RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD DIVIS		
	- Geologic	O OIL CONSERVA cal & Engineering ancis Drive, Santa	TION DIVISION Bureau –	VIEW NEW NEW
	ADMINISTR S CHECKLIST IS MANDATORY FOR AL			
		QUIRE PROCESSING AT THE D		SIGN KOLES AND
Applicant: Marat				umber: <u>372098</u>
	raw E25 WC Fed Com 7H; Dogie Draw E25 WC Fed Com 21H; D raw W25 WC Fed Com 11H	ogie Draw E25 WC Fed Com 18H		15; 30-025-47017; 30-02547041; 30-0-47012
Pool: Pitchfork Ranch; W	Volfcamp (South)		Pool Cod	e: <u>96994</u>
A. Locatio	LICATION: Check those w on – Spacing Unit – Simulta NSL NSP (PRO one only for [1] or [11] mmingling – Storage – Ma DHC XCTB PL ection – Disposal – Pressu	aneous Dedication DJECT AREA) NSP easurement .C PC OL		
A. Offse B. X Roya C. App D. Noti E. X Noti F. Surfa G.X For a	WFX PMX SV ON REQUIRED TO: Check the set operators or lease hold alty, overriding royalty over lication requires publishes fication and/or concurred fication and/or concurred ace owner all of the above, proof of notice required	hose which apply. ders vners, revenue own ed notice ent approval by SLC ent approval by BLM		FOR OCD ONLY Notice Complete Application Content Complete and/or,
administrativ	DN: I hereby certify that t re approval is accurate of that no action will be tak	and complete to the	e best of my knowle	dge. I also

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

2/1/2024 Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com e-mail Address

<u>Adrian Covarrubias</u> Signature

Released to Imaging: 7/8/2025 1:48:24 PM

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 District II	State Energy, Minerals and	Form C-107-B Revised August 1, 2011			
<u>Bill S. First St., Artesia, NM 88210</u> <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 1220 S. St Francis Dr, Santa Fe, NM 87505	1220 S	RVATION DIVIS . St Francis Drive New Mexico 87505	Submit application to t office with one appropriate Dis	copy to the	
APPLICATION I	FOR SURFACE	COMMINGLING	G (DIVERSE	OWNERSHIP)	
	Oil Permian LLC				
OPERATOR ADDRESS: 990 Towr APPLICATION TYPE:	a & Country Blvd., H	ouston, TX 77024			
	g Pool and Lease Co	mmingling Off-Lease	Storage and Measur	ement (Only if not Surface	e Commingled)
	State 🔀 Fede		8		
Is this an Amendment to existing Order Have the Bureau of Land Management	? □Yes ☑No If	"Yes", please include t			ingling
		L COMMINGLIN s with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
		-			
		-			
 (2) Are any wells producing at top allowal (3) Has all interest owners been notified by (4) Measurement type: Metering [(5) Will commingling decrease the value of the value of	y certified mail of the pro		Yes No.	ing should be approved	
	(B) LEAS	SE COMMINGLIN	G		
		s with the following in	nformation		
 Pool Name and Code. Pitchfork Rar Is all production from same source of s Has all interest owners been notified by Measurement type: XMetering 	supply? 🗹 Yes 🔲 N	0	I Yes □N	0	
	· · ·	LEASE COMMIN s with the following in			
(1) Complete Sections A and E.					
ſſ)) OFF-LEASE ST	ORAGE and MEA	SUREMENT		
``````````````````````````````````````	Please attached shee	ets with the following			
<ol> <li>Is all production from same source of s</li> <li>Include proof of notice to all interest o</li> </ol>		0			
(E) AI		RMATION (for all s with the following in		vpes)	

(1) A schematic diagram of facility, including legal location. See Attached

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

See Attached.

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

SIGNATURE: Adrian Covarrubias

TYPE OR PRINT NAME Adrian Covarrubias

TITLE: Adv. Regulatory Compliance Rep. DATE: 2/1/2024

TELEPHONE NO .: 713-296-3368

E-MAIL ADDRESS: acovarrubias@marathonoil.com

•

Dogie Draw E21 WC Federal Com 7H; Dogie Draw E25 WC Fed Com 18H; Dogie Draw W25 WC Fed Com 11H; Dogie Draw E25 WC Fed Com 21H

Marathon Oil Permian LLC is requesting surface commingle under 19.15.12.10(C) NMAC for Commingling with Diverse Ownership.

