

**Before the Oil Conservation Division  
Examiner Hearing October 3, 2019**

***Case Nos. 20820 and 20821***

*Ender Wiggins 14 TB FC 11H and Ender Wiggins 14 WD FC 13H*



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

**APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPUSLORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 20820, 20821**

**AFFIDAVIT**

STATE OF TEXAS                                 )  
  ) ss.  
COUNTY OF MIDLAND                         )

Ryan Gyllenband, being duly sworn, deposes and states:

1. I am over the age of 18, I am a land supervisor for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.

2. My area of responsibility at Marathon includes the area of Lea County in New Mexico.

3. I am familiar with the applications filed by Marathon in these cases.

4. I am familiar with the status of the lands that are subject to these applications.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling applications.

6. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.

7. In the two applications Marathon filed, Marathon seeks to force pool the working interests owner into the horizontal spacing units described in each application, and in the wells to be drilled in the unit.

8. Attached as **Exhibit 1** is the application for Case No. 20820. In Case No. 20820, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 NW/4 of Section 14 and the E/2 W/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Ender Wiggins 14 TB FC 11H** well, to be horizontally drilled.

9. The producing area for the well will be orthodox.

10. Attached as **Exhibit 2** is the application for Case No. 20821. In Case No. 20821, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the NE/4 of Section 14 and the E/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico, New Mexico. This spacing unit will be dedicated to the **Ender Wiggins 14 WD FC 13H** well, to be horizontally drilled.

11. The producing area for the well will be unorthodox.

12. Marathon has submitted a separate application for administrative approval of the non-standard location.

13. There are no depth severances underlying the E/2 NW/4 of Section 14 and the E/2 W/2 of Section 11 in the spacing unit dedicated to the **Ender Wiggins 14 TB FC 11H**.

14. There are no depth severances underlying the NE/4 of Section 14 and the E/2 of Section 11 as to the depths being pooled in the spacing unit dedicated to the **Ender Wiggins 14 TB FC 11H**.

15. Attached as **Exhibit 3** are the proposed C-102s for the wells.

16. The C-102s identify the proposed surface hole locations, first take point, and bottom hole locations. The C-102s also identify the pool and pool code.

17. For Case Number 20820, which is the application for the Bone Spring unit, the pool is the Red Hills/Bone Spring East, pool code 97369.

18. For Case Number 20821, which is the application for the Wolfcamp unit, the pool is Fairview Mills, Wolfcamp (Gas), pool code 76560.

19. Lease tract maps outlining the units being pooled are attached hereto as **Exhibit 4**. The parties being pooled and the percent of their interests is also included as part of Exhibit 4.

20. Marathon seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

21. Marathon have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals, including an Authorization for Expenditure.

22. In my opinion, Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

23. **Exhibit 5** is a copy of a representative proposal letters sent to the working interest owners, which were sent on July 2, 2019 and August 2, 2019.

24. The proposal letter identifies the proposed first and last take points and approximate TVD.

25. **Exhibit 6** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

26. Marathon requests overhead and administrative rates of \$7500.00/month for drilling a well and \$750.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Marathon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

27. Marathon requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

28. Marathon requests that it be designated operator of the wells.

29. Based on Marathon's current drilling schedule, Marathon intends to spud these wells in April. For this reason, Marathon requests expedited orders for these two cases.

30. Marathon requests that it be allowed a period of one (1) year between when the wells are drilled and when the first well is completed under the order.

31. **Exhibit 7** is an affidavit of notice prepared by counsel for Marathon that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs-News Sun newspaper, showing that notice of this hearing was published on September 18, 2019.

32. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

33. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

34. The granting of this application is in the interests of conservation and the prevention of waste.

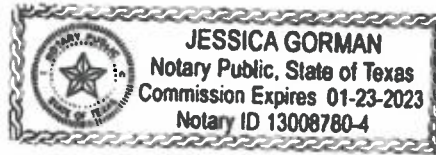
*[Signature page follows]*

Ryan Gyllenband  
Ryan Gyllenband

SUBSCRIBED AND SWORN to before me this 18<sup>th</sup> day of October, 2019 by Ryan Gyllenband on behalf of Marathon Oil Permian LLC.

Jessica Gorman  
Notary Public

My commission expires: 1/23/2023



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

**APPLICATION OF MARATHON OIL PERMIAN LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 20820

**APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 NE/4 of Section 14 and E/2 W/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the E/2 NW/4 of Section 14 and the E/2 W/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico to form a 240-acre, more or less, spacing unit.
3. Marathon plans to drill the Ender Wiggins 14 TB FC 11H well to a depth sufficient to test the Bone Spring formation. This well will be horizontally drilled.
4. The well is within the Red Hills, Bone Spring East Pool, Pool Code 97369.
5. This well will comply with the Division's setback requirements.



6. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

7. The creation of a horizontal spacing unit and the pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. Marathon further requests that it be allowed one (1) year between when the well is drilled and when it is completed under the order.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2019, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in a Bone Spring formation underlying the E/2 NW/4 of Section 14 and the E/2 W/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico to form a horizontal spacing unit;

B. Designating Marathon as operator of this unit and the well to be drilled thereon;

C. Authorizing Marathon to recover its costs of drilling, equipping and completing the well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well;



F. Allowing a time period of one (1) year between when the well is drilled and when it is completed under the order.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: Deana M. Bennett

Deana M. Bennett

Lance D. Hough

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

dmb@modrall.com

ldh@modrall.com

*Attorneys for Applicant*

**CASE NO. \_\_\_\_\_: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 NW/4 of Section 14 and the E/2 W/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico This spacing unit will be dedicated to the **Ender Wiggins 14 TB FC 11H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing the well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 14 miles west of Jal, New Mexico.

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

**APPLICATION OF MARATHON OIL PERMIAN LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 20821

**APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the NE/4 of Section 14 and E/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the NE/4 of Section 14 and the E/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico to form a 480-acre, more or less, spacing unit.
3. Marathon plans to drill the **Ender Wiggins 14 WD FC 13H** well to a depth sufficient to test the Wolfcamp formation. This well will be horizontally drilled.
4. The well is within the Fairview Mills, Wolfcamp Gas Pool (Pool Code 76560), which is subject to 660' setback requirements.



5. This well does not comply with the Division's setback requirements. Marathon will apply for administrative approval of the non-standard well location separately.

6. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

7. The creation of a horizontal spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. Marathon further requests that it be allowed one (1) year between when the well is drilled and when it is completed under the order.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2019, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in a Wolfcamp formation underlying the NE/4 of Section 14 and the E/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico, New Mexico to form a horizontal spacing unit;

B. Designating Marathon as operator of this unit and the well to be drilled thereon;

C. Authorizing Marathon to recover its costs of drilling, equipping and completing the well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well;

F. Allowing a time period of one (1) year between when the well is drilled and when it is completed under the order.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: Deana M. Bennett

Deana M. Bennett  
Lance D. Hough  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[dmb@modrall.com](mailto:dmb@modrall.com)  
[ldh@modrall.com](mailto:ldh@modrall.com)  
*Attorneys for Applicant*

**CASE NO. \_\_\_\_\_: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the NE/4 of Section 14 and the E/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico, New Mexico. This spacing unit will be dedicated to the **Ender Wiggins 14 WD FC 13H** well, to be horizontally drilled. The producing area for the well will be unorthodox. Also to be considered will be the cost of drilling and completing the well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 14 miles west of Jal, New Mexico.

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, Artec, 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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 97369	<sup>3</sup> Pool Name RED HILLS; BONE SPRING EAST
<sup>4</sup> Property Code	<sup>5</sup> Property Name ENDER WIGGINS 14 TB FC	<sup>6</sup> Well Number 11H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3332'

<sup>10</sup> Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	14	25S	34E		2451	NORTH	1765	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	11	25S	34E		100	NORTH	1805	WEST	LEA

<sup>12</sup> Dedicated Acres 240.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><b>Infill Well</b></p> <p>SECTION 3 SECTION 2 SECTION 10 SECTION 11 SECTION 15 SECTION 14</p> <p>1805' 480' 1765' 1805' 1805'</p> <p>100' 2451' 2539' 2539'</p> <p>N00°29'56"W ~ 5178.70' N00°32'54"W ~ 2539.10'</p> <p>SHL KOP/ FIRST TAKE</p> <p>SHEET 1 OF 3 JOB No. R3816 009 REV 5 JCS 8/20/2019</p>	<p><b>CORNER COORDINATES NAD 83, SPCS NM EAST</b></p> <p>A - X: 816249.26' / Y: 420262.05' B - X: 817573.89' / Y: 420269.32' C - X: 817639.91' / Y: 412351.77' D - X: 816317.87' / Y: 412344.58'</p>	<p><b>CORNER COORDINATES NAD 27, SPCS NM EAST</b></p> <p>A - X: 775063.31' / Y: 420203.78' B - X: 776387.92' / Y: 420211.03' C - X: 776453.56' / Y: 412293.69' D - X: 775131.55' / Y: 412286.52'</p>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></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 undivided 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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
	<p><b>LAST TAKE/ BHL</b></p> <p><b>LAST TAKE POINT/BOTTOM HOLE LOCATION</b></p> <p>100' FNL 1805' FWL, SECTION 11 NAD 83, SPCS NM EAST X: 816730.47' / Y: 420164.69' LAT: 32.15198249N / LON: 103.44347934W NAD 27, SPCS NM EAST X: 775544.51' / Y: 420106.42' LAT: 32.15185728N / LON: 103.44300998W</p>			<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></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>SEPTEMBER 10, 2019 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>Lloyd P. Shook</i></p> <p>Certificate Number LLOYD P. SHOOK</p>
	<p><b>FIRST TAKE POINT</b></p> <p>2539' FNL 1805' FWL, SECTION 14 NAD 83, SPCS NM EAST X: 816799.87' / Y: 412447.20' LAT: 32.13076855N / LON: 103.44346116W NAD 27, SPCS NM EAST X: 775613.55' / Y: 412389.13' LAT: 32.13064322N / LON: 103.44299309W</p>			
	<p><b>KICK OFF POINT</b></p> <p>2539' FNL 1805' FWL, SECTION 14 NAD 83, SPCS NM EAST X: 816799.87' / Y: 412447.20' LAT: 32.13076855N / LON: 103.44346116W NAD 27, SPCS NM EAST X: 775613.55' / Y: 412389.13' LAT: 32.13064322N / LON: 103.44299309W</p>			
<p><b>SURFACE HOLE LOCATION</b></p> <p>2451' FNL 1765' FWL, SECTION 14 NAD 83, SPCS NM EAST X: 816759.43' / Y: 412535.32' LAT: 32.13101166N / LON: 103.44358946W NAD 27, SPCS NM EAST X: 775573.10' / Y: 412477.25' LAT: 32.13088634N / LON: 103.44312137W</p>		<p><b>EXHIBIT</b></p> <p><b>3-A</b></p>		

Distances/areas relative to NAD 83 Combined Scale Factor: 0.999996086 Convergence: 00°28'24.77529"

District I  
1625 N. French Dr. Hobbs, NM 88240  
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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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 76560	<sup>3</sup> Pool Name FAIRVIEW MILLS; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name ENDER WIGGINS 14 WD FC	<sup>6</sup> Well Number 13H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3332'

<sup>10</sup> Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	14	25S	34E		2451	NORTH	1825	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

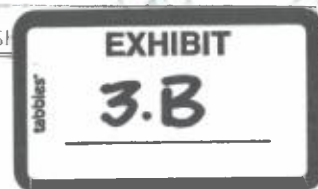
U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	11	25S	34E		100	NORTH	2310	EAST	LEA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
480.0			

