

Before the Oil Conservation Division Examiner Hearing August 4, 2022

Case No. 22950

Ripley 35-26 WXY Fed Com 3H

Ripley 35-26 WXY Fed Com 5H



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

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

CASE NO. 22950

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COMPULSORY POOLING APPLICATION CHECKLIST

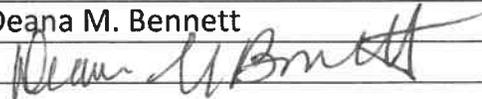
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22950	APPLICANT'S RESPONSE
Date: Hearing Date-August 4, 2022	
Applicant	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC (372098)
Applicant's Counsel:	Modrall Sperling (Deana Bennett, Bryce Smith)
Case Title:	Application of Marathon Oil Permian LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Ripley
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Purple Sage; Wolfcamp Gas Pool (Pool code 98220)
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	640 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	320 acres
Orientation:	North-South
Description: TRS/County	E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N
Applicant's Ownership in Each Tract	Exhibit B.3.



Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	See C-102s, Exhibit B.2.
Well #1	<p>Ripley 35-26 WXY Fed Com 3H API: 30-015-47613 SHL: 320 feet from the South line and 1266 feet from the East line of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. BHL: 330 feet from the North line and 995 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Completion Target: Wolfcamp Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.</p>
Horizontal Well First and Last Take Points	<p>FTP: 330 feet from the South line, 995 feet from the East line of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. LTP: 330 feet from the North line and 995 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. See also Exhibit B.2 for C-102.</p>
Completion Target (Formation, TVD and MD)	Wolfcamp XY/ TVD~9,650, MVD~20,150. See also Exhibit B.5 (proposal letter).
Well #2	<p>Ripley 35-26 WXY Fed Com 5H API: 30-015-47614+ SHL: 320 feet from the South line and 1356 feet from the East line of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. BHL: 330 feet from the North line and 2320 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Completion Target: Wolfcamp Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.</p>

Horizontal Well First and Last Take Points	FTP: 330 feet from the South line, 2320 feet from the East line of Section 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. LTP: 330 feet from the North line and 2320 feet from the East line of Section 26, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Completion Target: Wolfcamp Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit B.2 for C-102.
Completion Target (Formation, TVD and MD)	Wolfcamp XY/ TVD~9,650, MVD~20,150. See also Exhibit B.5 (proposal letter).
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000/month; see also Exhibit B.5.
Production Supervision/Month \$	\$800 per month; see also Exhibit B.5.
Justification for Supervision Costs	See Exhibit B, Para. 24.
Requested Risk Charge	200%; see also Exhibit B, Para 25; Exhibit B.5.
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B.7.
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B.7.
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B.7.
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3.
Tract List (including lease numbers and owners)	Exhibit B.3.
Pooled Parties (including ownership type)	Exhibit B.3.
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.5.
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3.
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4.
Overhead Rates In Proposal Letter	Exhibit B.5.
Cost Estimate to Drill and Complete	Exhibit B.6.
Cost Estimate to Equip Well	Exhibit B.6.
Cost Estimate for Production Facilities	Exhibit B.6.

Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2
Well Orientation (with rationale)	Exhibit C.7; see also Exhibit C, paras. 13-14.
Target Formation	Exhibit C.5
HSU Cross Section	Exhibit C.5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.1
Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section (including Landing Zone)	Exhibit C.5
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date: August 2, 2022	

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

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

CASE NO. 22950
(Ripley Wolfcamp)

SELF AFFIRMED DECLARATION OF CHASE RICE

Chase Rice hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC (“Marathon”), and I have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division (“Division”) and my credentials have been accepted as a matter of record.
3. My area of responsibility includes the area of Eddy County in New Mexico.
4. I am familiar with the application filed by Marathon in this case, which is attached as **Exhibit B.1**.
5. I am familiar with the status of the lands that are subject to the application.
6. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
7. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.
8. 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.



9. In this case, Marathon seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

10. This spacing unit will be dedicated to the **Ripley 35-26 WXY Fed Com 3H** and the **Ripley 35-26 WXY Fed Com 5H** wells, which are Wolfcamp XY wells.

11. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

12. Attached as **Exhibit B.2** are the proposed C-102s for the wells.

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

14. The wells will develop the Purple Sage; Wolfcamp Gas pool (Pool code 98220).

15. This pool is a gas pool with 320-acre building blocks

16. This pool is governed by the state-wide horizontal well rules. The producing interval for the wells will be orthodox and will comply with the Division's set back requirements.

17. There are no depth severances within the proposed spacing unit.

18. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.

19. I have conducted a diligent search of the public records in the county where the wells will be located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.

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

21. **Exhibit B.4** is a summary of my contacts with the working interest owners.

22. **Exhibit B.5** is a sample of the well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the wells.

23. **Exhibit B.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.

24. Marathon requests overhead and administrative rates of \$8000.00/month for drilling a well and \$800.00/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.

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

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

27. The parties Marathon is seeking to pool were notified of this hearing.

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

29. **Exhibit B.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 Carlsbad Current Argus, confirming that notice of the August 4, 2022 hearing was published on July 17, 2022.