#### The approval of this commingle will not affect the value of oil and gas.

Please see below for details:

Marathon Oil Permian LLC will be using the metering method to measure and allocate production. Please see below for Method of Allocation.

WELL NAME	API #	LEASE	POOL (CODE)
Dogie Draw W25 WC	30-025-47012	CA Pending (E2SW4 Sec 14 & E2W2 Sec 25)	Pitchfork Ranch;
Federal Com 11H Dogie Draw E25 WC			Wolfcamp (South) (96994) Pitchfork Ranch;
Federal Com 7H	30-025-47015	CA Pending (SE4 Sec 14 & E2 Sec 25)	Wolfcamp (South) (96994)
Dogie Draw E25 WC	30-025-47041	CA Pending	Pitchfork Ranch;
Federal Com 18H Dogie Draw E25 WC		(SE4 Sec 14 & E2 Sec 25)	Wolfcamp (South) (96994) Pitchfork Ranch;
Federal Com 21H 30-025-47		CA Pending (SE4 Sec 14 & E2 Sec 25)	Wolfcamp (South) (96994)

Oil, gas, and water produced from the Dogie Draw W25 WC Federal Com 11H and Dogie Draw E25 WC Federal Com 7H (located at UL. F-Sec.14-T25S-R34E) will be piped to the tank battery where the Dogie Draw E25 WC Federal Com 18H and Dogie Draw E25 WC Federal Com 21H are (located UL. H-Sec.14-T25S-R34E). Please see attached maps.

#### Future additions:

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) NMAC, Marathon Oil Permian LLC (Marathon) requests option to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by submitting a Form C-107-B provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.

Furthermore, Marathon request to be able to add wells from pools and leases identified in the application by submitting a subsequent sundry C-103 and C-102 to the NMOCD.

Dogie Draw E21 WC Federal Com 7H; Dogie Draw E25 WC Fed Com 18H; Dogie Draw W25 WC Fed Com 11H; Dogie Draw E25 WC Fed Com 21H

#### **OIL ALLOCATION METHODOLOGY**

Each well has a Coriolis meter at the three-phase separator that measures oil produced by the well. This volume is used to determine the theoretical percentage each well produced and is used to allocate Calculated Production and Total Sales Volumes back to each well.

- A. Theoretical % of production for each well is calculated by dividing each oil meter volume by the sum of the oil meters.
- B. Total Production of the facility is calculated by adding Ending Inventory plus LACT Sales Meter minus Beginning Inventory.
- C. Total Available Sale is calculated by adding Total Production plus Beginning Inventory.
- D. Theoretical % for each well is multiplied by the Total Production and Total Available Sales.
- E. Total Oil Sales is oil measured through the LACT meter. Volumes are verified with the LACT tickets.
- F. Beginning Inventory comes from previous accounting period's Closing Inventory for each well.
- G. Ending Inventory is calculated by measuring the height of oil in the tanks. Ending Inventory for each well is calculated by multiplying the Theoretical % of Production by total of ending inventory.

#### GAS ALLOCATION METHODOLOGY

Each well has an orifice meter and a gas lift meter. The facility has a Sales meter that measures volume of gas before it leaves the facility.

- A. Net Well Production is base amount of production not used for gas lift and is calculated by subtracting Gas Lift (GL) metered volume from the Orifice meter readings.
- B. Theoretical % used for the allocation is calculated by dividing the Net Well Production Volume for each well into the sum of the total Net Well Production.
- C. Net Facility Gas is volume of gas sold for royalty purposes and is measured with a meter as it leaves the facility. This volume is verified with purchaser statements.
- D. Theoretical % for each well is multiplied by the Net Facility Gas to determine Sales, Lease Fuel for each well.
- E. Lease Use is the volume of gas used by the equipment on the facility.
- F. Gas used to run other equipment is measured via an orifice meter. Total Lease Use gas is allocated to the well based on the wells Theoretical %.
- G. HP Flare is volume of gas flared from the facility, allocated to wells by Theoretical % for each well times the Flare Meter volume.
- H. Individual Compressor usage is based on manufacturer's usage rate applied to compressor run time. Total Compressor Use is calculated by adding Individual Compressor Usage and allocated to wells by Theoretical %.
- I. Allocated Production is all gas produced by the facility and is calculated by adding Net Facility Gas plus HP Flare plus Lease Use.

