

6JGHF-200102-C-107B 931

Revised March 23, 2017

RECEIVED: 1/2/20	REVIEWER:	TYPE: CTB	APP NO: pDM2000744505
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Marathon Oil Permian LLC **OGRID Number:** 372098
Well Name: Kyle 34 Federal Com 3H, 5H **API:** 30-015-43405; 30-015-43295 
Pool: Purple Sage; Wolfcamp (Gas) **Pool Code:** 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

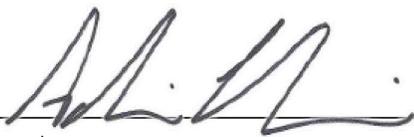
FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adrian Covarrubias

 Print or Type Name



 Signature

12/18/2018

 Date

713-296-3368

 Phone Number

acovarrubias@marathonoil.com

 e-mail Address

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. Multiple
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Kyle 34 Federal Com
8. Well Number Multiple
9. OGRID Number 372098
10. Pool name or Wildcat Multiple
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [] Gas Well [] Other []
2. Name of Operator Marathon Oil Permian LLC
3. Address of Operator 5555 San Felipe St., Houston, TX 77056
4. Well Location
Unit Letter : feet from the line and feet from the line
Section 34 Township 24S Range 28E NMPM County EDDY
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: Request to commingle [x]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Marathon Oil Permian LLC is requesting approval to lease commingle of gas and off-lease measurement and sales. The value of the oil and gas will not be affected with the approval of this commingle request. Please see the attached commingle request. Wells will be accurately measured with daily measurement at separation.

Wells to be commingled:

Table with 4 columns: Name, Location, API, Pool. Rows include Kyle 34 Federal Com 3H and Kyle 34 Federal Com 5H with their respective locations and API numbers.

Spud Date: []

Rig Release Date: []

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Regulatory Professional DATE 12/18/2019

Type or print name Adrian Covarrubias E-mail address: acovarrubias@marathonoil.com PHONE: 713-296-3368

For State Use Only

APPROVED BY: [] TITLE [] DATE []

Conditions of Approval (if any):

APPLICATION FOR CENTRAL TANK BATTERY, SALES, & STORAGE

Marathon Oil Permian LLC is requesting approval of the Proposal for Lease Commingle of gas and Off-Lease measurement and sales:

Federal Lease NM-102911				Oil		GAS	
Well Name	Location	API #	Pool; Formation	BOPD	Gravities	MCFPD	BTU
Kyle 34 Federal Com 3H	Sec. 34-T24S-R28E	30-015-43405	Purple Sage: Wolfcamp	194	47.3	459	1293
Kyle 34 Federal Com 5H	Sec. 34-T24S-R28E	30-015-43295	Purple Sage: Wolfcamp	177	46.5	403	1270

Lease map shows the federal lease and well locations in Section 34-T24S-R28E. The facility for each well resides off-lease from the hydrocarbons produced from the wells. Working, royalty, and overriding interest owners are identical. The NMOCD has been sent a copy of the proposal for approval.

The BLM's interest in all wells has identical royalty rates of 12.5% and acreage. Waste is not induced and no correlative rights are impaired. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facility.

Oil off-lease storage and metering:

The Kyle 34 Federal Com 3H CTB is located on lease NMNM102911, SESW, Sec. 34, T24S, R28E. The CTB has four oil tanks that the well will utilize. The produced water will go to six water tanks on location.

The Kyle 34 Federal Com 5H CTB is located on lease NMNM013074, SESE, Sec. 34, T24S, R28E. The CTB has three oil tanks that the well will utilize. The produced water will go to four water tanks on location.

Each well will have its own 3-phase separator. The oil production will be allocated on a daily basis using the Coriolis meter on the downstream side of the 3-phase separator.

Kyle 34 Federal Com 3H oil allocation meter consists of a Micro Motion Coriolis meter (SN-D0302997).
Kyle 34 Federal Com 5H oil allocation meter consists of a Micro Motion Coriolis meter (SN-D030557).

Oil allocation meters will be proven per API & NMOCD specifications as follows:

- Installation
- Monthly for the first three (3) months
- Quarterly thereafter

Gas metering:

The facility will be co-located with the wells location. The gas will have a common central delivery point (CDP) gas sales meter which is located off lease on the west side of the Kyle 34 Federal 2H, NMNM 013074, in the SWSW, Sec. 34, T24S, R28E.

Gas production will be allocated on a daily basis using the subtraction method from the allocation meters upstream of the sales meter located on the west side of the Kyle 34 Federal 2H, NMNM 013074, in the SWSW, Sec. 34, T24S, R28E.