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

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

32. 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: August 1, 2022

Chase Rice

Chase Rice

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

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

CASE NO. 22950

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy 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 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 640-acre, more or less, spacing unit.
3. Marathon plans to drill the **Ripley 35-26 WXY Fed Com 3H** and the **Ripley 35-26 WXY Fed Com 5H** wells to a depth sufficient to test the Wolfcamp formation.
4. The wells will be horizontally drilled.
5. These wells will be located within the Purple Sage Wolfcamp Gas Pool, which is subject to special pool rules that establish 330’ setback requirements. These wells will comply with the Division’s setback requirements for this pool.



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

7. 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.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico;

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

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

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

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: Deana M. Bennett

Deana M. Bennett
Bryce H. Smith
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 22950 : **Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Ripley 35-26 WXY Fed Com 3H** and the **Ripley 35-26 WXY Fed Com 5H** wells to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, 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, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-47613		² Pool Code 98220		³ Pool Name WOLFCAMP; PURPLE SAGE	
⁴ Property Code		⁵ Property Name RIPLEY 35-26 WXY FED COM			⁶ Well Number 3H
⁷ OGRID No. 372098		⁸ Operator Name MARATHON OIL PERMIAN LLC			⁹ Elevation 2955'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	24S	28E		320	SOUTH	1266	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	26	24S	28E		330	NORTH	995	EAST	EDDY

¹² Dedicated Acres 640.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore approved by this division.

Signature: *[Signature]* Date: 02/22/2022
Printed Name: Melissa Szudera
E-mail Address: mszudera@marathonoil.com

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: FEBRUARY 22, 2022
Signature and Seal of Professional Surveyor: *[Signature]*
Certificate Number: DAVID W. MYERS 11403

Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997778 Convergence Angle: 00°08'28.560012"

Horizontal Spacing Unit



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-47614	² Pool Code 98220	³ Pool Name WOLFCAMP; PURPLE SAGE
⁴ Property Code	⁵ Property Name RIPLEY 35-26 WXY FED COM	⁶ Well Number 5H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 2955'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	35	24S	28E		320	SOUTH	1356	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	26	24S	28E		330	NORTH	2320	EAST	EDDY

¹² Dedicated Acres 640.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowance will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

CORNER COORDINATES NAD 83, SPCS NM EAST
A - X: 629159.46' / Y: 435093.64'
B - X: 629159.62' / Y: 429757.43'
C - X: 629204.37' / Y: 424420.60'
D - X: 626556.80' / Y: 424421.71'
E - X: 626504.81' / Y: 429778.17'
F - X: 626479.68' / Y: 435154.11'

CORNER COORDINATES NAD 27, SPCS NM EAST
A - X: 587975.66' / Y: 435035.09'
B - X: 587975.70' / Y: 429698.99'
C - X: 588020.32' / Y: 424362.26'
D - X: 585372.81' / Y: 424363.41'
E - X: 585320.95' / Y: 429719.76'
F - X: 585295.94' / Y: 435095.60'

LAST TAKE POINT/BOTTOM HOLE LOCATION
330' FNL 2320' FEL, SECTION 26
NAD 83, SPCS NM EAST
X: 626839.47' / Y: 434815.91'
LAT: 32.19508418N / LON: 104.05692353W
NAD 27, SPCS NM EAST
X: 585655.71' / Y: 434757.40'
LAT: 32.19496200N / LON: 104.05843283W

KICK OFF/FIRST TAKE POINT
330' FSL 2320' FEL, SECTION 35
NAD 83, SPCS NM EAST
X: 626881.51' / Y: 424751.57'
LAT: 32.16741810N / LON: 104.05687124W
NAD 27, SPCS NM EAST
X: 585697.52' / Y: 424693.28'
LAT: 32.16729557N / LON: 104.05688141W

SURFACE HOLE LOCATION
320' FSL 1356' FEL, SECTION 35
NAD 83, SPCS NM EAST
X: 627845.63' / Y: 424741.17'
LAT: 32.16736265N / LON: 104.05375550W
NAD 27, SPCS NM EAST
X: 586681.62' / Y: 424682.84'
LAT: 32.16726007N / LON: 104.05326581W

¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature:
Date: 02/22/2022

Printed Name: Melissa Szudera
E-mail Address: mszudera@marathonoil.com

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge.

DAVID W. MYERS
FEBRUARY 22, 2022
Date of Survey

Signature and Seal of Professional Surveyor:

