

Before the Oil Conservation Division
Examiner Hearing June 16, 2022

Supplemental Notice Exhibits

Case No. 22741

*Colossus 18-19 TB Federal Com 2H and the Colossus 18-19 TB Federal
Com 3H*



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

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

CASE NO. 22741

SELF-AFFIRMED DECLARATION OF JEFF BROUSSARD

Jeff Broussard states and declares as follows:

BACKGROUND

1. I am a landman for Marathon Oil Permian (“Marathon”), over the age of 18, 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 Delaware Basin and Lea County.

3. This case, Case No. 22741, was heard by the Division on May 19, 2022, and was continued for the limited purpose of allowing Marathon to complete notice with respect to Marathon’s application for approval of a nonstandard unit.

4. The exhibits in Case No. 22741 were previously admitted and I submit this declaration and additional exhibits as supplements to the original exhibits.

5. The purpose of the application in Case No. 22741 is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the well to be drilled in the unit, as well as approval of a nonstandard unit.

6. No opposition is expected because the interest owners being pooled and offsetting operators have been contacted, but have not indicated any opposition to Marathon’s request.

7. This spacing unit will be dedicated to the Colossus 18-19 WA Federal Com 1H well to be horizontally drilled.

8. **Exhibit B.8** is a map identifying offsetting operators and/or working interest owners in the tracts adjoining Marathon's proposed nonstandard spacing unit.

9. Pursuant to Rules 19.15.16.15(B)(5), 19.15.15.11(B)(3), and 19.15.2.7(A), Marathon notified offsetting operators and, to the extent Marathon is the designated operator, Marathon notified working interest owners.

10. The following operators or working interest owners were provided notice:

- Chevron U.S.A. Inc. and Chevron Midcontinent, L.P. ("CVX") (working interest owner in Marathon operated units)
- Devon Energy Production Company, LP ("DVN") (offsetting operator)
- Titus Oil & Gas Production, LLC ("Titus") (offsetting operator)
- Matador Production Company ("MRC") (offsetting operator)

11. The Bureau of Land Management was previously mailed notice (by certified mail) of Marathon's application in this case. *See* Notice Declaration, Exhibit B.7, Case No. 22741.

12. I provided Marathon's counsel contact information for each of the above parties, who mailed notice of Marathon's request for approval of a nonstandard unit to the above parties as outlined in the attached **Exhibit B.9**.

13. On May 26th, 2022, I also emailed each of the above parties a copy of the notice letter that was mailed to them. In my May 26 email, I explained Marathon's proposed nonstandard unit, including its location, size, and that Marathon was seeking to combine two standard Bone Spring spacing units into a single Bone Spring unit to match Marathon's proposed Wolfcamp spacing unit. I also explained that Marathon identified the relevant party as an offset operator and/o working owner and identified the offsetting acreage. An example of my May 26, 2022 email is attached as **Exhibit B.10**.

14. I have had follow up emails and phone conversations with most of the above parties, as follows:

- Chevron: Phone correspondence on 6/1/2022
- Titus: Email correspondence on 6/8/2022
- Matador: Email and phone correspondence on 6/7/2022

15. In preparing for the June 16 hearing, Marathon's counsel realized that the application for Case No. 22741 was inadvertently not included with the notice letters mailed and emailed to Chevron, Titus, Matador, and Devon. I emailed each party a copy of the application and reiterated that Case 22741 is set for hearing on Thursday June 16. An example of my June 16 email is included as part of Exhibit B.10.

16. None of the above parties have indicated any opposition to Marathon's application for approval of a nonstandard unit.

17. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: June 13, 2022

A handwritten signature in blue ink, appearing to read "J. Broussard", written over a horizontal line.

Jeff Broussard

12		7		8
		MRO CVX		
13	DVN	18	TITUS	17
24	MRO CVX	19	MRC	20
25		TITUS		29
		30		

EXHIBIT
B.8

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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**APPLICATION OF MARATHON OIL PERMIAN
LLC FOR A NONSTANDARD UNIT, AND
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CASE NO. 22741

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, declares as follows:

- 1) I mailed via certified mail the attached notice letter to the operators and working interest owners identified by Marathon in the offsetting acreage. *See* Notice Letter attached as Exhibit D.
- 2) Exhibit A is the mailing list, which shows the notice letter was delivered to the USPS for mailing on May 25, 2022.
- 3) Exhibit B is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.
- 4) Exhibit C is FedEx tracking information for a second letter sent to Titus Oil & Gas Production, LLC (“Titus”) because the first letter I sent was identified as undeliverable even though it was sent to Titus’ address of record. I sent the second letter to Titus at the same address, and it was received. Titus also later confirmed it had received the original notice letter.
- 5) The application was inadvertently left out of the notice letter packet. However, the application was provided to each of the notice parties on June 14, 2022, by Marathon’s land man Jeff Broussard.