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><b>Infill Well</b></p> <p>SECTION 3 SECTION 2 SECTION 10 SECTION 11 SECTION 12 SECTION 13 SECTION 14 SECTION 15 SECTION 23</p> <p>339' 2451' 1825' 2310' 2310' 2310'</p> <p>LAST TAKE/ BHL SHL KOP/ FIRST TAKE</p> <p>PI</p> <p>SHEET 1 OF 3 JOB No. R3816_007 REV 3 JCS 8/20/2019</p>	<p><b>CORNER COORDINATES</b> NAD 83, SPCS NM EAST A - X: 817573.89' / Y: 420269.32' B - X: 820223.16' / Y: 420283.84' C - X: 820286.60' / Y: 412366.15' D - X: 817639.91' / Y: 412351.77'</p>	<p><b>CORNER COORDINATES</b> NAD 27, SPCS NM EAST A - X: 776387.92' / Y: 420211.03' B - X: 779037.14' / Y: 420225.52' C - X: 779100.21' / Y: 412308.05' D - X: 776453.56' / Y: 412293.69'</p>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p><b>LAST TAKE POINT/BOTTOM HOLE LOCATION</b> 100' FNL 2310' FEL, SECTION 11 NAD 83, SPCS NM EAST X: 817913.99' / Y: 420171.18' LAT: 32.15197337N / LON: 103.43965537W NAD 27, SPCS NM EAST X: 776728.01' / Y: 420112.89' LAT: 32.15164811N / LON: 103.43918618W</p>		
	<p><b>FIRST TAKE POINT</b> 2539' FNL 2310' FEL, SECTION 14 NAD 83, SPCS NM EAST X: 817975.83' / Y: 412453.60' LAT: 32.13075936N / LON: 103.43966249W NAD 27, SPCS NM EAST X: 776789.48' / Y: 412395.51' LAT: 32.13063398N / LON: 103.43919458W</p>		
	<p><b>KICK OFF POINT</b> 2539' FNL 2310' FEL, SECTION 14 NAD 83, SPCS NM EAST X: 817975.83' / Y: 412453.60' LAT: 32.13075936N / LON: 103.43966249W NAD 27, SPCS NM EAST X: 776789.48' / Y: 412395.51' LAT: 32.13063398N / LON: 103.43919458W</p>		
<p><b>SURFACE HOLE LOCATION</b> 2451' FNL 1825' FWL, SECTION 14 NAD 83, SPCS NM EAST X: 816819.43' / Y: 412535.34' LAT: 32.13101034N / LON: 103.44339565W NAD 27, SPCS NM EAST X: 775633.10' / Y: 412477.26' LAT: 32.13088502N / LON: 103.44292757W</p>			<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></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>SEPTEMBER 10, 2019</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____ LLOYD P. S.</p>

Distances/areas relative to NAD 83 Combined Scale Factor: 0.999996086 Convergence: 00°28'24.77529"

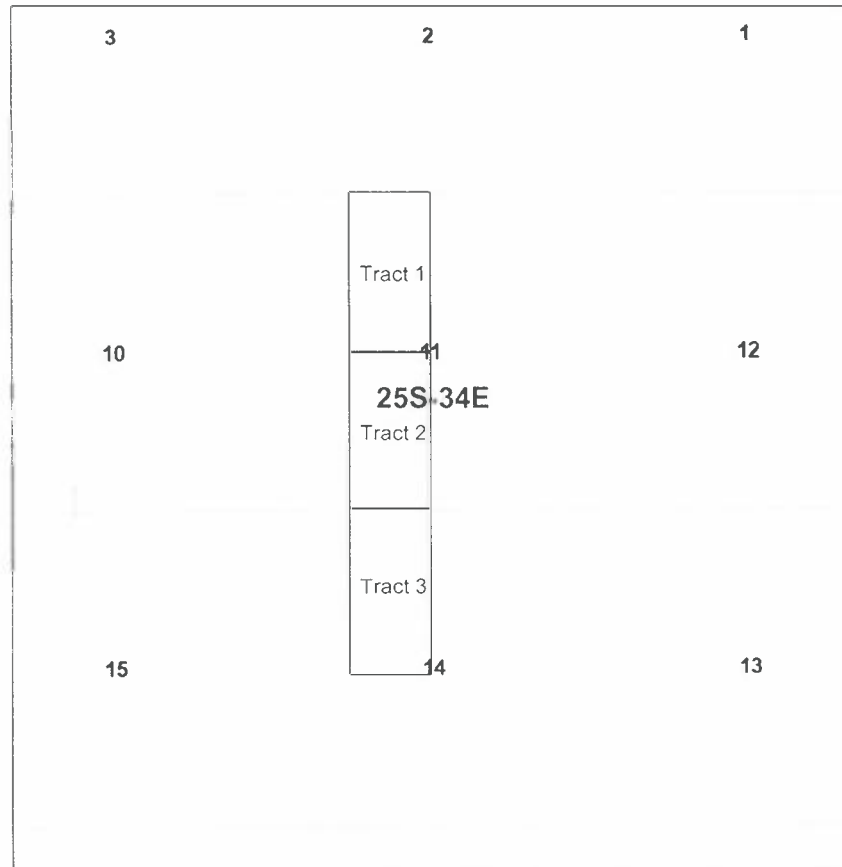




**Lease Tract Map**  
**Ender Wiggins 14 TB FC 11H**  
**E/2 W/2 of Section 11, 25S-34E, and E/2 NW/4 of Section 14, 25S-34E – 240 acres**

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- Tract 1: Federal Acreage
- Tract 2: Federal Acreage
- Tract 3: Fee Acreage



### Summary of Interests

Ender Wiggins 14 WD FC 11H

E/2 of Section 11, 25S-34E, and NE/4 of Section 14, 25S-34E – 480 acres

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Committed Working Interest:

Marathon Oil Permian LLC

64.320988%

Chevron U.S.A. Inc.

16.812721%

Chevron Midcontinent, L.P.

8.333333%

COG Operating LLC

2.345679%

91.812721%

Uncommitted Working Interest:

OXY Y-1

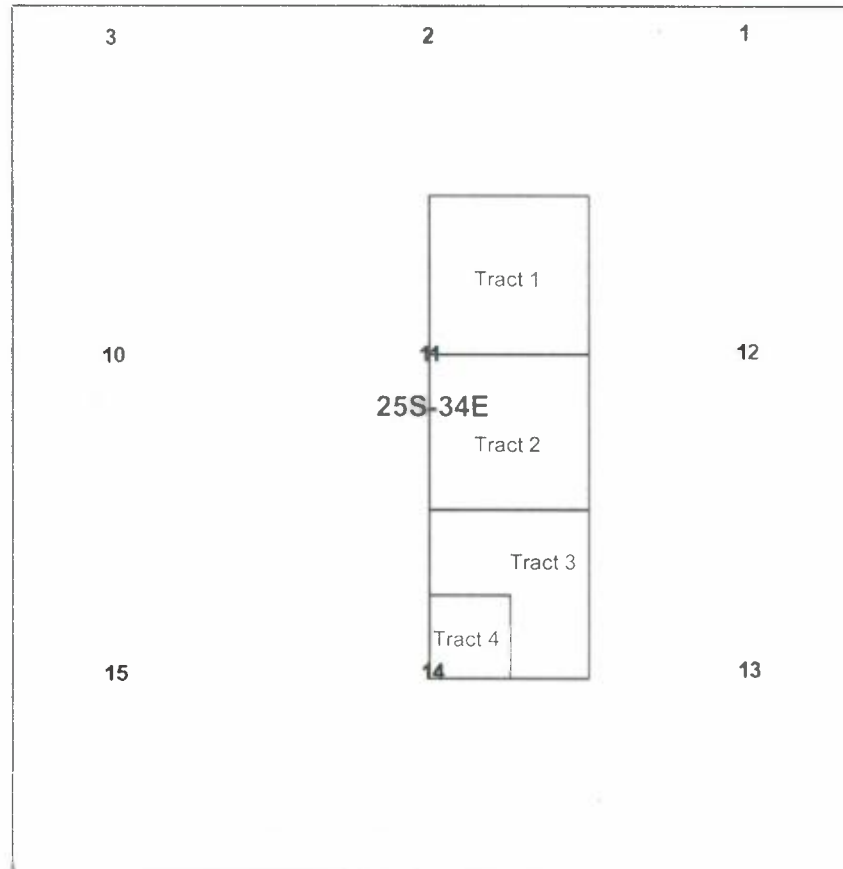
8.187279%

8.187279%



**Lease Tract Map**  
**Ender Wiggins 14 WD FC 13H**  
**E/2 of Section 11, 25S-34E, and NE/4 of Section 14, 25S-34E – 480 acres**

- Tract 1: Federal Acreage
- Tract 2: Federal Acreage
- Tract 3: Fee Acreage
- Tract 4: Fee Acreage



**Summary of Interests**  
**Ender Wiggins 14 WD FC 13H**  
**E/2 of Section 11, 25S-34E, and NE/4 of Section 14, 25S-34E – 480 acres**

---

<u>Committed Working Interest:</u>		<b>58.223379%</b>
Marathon Oil Permian LLC	58.223379%	
<u>Uncommitted Working Interest:</u>		<b>41.776621%</b>
Chevron U.S.A. Inc.	16.812721%	
Chevron Midcontinent, L.P.	8.333333%	
OXY Y-1	8.187279%	
EOG Resources Inc.	3.356482%	
COG Operating LLC	1.759259%	
Energen Resources Corporation	1.240355%	
Ozark Royalty Co., LLC	0.586420%	
Crown Oil Partners V, LP	0.525270%	
Crump Energy Partners II, LLC	0.525270%	
Nadel and Gussman Delaware, LLC	0.450232%	



Ryan Gyllenband  
Land Professional



**Marathon Oil Permian LLC**  
5555 San Felipe Street  
Houston, TX 77056  
Telephone: 713.296.2453 Mobile: 281.684.7389  
Fax: 713.513.4006  
mrgyllenband@marathonoil.com

July 2, 2019

VIA CERTIFIED RETURN RECEIPT MAIL

Oxy Y-1  
5 Greenway Plaza, Suite 100  
Houston, TX 77046

**Re: Ender Wiggins 11H Well Proposal**  
Sections 11 & 14, T25S-R34E  
Lea County, New Mexico

Dear Oxy Y-1:

Marathon Oil Permian LLC ("MRO") proposes the drilling of the following well located in the E/2 W/2 of Section 11, and the E/2 NW/4 of Section 14, 25S-34E, Lea County, New Mexico all to be drilled from the same surface pad location.

- Ender Wiggins 14 TB FC 11H with a proposed first take point located 2,540' FNL and 1,805' FWL of Section 14, 25S-34E, and a proposed last take point located 100' FNL and 1,805' FWL of Section 11, 24S-35E. The well will have a targeted interval located in the Bone Spring Formation (~12,376' TVD) with a productive lateral length of approximately 7,720'. The total estimated drilling and completion cost is \$7,998,785 as shown in the attached AFE.

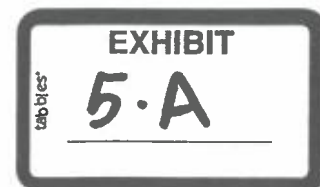
These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered. The AFEs represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred.

MRO proposes drilling the well under the terms of the 1989 AAPL JOA and a form of this JOA will be sent to you following this proposal. The JOA will have these general provisions:

- 100%/300%/300% non-consent penalty
- \$7,500/\$750 drilling and producing rates
- Contract area of E/2 W/2 Section 11 & E/2 NW/4 Section 14, 25S-34E, covering Bone Spring formation.

If your election is to participate in the drilling and completion of the wells please sign and return a copy of this letter along with the enclosed AFE within thirty (30) days of receipt of this proposal.

If you do not wish to participate, Marathon proposes to acquire your interest via term assignment at the following terms:



This term assignment offer terminates July 31, 2019 and is subject to due diligence and title verification satisfactory to Marathon.

Should you have any questions regarding this or other matters, please don't hesitate to contact me at the above listed numbers.

Sincerely,

Ryan Gyllenband

Ender Wiggins 11H

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the Ender Wiggins 14 TB FC 11H well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the Ender Wiggins 14 TB FC 11H well.

Oxy Y-1

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

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

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

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

Ryan Gyllenband  
Land Professional



**Marathon Oil Permian LLC**  
5555 San Felipe Street  
Houston, TX 77056  
Telephone: 713.296.2453 Mobile: 281.684.7389  
Fax: 713.513.4006  
mrgyllenband@marathonoil.com

August 2 2019

VIA CERTIFIED RETURN RECEIPT MAIL

Chevron U.S.A. Inc.  
6301 Deauville Blvd.  
Midland, TX 79706

**Re: Ender Wiggins 13H Well Proposal**  
Sections 11 & 14, T25S-R34E  
Lea County, New Mexico

Dear Chevron U.S.A. Inc.:

Marathon Oil Permian LLC ("MRO") proposes the drilling of the following well located in the E/2 of Section 11, and the NE/4 of Section 14, 25S-34E, Lea County, New Mexico.

Well Name	FTP	LTP	TVD	MD	AFE Cost
Ender Wiggins 14 WC FC 13H	1,980' FEL/2,540' FNL	1,980' FEL/100' FNL	13,092'	21,138'	\$10,845,355

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered. The AFE represents an estimate of the costs that will be incurred to drill and complete the well, but those electing to participate in the well are responsible for their proportionate share of the actual costs incurred.

MRO proposes drilling the well under the terms of the 1989 AAPL JOA and a form of this JOA will be sent to you following this proposal. The JOA will have these general provisions:

- 100%/300%/300% non-consent penalty
- \$7,500/\$750 drilling and producing rates
- Contract area of E/2 Section 11 & NE/4 Section 14, 25S-34E, covering all depths

If your election is to participate in the drilling and completion of the wells please sign and return a copy of this letter along with the enclosed AFE within thirty (30) days of receipt of this proposal.

If you do not wish to participate, Marathon proposes to acquire your interest via term assignment at the following terms:

This term assignment offer terminates September 1, 2019 and is subject to due diligence and title verification satisfactory to Marathon.



Should you have any questions regarding this or other matters, please don't hesitate to contact me at the above listed numbers.