Dogie Draw E21 WC Federal Com 7H; Dogie Draw E25 WC Fed Com 18H; Dogie Draw W25 WC Fed Com 11H; Dogie Draw E25 WC Fed Com 21H

#### WATER ALLOCATION METHODOLOGY

Each well has a mag meter at the three-phase separator that measures the volume of water produced by the well.

A. Water Production is the volume of water measured at the mag meter.

All meter proving and calibration frequencies will be performed as per 19.15.12.10(C)(2) NMAC.

#### Attachments:

- Notification to interest owners via Certified Mail
- Notification to BLM
- Lease Map
- Facility Diagram
- C-102 Plats



Adrian Covarrubias Adv. Regulatory Compliance Representative

#### Marathon Oil Company

990 Town & Country Blvd. Houston, TX 77024 Telephone 713.296.3368 acovarrubias@marathonoil.com

February 5, 2023

DELIVERED VIA: Certified Mail

Marathon Oil Permian LLC Application for Surface Commingle

Dogie Draw W25 WC Federal Com 11H (API 30-025-47012) Dogie Draw E25 WC Federal Com 7H (API 30-025-47015) Dogie Draw E25 WC Federal Com 18H (API 30-025-47041) Dogie Draw E25 WC Federal Com 21H (API 30-025-47017)

Section 24-T25S-R34E Lea County, New Mexico

To whom it may concern:

Marathon Oil Permian LLC ("Marathon") has filed the attached application with the New Mexico Oil Conservation Division ("Division") for administrative approval to surface commingle to the provisions of NMAC 19.15.12.10 from the wells listed above, located in the Pitchfork Ranch; Wolfcamp (South) (96994) pool, located in Section 14, T25S-R34E, Lea County, New Mexico.

As an interest owner in these wells, Marathon is required to notify you of this application. Should you have an objection you must file it in writing with the Division no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, NM 87505).

Should you have any questions please do not hesitate to contact me at 713-296-3368 or by email at acovarrubias@marathonoil.com.

Sincerely,

Adrian Covarrubias

Adrian Covarrubias

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102 **PS Form 3877** 

Type of Mailing: CERTIFIED MAIL 02/05/2024

Firm Mailing Book ID: 259971

<b>T *</b>	USPS Article Number	Name, Street, City, State, Zip	Post	age	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0116 9400 41	Collins & Jones Investments, LLC 3824 CEDAR SPRINGS RD NO-414		.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
2	9314 8699 0430 0116 9400 58	DALLAS TX 75219 Crown Oil Partners, LP PO BOX 50820	\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
3	9314 8699 0430 0116 9400 65	MIDLAND TX 79710 David W. Cromwell 2008 COUNTRY CLUB DR MIDLAND TX 79701	\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
4	9314 8699 0430 0116 9400 72	Deane Durham 5101 FM 1148 GRAHAM TX 76450	\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
5	9314 8699 0430 0116 9400 89	H. Jason Wacker 5518 SAN SABA AVE MIDLAND TX 79707	\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
6	9314 8699 0430 0116 9400 96		\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
7	9314 8699 0430 0116 9401 02	LMC Energy LLC 262 CARROLL STREET FORT WORTH TX 76107	\$ \$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
8	9314 8699 0430 0116 9401 19	MCT Energy, Ltd. 262 CARROLL STREET	Se FEB - 5 2024 5	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
9	9314 8699 0430 0116 9401 26	FORT WORTH TX 76107 Good News Minerals LLC PO BOX 50820	USP3 \$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
10	9314 8699 0430 0116 9401 33	MIDLAND TX 79710 Mike Moylett PO BOX 50820	\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
11	9314 8699 0430 0116 9401 40	PO BOX 50820	\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
12	9314 8699 0430 0116 9401 57	MIDLAND TX 79710 Sortida Resources, LLC PO BOX 50820	\$1	87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
13	9314 8699 0430 0116 9401 64	34 S WYNDEN DR SUITE 210	\$1	87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
14	9314 8699 0430 0116 9401 71	HOUSTON TX 77056 Post Oak Crown IV-B, LLC 34 S WYNDEN DR SUITE 210	\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
15	9314 8699 0430 0116 9401 88	HOUSTON TX 77056 Post Oak Mavros II, LLC 34 S WYNDEN DR SUITE 210 HOUSTON TX 77056	\$1	.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice

.