Exhibit B.9

OCD Examiner Hearing 6-16-22
No. 22741 Supplemental Exhibits

6) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: June 14, 2022

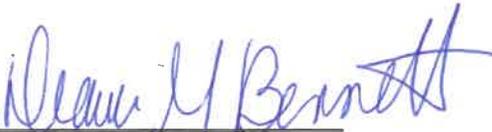

Deana M. Bennett

Exhibit B.9

OCD Examiner Hearing 6-16-22
No. 22741 Supplemental Exhibits

Released to Imaging: 6/14/2022 4:56:59 PM

Received by OCD: 6/14/2022 4:38:05 PM

Arlene Schuman
Dorall Sperling Roehl Harris & Sisk P.A.
100 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

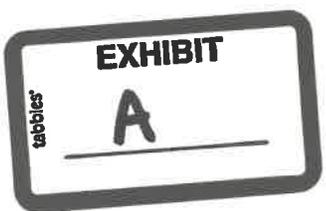
Type of Mailing: CERTIFIED MAIL
05/25/2022

Firm Mailing Book ID: 228349

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0095 6381 06	Titus Oil & Gas Production, LLC 420 Throckmorton Street, Suite 1150 Fort Worth TX 76102	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
2	9314 8699 0430 0095 6381 13	Chevron Midcontinent, L.P. 6301 Deauville Blvd. Midland TX 79706	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
3	9314 8699 0430 0095 6381 20	Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland TX 79706	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
4	9314 8699 0430 0095 6381 37	Matador Production Company One Lincoln Center 5400 LBJ Freway, Ste 1500 Dallas TX 75240	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
5	9314 8699 0430 0095 6381 44	Devon Energy Production Company, LP 333 West Sheridan Ave. Oklahoma City OK 73102	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
Totals:			\$6.80	\$18.75	\$9.25	\$0.00	
Grand Total:						\$34.80	



List Number of Pieces Listed by Sender: 5
 Total Number of Pieces Received at Post Office: 5
 Postmaster: [Signature]
 Name of receiving employee: [Signature]
 Dated:



Transaction Report Details - CertifiedPro.net
 Firm Mail Book ID= 228349
 Generated: 6/14/2022 3:20:57 PM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Mail Delivery Date
9314869904300095638144	2022-05-25 12:38 PM	81363.0213.	Devon Energy Production Company, LP		Oklahoma City	OK	73102	Delivered	2022-05-31 7:54 AM
9314869904300095638137	2022-05-25 12:38 PM	81363.0213.	Matador Production Company	One Lincoln Center	Dallas	TX	75240	Undelivered	
9314869904300095638120	2022-05-25 12:38 PM	81363.0213.	Chevron U.S.A. Inc.		Midland	TX	79706	Delivered	2022-05-31 12:01 PM
9314869904300095638113	2022-05-25 12:38 PM	81363.0213.	Chevron Midcontinent, L.P.		Midland	TX	79706	Delivered	2022-05-31 12:02 PM
9314869904300095638106	2022-05-25 12:38 PM	81363.0213.	Titus Oil & Gas Production, LLC		Fort Worth	TX	76102	Undelivered - To I	



6/9/22, 11:56 AM

Detailed Tracking



FedEx® Tracking



777079181169



ADD NICKNAME

Delivered
Thursday, 6/9/2022 at 12:03 pm



DELIVERED

Signed for by: M.MICHELLE

GET STATUS UPDATES

OBTAIN PROOF OF DELIVERY

FROM
Albuquerque, NM US

TO
FORT WORTH, TX US

MANAGE DELIVERY

Travel History

TIME ZONE

Local Scan Time



Thursday, June 9,
2022

12:03 PM	FORT WORTH, TX	Delivered
8:18 AM	FORT WORTH, TX	On FedEx vehicle for delivery
7:10 AM	FORT WORTH, TX	At local FedEx facility
4:12 AM	DALLAS, TX	At destination sort facility
4:09 AM	MEMPHIS, TN	In transit
3:02 AM	MEMPHIS, TN	Departed FedEx hub

Wednesday, June 8,
2022

11:02 PM	MEMPHIS, TN	Arrived at FedEx hub
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6/9/22, 11:56 AM