Kyle 34 Federal Com 3H gas allocation meter consists of an orifice meter SN-T113359998
Kyle 34 Federal Com 5H gas allocation meter consists of an orifice meter SN-T144706777

Gas allocation meters will be calibrated as per API & NMOCD specifications as follows

- Installation
- Every six (6) months thereafter

The BLM and OCD will be notified of any future changes in the equipment.

Process and Flow Descriptions:

The Kyle 34 Federal Com 3H & Kyle 34 Federal Com 5H gas will flow from well through separation equipment located at the well sites where oil is measured, stored, and sold. The gas will then travel by pipeline to the Kyle 34 Federal 2H well pad. The gas from each well will be measured through individual orifice meters prior to commingling at the sales meter. A CDP gas sales meter, is located off lease on the west side of the Kyle 34 Federal 2H, NMNM 013074, in the SWSW, Sec. 34, T24S, R28E.

The flow of gas is shown in detailed aerial layout on the lease map along with a description of each lease. The commingling of gas production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production.

A CDP gas sales meter is located off lease on the west side of the Kyle 34 Federal 2H, NMNM 013074, in the SWSW, Sec. 34, T24S, R28E.

Signed: 
Printed Name: Adrian Covarrubias
Title: Regulatory Professional
Date: December 18, 2019

Economic Justification Worksheet Kyle Federal Com

Economic for lease:

Federal lease NMNM102911 Royalty Rate 12.5%

Well Name	MCFPD	Dry BTU	Value / mcf
Kyle 34 Federal Com 3H	459	1293	2.11

Federal lease NMNM25953 Royalty Rate 12.5%

Well Name	MCFPD	Dry BTU	Value / mcf
Kyle 34 Federal Com 5H	403	1269	2.11

Economic Combined Production

Well Name	MCFPD	Dry BTU	Value / mcf
Kyle 34 Federal Com CDP	862	1282	2.11

By combining the gas production of these leases, the royalty value will not be affected due to the contract Marathon has with the purchaser; which states that they will purchase all oil and gas at one price regardless of variance in BTU for gas.

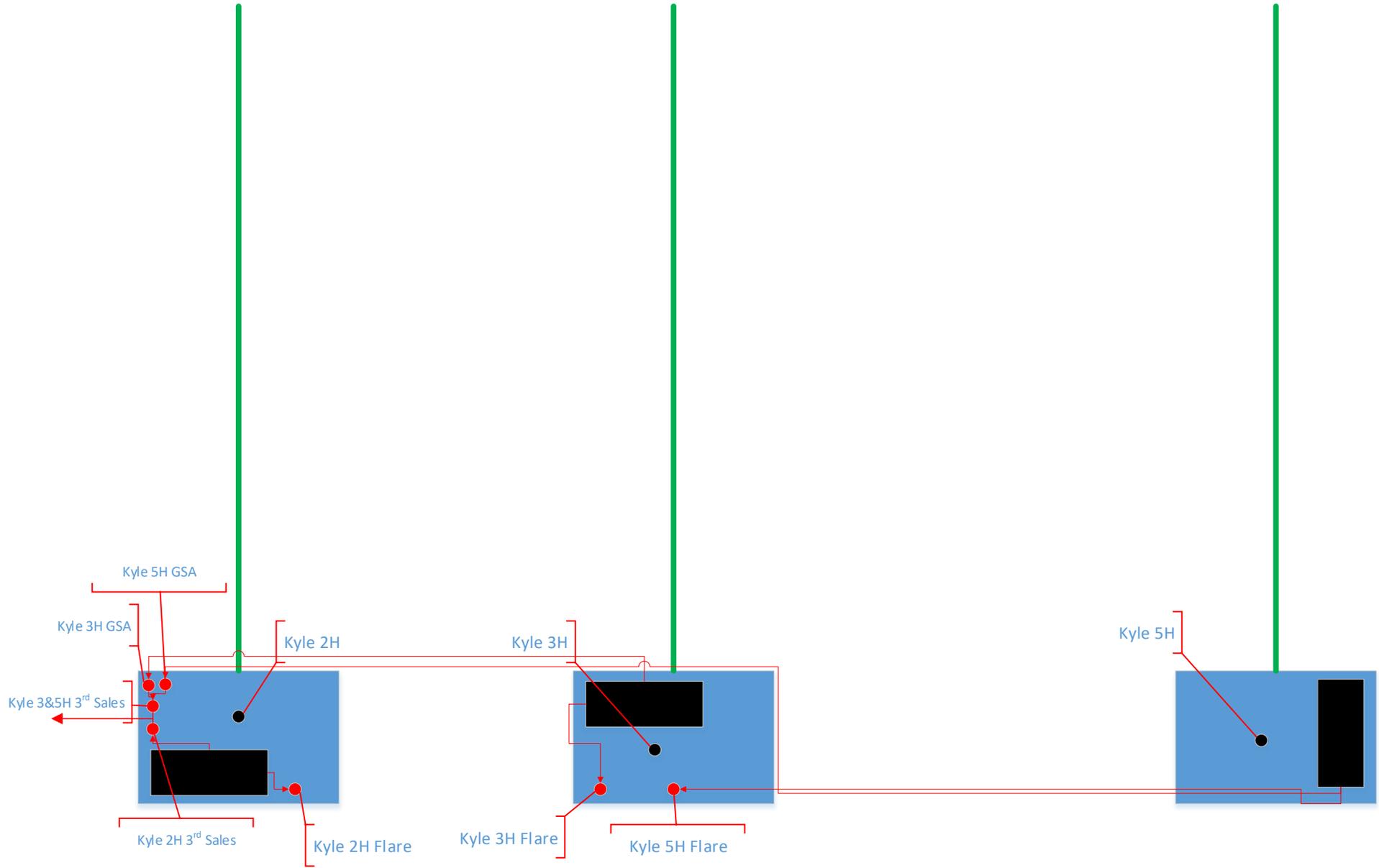
Signed: 