Page 8 of 45

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102 **PS Form 3877** 

Type of Mailing: CERTIFIED MAIL 02/05/2024

Firm Mailing Book ID: 259971

Line	USPS Article Number	Name, Street, City, State, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
-				\$1.87	\$4.40	\$2.32	\$0.00	81363.0124dogie
16	9314 8699 0430 0116 9401 95	Sitio Permian, LLC 1401 LAWRENCE STREET STE 1750 DENVER CO 80202		φ1.07	ψτιτο			Notice
17	9314 8699 0430 0116 9402 01	Russell T. Rudy Energy, LLC 5701 WOODWAY, SUITE 346 HOUSTON TX 77057		\$1.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
18	9314 8699 0430 0116 9402 18	Zunis Energy, LLC 15 E 5TH STREET SUITE 3300 TULSA OK 74103		\$1.87	\$4.40	\$2.32	\$0.00	81363.0124dogie Notice
			Totals:	\$33.66	\$79.20	\$41.76	\$0.00	
					Grand	Total:	\$154.62	

List Number of Pieces Listed by Sender Total Number of PiecesPostmaster:Received at Post OfficeName of receiving employee

18



Dated:

# **Affidavit of Publication**

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated February 07, 2024 and ending with the issue dated February 07, 2024.

Publisher

Sworn and subscribed to before me this 7th day of February 2024.

Kuthblack

**Business Manager** 

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

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made. 01104570

00287197

DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168

#### LEGAL NOTICE February 7, 2024

Application of Marathon Oil Permian LLC for approval of surface commingling, Lea County, New Mexico. Notice to all affected parties, as well as the heirs and devisees of: Collins & Jones Investments, LLC; Crown Oil Partners, LP; David W. Cromweil; Deane Durham; H. Jason Wacker; Kaleb Smith; LMC Energy, LLC; MCT Energy, Ltd.; Good News Minerals LLC; Mike Moylett; Oak Valley Mineral and Land, LP; Sortida Resources, LLC; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Post Oak Mavros II, LLC; Sitio Permian, LLC; Russell T. Rudy Energy, LLC; Zunis Energy, LLC of Marathon Oil Permian LLC's application for surface commingling. Marathon Oil Permian LLC, 990 Town & Country Bivd., Houston, TX 77024, has filed an application with the New Mexico Oil Conservation Division seeking administrative approval to surface commingle to the provisions of NMAC 19.15.12.10 from the wells: Dogie Draw W25 WC Federal Com 11H (API 30-025-47012) well; the Dogie Draw E25 WC Federal Com 7H (API 30-025-47015) well; the Dogie Draw E25 WC Federal Com 21H (API 30-025-47017) well, all located in the Pitchfork Ranch; Wolfcamp, (South) (96994) pool, located in Section 14, T25S-R34E, Lea County, New Mexico. Any objections regarding this application must be submitted to the Division's Santa Fe office, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505 in writing within 20 days of this publication. Any interested party with questions or comments may contact Adrian Covarrubias, 713-296-3368, acovarrubias@marathonoil.com.

## *Received by OCD: 2/12/2024 8:01:40 AM*

	Page	10	of 45
ADDDOVED			

Form 3160-5 UNITED STATES June 2019) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT				ON	RM APPROVED AB No. 1004-0137 res: October 31, 2021
Do not use th	RY NOTICES AND REP nis form for proposals ell. Use Form 3160-3 (/	6. If Indian, Allottee or Tribe Name			
SUBMI	IN TRIPLICATE - Other inst	ructions on page 2		7. If Unit of CA/Agreer	nent, Name and/or No.
	Gas Well Other			8. Well Name and No.	