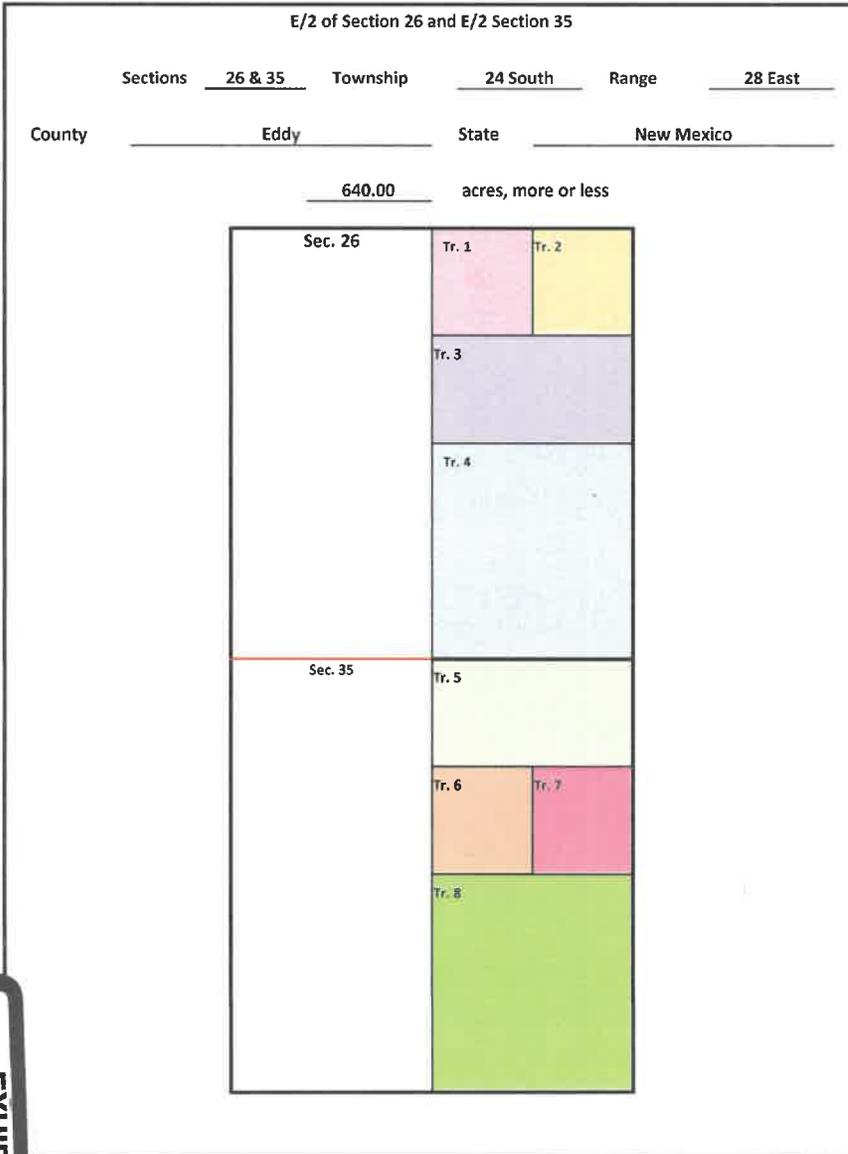
Certificate Number: DAVID W. MYERS 11403

Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997778 Convergence Angle: 00°08'28.560012"

Horizontal Spacing Unit

Lease Tract Map

Ripley 35-26 WXY Fed Com 3H & Ripley 35-26 WWXY Fed Com 4H, Ripley 35 WXY Fed Com 5H, Ripley 35 WA Fed E/2 of Section 35 & E/2 Section 26 T24S-R28E: 640 acres



- Tract 1: Fee
- Tract 2: Fee
- Tract 3: State of NM (V-5319)
- Tract 4: Federal (NM-112919)
- Tract 5: Federal (NM-13412)
- Tract 6: Fee
- Tract 7: Fee
- Tract 8: Fee



Summary of Interests

Ripley 35-26 WXY Fed Com 3H & Ripley 35-26 WWXY Fed Com 4H, Ripley 35 WXY Fed Com 5H, Ripley 35 WA Fed E/2 of Section 35 & E/2 Section 26 T24S-R28E: 640 acres

<u>Committed Working Interest:</u>	<u>34.375%</u>
• Marathon Oil Permian LLC	34.375%
<u>Uncommitted Working Interest:</u>	<u>65.625%</u>
• EOG Resources, Inc.	48.750%
• RKC, Inc.	06.250%
• Devon Energy Production Company, L.P.	09.375%
• OXY Y-1 Company	01.250%

Parties to Be Pooled

Uncommitted Working Interest

- EOG Resources, Inc.
- RKC, Inc.
- Devon Energy Production Company, L.P
- OXY Y-1 Company

ORRI Owners

- Chi Energy, Inc
- Redbird Royalty, L.P.
- Bole Resources, LLC
- Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust
- Stephen C. and Doris J. Baxter, Joint Tenants
- Ranchito AD4, L.P.
- KT Energy, Inc.
- Outdoor Entourage, Inc.
- MEL Energy, Inc.
- Sempra Energy Production Company
- Sanford Starman and Shirley Starman, Co-Trustees of the Sanford and Shirley Starman 1991 Revocable Trust dated May 23, 1991
- Rubicon Oil & Gas I, LP
- Michael D. Hays and Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust

Summary of Attempted Contacts

- Marathon conducted extensive title work to determine the working interest owners and other interest owners.
- Marathon searched public records, phone directory, and various different types of internet searches.
- Marathon sent well proposal letters to the working interest owners on or around May 25, 2022.
- Marathon proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Marathon had multiple communications with the uncommitted working interest owners.
- In particular, Marathon communicated with EOG, the largest other working interest owner, as follows:
 - Marathon and EOG have been in trade negotiations concerning EOG's acreage within the Ripley spacing unit area for several months. The transaction in which Marathon would acquire all of EOG's interest is near completion with an expected closing by the end of the month.
- Marathon also had communications with the other working interest owners as follows:
 - We have exchanged emails and phone calls with RKC, Inc concerning their interest. We have made an offer to purchase, but RKC, Inc seemed to be inclined to participate in the wells.
 - Finalizing JOA edits with OXY Y-1 that would encompass both the Wolfcamp and Bone Springs Spacing units.
- Marathon filed applications to force pool parties who had not entered in to an agreement.
- Marathon's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Marathon also published notice in a newspaper of general circulation in the county where the wells will be located.