Detailed Tracking



4:46 PM ALBUQUERQUE, NM Picked up

4:46 PM Shipment information sent to FedEx

Expand Histor

Shipment Facts

TRACKING NUMBER 777079181169	SERVICE FedEx Standard Overnight	WEIGHT 0.5 lbs / 0.23 kgs
DELIVERED TO Receptionist/Front Desk	TOTAL PIECES 1	TOTAL SHIPMENT WEIGHT 0.5 lbs / 0.23 kgs
TERMS Shipper	SHIPPER REFERENCE 81363.0213.dmb	PACKAGING FedEx Envelope
SPECIAL HANDLING SECTION Deliver Weekday	SHIP DATE 6/8/22	STANDARD TRANSIT 6/9/22 before 4:30 pm
ACTUAL DELIVERY 6/9/22 at 12:03 pm		

OUR COMPANY

- About FedEx(<https://www.fedex.com/en-us/about.html>)
- Our Portfolio(<https://www.fedex.com/en-us/about/company-structure.html>)
- Investor Relations(<https://investors.fedex.com/home/default.aspx>)
- Careers(<https://careers.fedex.com/fedex/>)
- FedEx Blog(<https://www.fedex.com/en-us/blog.html>)
- Corporate Responsibility(<https://www.fedex.com/en-us/about/corporate-social-responsibility.html>)
- Newsroom(<https://newsroom.fedex.com/>)
- Contact Us(<https://www.fedex.com/en-us/customer-support/contact-us.html>)

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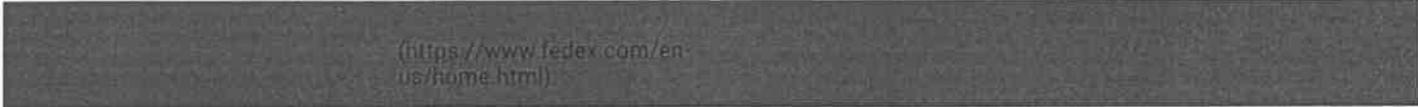
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- FedEx Cross Border(<https://www.fedex.com/en-us/cross-border.html>)
- ShopRunner(<https://www.fedex.com/en-us/shoprunner.html>)

LANGUAGE

[Change Country/Territory\(https://www.fedex.com/?location=home\)](https://www.fedex.com/?location=home)

6/9/22, 11:56 AM

Detailed Tracking



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Marathon Oil Permian LLC
990 Town and Country Blvd.
Houston, TX 77024
Telephone: 713.296.3159 Mobile: 409.351.2656
Fax: 713.513.4006
jbroussard1@marathonoil.com

May 25, 2022

VIA CERTIFIED RETURN RECEIPT MAIL

Re: **Waiver of Notice for and Waiver of Protest of Colossus Unit Non-Standard Spacing Application**
Township 26 South, Range 35 East
Section 18 & 19: E/2
Lea County, New Mexico
640.00 acres

To Whom It May Concern:

Marathon Oil Permian LLC ("MOP"), as Operator, respectfully requests your waiver of notice and protest for our Colossus Fed Com non-standard horizontal spacing unit ("Colossus Unit").

The Colossus Unit is located in Lea County, New Mexico as captioned above. MOP is obtaining approval of the non-standard spacing unit with the New Mexico Oil and Gas Division ("NMOCD"). The NMOCD advises MOP obtain waivers pursuant to Rule 19.15.16.15(B)(5) NMAC and Rule 19.15.15.11(B)(3) NMAC, which require notice to affected persons in all tracts that adjoin the non-standard spacing unit. A copy of MOP's application is included with this letter.

The horizontal well rules require a well to be set back from the outer boundary of the spacing unit by at least 330' to protect correlative rights from draining offset acreage. Marathon is proposing to drill their proposed Colossus 18-19 TB Federal Com 2H and 3H wells within this non-standard spacing unit, neither of which will encroach on the 330' setback on any offsetting tracts.

Given that our Colossus spacing unit presents no drainage threat, we ask that you sign in the space indicated below and return this letter to the undersigned whether through electronic mail or through the mail. As time is of the essence in drilling and completion of these wells, we appreciate your quick response. Pursuant to Rule 19.15.15.11(B)(3), if you have an objection to the proposed non-standard spacing unit, you must file an objection in writing within 20-days from the date of this letter.

If you have any questions, please contact the undersigned at (713) 296-3159 or jbroussard1@marathonoil.com. I look forward to hearing from you.

Respectfully,

Jeff Broussard
Land Professional



WAIVER OF NOTICE AND OBJECTION

Pursuant to NMAC 19.15.15.11 B(3)-(4), the undersigned hereby waives its right to notice and waives objection to Marathon Oil Permian LLC's application to form the Colossus Fed Com non-standard spacing unit.