Sincerely,



Ryan Gyllenband

**Ender Wiggins 14 WC FC 13H**

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the Ender Wiggins 14 WC FC 13H well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the Ender Wiggins 14 WC FC 13H well.

**Chevron U.S.A. Inc.**

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

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

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

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



MARATHON OIL PERMIAN LLC  
AUTHORITY FOR EXPENDITURE  
DETAIL OF ESTIMATED WELL COSTS

DATE 7/2/2019  
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD  
COMPLETION PREPARED BY JOSH SHANNON  
FACILITIES PREPARED BY HOLLY MURPHY  
ARTIFICIAL LIFT PREPARED BY HOLLY MURPHY

Asset Team	PERMIAN	FORMATION: 3RD BONE SPRINGS	WILDCAT	EXPLORATION
Field			DEVELOPMENT	RECOMPLETION
Lease/Facility	ENDER WIGGINS 14 TB FC 11H		X EXPLOITATION	WORKOVER
Location	LEA COUNTY			
Prospect	RED HILLS			

Est Total Depth 20 447 Est Drilling Days 27 Est Completion Days 8.25

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	40,200
7001250	Land Broker Fees and Services	27,000
TOTAL LOCATION COST - INTANGIBLE		67,200

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	40,000
7012050	Intermediate Casing 1	147,000
7012050	Intermediate Casing 2	293,000
7012050	Production Casing	111,000
7012050	Orlg Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		753,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	26,000
7019220	Drilling Rig - day work/footage	729,000
7019040	Directional Drilling Services	245,000
7019020	Cement and Cementing Service Surface	25,000
7019020	Cement and Cementing Service Intermediate 1	40,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	60,000
7019140	Mud Fluids & Services	71,000
7012310	Solids Control equipment	49,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	83,000
7019140	Fuel (Mud)	30,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging-geosteering	23,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing Inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	23,500
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	108,000
7018150	Rig Equipment and Misc.	13,500
7001110	Telecommunications Services	5,000
7001120	Consulting Services	126,900
7001400	Safety and Environmental	43,200
7018120	Rental Buildings (trailers)	21,600
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	203,959
TOTAL DRILLING - INTANGIBLE		\$2,364,659
TOTAL DRILLING COST		\$3,117,659

COMPLETION - TANGIBLE

7012580	Tubing	-
7012040	Tubing Accessories (nipple, wireline entry)	-
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	-
TOTAL COMPLETION - TANGIBLE		\$15,000



MARATHON OIL PERMIAN LLC  
AUTHORITY FOR EXPENDITURE  
DETAIL OF ESTIMATED WELL COSTS

DATE 7/2/2019

Asset Team PERMIAN  
Field FORMATION: 3RD BONE SPRINGS  
Lease/Facility ENDER WIGGINS 14 TB FC 11H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	225,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	425,000
7019320	Fracturing Services	1,935,300
7019330	Perforating	175,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	460,000
7016180	Freight - Truck (haul pipe, drlg & compl)	15,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment ( incl drlg, lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	25,000
7001110	Telecommunications Services	70,000
7001400	Safety and Environmental	-
7001120	Consulting Services	60,000
7018150	Zipper Manifold	120,000
7019300	Frac Stack Rentals	45,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental ( w/o operator, frac tanks, lightplants)	75,000
7018120	Rental Buildings (trailers)	15,000
7000030	Contract Labor - Pumping (pump-down pumps)	30,000
7011010	8% Contingency & Taxes	234,400
TOTAL COMPLETION - INTANGIBLE		\$3,934,700
TOTAL COMPLETION COST		\$3,949,700

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	15,664
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	53,774
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	28,413
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	5,153
7012290	Metering and Instrumentation	3,882
7012290	I&E Materials	101,444
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	285,995
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	15,528
7000010	Electrical Labor	9,026
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$754,226
TOTAL SURFACE EQUIPMENT COST		\$ 754,226

ARTIFICIAL LIFT

7006640	Company Labor	6,250
7012180	Gas Lift Equipment	6,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	5,000
7012140	Elect Sub Pumps (ESP)	6,000
7019350	Well Services-Well/Wellhead Services	17,500
7012270	Materials & Supplies-Tangible	6,250
7012550	Surface Wellhead Equipment	3,000
7012390	Pig Launchers/Receivers & Rel Equip	45,000
7011010	8% Contingency & Taxes	15,000
TOTAL ARTIFICIAL LIFT		110,000
TOTAL ARTIFICIAL LIFT COST		\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 67,200
TOTAL DRILLING COST	\$ 3,117,659
TOTAL COMPLETIONS COST	\$ 3,949,700
TOTAL SURFACE EQUIPMENT COST	\$ 754,226
TOTAL ARTIFICIAL LIFT COST	\$ 110,000
GRAND TOTAL COST	\$7,998,785

Participant's Approval

Name of Company: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title: \_\_\_\_\_ Date: \_\_\_\_\_

MARATHON OIL PERMIAN LLC  
AUTHORITY FOR EXPENDITURE  
DETAIL OF ESTIMATED WELL COSTS

DATE 7/30/2019  
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD  
COMPLETION PREPARED BY JOSH SHANNON  
FACILITIES PREPARED BY RICK LINDSAY  
ARTIFICIAL LIFT PREPARED BY RICK LINDSAY

Asset Team PERMIAN  
Field FORMATION: WOLFCAMP C  
Lease/Facility ENDER WIGGINS 14 WC FC 13H  
Location EDDY COUNTY  
Prospect MALAGA  
WILDCAT  
DEVELOPMENT  
X EXPLOITATION  
EXPLORATION  
RECOMPLETION  
WORKOVER

Est Total Depth 21 138 Est Drilling Days 29 Est Completion Days 8.25

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	67,000
7001250	Land Broker Fees and Services	45,000
TOTAL LOCATION COST - INTANGIBLE		112,000

DRILLING COST - TANGIBLE

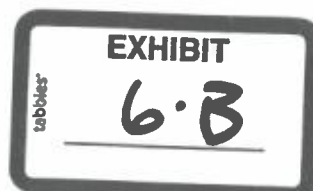
7012050	Conductor Pipe	28,000
7012050	Surface Casing	38,000
7012050	Intermediate Casing 1	-
7012050	Intermediate Casing 2	284,000
7012050	Production Casing	400,000
7012050	Drig Uiner Hanger, Tieback Eq & Csg Accessories	10,000
7012550	Drilling Wellhead Equipment	70,000
7012040	Casing & Tubing Access	11,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		846,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	43,333
7019220	Drilling Rig - day work/footage	786,600
7019040	Directional Drilling Services	312,600
7019020	Cement and Cementing Service Surface	25,000
7019020	Cement and Cementing Service Intermediate 1	-
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	70,000
7019140	Mud Fluids & Services	127,800
7012310	Solids Control equipment	62,000
7012020	Bits	120,000
7019010	Casing Crew and Services	50,000
7016350	Fuel (Rig)	117,000
7019140	Fuel (Mud)	60,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging/geosteering	25,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	180,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	80,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	24,567
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	116,533
7018150	Rig Equipment and Misc.	14,567
7001110	Telecommunications Services	5,000
7001120	Consulting Services	136,927
7001400	Safety and Environmental	46,613
7018120	Rental Buildings (trailers)	23,307
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	247,859
TOTAL DRILLING - INTANGIBLE		\$2,942,706
TOTAL DRILLING COST		\$3,788,706

COMPLETION - TANGIBLE

7012580	Tubing	-
7012040	Tubing Accessories (nipple, wireline entry)	-
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	-
TOTAL COMPLETION - TANGIBLE		\$15,000



Asset Team PERMIAN  
Field FORMATION: WOLFCAMP C  
Lease/Facility ENDER WIGGINS 14 WC FC 13H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	290,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	445,000
7019320	Fracturing Services	3,278,600
7019330	Perforating	235,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	762,000
7016180	Freight - Truck (haul pipe; drlg & compl)	15,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg, lightplant, hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	40,000
7001110	Telecommunications Services	80,000
7001400	Safety and Environmental	-
7001120	Consulting Services	80,000
7018150	Zipper Manifold	170,000
7019300	Frac Stack Rentals	65,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	60,000
7018120	Rental Buildings (trailers)	25,000
7000030	Contract Labor - Pumping (pump-down pumps)	45,000
7011010	8% Contingency & Taxes	361,900
TOTAL COMPLETION - INTANGIBLE		\$5,979,500
TOTAL COMPLETION COST		\$5,994,500

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	17,120
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	62,878
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	-
7012270	Miscellaneous Materials (containment system)	35,847
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	7,264
7012290	Metering and Instrumentation	5,823
7012290	I&E Materials	105,326
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	336,771
7012500	Tanks	235,346
7012100	Heater Treater	-
7012640	Flare & Accessories	23,293
7000010	Electrical Labor	10,482
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	-
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,149
TOTAL SURFACE EQUIPMENT COST		\$ 840,149

ARTIFICIAL LIFT

7006640	Company Labor	45,000
7012180	Gas Lift Equipment	15,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	6,250
7012140	Elect Sub Pumps (ESP)	17,500
7019350	Well Services-Well/Wellhead Services	6,000
7012270	Materials & Supplies-Tangible	6,000
7012550	Surface Wellhead Equipment	5,000
7012390	Pig Launchers/Receivers & Rel Equip	6,250
7011010	8% Contingency & Taxes	3,000
TOTAL ARTIFICIAL LIFT		110,000
TOTAL ARTIFICIAL LIFT COST		\$ 110,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 112,000
TOTAL DRILLING COST	\$ 3,788,706
TOTAL COMPLETIONS COST	\$ 5,994,500
TOTAL SURFACE EQUIPMENT COST	\$ 840,149
TOTAL ARTIFICIAL LIFT COST	\$ 110,000
GRAND TOTAL COST	\$10,845,355

Participant's Approval

Name of Company: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Title: \_\_\_\_\_ Date: \_\_\_\_\_

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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPUSLORY  
POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 20820, 20821

AFFIDAVIT

STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF BERNALILLO        )

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were sent under a notice letter attached hereto and that proof of receipt is attached hereto.



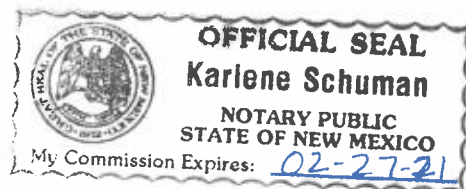
Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of October, 2019 by Deana M. Bennett.



Notary Public

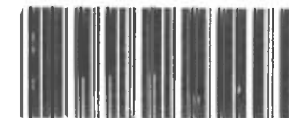
My commission expires: 02-27-21



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  
09/12/2019



Firm Mailing Book ID: 174519

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0063 2492 59	OXY Y-1 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 TB Notice
2	9314 8699 0430 0063 2492 66	Tha Allar Company P.O. Box 1567 Graham TX 76450	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 TB Notice
3	9314 8699 0430 0063 2492 73	EOG A Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 TB Notice
4	9314 8699 0430 0063 2492 80	EOG M Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 TB Notice
5	9314 8699 0430 0063 2492 97	Cornerstone Family Trust P.O. Box 17656 Golden CO 80402	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 TB Notice
6	9314 8699 0430 0063 2493 03	Crownrock Minerals, L.P. P.O. Box 51933 Midland TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 TB Notice
7	9314 8699 0430 0063 2493 10	Allar Development LLC P.O. Box 1567 Graham TX 76450	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 TB Notice
8	9314 8699 0430 0063 2493 27	Regeneration Energy Corp. P.O. Box 210 Artesia NM 88211	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 TB Notice
Totals:			\$9.20	\$28.00	\$12.80	\$0.00	
			Grand Total:		\$50.00		

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated:

8



Transaction Report Details - CertifiedPro.net  
 Firm Mail Book ID= 174519  
 Generated: 9/30/2019 7:21:50 AM

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931486990430006324	2019-09-12 11:28 AM	Regeneration Energy Corp.	P.O. Box 210	Artesia	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	172045	09-16-2019
9314869904300063249310	2019-09-12 11:28 AM	Allar Development LLC	P.O. Box 1567	Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	172045	09-16-2019
9314869904300063249303	2019-09-12 11:28 AM	Crownrock Minerals, L.P.	P.O. Box 51933	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	172045	09-17-2019
9314869904300063249297	2019-09-12 11:28 AM	Cornerstone Family Trust	P.O. Box 17656	Golden	CO	80402	Delivered	Return Receipt - Electronic, Certified Mail	172045	09-21-2019
9314869904300063249280	2019-09-12 11:28 AM	EOG M Resources, Inc.	5509 Champions Drive	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	172045	09-17-2019
9314869904300063249273	2019-09-12 11:28 AM	EOG A Resources, Inc.	5509 Champions Drive	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	172045	09-17-2019
9314869904300063249266	2019-09-12 11:28 AM	Tha Allar Company	P.O. Box 1567	Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	172045	09-16-2019
9314869904300063249259	2019-09-12 11:28 AM	OXY Y-1	5 Greenway Plaza, Suite 1	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	172045	09-24-2019



September 12, 2019

Deana M. Bennett  
505-848-1834  
Deana.Bennett@modrall.com

**VIA CERTIFIED MAIL**

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC FOR  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 20820**

**TO: AFFECTED PARTIES**

This letter is to advise you that Marathon Oil Permian LLC ("Marathon") has filed the above-listed application.