Printed Name: Adrian Covarrubias

Title: Regulatory Professional

Date: December 18, 2019

FACILITY DIAGRAMS





NOTES/KEY

WELL PAD NOT BERMED

HT: Heater Treater
 S: Separators
 COMP: COMPRESSOR

F1 – F10 – Production Valves
 S1 – S10 – Sales Valves
 D1 – D10 – Drain Valves

FLOW METER:
 SN: D0302997

FMP NO. SN: T180609420

SALES METER IS
 ON KYLE 2H PAD

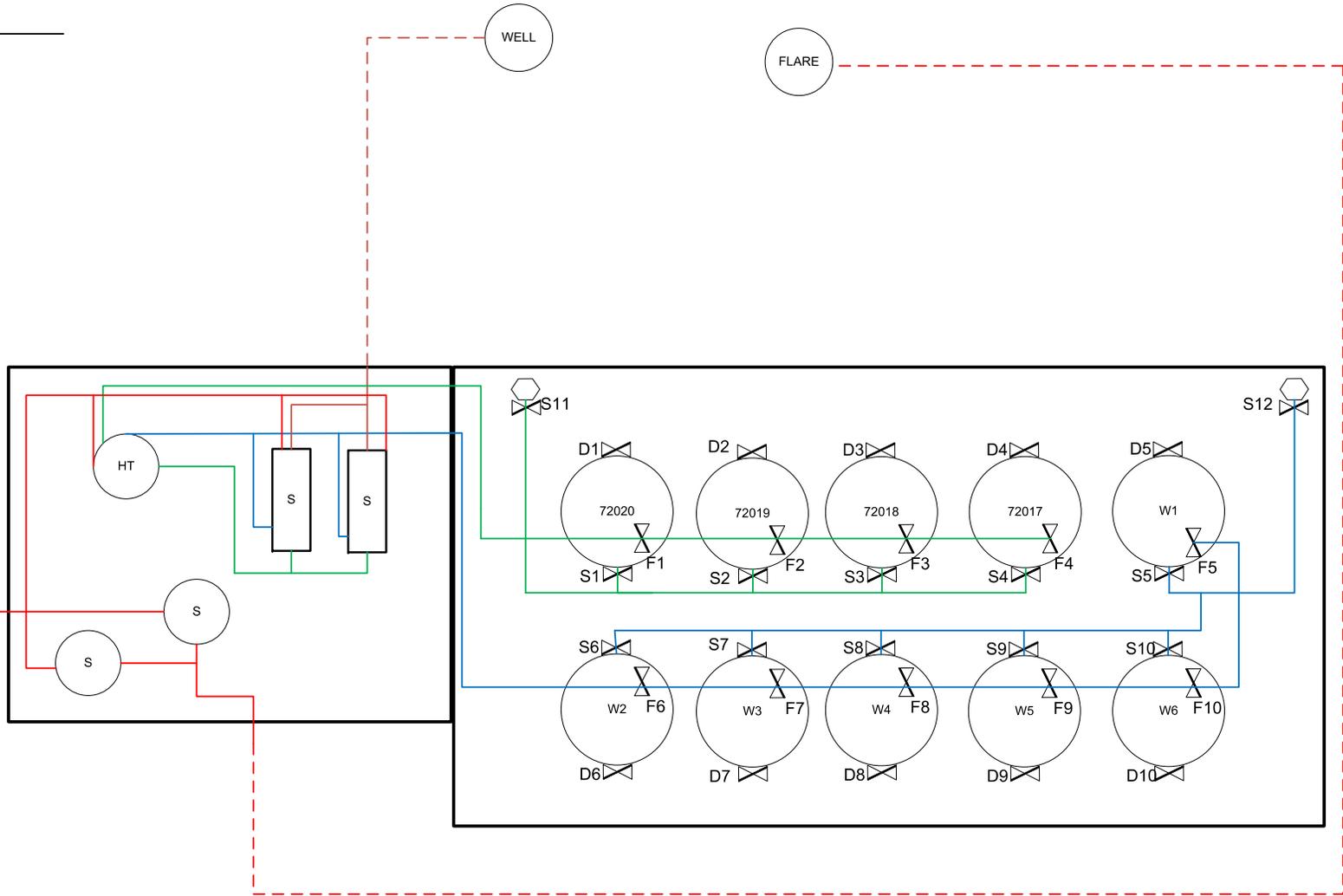


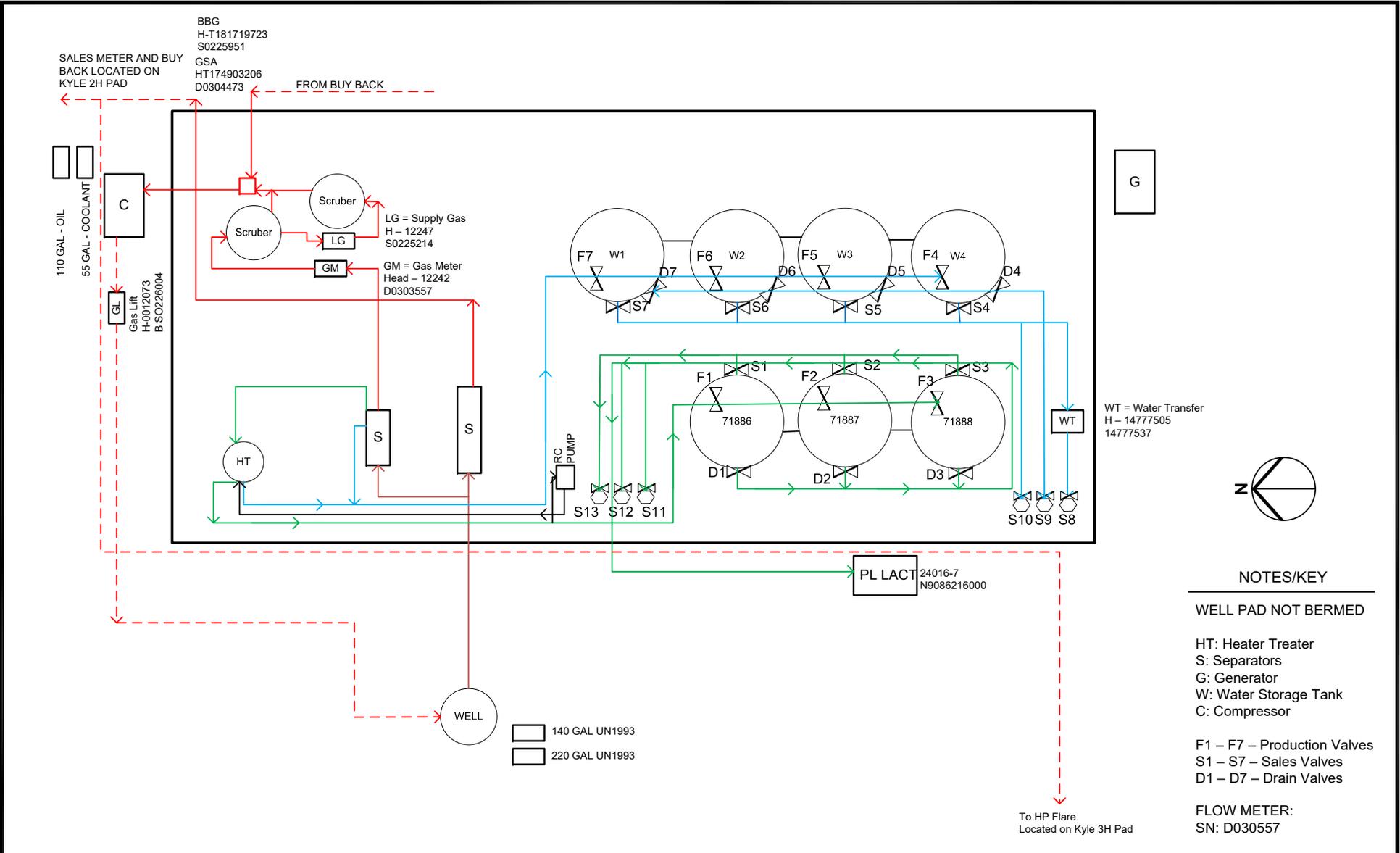
FIGURE TITLE
KYLE 34 FEDERAL COM 3H

API **30-015-43405** LEASE **NMNM102911** CA #

OPERATOR **MARATHON OIL PERMIAN, LLC**
5555 SAN FELIPE ST, HOUSTON, TX 77056

LOCATION **EDDY COUNTY, NM** **SESW-34-T24S-R28E** **LAT 32.16692222**
150 FSL & 1650 FWL **LONG -104.0784838**

DATE	JULY 2018
SCALE	NOT TO SCALE
DRAWN BY	AC
APPROVED BY	JVC



NOTES/KEY

WELL PAD NOT BERMED

HT: Heater Treater
S: Separators
G: Generator
W: Water Storage Tank
C: Compressor

F1 - F7 - Production Valves
S1 - S7 - Sales Valves
D1 - D7 - Drain Valves

FLOW METER:
SN: D030557



FIGURE TITLE		KYLE 34 FEDERAL COM 5H	
API	LEASE	CA #	
30-015-43295	NMNM25953		
OPERATOR			
MARATHON OIL PERMIAN, LLC 5555 SAN FELIPE ST, HOUSTON, TX 77056			
LOCATION			
EDDY COUNTY, NM	SESE-34-T24S-R28E	LAT 32.16714699	LONG -104.069684