Chase Rice
Staff Land Professional - Permian

Marathon Oil Company
990 Town & Country Blvd.
Houston, Texas 77024
713.296.3055 (o)
cfrice@marathonoil.com

May 25, 2022

RKC, Inc.
1527 Hillside Rd
Fairfield, CT 06490

Re: Ripley 35-26 WXY Fed Com 3H & 5H (the “Wells”)
Participation Proposal
E/2 of Section 26 and the E/2 of Section 35
Township 24 South, Range 28 East
Eddy County, New Mexico

Dear Sir/Madam:

Marathon Oil Permian LLC (“Marathon”) proposes the drilling, completion, and equipping of the Wells, at a legal location in the E/2 of Section 26 and the E/2 of Section 35, Township 24 South, Range 28 East, Eddy County, New Mexico (the “Subject Lands”), as follows:

- 1) **Ripley 35-26 WXY Fed Com 3H**
 SHL: SESE of Section 35, 24S-28E
 First take point: 995’ FEL & 330’ FSL of Section 35, 24S-28E
 Last take point: 995’ FEL & 330’ FNL of Section 26, 24S-28E
 The Well will be drilled horizontally within the Wolfcamp formation to an approximate true vertical depth of 9,650’ and an approximate measured depth of 20,150’.
- 2) **Ripley 35-26 WXY Fed Com 5H**
 SHL: SESE of Section 35, 24S-28E
 First take point: 2320’ FEL & 330’ FSL of Section 35, 24S-28E
 Last take point: 2320’ FEL & 330’ FNL of Section 26, 24S-28E
 The Well will be drilled horizontally within the Wolfcamp formation to an approximate true vertical depth of 9,650’ and an approximate measured depth of 20,150’.

Authority for Expenditure (AFEs)

Enclosed with this letter is an Authority for Expenditure (“AFE”) for each of the proposed Wells. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred, and by electing to participate, you shall be responsible for your proportionate share of all actual costs incurred.



Voluntary Agreement of Compulsory Pooling

Marathon will provide, upon request, a proposed Joint Operating Agreement (“JOA”) for development of the Subject Lands that will include the following basic terms:

- Marathon Oil Permian LLC to be named as Operator
- Contract Area begin the Subject Lands
- As a charge for the risk involved in drilling the well, 300% of the above costs
- \$8,000 per month drilling overhead rates and \$800 per month producing overhead rates, adjusted annually pursuant to Section III.1.A.3 of COPAS form titled “Accounting Procedure-Joint Operations.”

If you would like to discuss a farmout, an assignment of interest, an acreage trade or other form of agreement for your interests in the Subject Lands, please contact the undersigned. If Marathon is unable to reach a voluntary agreement for the development of the Subject Lands with all the interest owners in the proposed spacing unit, Marathon will file an application with the New Mexico Oil Conservation Division for an order pooling the Subject Lands.

Election Instructions

Please use the attached ballot to indicate your desire to participate in each of the proposed wells and return a signed AFE for each well in which you elect to participate. If we do not receive a response form you within thirty (30) days, we will proceed with the necessary proceedings to pool your interests in the proposed spacing unit for the initial wells.

Should you elect to participate, your interest will automatically be covered by the Operator’s insurance unless and until you provide written notice to Operator to the contrary, together with a valid, current insurance certificate from your insurance carrier in compliance with Operator’s minimum insurance requirements.

Should you have any questions regarding the above, please do not hesitate to contact me at the information provided in the top of this letter.

Best Regards,

Marathon Oil Permian LLC

Chase Rice

Chase Rice
Staff Land Professional

PARTICIPATION BALLOT

RKC, Inc. hereby elects to:

_____ Not to participate in the **Ripley 35-26 WXY Fee 3H Well.**

_____ Participate in the **Ripley 35-26 WXY Fee 3H Well** by paying its proportionate share of all actual costs.

_____ Not to participate in the **Ripley 35-26 WXY Fee 5H Well.**

_____ Participate in the **Ripley 35-26 WXY Fee 5H Well** by paying its proportionate share of all actual costs.

By: _____

Print Name: _____

Title: _____

Date: _____

MARATHON OIL PERMIAN LLC DATE: 4/25/2022
 AUTHORITY FOR EXPENDITURE DRILLING & LOCATION PREPARED BY COURT NELSON
 DETAIL OF ESTIMATED WELL COSTS COMPLETION PREPARED BY KRISTEN DRAIN
 FACILITIES PREPARED BY AARON HUTCHISON
 ARTIFICIAL LIFT PREPARED BY Craig Plants