2. Name of Operator				9. API Well No.	
3a. Address		3b. Phone No. <i>(include area code)</i>	2)	10. Field and Pool or Ex	xploratory Area
4. Location of Well (Footage, Sec	, T.,R.,M., or Survey Description	n)		11. Country or Parish, S	State
12.	CHECK THE APPROPRIATE	BOX(ES) TO INDICATE NATURE	E OF NOT	ICE, REPORT OR OTHE	ER DATA
TYPE OF SUBMISSION		TY	PE OF AC	TION	
Notice of Intent	Acidize	Deepen Hydraulic Fracturing		luction (Start/Resume) amation	Water Shut-Off Well Integrity
Subsequent Report	Casing Repair	New Construction Plug and Abandon	Tem	omplete porarily Abandon	Other
Final Abandonment Notice	Convert to Injectio	n Plug Back	Wate	er Disposal	
the proposal is to deepen direct the Bond under which the wor completion of the involved op	tionally or recomplete horizonta k will be perfonned or provide t erations. If the operation results	ally, give subsurface locations and r he Bond No. on file with BLM/BIA in a multiple completion or recomp	neasured and Required oletion in a	nd true vertical depths of l subsequent reports must new interval, a Form 310	k and approximate duration thereof. If fall pertinent markers and zones. Attach to be filed within 30 days following 60-4 must be filed once testing has been e operator has detennined that the site

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)			
	Title		
Signature	Date		
THE SPACE FOR FEDE	RAL OR STATE	OFICE USE	
Approved by			
	Title		Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject leas which would entitle the applicant to conduct operations thereon.			
Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any any false, fictitious or fraudulent statements or representations as to any matter within		willfully to make to any d	epartment or agency of the United States

(Instructions on page 2)

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

#### SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13:* Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

#### NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

## **Additional Information**

#### **Batch Well Data**

DOGIE DRAW E25 WC 21H, US Well Number: 3002547017, Case Number: NMNM122624, Lease Number: NMNM122624, Operator:MARATHON OIL PERMIAN LLC

DOGIE DRAW W25 WC Fed Com 11H, US Well Number: 3002547012, Case Number: NMNM136221, Lease Number: NMNM136221, Operator:MARATHON OIL PERMIAN LLC

DOGIE DRAW E25 WC FED COM 7H, US Well Number: 3002547015, Case Number: NMNM136221, Lease Number: NMNM136221, Operator:MARATHON OIL PERMIAN LLC

DOGIE DRAW E25 WC Fed Com 18H, US Well Number: 3002547041, Case Number: NMNM122624, Lease Number: NMNM122624, Operator:MARATHON OIL PERMIAN LLC

Dogie Draw E21 WC Federal Com 7H; Dogie Draw E25 WC Fed Com 18H; Dogie Draw W25 WC Fed Com 11H; Dogie Draw E25 WC Fed Com 21H

#### Lease Map



Legend	:
•	Wells
	Well Pad
(717)	CA – Pending (E2SW4 Sec 14 & E2W2 Sec25); Wolfcamp
(715)	CA – Pending (SE4 Sec 14 & E2 Sec 25); Wolfcamp
•	Proposed Facility Measurement Point
	Pipeline

Released to Imaging: 7/8/2025 1:48:24 PM





#### Received by OCD: 2/12/2024 3:01:40 AM

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

<u>District III</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u>

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

State of New Mexico

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

AMENDED REPORT

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

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



Released to Imaging: 7/8/2025 1:48:24 PM Masurements. Combined Scale Factor: 0.99999746 and a Convergence Angle: 00°28'38.15090"

#### Received by OCD: 2/12/2024 8:01:40 AM

District II (525 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, Aztee, 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

> ⁴ Property Code 322257

30-025-47012

WELL LOCATION AND ACREAGE DEDICATION PLAT

DOGIE DRAW W25 WC Federal Com

96994

PITCHFORK RANCH; WOLFCAMP (SOUTH)

11H

AMENDED REPORT

Page 16 of 45

MARATHON OIL PERMIAN LLC 3333' 372098 ¹⁰ Surface Location WEST F 14 25S 34E 2457' NORTH 2065' LEA 11 Bottom Hole Location If Different From Surface 25<u>S</u> 23 100' SOUTH 1984' 34E WEST LEA N Order 240.00 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. ⁷OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to SHL FNL 2457' FWL 2065', SECTION 14 2457 the best of my knowledge and belief, and N NAD 83, SPCS NM EAST that this organization either owns a X:817059.47' / Y:412530.49' working interest or unleased mineral LAT:32.13099157 / LON:-103.44262039 interest in the land including the proposed bottom hole location or has a NAD 27, SPCS NM EAST X:775873.15' / Y:412472.41 right to drill this well at this location LAT:32.13086623 / LON:-103.44215235 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 FTP/PPP-1 FSL 2540' FWL 1980', SECTION 14 entered by the division. NAD 83, SPCS NM EAST Sec. 14 X:816976.79' / Y:412248.16' Terri Stathem 11.21.2023 LAT:32.13021743 / LON:-103.44289501 Signature Date NAD 27, SPCS NM EAST Tstathem X:775790.45' / Y:412190.09 (SHL) LAT:32.13009210 / LON:-103.44242700 Printed Name 100'TStathem@marathonoil.com Enter PPP-2 E-mail Address FNL 0' FWL 1977', SECTION 23 NAD 83, SPCS NM EAST 2065 ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location X:816998.06' / Y:409708.25' ᆄ 1980' 664 LAT:32.12323571 / LON:-103.44289412 shown on this plat was plotted from field NAD 27, SPCS NM EAST notes of actual surveys made by me or X:775811.60' / Y:409650.25 under my supervision, and that the same is true and correct to the best of my belief. LAT:32.12311034 / LON:-103.44242653 Data used for underground measuremen were provided by others for reference BHL/LTP FTP/PPP-1 FSI 100' FWL 1980', SECTION 23 only and does not constitute field NMNM 136221 NMNM' 12262 NAD 83, SPCS NM EAST measurements performed by Delta Field X:817041.41' / Y:404530.34' LAT:32.10900262 / LON:-103.44289229 Services Lond P. Show Date of Survey: SEPTEMBER 14, 2023 NAD 27, SPCS NM EAST PPP-2 X:775854.70' / Y:404472.48 Signature and Seal of Professional Surveyor LAT:32.10887716 / LON:-103.44242557 LOND P. SHOP CORNER COORDINATES CORNER COORDINATES NAD 83, SPCS NM EAST - X: 817639.96' / Y: 412351.75' - X: 817761.79' / Y: 409711.59' - X: 817707.22' / Y: 404433.69' - X: 816384.76' / Y: 404427.03' - X: 816341.47' / Y: 409704.95' - X: 816317.92' / Y: 412344.57' METRO NEW SURVE 2165 Sec. 23 PRO NAD 27, SPCS NM EAST 776453.61' / Y: 412293.67 776475.32' / Y: 409653.58 776520.50' / Y: 404375.82 775198.06' / Y: 404369.18 F STONAL 775155.02' / Y: 409646.96 775131.60' / Y: 412286.51 NMNM 13294 FTP TO LTP LINE BEARING LTP PRODUCTION LINE BEARING/LENGTH BHL L1 S00°28'47"E ~ 7718.09' 665' 1980' 0 D 100'

-

SHEET 1 OF 2



Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99999746 and a Convergence Angle: 00°28'38.15090" Released to Imaging: 7/8/2025 1:48:24 PM



Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99999746 and a Convergence Angle: 00°28'38.15090" Released to Imaging: 7/8/2025 1:48:24 PM

## Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 26th day of December, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

E/2 of Section 23, Township 25 South, Range 34 East, and SE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico

Containing 480.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 990 Town & Country Blvd., Houston, TX, 77024. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the lessees of record and operating rights owners in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/6th or 16²/₃ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 5/6th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest

described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is the 26th day of December, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly

authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

#### MARATHON OIL PERMIAN LLC Operator

Ву:_____

Chase F. Rice, Attorney-in-Fact

#### ACKNOWLEDGEMENT

STATE OF TEXAS ) § ) § COUNTY OF HARRIS ) §

This instrument was acknowledged before me on ______, 2023, by Chase F. Rice, as Attorney-in-Fact of **Marathon Oil Permian LLC**, a Delaware limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public My Commissions Expires:

#### LESSEE OF RECORD NMNM-132944 (NMNM105380737)

#### **Marathon Oil Permian LLC**

By:		
Name:		
Title:		

#### ACKNOWLEDGEMENT

STATE OF TEXAS ) ) ss. COUNTY OF _____ )

This instrument was acknowledged before me on ______, 2023, by ______, as _____ of Marathon Oil Permian LLC, a Delaware limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public My Commission Expires:_____

LESSEE OF RECORD NMNM-122624 (NMNM105678972)

**EOG Resources, Inc.** 

By:		
Name:		
Title:		

#### ACKNOWLEDGEMENT

STATE OF TEXAS ) ) ss. COUNTY OF _____ )

This instrument was acknowledged before me on ______, 2023, by ______, as ______ of EOG Resources, _____, as ______, and ______, as _______, and ______, and ______, as ______, and ______, are _____, are _____, are _____, are _____, are ______, are ______, are _____, are ____, are ____, are ____, are _____, are ____, are ____, are _____, are ____, are ___, are ___, are ___, are ____, are ___

(SEAL)

Notary Public My Commission Expires:_____

# EXHIBIT "A"

Plat of communitized area covering **480.00** acres in E/2 of Section 23, Township 25 South, Range 34 East, and SE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

Dogie Draw E25 WC Federal Com 7H / 30-025-47015

Dogie Draw E25 WC Federal Com 18H / 30-025-47041

Dogie Draw E25 WC Federal Com 21H / 30-025-47017



# EXHIBIT "B"

To Communitization Agreement dated the 26th day of December, 2023 embracing the following described land in E/2 of Section 23, Township 25 South, Range 34 East, and SE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

## Operator of Communitized Area: Marathon Oil Permian LLC

#### DESCRIPTION OF LEASES COMMITTED

#### Tract 1

# <u>Lease No. 1</u>

Lease Serial No.:	NMNM-132944 (NMNM105380737)
Description of Land Committed:	Township 25 South, Range 34 East, N.M.P.M.