DATE	JULY 2018
SCALE	NOT TO SCALE
DRAWN BY	AC
APPROVED BY	JVC

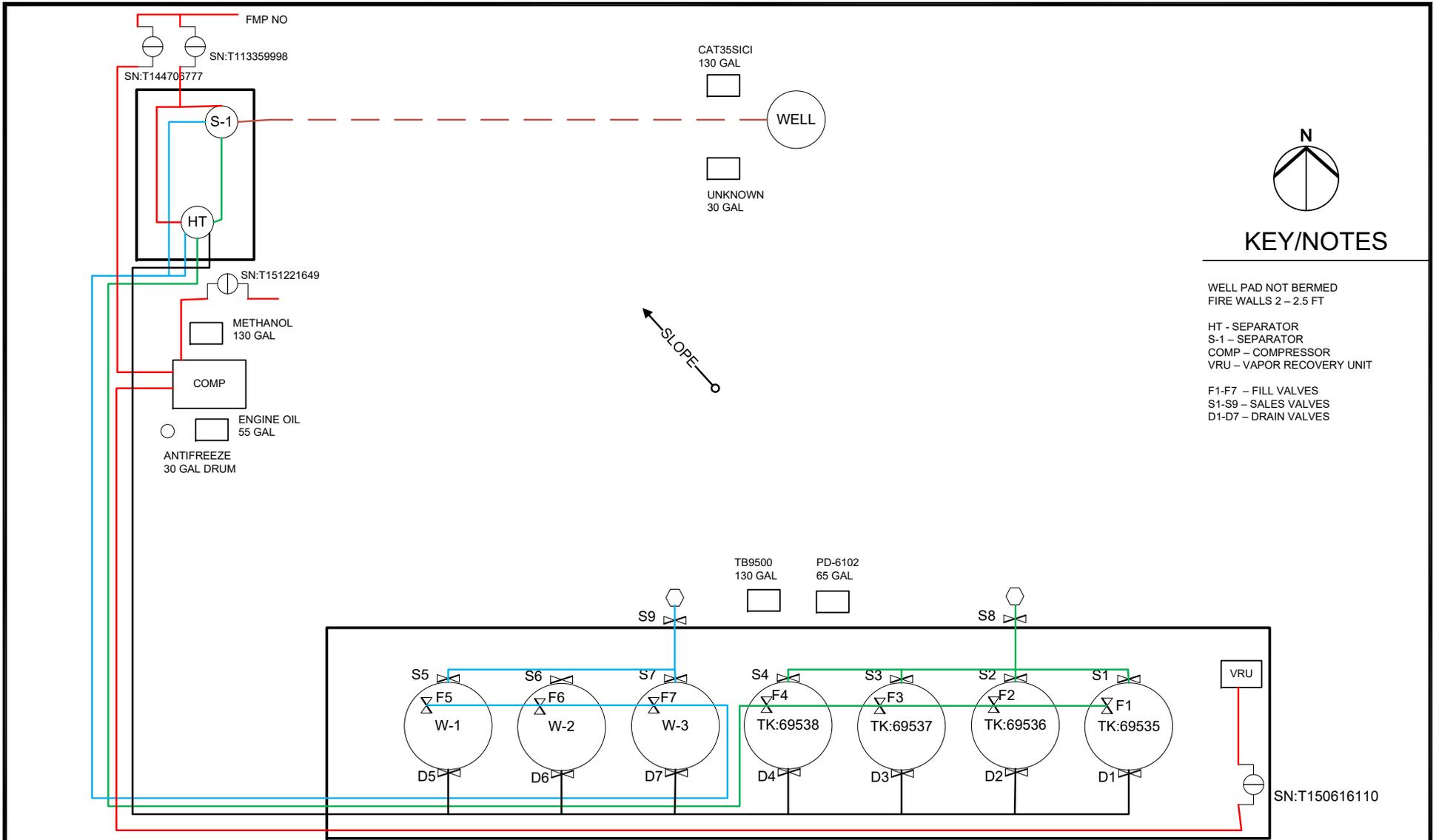
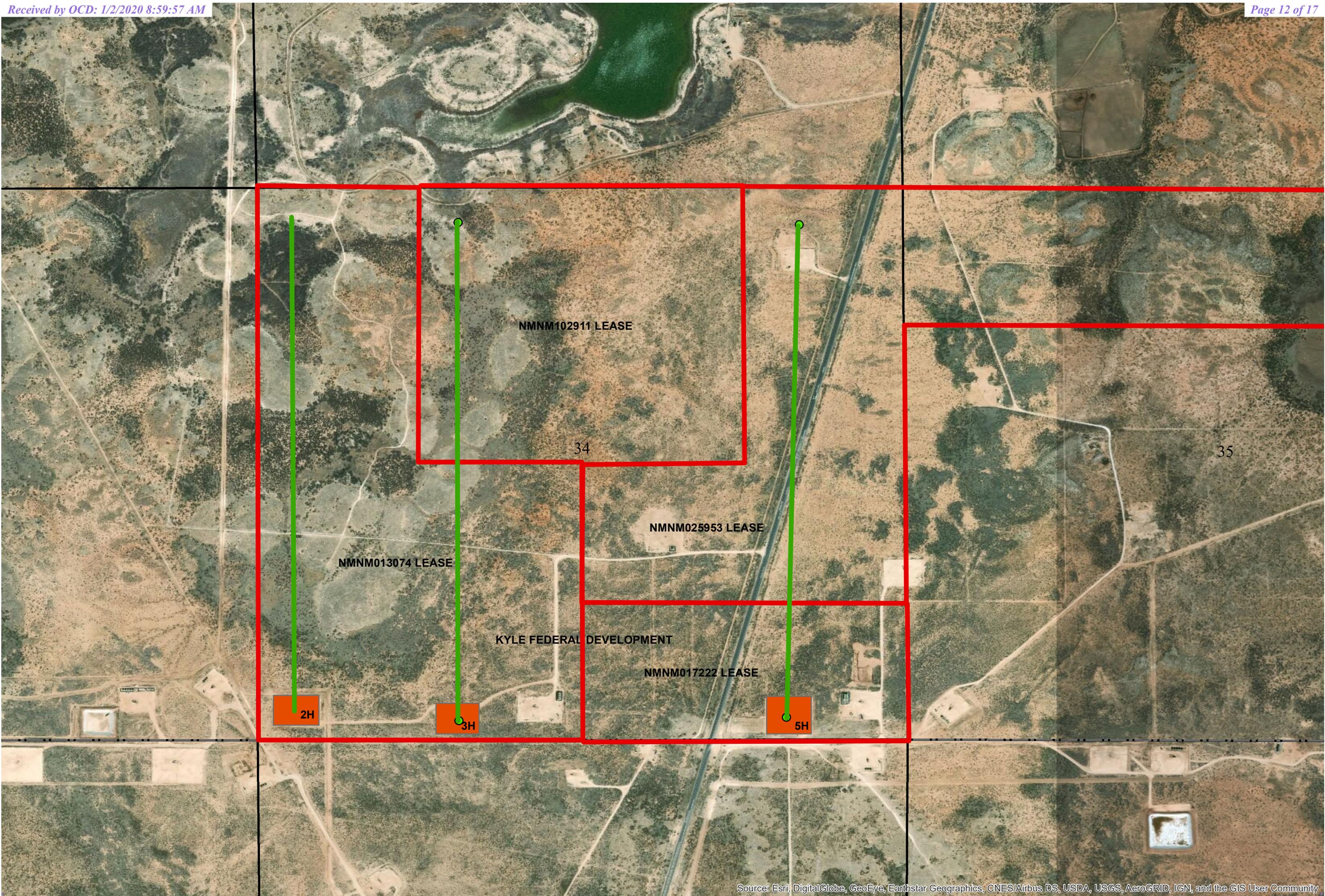


