LLC's Urraca 11 SB Fed Com 4H (API: 30-025-41968); and
- 160-acre horizontal wells spacing unit comprised of the E/2 W/2 of Section 11, dedicated to Marathon Oil Permian LLC's Urraca 11 AV Fed Com 24H (API: 30-025-42226).

Also to be considered will be designation of Applicant as operator. Said area is located approximately 25 miles east of Malaga, New Mexico.