Should Marathon Oil Permian LLC ever drill wells in the Colossus Unit that are closer than 330' to the western or eastern unit boundaries, Marathon Oil Permian LLC's will be required to comply with the NSL permitting process required by the NMOCD, which includes notice to offset parties.

AGREED AND ACCEPTED:

Company Name: _____

By: _____

Print Name: _____

Title: _____

Date: _____

Once you have signed this form, please email it to Jeff Broussard at jbroussard1@marathonoil.com or send it via mail to:

Marathon Oil Permian LLC
Attn: Jeff Broussard
990 Town and Country Blvd.
Houston, TX 77024

Deana M. Bennett

From: Broussard, Jeff (MRO) <jbroussard1@marathonoil.com>
Sent: Tuesday, June 14, 2022 3:12 PM
To: Walt Jones
Subject: RE: [EXTERNAL] RE: Colossus Non-Standard Spacing Notice and Waiver Request
Attachments: No. 22741_Marathon_Colossus_Non-standard Spacing Unit Application (W4373797x7A92D).pdf

Walt,

I am following up on this letter that I emailed you on May 26 regarding Marathon’s request for approval of a non-standard unit. We inadvertently left the application out of the letter, although the letter does identify the size and location of Marathon’s proposed non-standard unit. I am attaching the application for your convenience. This case is set for hearing this Thursday, June 16. Thanks and please let me know if I can provide any further information.

Sincerely,

Jeff Broussard
Marathon Oil
O: 713-296-3159
C: 409-351-2656

From: Broussard, Jeff (MRO)
Sent: Wednesday, June 8, 2022 1:43 PM
To: Walt Jones <wjones@titusoil.com>
Subject: RE: [EXTERNAL] RE: Colossus Non-Standard Spacing Notice and Waiver Request

Yes sir, same exact form – thanks for the confirmation.

Let us know if you have any questions.

Thanks,

Jeff Broussard
Marathon Oil
O: 713-296-3159
C: 409-351-2656

From: Walt Jones <wjones@titusoil.com>
Sent: Wednesday, June 8, 2022 1:42 PM
To: Broussard, Jeff (MRO) <jbroussard1@marathonoil.com>
Subject: Re: [EXTERNAL] RE: Colossus Non-Standard Spacing Notice and Waiver Request

Jeff, we did receive it one for sure. I just have been swamped and need to review it. Is it the same as what you emailed previously?

From: Broussard, Jeff (MRO) <jbroussard1@marathonoil.com>
Sent: Wednesday, June 8, 2022 1:33:58 PM



To: Walt Jones <wjones@titusoil.com>

Subject: [EXTERNAL] RE: Colossus Non-Standard Spacing Notice and Waiver Request

CAUTION: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Walt,

I wanted to follow up with you here. It looks as though our certified mail to you was returned undeliverable, so was just wanting to touch base to make sure you had no questions on our application.

My counsel is going to send another copy of the notices to you via FedEx to see if that works.

Thanks,

Jeff Broussard
Marathon Oil
O: 713-296-3159
C: 409-351-2656

From: Broussard, Jeff (MRO)

Sent: Thursday, May 26, 2022 8:48 AM

To: Walt Jones <wjones@titusoil.com>

Subject: Colossus Non-Standard Spacing Notice and Waiver Request

Walt,

Marathon Oil Permian recently went to Hearing at the NMOCD for our Colossus unit in the E/2 of Sections 18 & 19, T26S-R35E. In this Case No. 22741, Marathon was attempting to combine 2 standard Bone Spring spacing units into one larger spacing unit without the use of a proximity tract well. The purpose of this was to match the spacing size to our Wolfcamp Order/Spacing Unit in an effort to enhance efficiencies within the Colossus unit.

Neither of the Bone Springs wells that Marathon is currently proposing will encroach on any of the standard 330' setbacks, nor are there any future wells planned that would encroach on those same standard setbacks. Having said that, the NMOCD is still requiring Marathon to adhere to certain Non-Standard Spacing Rules and Guidelines, which include notifying offset operators and/or Working Interest owners. Marathon has identified Titus as operator of wells/units to the East and South of our Colossus unit.

As such, please see the attached Notice Letter and Waiver Request, a copy of which has also been mailed to your offices via certified mail. If you have any questions or concerns, please have the attached executed and returned to my attention (email will work just fine as well).

If you have any questions at all, please do not hesitate to contact me directly. I'll be happy to talk through any and all concerns you may have.

Thanks,

Jeff Broussard
Marathon Oil
O: 713-296-3159
C: 409-351-2656