In Case No. 20820, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 NW/4 of Section 14 and the E/2 W/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Ender Wiggins 14 TB FC 11H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing the well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed.

This case has been set for hearing before a Division Examiner on October 3, 2019 starting at 8:15 a.m. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in the case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in the case at a later date.

You are further notified that if you desire to appear in the case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com



Page 2

Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "Deana M. Bennett". The signature is written in dark ink and is positioned above a horizontal line.

Deana M. Bennett

*Attorney for Applicant*

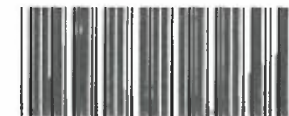
20821

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  
09/12/2019

2019  
SEP  
12



Firm Mailing Book ID: 174518

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0063 2471 70	Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland TX 79706	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
2	9314 8699 0430 0063 2471 87	Chevron Midcontinent, L.P. 6301 Deauville Blvd. Midland TX 79706	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
3	9314 8699 0430 0063 2471 94	OXY Y-1 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
4	9314 8699 0430 0063 2472 00	EOG Resources Inc. 5509 Champions Drive Midland TX 79706	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
5	9314 8699 0430 0063 2472 17	COG Operating LLC 600 West Illinois Midland TX 79701	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
6	9314 8699 0430 0063 2472 24	Crown Oil Partners V, LP P.O. Box 50820 Midland TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
7	9314 8699 0430 0063 2472 31	Crump Energy Partners II, LLC P.O. Box 50820 Midland TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
8	9314 8699 0430 0063 2472 48	Nadel and Gussman Delaware, LLC 15 East Fifth St., Suite 3300 Tulsa OK 74103	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
9	9314 8699 0430 0063 2472 55	Energen Resources Corporation 500 West Texas Ave., Suite 1200 Midland TX 79701	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
10	9314 8699 0430 0063 2472 62	Ozark Royalty Co., LLC 111 S. Highland St. Suite 352 Memphis TN 38111	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
11	9314 8699 0430 0063 2472 79	P.A.W.N. Enterprises P.O. Box 729 Ada OK 74820	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
12	9314 8699 0430 0063 2472 86	Daniel Fleet Freeman, Trustee P.O. Box 729 Ada OK 74820	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
13	9314 8699 0430 0063 2472 93	Robert F. Fleet, Trustee P.O. Box 729 Ada OK 74820	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
	9314 8699 0430 0063 2473 09	Arlene Rae Fleet, Trustee P.O. Box 729 Ada OK 74820	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
	9314 8699 0430 0063 2473 16	Rae Ann Fleet Gossett P.O. Box 729 Ada OK 74820	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice



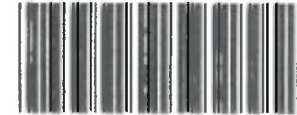
33

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  
 09/12/2019

2019  
 SEP  
 12



Firm Mailing Book ID: 174518

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0063 2473 23	B.H.C.H Mineral, Ltd. 5111 Broadway San Antonio TX 78209	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
17	9314 8699 0430 0063 2473 30	Bates Family Investment Company, LLC P.O. Box 3627 Tulsa OK 74101	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
18	9314 8699 0430 0063 2473 47	John V. McCarthy, II 57200 E Highway 125, Unit 3631 Afton OK 74331	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
19	9314 8699 0430 0063 2473 54	Susan Duff 50 Sequoyah Shawnee OK 74801	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
20	9314 8699 0430 0063 2473 61	The Nommensen Investment Company 12411 Broken Bough Houston TX 77024	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
21	9314 8699 0430 0063 2473 78	James Ray Bates P.O. Box 6216 Shawnee Mission KS 66206	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
22	9314 8699 0430 0063 2473 92	Texas State Bank, Trustee of the Lucille Chism Bates Testamentary Trust P.O. Box 3782 San Angelo TX 76902	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
23	9314 8699 0430 0063 2474 08	Tha Allar Company P.O. Box 1567 San Antonio TX 76450	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
24	9314 8699 0430 0063 2474 15	EOG A Resources, Inc. 5509 Champions Drive Tulsa TX 79706	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
25	9314 8699 0430 0063 2474 22	EOG M Resources, Inc. 5509 Champions Drive Afton TX 79706	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
26	9314 8699 0430 0063 2474 39	Cornerstone Family Trust P.O. Box 17656 Shawnee CO 80402	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
27	9314 8699 0430 0063 2474 46	Crownrock Minerals, L.P. P.O. Box 51933 Houston TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
28	9314 8699 0430 0063 2474 53	Allar Development LLC P.O. Box 1567 Shawnee Mission TX 76450	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
29	9314 8699 0430 0063 2474 60	Regeneration Energy Corp. P.O. Box 210 San Angelo NM 88211	\$1.15	\$3.50	\$1.60	\$0.00	81363-0151 WD Notice
Totals:			\$33.35	\$101.50	\$46.40	\$0.00	
			Grand Total:		\$181.25		

List Number of Pieces  
 Listed by Sender

Total Number of Pieces  
 Received at Post Office

Postmaster:  
 Name of receiving employee

Dated:

Transaction Report Details - CertifiedPro net  
Firm Mail Book ID- 174518  
Generated: 9/30/2019 7:38:41 AM

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9314869904300063247460	2019-09-12 11:11 AM	81363-0151 WD	Regeneration Energy Corp		P.O. Box 210	San Angelo	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	172033	9/16/2019
9314869904300063247453	2019-09-12 11:11 AM	81363-0151 WD	Allar Development LLC		P.O. Box 1567	Shawnee Mission	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247446	2019-09-12 11:11 AM	81363-0151 WD	Crownrock Minerals, L.P.		P.O. Box 51933	Houston	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247439	2019-09-12 11:11 AM	81363-0151 WD	Conestoga Family Trust		P.O. Box 17656	Shawnee	CO	80402	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-21-2019
9314869904300063247422	2019-09-12 11:11 AM	81363-0151 WD	EOG II Resources, Inc.		5509 Champions Drive	Afton	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247415	2019-09-12 11:11 AM	81363-0151 WD	EOG A Resources, Inc.		5509 Champions Drive	Tulsa	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247408	2019-09-12 11:11 AM	81363-0151 WD	The Alar Company		P.O. Box 1567	San Antonio	TX	76450	Mailed	Return Receipt - Electronic, Certified Mail	172033	
9314869904300063247392	2019-09-12 11:11 AM	81363-0151 WD	Texas State Bank, Trustee of the Lucille Chism	Bates Testamentary Trust	P.O. Box 3782	Shawnee Mission	KS	66206	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-18-2019
9314869904300063247378	2019-09-12 11:11 AM	81363-0151 WD	James Ray Bates		P.O. Box 6216	Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247354	2019-09-12 11:11 AM	81363-0151 WD	The Nommensen Investment Company		12411 Broken Bough	Shawnee	OK	74801	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-16-2019
9314869904300063247347	2019-09-12 11:11 AM	81363-0151 WD	Susan Duff		50 Sequoyah	Afton	OK	74331	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-18-2019
9314869904300063247330	2019-09-12 11:11 AM	81363-0151 WD	John V. McCarthy, II		57200 E Highway 125, Unit 3631	Tulsa	OK	74101	To be Returned	Return Receipt - Electronic, Certified Mail	172033	
9314869904300063247323	2019-09-12 11:11 AM	81363-0151 WD	Bates Family Investment Company, LLC		P.O. Box 3627	Tulsa	OK	74101	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247316	2019-09-12 11:11 AM	81363-0151 WD	B.H.C.H. Minerals, Ltd.		5111 Broadway	San Antonio	TX	78209	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-16-2019
9314869904300063247309	2019-09-12 11:11 AM	81363-0151 WD	Rae Ann Fleet Gossett		P.O. Box 729	Ada	OK	74820	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247293	2019-09-12 11:11 AM	81363-0151 WD	Ariene Rae Fleet, Trustee		P.O. Box 729	Ada	OK	74820	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247286	2019-09-12 11:11 AM	81363-0151 WD	Robert F. Fleet, Trustee		P.O. Box 729	Ada	OK	74820	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
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9314869904300063247272	2019-09-12 11:11 AM	81363-0151 WD	P.A.W.N. Enterprises		P.O. Box 729	Ada	OK	74820	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247262	2019-09-12 11:11 AM	81363-0151 WD	Ortiz Royalty Co., LLC		111 S Highland St, Suite 352	Memphis	TN	38111	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-28-2019
9314869904300063247255	2019-09-12 11:11 AM	81363-0151 WD	Energen Resources Corporation		500 West Texas Ave., Suite 1200	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-16-2019
9314869904300063247248	2019-09-12 11:11 AM	81363-0151 WD	Nadel and Gorman Delaware, LLC		15 East Fifth St., Suite 3300	Tulsa	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-16-2019
9314869904300063247231	2019-09-12 11:11 AM	81363-0151 WD	Crown Oil Partners II, LLC		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247224	2019-09-12 11:11 AM	81363-0151 WD	Crown Oil Partners V, LP		600 West Illinois	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247217	2019-09-12 11:11 AM	81363-0151 WD	COG Operating LLC		5509 Champions Drive	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-16-2019
9314869904300063247200	2019-09-12 11:11 AM	81363-0151 WD	EOG Resources Inc.		5 Greenway Plaza, Suite 110	Midland	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-17-2019
9314869904300063247194	2019-09-12 11:11 AM	81363-0151 WD	ONY Y-1		6301 Deauville Blvd.	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-16-2019
9314869904300063247187	2019-09-12 11:11 AM	81363-0151 WD	Chevron Midcontinent, L.P.		6301 Deauville Blvd.	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-16-2019
9314869904300063247170	2019-09-12 11:11 AM	81363-0151 WD	Chevron U.S.A. Inc.		6301 Deauville Blvd.	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	172033	09-16-2019



MODRALL SPERLING

L A W Y E R S

September 12, 2019

Deana M. Bennett  
505-848-1834  
Deana.Bennett@modrall.com

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

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC FOR  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 20821**

**TO: AFFECTED PARTIES**

This letter is to advise you that Marathon Oil Permian LLC ("Marathon") has filed the above-listed application.

In Case No. 20821, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the NE/4 of Section 14 and the E/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico, New Mexico. This spacing unit will be dedicated to the Ender Wiggins 14 WD FC 13H well, to be horizontally drilled. The producing area for the well will be unorthodox. Also to be considered will be the cost of drilling and completing the well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed.

This case has been set for hearing before a Division Examiner on October 3, 2019 starting at 8:15 a.m. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in the case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in the case at a later date.

You are further notified that if you desire to appear in the case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com

Page 2

Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Deana M. Bennett

Deana M. Bennett

*Attorney for Applicant*

# 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  
September 18, 2019  
and ending with the issue dated  
September 18, 2019.

  
\_\_\_\_\_  
Publisher

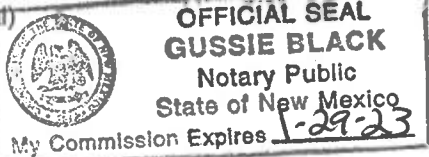
Sworn and subscribed to before me this  
18th day of September 2019.

  
\_\_\_\_\_  
Business Manager

My commission expires

January 29, 2023

(Seal)



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

LEGAL

LEGAL

## LEGAL NOTICE SEPTEMBER 18, 2019

CASE NO. 20820: Notice to all affected parties, as well as the heirs and devisees of OXY Y-1, The Allar Company, EOG A Resources Inc., EOG M Resources Inc., Cornerstone Family Trust, Crownrock Minerals LP, Allar Development LLC, Regeneration Energy Corp. of Marathon Oil Permian LLC's application for compulsory pooling, Lea County, New Mexico. The New State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 am on October 3, 2019, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 NW/4 of Section 14 and the E/2 W/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Ender Wiggins 14 TB FC 11H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing the well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 14 miles west of Jal, New Mexico.

CASE NO. 20821: Notice to all affected parties, as well as the heirs and devisees of Chevron USA Inc., Chevron Midcontinent LP, OXY Y-1, EOG Resources Inc., COG Operating LLC, Crown Oil Partners V LP, Crump Energy Partners II LLC, Nadel and Gussman Delaware LLC, Energen Resources Corporation, Ozark Royalty Co LLC, P.A.W.N. Enterprises, Daniel Fleet Freeman Trustee, Robert F. Fleet Trustee, Arlene Rae Fleet Trustee, Rae Ann Fleet Gossett, B.H.C.H. Mineral Ltd., Bates Family Investment Company LLC, John V. McCarthy II, Susan Duff, The Nommensen Investment Company, James Ray Bates, Texas State Bank Trustee of the Lucille Chlam Bates Testamentary Trust, The Allar Company, EOG A Resources Inc., EOG M Resources Inc., Cornerstone Family Trust, Crownrock Minerals LP, Allar Development LLC, Regeneration Energy Corp. of Marathon Oil Permian LLC's application for compulsory pooling, Lea County, New Mexico. The New State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 am on October 3, 2019, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the NE/4 of Section 14 and the E/2 of Section 11, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Ender Wiggins 14 WD FC 13H well, to be horizontally drilled. The producing area for the well will be unorthodox. Also to be considered will be the cost of drilling and completing the well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 14 miles west of Jal, New Mexico.  
#34712

01104570

00233596

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

EXHIBIT

7.C

tabbles

ORRI WD 13H/11H
Tha Allar Company
EOG A Resources, Inc.
EOG M Resources, Inc.
Cornerstone Family Trust
Crownrock Minerals, L.P.
Allar Development LLC
Regeneration Energy Corp.