Asset Team PERMIAN
 Field Wolfcamp Purple Eagle 5523M FORMATION: WOLFCAMP WILDCAT EXPLORATION
 Lease/Facility RUPLEY 33-25-WAY FED COM 31 DEVELOPMENT RECOMPLETION
 Location MALAGA X EXPLOITATION WORKOVER
 Prospect
 Est Total Depth 20,150 Est Drilling Days 19.25 Est Completion Days 2.6

LOCATION COST - INTANGIBLE

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

DRILLING COST - TANGIBLE

7012040	Casing & Tubing Access	24,000
7012050	Surface Casing	26,000
7012050	Intermediate Casing 1	106,000
7012050	Intermediate Casing 2	
7012050	Production Casing	520,000
7012050	Drill liner Hanger, Tieback Eq & Casing Accessories	
7012350	Water (notable)	10,000
7012550	Drilling Wellhead Equipment	65,000
7001270	Conductor Pipe	25,000
TOTAL DRILLING - TANGIBLE		776,000

DRILLING COST - INTANGIBLE

7000030	Contract Labor - General	30,000
7000030	Contract Labor - Operations	3,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services Surface	31,250
7001160	Contract Services - Disposal/Non-Hazardous Wa	80,000
7001200	Contract Services - Facilities Intermediate 1	10,000
7001400	Safety and Environmental Production	30,450
7001440	Vacuum Trucks	10,000
7001460	Water (notable)	25,000
7001460	Water hauling and disposal (includes soil farmi	60,000
7010100	3% Contingency & Taxes	220,141
7010200	Site	128,000
7012310	Solids Control Equipment	39,150
7016180	Freight - Transportation Services	25,000
7016350	Fuel (Rig)	119,625
7019000	Well Logging Services	
7019010	Casing Crew and Services	40,000
7019020	Cement and Cementing Service	34,000
7019020	Cement and Cementing Service	25,000
7019020	Cement and Cementing Service	
7019020	Cement and Cementing Service	140,000
7019040	Directional Drilling Services	146,600
7019110	Casing Inspection/Cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7019140	Mud Fluids & Services	54,250
7019140	Fuel (Mud)	35,000
7019150	Mud Logging/Geosteering	12,337
7019250	Stabilizers, Hole Openers, Underreamers, Bit	35,000
7019300	Well Services - Well Control Services	20,250
7019310	Coring, sidewall & analysis	
7019350	Well Services - Well Wellhead Services	10,000
7260001	Lease Exp - Other Gas Process / Liquid Extr	
7290002	Drilling Rig, Mob./Demob	100,000
7290002	Drilling Rig - day work/footage	522,000
7290003	Rental Tools and Equipment (surface rentals)	10,875
7330002	Rental Buildings (trailers)	10,875
7360001	Rig Equipment and Misc.	87,000
TOTAL DRILLING - INTANGIBLE		2,195,909

TOTAL DRILLING COST \$2,971,903

COMPLETION - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012040	Tubing Accessories (pinhole, wireline entry)	
7012550	Wellhead Equipment	40,000
7012560	Packers - Completion Equipment	
7012840	Tubing	
TOTAL COMPLETION - TANGIBLE		40,000

COMPLETION - INTANGIBLE

7000030	Contract Labor - General	25,000
7000030	Contract Labor - Pumping (sump-down pumps)	10,000
7001110	Telecommunications Services	
7001120	Consulting Services	131,102
7001270	Location and Access (address location after r/o, move, set anchors)	7,000
7001400	Safety and Environmental	94,000
7001460	Water Hauling & Disposal (frac fluids)	255,000
7010100	3% Contingency & Taxes	
7016180	Freight - Truck (haul pipe/drill & complet)	
7016190	Freight (Transportation Services)	4,800
7016350	Fuel (from drill)	
7019010	Casing Crew and Services	
7019020	Cement and Cementing Services	
7019020	Coiled Tubing Services	22,000
7019040	Well Testing Services (flow hand & equip)	190,181
7019140	Mud Fluids & Services	
7019240	Snubbing Services	
7019270	Pulling/Seab Units	
7019300	Frac Stack Rentals	85,000
7019330	Perforation	148,466
7019360	Wireline Services	
7260001	Lease Exp - Other Gas Process / Liquid Extr	
7290002	Drilling Rig/Drilling Completion	
7290003	BOP Rental & Testing	
7290003	Rental Tools and Equipment (incl dril (hydroplan), hydro-walk)	
7290003	CT Downhole Rental Equipment (ie, Bit, BHA)	25,000
7290003	Zippers, Manifolds	
7330002	Rental Buildings (trailers)	
7360002	Fracturing Services	2,410,340
7360002	Equipment Rental (w/o operator, frac tanks, light/plants)	185,761
TOTAL COMPLETION - INTANGIBLE		3,801,650

