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HILLTOP



NATIONAL BANK

PHONE 307-265-2740

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CASPER, WYOMING 82602

September 12, 2018

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: **Case Numbers 16413 and 16414**
Marathon Oil Permian LLC Applications

Ladies and Gentlemen:

Hilltop National Bank is Trustee of the Dorothy R. Brown Mineral Trust and the William H. Brown Mineral Trust and collectively owns a 1.5% overriding royalty interest burdening Lease NM29615 covering portions of Section 19, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This land is currently subject to the above applications of Marathon Oil Permian LLC for approval of nonstandard spacing and proration units and for compulsory pooling. While we do not desire our attorney to formally enter an appearance and appear at the proceedings, we would like to bring to the attention of the Hearing Examiner several issues.

First, to the extent the documents creating the override that is currently held by Hilltop National Bank as Trustee of the above-named trusts does not authorize a third person to commit the override to a pooled unit, we hereby allow the overriding royalty interest to be pooled with other leases and lands to form a horizontal spacing unit authorized by the New Mexico Oil Conservation Division. This includes committing the interests to the proposed horizontal spacing units.

Second, Marathon Oil Permian LLC has requested a period of one year between the cessation of drilling operations and the completion of the well. We request the Hearing Examiner allow Marathon a reasonable period of time following its drilling operations to complete the well, but in no event beyond one year. Marathon should be a reasonably prudent operator in connection with the completion of the well and commencing actual production from the well. We believe that such a provision in the Order would give Marathon the flexibility it needs and at the same time force it to act as a reasonably prudent operator, thereby protecting the correlative rights of the Trusts.

We would appreciate a copy of any Order entered in connection with these cases. Please send them to the undersigned at our address set forth above.

Sincerely,

A handwritten signature in cursive script, appearing to read "Randall B. Carnahan".

Randall B. Carnahan, JD, MPA
Assistant Vice President
Trust and Financial Services