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

APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPUSLORY  
POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 20820, 20821

AFFIDAVIT

STATE OF TEXAS                    )  
  ) ss.  
COUNTY OF MIDLAND            )

Thomas Lockwood, being duly sworn, deposes and states:

1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC, and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum geologist.
2. The exhibits behind **Tab 8** are locator maps showing the approximate location of the proposed wells in relation to the Capitan Reef.
3. The exhibits behind **Tab 9** are the geology study I prepared for the Ender Wiggins 14 TB FC 11H well, which is the Third Bone Spring well.
4. **Exhibit 9-A** is a wellbore schematic showing the proposed Third Bone Spring lateral within the unit.
5. **Exhibit 9-B** is structure map of the base of the Top of the Wolfcamp. The proposed project area is identified by a black-dashed box, and the proposed well is identified by a red line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the formation dips to the east.
6. **Exhibit 9-C** identifies four vertical wells in the vicinity of the proposed Third Bone Spring Sand well, shown by a line of cross-section running from A to A'.

7. **Exhibit 9-D** is a stratigraphic cross section hung on the top of the Wolfcamp. The well logs on the cross-section give a representative sample of the Third Bone Spring sand in the area. The target zone is identified by the words “Producing Zone” and the shaded area across the cross section, along with a red arrow.

8. In my opinion, the Third Bone Spring Sand thickens towards the toe of the unit, and then thins to the north of the unit.

9. **Exhibit 9-E** is a Gross Interval Isochore of the Third Bone Spring Sand to Wolfcamp. The isochore maps shows how the Third Bone Spring sand thickens slightly at the toe of the unit.

10. The exhibits behind **Tab 10** are the geology study I prepared for the Ender Wiggins 14 WD FC 13H well, which is the Wolfcamp D well.

11. **Exhibit 10-A** is a wellbore schematic showing the proposed Wolfcamp D lateral within the unit.

12. **Exhibit 10-B** is structure map of the base of the Wolfcamp/Strawn top. The proposed project area is identified by a black-dashed box, and the proposed well is identified by a red line. The contour interval used for this exhibit is 25 feet. This exhibit shows that the structure dips towards the southeast.

13. **Exhibit 10-C** identifies four vertical wells in the vicinity of the proposed Wolfcamp wells, shown by a line of cross-section running from A to A’.

14. **Exhibit 10-D** is a stratigraphic cross section hung on the top of the Wolfcamp D2. The well logs on the cross-section give a representative sample of the lower Wolfcamp formation in the area. The target zone is identified by the words “Producing Zone” and the shaded area across the cross section, along with a red arrow.

15. In my opinion, the lower Wolfcamp remains approximately the same thickness cross the proposed unit.

16. **Exhibit 10-E** is a Gross Interval Isochore of the Wolfcamp D, which shows that the Wolfcamp D only varies by ~25’ in thickness across the unit.

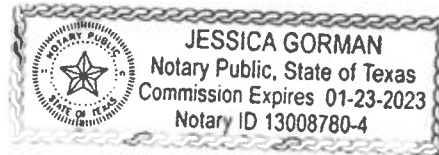
17. I conclude from the maps that:
  - a. The horizontal spacing units are justified from a geologic standpoint.
  - b. There are no structural impediments or faulting that will interfere with horizontal development.
  - c. Each quarter quarter section in each of the proposed units will contribute more or less equally to production.
18. **Exhibit 11** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.
19. The preferred well orientation in this area is North/South. This is because the  $S_{Hmax}$  is at approximately 70-80 degrees in southern-Lea County.
20. Exhibits 8-11 were prepared by my or under my supervision or compiled from company business records.
21. In my opinion, the granting of Marathon's applications is in the interests of conservation and the prevention of waste.

Thomas Lockwood  
Thomas Lockwood

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of October, 2019 by Thomas Lockwood, on behalf of Marathon Oil Permian LLC.

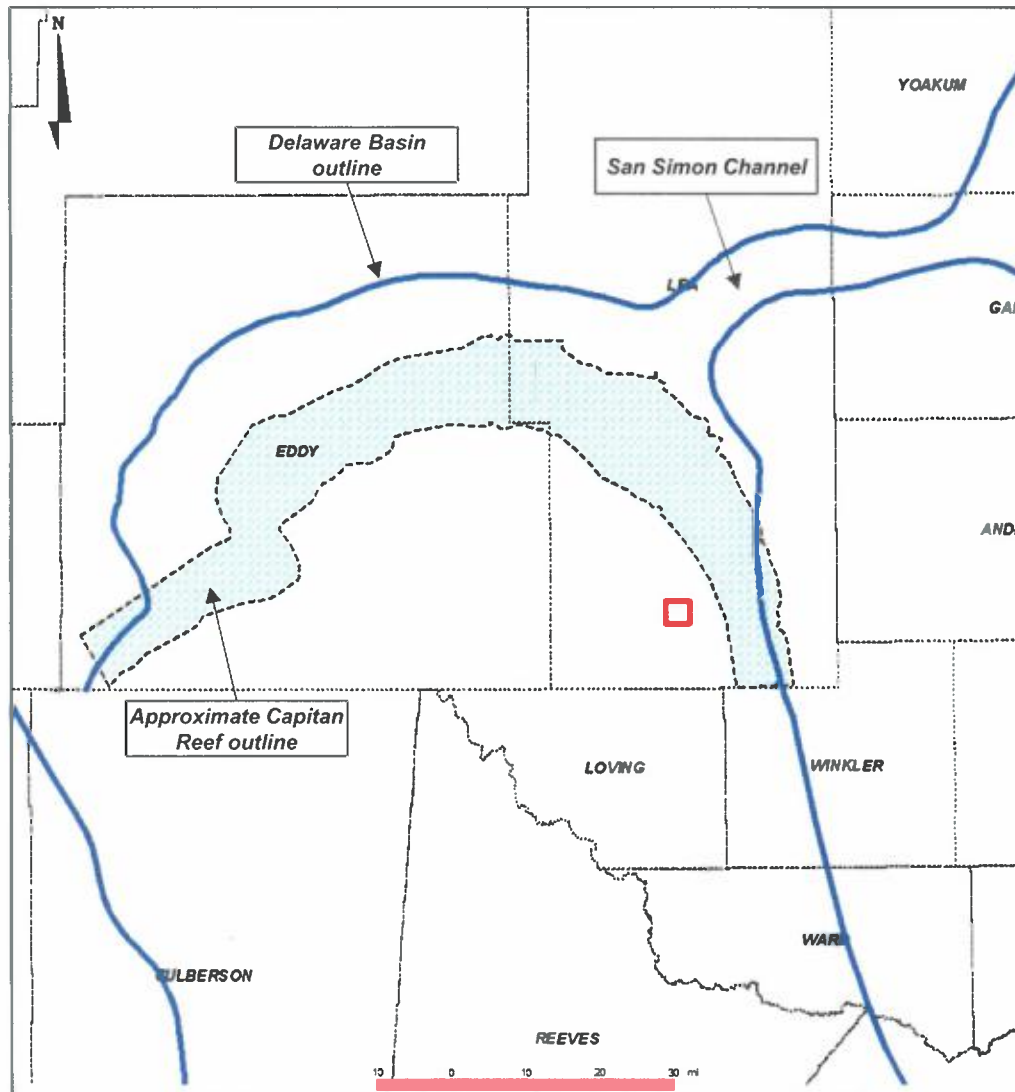
Jessica Gorman  
Notary Public

My commission expires: 1/23/2023



# Ender Wiggins 14 TB FC 11H

## Locator Map



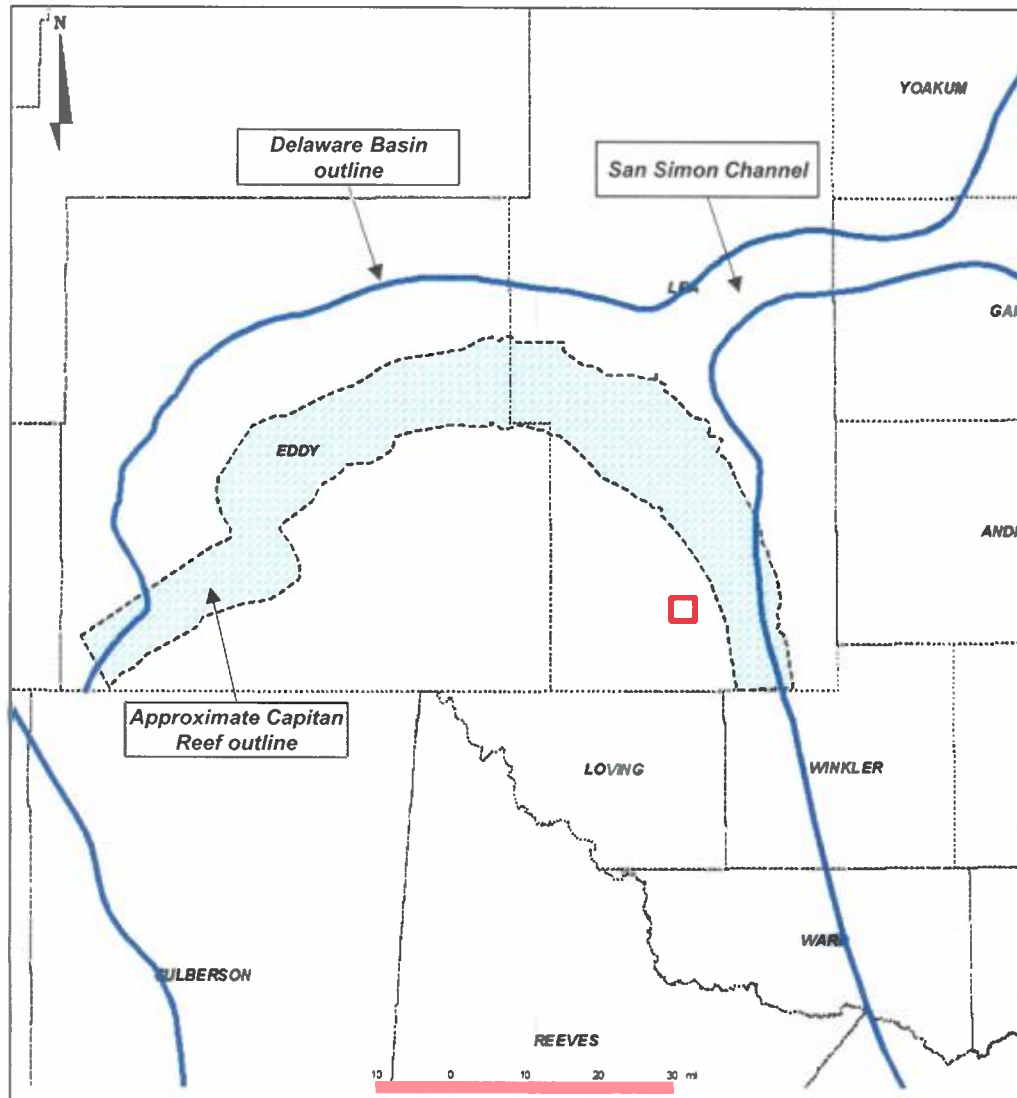
- Approximate location of proposed Ender Wiggins 14 TB FC 11H well shown with red box
- Located basinwards of the Capitan Reef
- Southern Lea county