TOTAL COMPLETION COST \$3,841,650



SURFACE EQUIPMENT - TANGIBLE

7000030	Contract Labor - General	125,000
7001110	Telecommunication equip (Telemetry)	-
7000010	Electrical Labor	60,000
7000010	Mechanical Labor	125,000
7001190	Contract Engineering	6,500
7000060	SCADA	10,000
7012010	Compressor	12,000
7012100	Heater/Treater	87,500
7012180	Pumping Unit Equipment	-
7012270	Miscellaneous Materials (containment system)	32,000
7012290	Metering and Instrumentation	180,000
7012290	I&E Materials	105,000
7012350	Electrical Power (electrical cooperative construction costs)	24,000
7012350	Misc. Pumps, Fittings & Valves	105,000
7012410	Line Pipe & Accessories	30,000
7012440	Separator & other pressure vessels (xM coils, xMM BTU unit)	186,000
7012480	Rod Pumping unit & Pad	-
7012500	Tanks	29,605
7012610	Vapor Recovery Unit	42,000
7012640	Flare & Accessories	12,710
7016180	Freight - truck	10,454
TOTAL SURFACE EQUIPMENT - TANGIBLE		1,182,769

TOTAL SURFACE EQUIPMENT COST \$ 1,182,769

ARTIFICIAL LIFT

7000030	Contract Labor	4,000
7061120	Consultant	2,000
7008230	Time Writing/Overhead	5,000
7012180	Artificial Lift Equipment	20,000
7012350	Materials & Supplies	13,000
7012550	Production Tree	-
7012580	Tubing	99,000
7016190	Freight	8,700
7018150	Rentals	6,000
7019130	Well Field	2,000
7018220	Well Services & Rig	15,700
TOTAL ARTIFICIAL LIFT		175,400

TOTAL ARTIFICIAL LIFT COST \$ 175,400

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL LOCATION COST	\$ 67,200
TOTAL DRILLING COST	\$ 2,971,903
TOTAL COMPLETIONS COST	\$ 3,841,650
TOTAL SURFACE EQUIPMENT COST	\$ 1,182,769
TOTAL ARTIFICIAL LIFT COST	\$ 175,400

GRAND TOTAL COST \$8,238,922

EXTRA EXPENSE INSURANCE

- I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium. Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 018D-G155.
- I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Joint Owner Name: _____ Date: _____
 Signed by: _____
 Title: _____
 Signature: _____

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

DATE: 4/26/2022
 DRILLING & LOCATION PREPARED BY COURT NELSON
 COMPLETION PREPARED BY KRISTEN DRAIN
 FACILITIES PREPARED BY AARON HUTCHISON
 ARTIFICIAL LIFT PREPARED BY Craig Plante

Asset Team: PERMIAN
 Field: Wolfcamp: Purple Sage 98220 FORMATION: WOLFCAMP WILDCAT EXPLORATION
 Lease/Facility: SIMPLY IS-26 W-XY FED COM SH DEVELOPMENT RECOMPLETION
 Location: MALAGA X EXPLOITATION WORKOVER
 Prospect: MALAGA

Est Total Depth 19,150 Est Drilling Days 19.25 Est Completion Days 2.6

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001250	Location and Access	40,300
7001270	Land Breaker Fees and Services	27,000
TOTAL LOCATION COST - INTANGIBLE		67,300

DRILLING COST - TANGIBLE

7012040	Casing & Tubing Access	24,000
7012050	Surface Casing	25,000
7012050	Intermediate Casing 1	106,000
7012050	Intermediate Casing 2	-
7012050	Production Casing	520,000
7012050	Drig Liner Hanger, Tieback Rig & Ctg Accessories	-
7012250	Water (potable)	10,000
7012350	Drilling Wellhead Equipment	65,000
7001270	Conductor Pipes	25,000
TOTAL DRILLING - TANGIBLE		778,000

DRILLING COST - INTANGIBLE

7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services - Surface	91,350
7001160	Contract Services - Disposal/Non-Hazardous Wa: Intermediate 1	88,000
7001200	Contract Services - Facilities Intermediate 2	10,000
7001400	Safety and Environmental Production	30,450
7001440	Vacuum Trucks	10,000
7001460	Water (non potable)	25,000
7011460	Water (hauled and disposal (includes soil farming)	60,000
7011010	BN Contingency & Taxes	220,141
7012030	Bits	128,000
7012310	Solids Control equipment	39,150
7016180	Freight - Transportation Services	25,000
7016350	Fuel (Rig)	119,625
7019000	Well Logging Services	-
7019010	Casing Crew and Services	40,000
7019030	Cement and Cementing Service	34,000
7019020	Cement and Cementing Service	25,000
7019020	Cement and Cementing Service	-
7019020	Cement and Cementing Service	140,000
7019040	Directional Drilling Services	146,600
7019110	Casing Inspection/Cleaning	18,000
7019110	Drill pipe/collar inspection services	10,000
7019140	Mud Fluids & Services	64,350
7019140	Fuel (Mud)	36,000
7019150	Mud Logging/Logging	12,337
7019250	Stabilizers, Hole Openers, Underreamers, Agitators (DH rentals)	35,000
7019300	Well Services - Well Control Services	20,350
7019310	Casing (sidewells & analysis)	-
7019350	Well Services - Well/Wellhead Services	10,000
7260001	Lease Exp Oper-Gas Process/Liquid Extret	-
7290002	Drilling Rig Main/Derrick	100,000
7290002	Drilling Rig - day work/footage	522,000
7290003	Rental Tools and Equipment (surface rentals)	16,875
7330002	Rental Buildings (trailers)	10,875
7340001	Rig Equipment and Misc.	87,000
TOTAL DRILLING - INTANGIBLE		2,195,903