-	Section 23: E/2
	Lea County, New Mexico
Number of Acres:	320.00 ac
Authority to Pool:	Not applicable
Recorded:	Not filed of record in Lea County
Current Lessee(s) of Record:	Marathon Oil Permian LLC100.00%
Name of Operating Rights Owner:	Marathon Oil Permian LLC100.00%
ORRI Owners:	Post Oak Crown IV, LLC;
	Post Oak Crown IV-B, LLC;
	Post Oak Mavros II, LLC;
	Sortida Resources, LLC;
	Oak Valley Mineral and Land, LP;
	Crown Oil Partners, LP;
	Collins & Jones Investments, LLC;
	MCT Energy, Ltd.;
	H. Jason Wacker;
	David W. Cromwell;
	Sitio Permian, LLC;
	Good News Minerals, LLC;
	LMC Energy LLC;
	Kaleb Smith;
	Deane Durham;
	Mike Moylett.

# Tract 2

Lease No. 2	
Lease Serial No.:	NMNM-122624 (NMNM105678972)
Description of Land Committed:	Township 25 South, Range 34 East, N.M.P.M.,
	Section 14: SE/4
	Lea County, New Mexico
Number of Acres:	160.00 ac
Authority to Pool:	Not applicable
Recorded:	2205/288 Lea County Records
Current Lessee(s) of Record:	EOG Resources, Inc100.00%
Name of Operating Rights Owners:	Marathon Oil Permian LLC100.00%
ORRI Owners:	None.

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	320.00	66.67%
2	160.00	33.33%
Total	480.00	100%

## Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 26th day of December, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

E/2W/2 of Section 23, Township 25 South, Range 34 East, and E/2SW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico

Containing 240.00 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 990 Town & Country Blvd., Houston, TX, 77024. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the lessees of record and operating rights owners in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/6th or 16²/₃ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 5/6th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest

described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is the 26th day of December, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly

authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

#### MARATHON OIL PERMIAN LLC Operator

Ву:_____

Chase F. Rice, Attorney-in-Fact

#### ACKNOWLEDGEMENT

STATE OF TEXAS ) § ) § COUNTY OF HARRIS ) §

This instrument was acknowledged before me on ______, 2023, by Chase F. Rice, as Attorney-in-Fact of **Marathon Oil Permian LLC**, a Delaware limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public My Commissions Expires:

## LESSEE OF RECORD NMNM-132944 (NMNM105380737) NMNM-136221 (NMNM105304782)

#### **Marathon Oil Permian LLC**

By: _____

Chase F. Rice, Attorney-in-Fact

#### ACKNOWLEDGEMENT

STATE OF TEXAS	) §
	)§
COUNTY OF HARRIS	) §

This instrument was acknowledged before me on ______, 2023, by Chase F. Rice, as Attorney-in-Fact of **Marathon Oil Permian LLC**, a Delaware limited liability company, on behalf of said limited liability company.

STATE OF TEXAS	)
	) ss.
COUNTY OF	)

This instrument was acknowledged before me on	, 2023, by
, as	of Marathon Oil
Permian LLC, a Delaware limited liability compa	any, on behalf of said limited liability

company.