	FIGURE TITLE		KYLE 34 FEDERAL 2H		DATE	MAY 2018
	API		LEASE	CA #	SCALE	NOT TO SCALE
	30-015-42187		NMNM13074		DRAWN BY	AC
	OPERATOR		MARATHON OIL PERMIAN, LLC 5555 SAN FELIPSE ST, HOUSTON, TX 77056		APPROVED BY	JVC
	LOCATION		SWSW-34-24S-28E	LAT 32.1674461		
EDDY COUNTY, NM		330 FSL & 330 FWL	LONG -104.0827179			

LEASE MAP



AS DRILLED PLATS

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-43405		² Pool Code 96415		³ Pool Name PURPLE SAGE; WOLFCAMP	
⁴ Property Code 26599		⁵ Property Name KYLE 34 FEDERAL			⁶ Well Number 3H
⁷ OGRID No. 155615		⁸ Operator Name MARATHON OIL PERMIAN, LLC			⁹ Elevation 3000

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	34	T24S	R28E		200	SOUTH	1670	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	T24S	R28E		332	NORTH	1694	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p>SECTION 28</p> <p>SECTION 33</p> <p>1694'</p> <p>330'</p> <p>330'</p> <p>MEASURED DEPTH = 10,794'</p> <p>1653'</p> <p>1667'</p> <p>SECTION 33</p> <p>SECTION 4</p> <p>200'</p> <p>330'</p>	<p>CORNER COORDINATES NAD 83, SPCS NM EAST</p> <p>A - Y: 429767.99 / X: 618526.54 B - Y: 429780.74 / X: 621190.24 C - Y: 424409.95 / X: 621226.81 D - Y: 424397.09 / X: 618546.33</p>	<p>CORNER COORDINATES NAD 27, SPCS NM EAST</p> <p>A - Y: 429709.69 / X: 577342.84 B - Y: 429722.40 / X: 580006.48 C - Y: 424351.72 / X: 580042.94 D - Y: 424338.89 / X: 577362.51</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 6/8/2018 Signature Date</p> <p>Adrian Covarrubias Printed Name</p> <p>E-mail Address</p>	
	<p>SECTION 27</p> <p>SECTION 26</p>	<p>SECTION 34</p> <p>SECTION 35</p>	<p>LAST TAKE POINT/BOTTOM HOLE LOCATION</p> <p>14,336' MEASURED DEPTH IN FEET</p> <p>NAD 83, SPCS NM EAST</p> <p>Y:429444.11 / X:620222.23</p> <p>LAT:32.18036263N / LDM:104.07835662W</p> <p>NAD 27, SPCS NM EAST</p> <p>Y:429385.8 / X:579038.49</p> <p>LAT:32.18024058N / LDM:104.07786546W</p>	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>
	<p>PRODUCING AREA</p>	<p>FIRST TAKE POINT</p> <p>9,628' MEASURED DEPTH IN FEET</p> <p>NAD 83, SPCS NM EAST</p> <p>Y:424735.08 / X:620211.96</p> <p>LAT:32.16741804N / LDM:104.07842589W</p> <p>NAD 27, SPCS NM EAST</p> <p>Y:424676.86 / X:579028.12</p> <p>LAT:32.16729583N / LDM:104.07793512W</p>	<p>PRELIMINARY</p> <p>THIS DOCUMENT IS NOT TO BE USED FOR CONVEYANCE, SALE, BIDDING, RECORDATION, OR THE BASIS FOR THE ISSUANCE OF A PERMIT.</p>	
	<p>SECTION 33</p> <p>SECTION 4</p>	<p>SURFACE HOLE LOCATION</p> <p>200' FSL 1670' FWL, SECTION 34</p> <p>NAD 83, SPCS NM EAST</p> <p>Y:424604.78' / X:620215.72'</p> <p>LAT:32.16705982N / LDM:104.07841475W</p> <p>NAD 27, SPCS NM EAST</p> <p>Y:424546.56' / X:579031.87'</p> <p>LAT:32.166938N / LDM:104.0779240W</p>	<p>SECTION 34</p> <p>SECTION 35</p> <p>SECTION 3</p> <p>SECTION 2</p>	