TOTAL DRILLING COST \$2,971,903

COMPLETION - TANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7012040	Tubing Accessories (nipple, wireline entry)	-
7012550	Wellhead Equip	40,000
7012560	Packers - Completion Equipment	-
7012580	Tubing	-
TOTAL COMPLETION - TANGIBLE		40,000

COMPLETION - INTANGIBLE

7000030	Contract Labor - general	25,000
7000030	Contract Labor - Pumping (pump-down pumps)	10,000
7001110	Telecommunications Services	-
7001120	Consulting Services	138,102
7001270	Location and Access (stress location after rig move, set anchors)	7,000
7001400	Safety and Environmental	94,000
7001460	Water Hauling & Disposal (frac fluids)	255,000
7011010	BN Contingency & Taxes	-
7016180	Freight - Truck (haul pipes, drlg & comp)	-
7016190	Freight (Transportation Services)	4,800
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019030	Casing Tubing Services	22,000
7019080	Well Testing Services (flow hand & equip)	190,181
7019140	Mud Fluids & Services	-
7019240	Snubbing Services	-
7019270	Pulling/Push Units	-
7019300	Frack Stack Rentals	85,000
7019330	Perforating	148,466
7019360	Wireline Services	-
7260001	Lease Exp Oper-Gas Process/Liquid Extret	-
7290002	Drilling Rig During Completion	-
7290003	BOP Rental & Testing	-
7290003	Rental Tools and Equipment (Incl drlg, highpnt, hydra-walk)	-
7290003	CT Downhole Rental Equipment (ie. Bit, BHA)	25,300
7290003	Zigzag Manifold	-
7330002	Rental Buildings (trailers)	-
7390002	Fracturing Services	2,610,340
7390002	Equipment Rental (w/o operator, frac tanks, lightplants)	186,761
TOTAL COMPLETION - INTANGIBLE		3,801,650

TOTAL COMPLETION COST \$3,841,650

SURFACE EQUIPMENT - TANGIBLE

700030	Contract Labor - General	125,000
700110	Telecommunication equip (Telemetry)	-
700010	Electrical Labor	60,000
700010	Mechanical Labor	115,000
700190	Contract Engineering	6,500
700060	SCADA	10,000
701200	Compressor	12,000
701210	Heater Treater	87,500
701210	Pumping Unit Engine	-
701220	Miscellaneous Materials (containment system)	31,000
701220	Metering and Instrumentation	180,000
701220	I&E Materials	105,000
701230	Electrical Power (electrical cooperative construction costs)	24,000
701230	Misc. Piping, Fittings & Valves	105,000
701240	Line Pipe & Accessories	30,000
701240	Separator & other pressure vessels (xM coils, xMM BTU unit)	186,000
701240	Road Pumping unit & Pod	-
701250	Tanks	29,600
701260	Vapor Recovery Unit	42,000
701260	Flare & Accessories	17,710
701610	Freight - truck	10,454
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,182,769

TOTAL SURFACE EQUIPMENT COST \$ 1,182,769

ARTIFICIAL LIFT

700030	Contract Labor	4,000
700120	Consultant	2,000
700230	Time Writing/Overhead	5,000
701160	Artificial Lift Equipment	20,000
701230	Materials & Supplies	13,000
701250	Production Tree	-
701250	Tubing	99,000
701610	Freight	8,700
701810	Rentals	6,000
701910	Well Fluid	2,000
701920	Well Services & Rig	15,700
TOTAL ARTIFICIAL LIFT		175,400

TOTAL ARTIFICIAL LIFT COST \$ 175,400

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 67,200
TOTAL DRILLING COST	\$ 2,971,903
TOTAL COMPLETION COST	\$ 3,841,650
TOTAL SURFACE EQUIPMENT COST	\$ 1,182,769
TOTAL ARTIFICIAL LIFT COST	\$ 175,400
GRAND TOTAL COST	\$ 8,248,922

EXTRA EXPENSE INSURANCE

- To be covered by Operator's Extra Expense Insurance and pay the proportionate share of the premium.
- Operator has secured Extra Expense Insurance covering costs of well control, clean up and refrilling as estimated in Line Item 0180-0185.
- To be covered by well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Joint Owner Name: _____ Date: _____
 Signed by: _____
 Title: _____
 Signature: _____

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

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

CASE NO. 22950

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) The above-referenced Application was provided under a notice letter, dated July 14, 2022, and attached hereto, as Exhibit D.

2) Exhibit A is the mailing list, which shows the notice letter was delivered to the USPS for mailing on July 14, 2022.

3) Exhibit B is the certified mailing tracking information, which is automatically complied 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 the Affidavit of Publication from the Carlsbad Current Argus, confirming that notice of the August 4, 2022 hearing was published on July 17, 2022.