Notary Public	
My Commission Expires:	

(SEAL)

# EXHIBIT "A"

Plat of communitized area covering **240.00** acres in E/2W/2 of Section 23, Township 25 South, Range 34 East, and E/2SW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

Dogie Draw W25 WC Federal Com 11H / 30-025-47012



# EXHIBIT "B"

To Communitization Agreement dated the 26th day of December, 2023 embracing the following described land in E/2W/2 of Section 23, Township 25 South, Range 34 East, and E/2SW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

## Operator of Communitized Area: Marathon Oil Permian LLC

## DESCRIPTION OF LEASES COMMITTED

#### Tract 1

#### Lease No. 1

Lease Serial No.: Description of Land Committed:	NMNM-132944 (NMNM105380737) Township 25 South, Range 34 East, N.M.P.M. Section 23: E/2W/2
	Lea County, New Mexico
Number of Acres:	160.00 ac
Authority to Pool:	Not applicable
Recorded:	Not filed of record in Lea County
Current Lessee(s) of Record:	Marathon Oil Permian LLC
Name of Operating Rights Owner:	Marathon Oil Permian LLC100.00%
ORRI Owners:	Post Oak Crown IV, LLC;
	Post Oak Crown IV-B, LLC;
	Post Oak Mavros II, LLC;
	Sortida Resources, LLC;
	Oak Valley Mineral and Land, LP;
	Crown Oil Partners, LP;
	Collins & Jones Investments, LLC;
	MCT Energy, Ltd.;
	H. Jason Wacker;
	David W. Cromwell;
	Sitio Permian, LLC;
	Good News Minerals, LLC;
	LMC Energy LLC;
	Kaleb Smith;
	Deane Durham;
	Mike Moylett.

# Tract 2

## Lease No. 2

Lease Serial No.:
Description of Land Committed:

Number of Acres: Authority to Pool: Recorded: Current Lessee(s) of Record: Name of Operating Rights Owners: ORRI Owners:

NMNM-136221 (NMNM105304782)	
Township 25 South, Range 34 East, N.M.P.M.,	
Section 14: E/2SW/4	
Lea County, New Mexico	
80.00 ac	
Not applicable	
Not filed of record in Lea County	
Marathon Oil Permian LLC100.00%	
Marathon Oil Permian LLC100.00%	
Post Oak Crown IV, LLC;	
Post Oak Crown IV-B, LLC;	
Russell T. Rudy Energy, LLC;	
Crown Oil Partners, LP;	
Collins & Jones Investments, LLC;	
MCT Energy, Ltd.;	
H. Jason Wacker;	
David W. Cromwell;	
Post Oak Mavros II, LLC;	
Sortida Resources, LLC;	
Oak Valley Mineral and Land, LP;	
Sitio Permian, LLC;	
Good News Minerals, LLC;	
Zunis Energy, LLC;	
LMC Energy LLC;	
Kaleb Smith;	
Deane Durham;	
Mike Moylett.	

# **RECAPITULATION**

<u>Tract No.</u>	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	66.67%
2	80.00	33.33%
Total	240.00	100%

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

# APPLICATION FOR SURFACE COMMINGLINGSUBMITTED BY MARATHON OIL PERMIAN, LLCORDER NO. CTB-1119

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

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

#### FINDINGS OF FACT

- 1. Marathon Oil Permian, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
- 6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.

#### **CONCLUSIONS OF LAW**

- 7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.

Order No. CTB-1119

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
- Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
- 11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
- 12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

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

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.

- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.
- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 9. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).

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12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Albert Chang

DATE: 7/3/2025

ALBERT CHANG DIRECTOR

Order No. CTB-1119

.

#### State of New Mexico Energy, Minerals and Natural Resources Department

# **Exhibit** A

Order: CTB-1119 Operator: Marathon Oil Permian, LLC (372098) Central Tank Battery: Dogie Draw 14 Federal Com Central Tank Battery Central Tank Battery Location: UL H, Section 14, Township 25 South, Range 34 East Gas Title Transfer Meter Location: UL H, Section 14, Township 25 South, Range 34 East

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Pool
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Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

# **State of New Mexico** Energy, Minerals and Natural Resources **Oil Conservation Division** 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Operator:	OGRID:	
MARATHON OIL PERMIAN LLC	372098	
600 W Illinois Ave	Action Number:	
Midland, TX 79701	313311	
Γ	Action Type:	
	[C-107] Surface Commingle or Off-Lease (C-107B)	

CONDITIONS			
Created By	Condition	Condition Date	
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov.	7/8/2025	

CONDITIONS

Action 313311