EXHIBIT

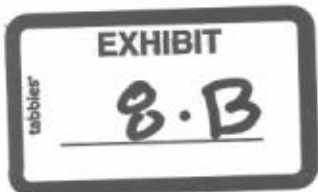
8-A

# Ender Wiggins 14 WD FC 13H

## Locator Map

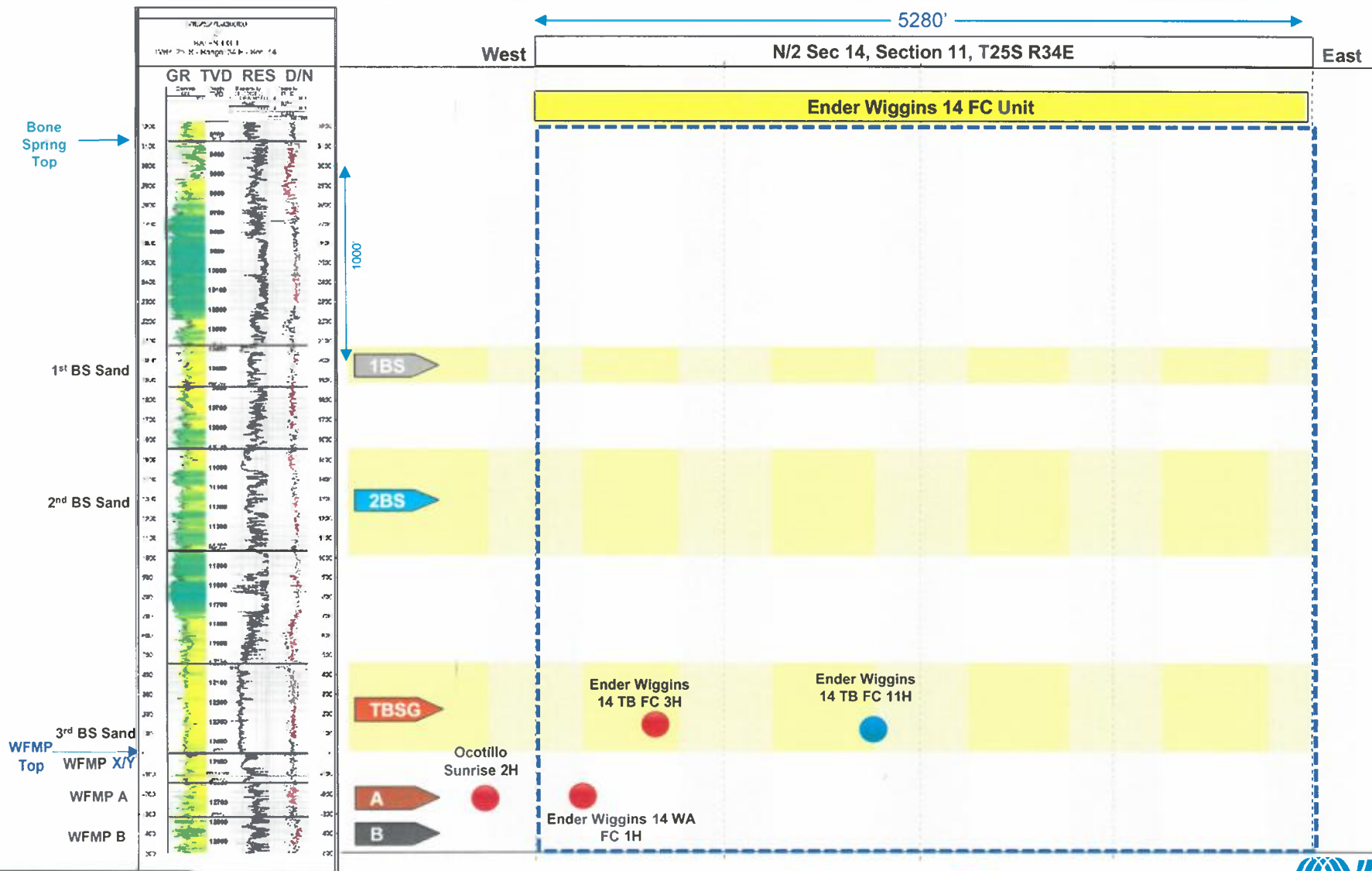


- Approximate location of proposed Ender Wiggins 14 WD FC 13H well shown with red box
- Located basinwards of the Capitan Reef
- Southern Lea county

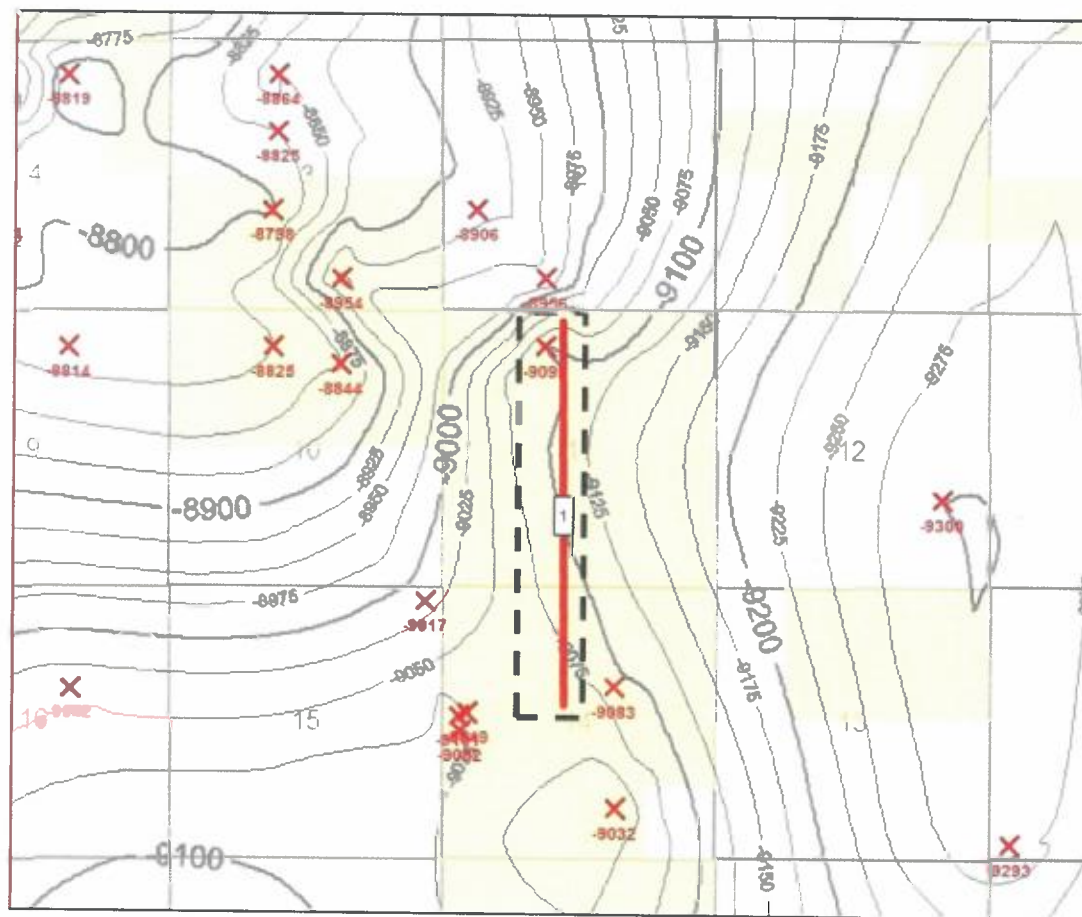


# Ender Wiggins 14 TB FC 11H

## Wellbore Schematic



### Structure Map – Top of Wolfcamp (TVDSS)




C.I. = 25'