NOTE) ALL DEMINSIONS IN U.S. FEET

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name KYLE 34 FEDERAL	
⁷ OGRID No. 160825	⁸ Operator Name B.C. OPERATING, INC.	⁶ Well Number 5H ⁹ Elevation 2994

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	34	T24S	R28E		225	SOUTH	990	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	T24S	R28E		357	NORTH	847	EAST	EDDY

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ CORNER COORDINATES NAD 83, SPCS NM EAST A - Y: 429780.74 / X: 621190.24 B - Y: 429793.49 / X: 623853.93 C - Y: 424422.82 / X: 623909.23 D - Y: 424409.95 / X: 621226.81		CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 429722.40 / X: 580006.48 B - Y: 429735.12 / X: 582570.12 C - Y: 424364.55 / X: 582725.30 D - Y: 424351.72 / X: 580042.94		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Adrian Covarrubias</i> Date: 12/18/2019 Printed Name: Adrian Covarrubias E-mail Address:	
SECTION 28	SECTION 27	SECTION 34 LAST TAKE POINT/BOTTOM HOLE LOCATION 14,337' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST Y:429432.29 / X:623010.72 LAT:32.18031164N / LON:104.06934366W NAD 27, SPCS NM EAST Y:429373.94 / X:581826.92 LAT:32.18018946N / LON:104.06885289W		SECTION 26	SECTION 35
SECTION 33	SECTION 34	FIRST TAKE POINT 9,622' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST Y:424748.15 / X:6222934.96 LAT:32.16743592N / LON:104.06962565W NAD 27, SPCS NM EAST Y:424689.89 / X:581751.06 LAT:32.16731358N / LON:104.06913527W		SECTION 35	SECTION 35
SECTION 33	SECTION 34	SURFACE HOLE LOCATION 225' FSL 990' FEL, SECTION 34 NAD 83, SPCS NM EAST Y:424643.00' / X:622917.10' LAT:32.16714699N / LON:104.06968420W NAD 27, SPCS NM EAST Y:424584.74' / X:581733.20' LAT:32.16702465N / LON:104.06919382W		SECTION 35	SECTION 35
SECTION 33	SECTION 34	T-24-S	SECTION 35	SECTION 35	SECTION 35
SECTION 4	SECTION 3	T-25-S	SECTION 2	SECTION 2	SECTION 2

Diagram Description: A well location diagram showing a 'PRODUCING AREA' (dotted pattern) and a 'LAST TAKE/BHL' (solid line). The diagram includes dimensions: 357' (vertical), 833' (horizontal), 14,142' (measured depth), 330' (width), 847' (width), 971' and 990' (width), 225' (width), and 330' (width). The diagram is overlaid on a grid of sections 26, 27, 33, 34, and 35.

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
 Date of Survey: _____
 Signature and Seal of Professional Surveyor: _____
 Certificate Number: _____

PRELIMINARY
THIS DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, RECORDATION, CONVEYANCE, SALE, OR THE BASIS FOR THE ISSUANCE OF A PERMIT.

NOTE: ALL DEMINSIONS IN U.S. FEET

INTEREST OWNER LETTER



Clayton Rule, CPL
Land Supervisor
LAND - Permian

Marathon Oil Company
5555 San Felipe
Houston, TX 77056
Telephone 713.296.2186
Fax 713.296.4495
CWRULE@marathonoil.com

DELIVERED VIA:
USPS CERTIFIED MAIL

November 5, 2019

New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, NM 87505

Re: Marathon Oil Permian LLC – Surface Commingling
Kyle 34 Federal Com (3H & 5H)
Section 34, T24S, R28E
Eddy County, New Mexico

Marathon Oil Permian LLC ("Marathon") has filed the attached application with the New Mexico Oil Conservation Division ("Division") for administrative approval to surface lease commingle production according to the provisions of NMAC 19.15.12.10.C from the Kyle 34 Federal Com 3H (30-015-43405) and the Kyle 34 Federal Com 5H (30-015-43295), all located in Section 34, T24S-R28E, Eddy County, New Mexico. The interest in both wells are identical.

Should you have any questions please do not hesitate to contact me at number provided above.

Sincerely,

MARATHON OIL COMPANY

A handwritten signature in blue ink, appearing to read "C. Rule".

Clayton Rule, CPL