1 mile

1 Ender Wiggins 14 TB FC 11H

### Map Legend

 TBSG

MRO – Horizontal  
Location

MRO Acreage

Project Area

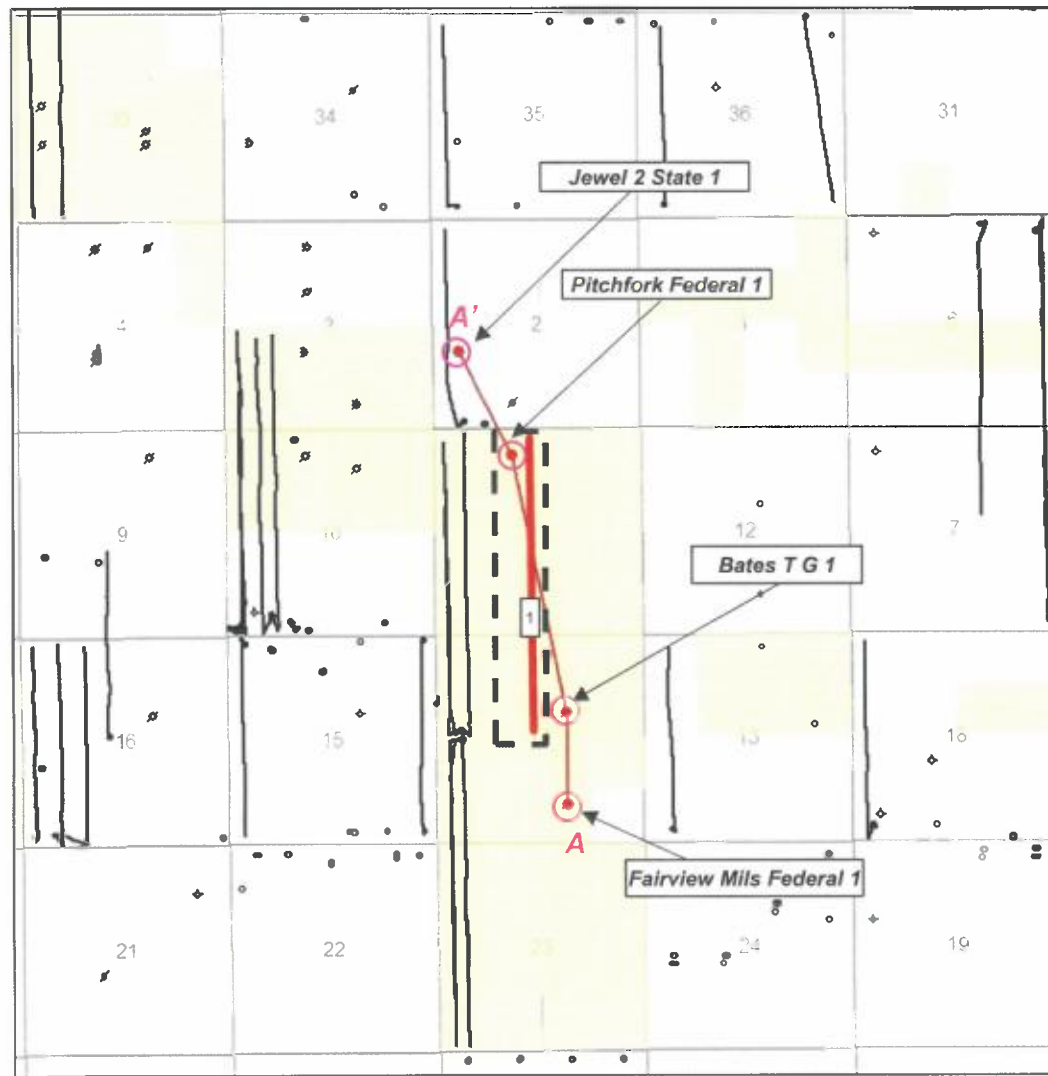
**EXHIBIT**

9. B



# Ender Wiggins 14 TB FC 11H

## Reference Map for Cross Section



1 Ender Wiggins 14 TB FC 11H

### Map Legend

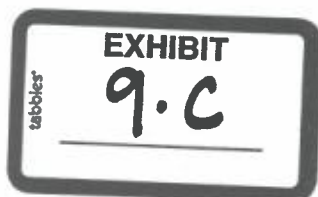
— TBSG

MRO – Horizontal  
Location

MRO Acreage

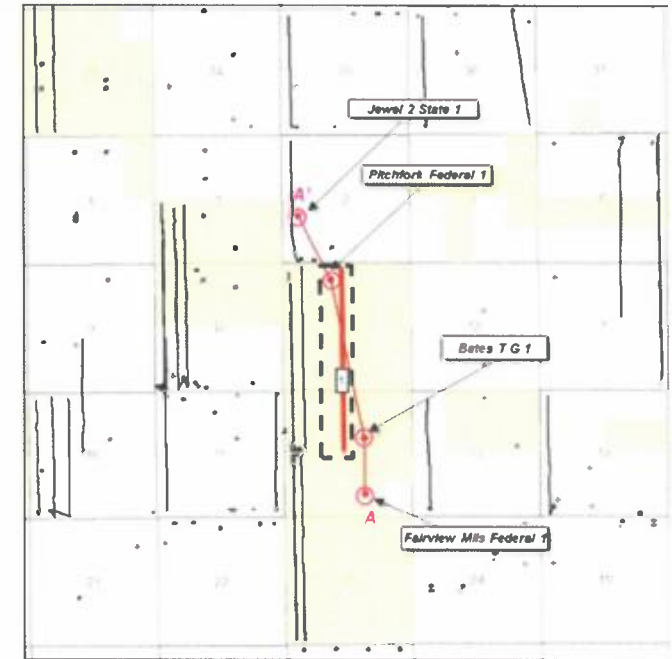
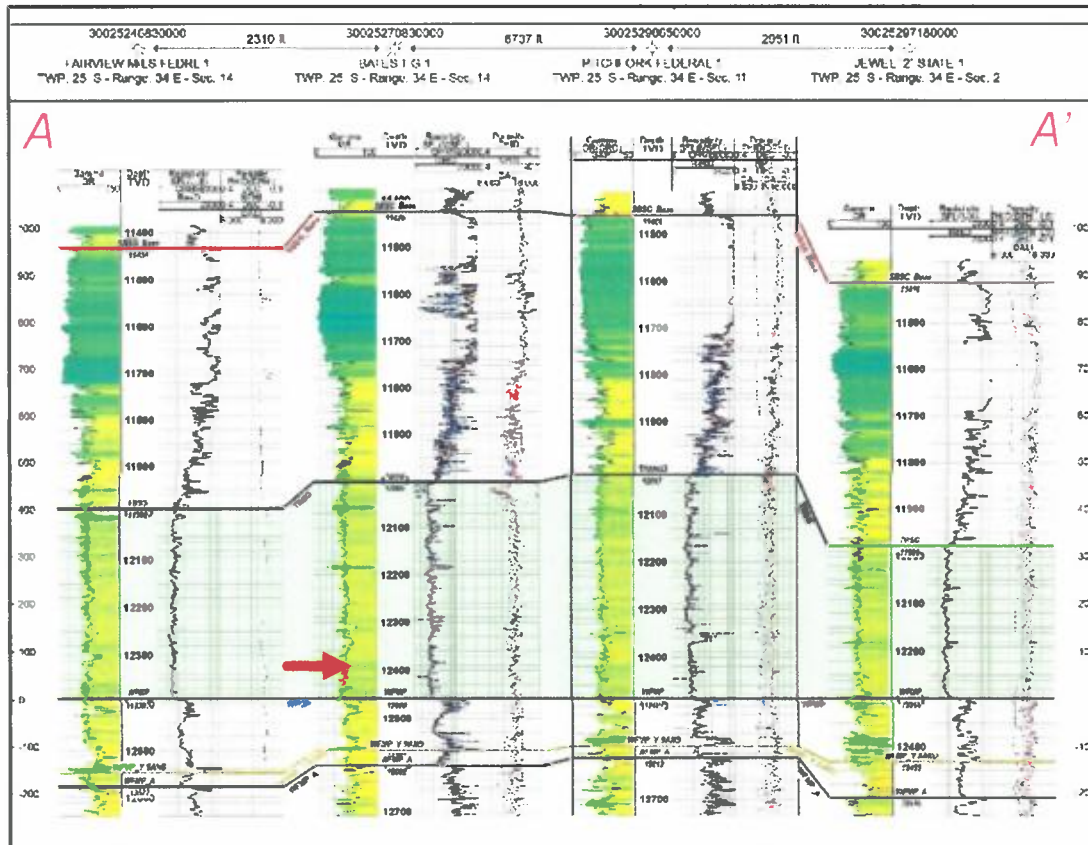
Project Area

1 mile



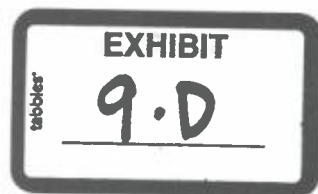
# Ender Wiggins 14 TB FC 11H

## Stratigraphic Cross Section (Top Wolfcamp Datum)



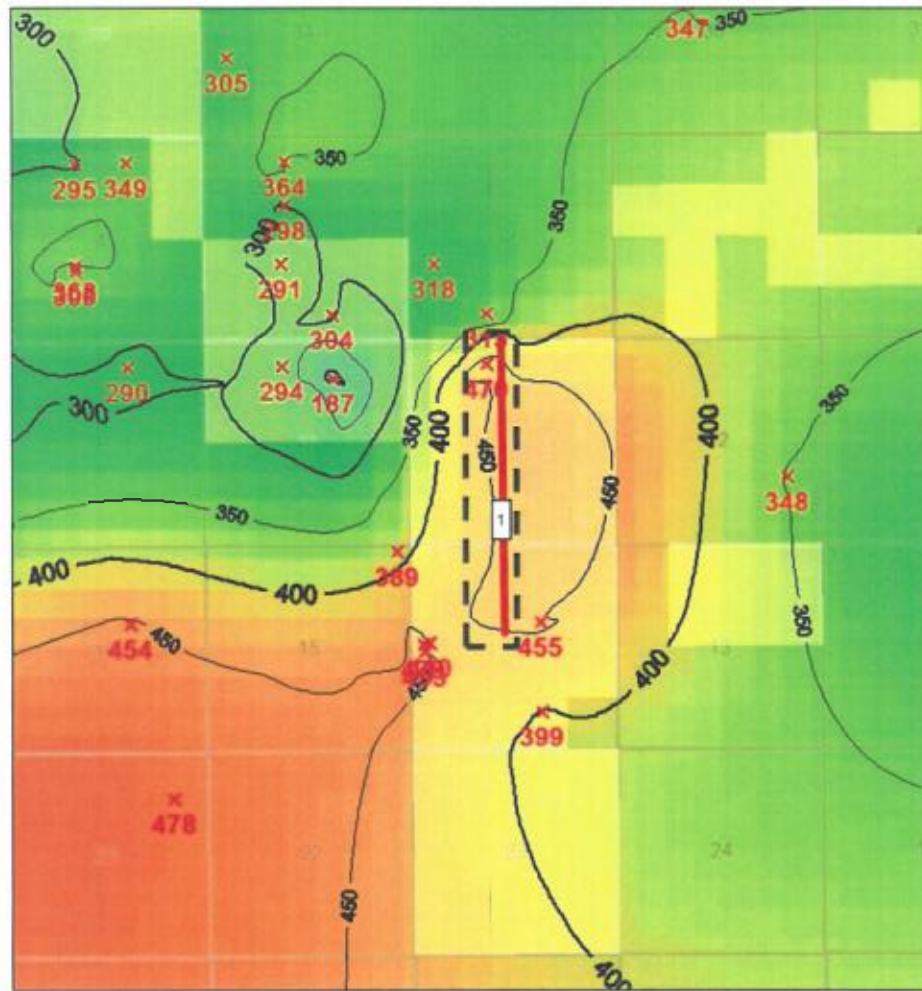
**Producing  
Zone**

*Third Bone Spring Sand thickens  
towards the toe of the unit, and  
then thins to the north of the unit.*



# Ender Wiggins 14 TB FC 11H

Gross Interval Isochore – Third Bone Spring Sand to Wolfcamp



C.I. = 25'

1 mile

1 Ender Wiggins 14 TB FC 11H

## Map Legend

— TBSG

MRO – Horizontal  
Location

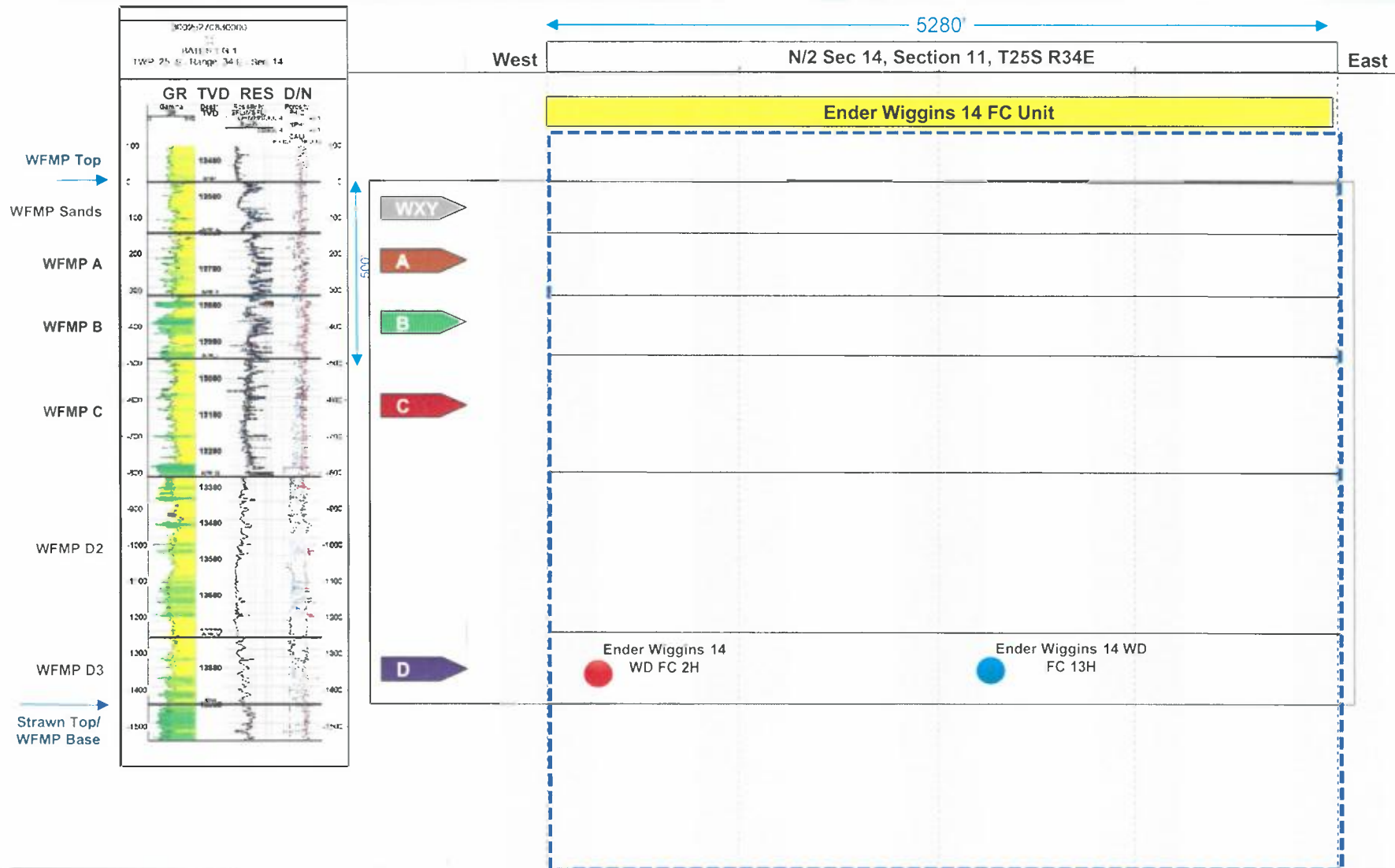
MRO Acreage

Project Area



# Ender Wiggins 14 WD FC 13H

## Wellbore Schematic



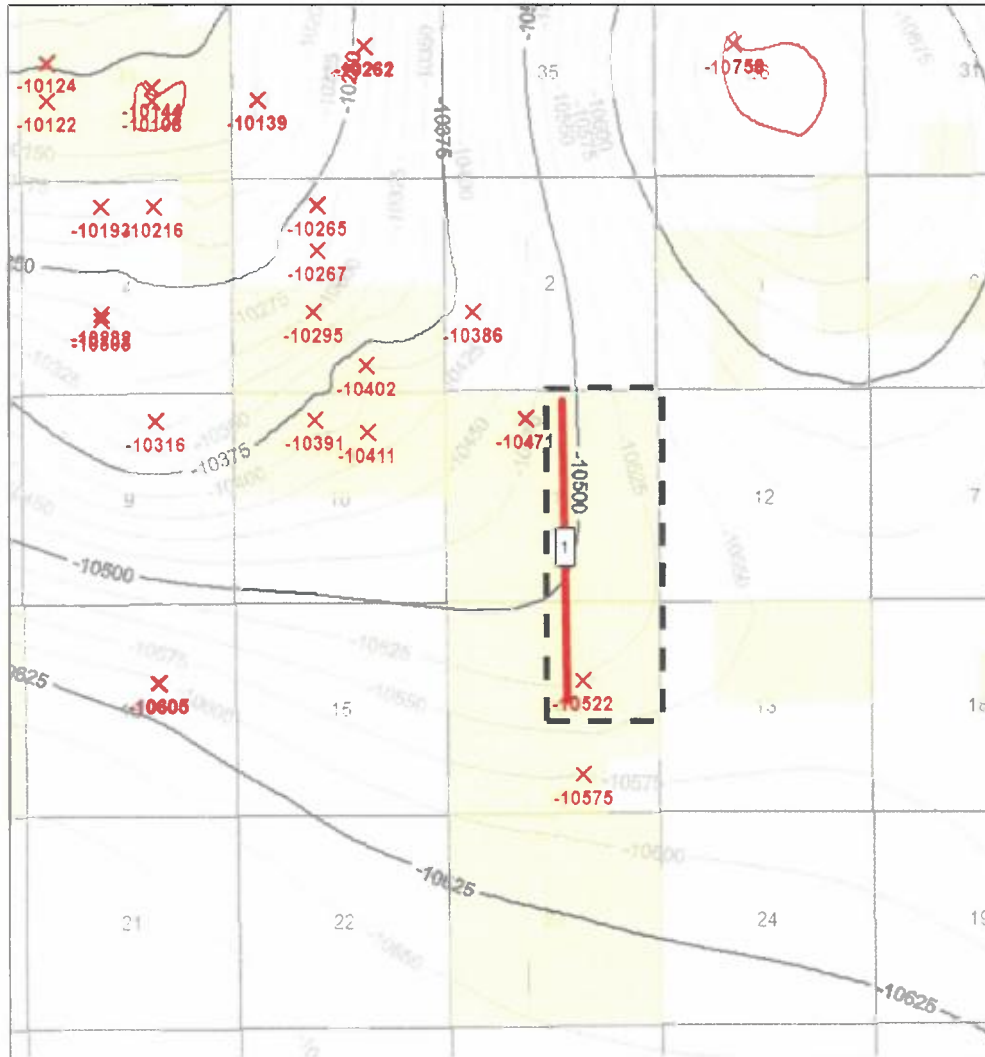
Existing Planned

EXHIBIT

10-A

# Ender Wiggins 14 WD FC 13H

Structure Map – Base of Wolfcamp/Strawn Top (TVDSS)



1 Ender Wiggins 14 WD FC 13H

## Map Legend

— WFMP D

MRO – Horizontal Location

MRO Acreage

Project Area

C.I. = 25'



1 mile

Marathon Oil



# Ender Wiggins 14 WD FC 13H

## Reference Map for Cross Section



### Map Legend

1 Ender Wiggins 14 WD FC 13H

WFMP D

MRO – Horizontal  
Location

MRO Acreage

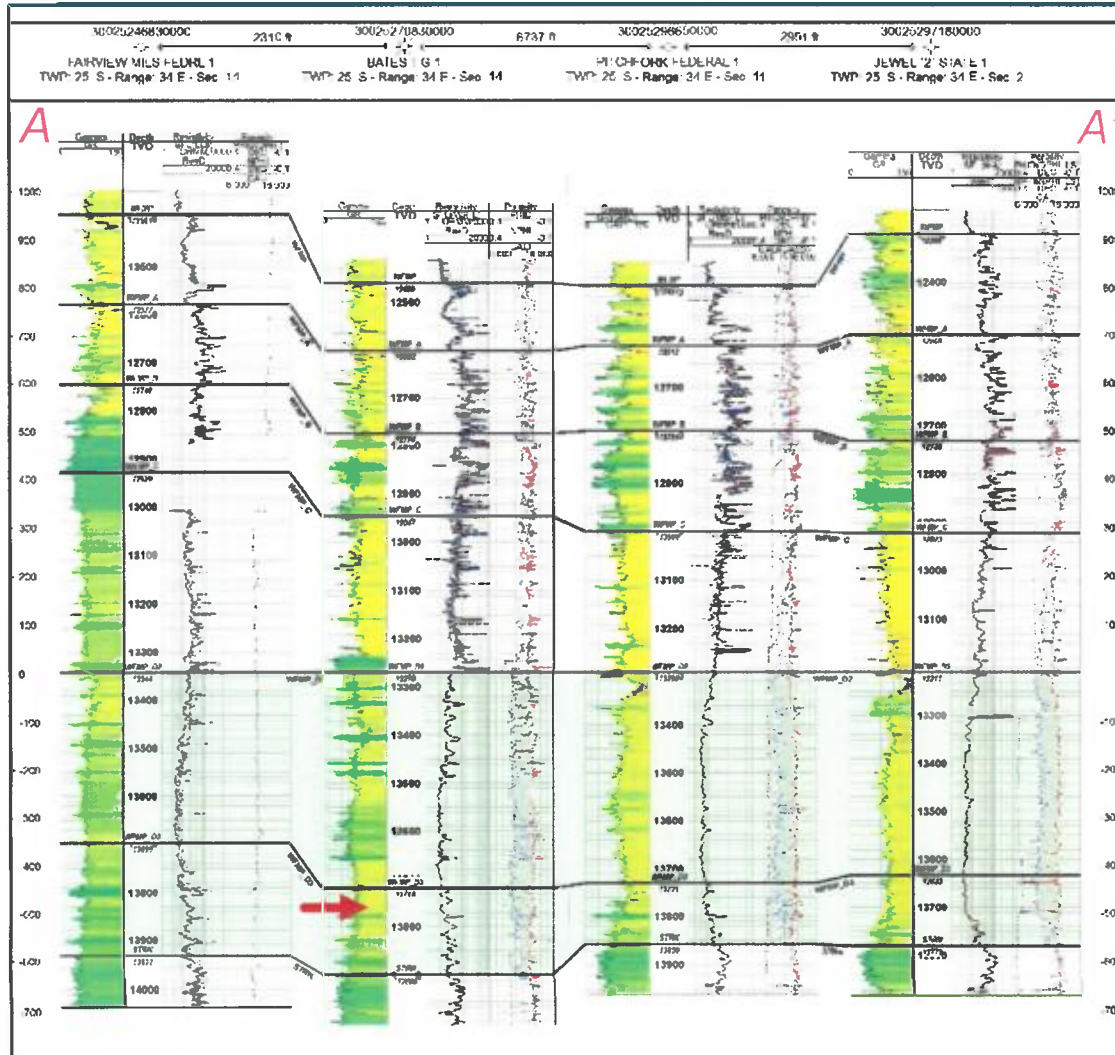
Project Area

EXHIBIT

10 · C

# Ender Wiggins 14 WD FC 13H

## Stratigraphic Cross Section (Top Wolfcamp D2 Datum)



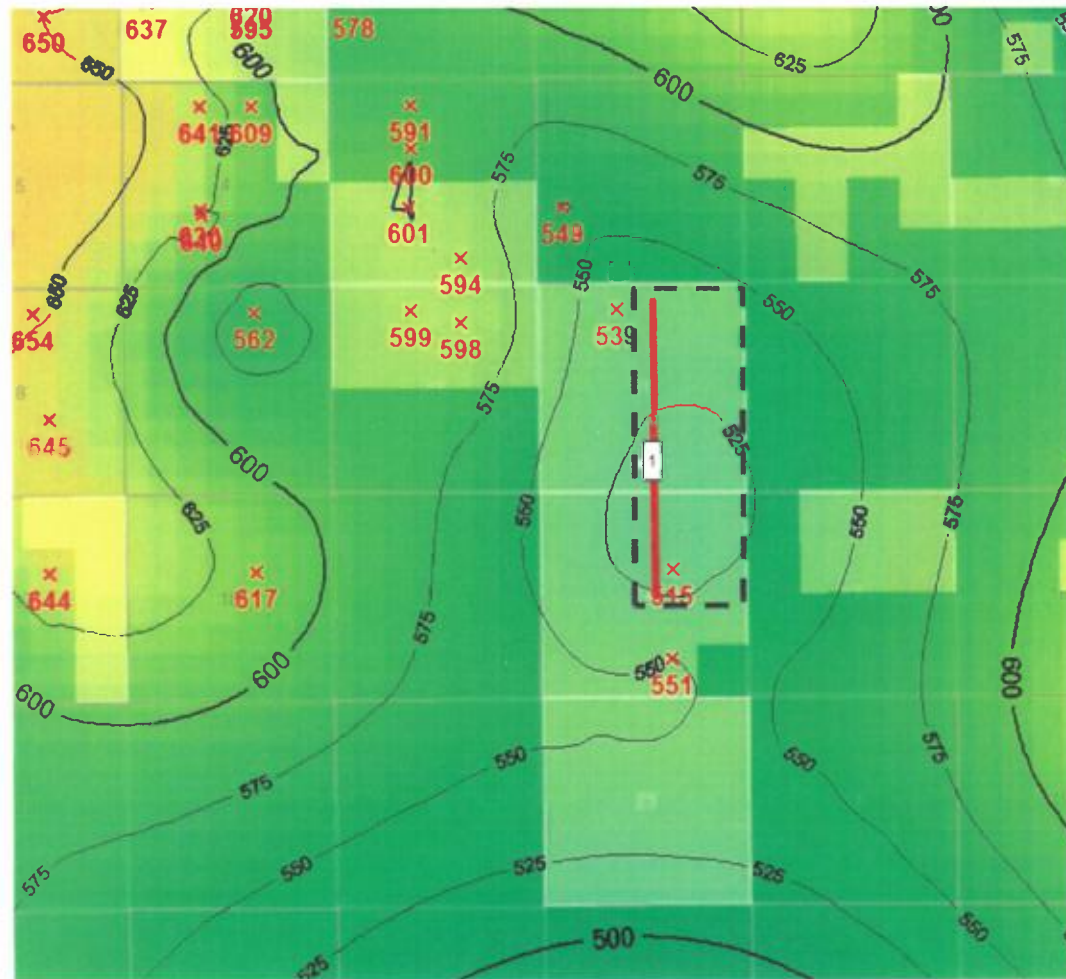
**Producing Zone**

Lower WFMP remains approximately the same thickness across the Ender Wiggins unit.



# Ender Wiggins 14 WD FC 13H

Gross Interval Isochore – Wolfcamp D



C.I. = 25'

1 mile

## Map Legend

1 Ender Wiggins 14 WD FC 13H

WFMP D

MRO – Horizontal  
Location

MRO Acreage

Project Area

EXHIBIT

10-E

Marathon Oil

57

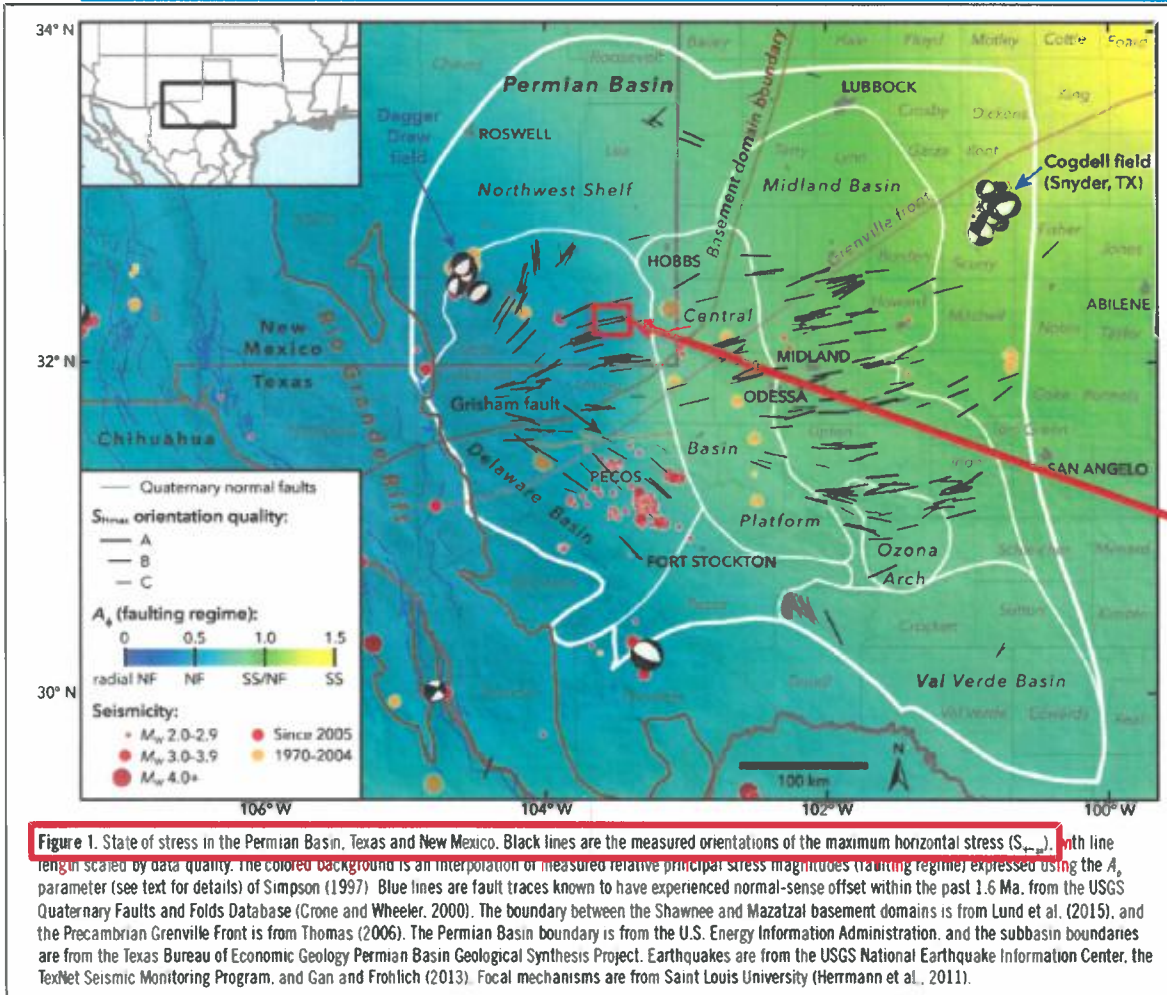


# Ender Wiggins

## Preferred Well Orientation - SHmax

**Preferred well orientation is N/S.**

As outlined in Snee & Zoback (2018), SHmax is at approximately 70-80 degrees in southern Lea county. It is preferable to have N/S oriented wellbores at the Ender Wiggins unit (outlined with red box) since hydraulic fractures will prefer to propagate outwards at 70-80 degrees.



Source:

Snee, J.L. & M.D. Zoback, 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 810-819, <https://doi.org/10.1190/tle37020810.1>.