5) 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: August 1, 2022



Deana M. Bennett



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
07/14/2022

Firm Mailing Book ID: 230625

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0097 3220 10	EOG Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
2	9314 8699 0430 0097 3220 27	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
3	9314 8699 0430 0097 3220 34	RKC, Inc. 1527 Hillside Road Fairfield CT 06490	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
4	9314 8699 0430 0097 3220 41	Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City OK 73102	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
5	9314 8699 0430 0097 3220 58	Chi Energy, Inc. 212 Main St. Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
6	9314 8699 0430 0097 3220 72	Redbird Royalty, LP. 19837 East Woodhaven Road Owasso OK 74055	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
7	9314 8699 0430 0097 3220 89	Bole Resources, LLC. P.O. Box 1116 Williston ND 58802	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
8	9314 8699 0430 0097 3220 96	Jan Baxter Taylor & Gregory S. Taylor, Trustees of the Taylor Mineral Trust P.O. Box 1737 Ada OK 74820	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
9	9314 8699 0430 0097 3221 02	Stephen C. Baxter and Doris June Baxter as Joint Tenants P.O. Box 906 Ada OK 74821	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
10	9314 8699 0430 0097 3221 19	Ranchito AD4, LP. 2100 Ross Avenue, Suite 1870, LB-9 Dallas TX 75201	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
11	9314 8699 0430 0097 3221 26	KT Energy, Inc. P.O. Box 727 Spearfish SD 57783	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
12	9314 8699 0430 0097 3221 33	Outdoor Entourage, Inc. 912 Alberta Ave. Bismarck ND 58503	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
	9314 8699 0430 0097 3221 40	MEL Energy, Inc. 4721 Kites Lane Bismarck ND 58503	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
	9314 8699 0430 0097 3221 57	Sempra Energy Production Company 8235 Douglas Ave., Suite 525 Dallas TX 75225	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
	9314 8699 0430 0097 3221 64	Co-Trustees of Sanford & Shirley Starman 1991 Revocable Trust dated May 23, 1991 P.O. Box 3606 Westlake Village CA 91360	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice



Released to Imaging: 8/2/2022 4:07:47 PM

Karlene Schuman
Dorrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
07/14/2022

Firm Mailing Book ID: 230625

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0097 3221 71	Rubicon Oil & Gas I, LP 508 W. Wall St., Suite 500 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
17	9314 8699 0430 0097 3221 88	Michael D. Hays and Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust 500 West Texas, Suite 1020 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
18	9314 8699 0430 0097 3221 95	Mewbourne Energy Partners 01-A, LP P.O. Box 7698 Tyler TX 75711	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
19	9314 8699 0430 0097 3222 01	CWM 2000-B, Ltd. P.O. Box 7698 Tyler TX 75711	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
20	9314 8699 0430 0097 3222 18	Mewbourne Development Corporation P.O. Box 7698 Tyler TX 75711	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
21	9314 8699 0430 0097 3222 25	3MG Corporation P.O. Box 7698 Tyler TX 75711	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
22	9314 8699 0430 0097 3222 32	Mewbourne Oil Company P.O. Box 7698 Tyler TX 75711	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
23	9314 8699 0430 0097 3222 49	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
24	9314 8699 0430 0097 3222 56	Mammoth Exploration LLC 200 North Lorraine, Suite 1100 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
25	9314 8699 0430 0097 3222 63	Shadowfeet, LLC 4533 Golf Vista Drive Austin TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
26	9314 8699 0430 0097 3222 70	Pandora Partners, LP 400 W. Illinois, Suite 950 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
27	9314 8699 0430 0097 3222 87	OWL Exploration, LLC P.O. Box 1610 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
28	9314 8699 0430 0097 3222 94	Adley Properties LLC P.O. Box 3327 Midland TX 79702	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
29	9314 8699 0430 0097 3223 00	Laughlin Company Services, Inc. 3106 Elma Drive Midland TX 79707	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
30	9314 8699 0430 0097 3223 17	Isramco Resources, LLC 4801 Woodway, Suite 100E Houston TX 77046	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice



Received by OCD: 8/2/2022 4:05:48 PM

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Released to Imaging: 8/2/2022 4:07:47 PM

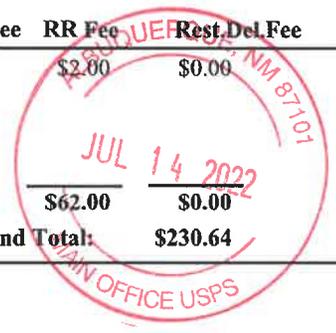
Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
100 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
07/14/2022

Firm Mailing Book ID: 230625

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest. Del. Fee	Reference Contents
31	9314 8699 0430 0097 3223 24	New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe NM Santa Fe NM 87501	\$1.44	\$4.00	\$2.00	\$0.00	81363.004.22950. Notice
Totals:			<u>\$44.64</u>	<u>\$124.00</u>	<u>\$62.00</u>	<u>\$0.00</u>	
Grand Total:						\$230.64	



List Number of Pieces Listed by Sender: 31
 Total Number of Pieces Received at Post Office: 31
 Postmaster: Name of receiving employee: *[Signature]*
 Dated:

Received by OCD: 8/2/2022 4:05:48 PM

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 230625
Generated: 8/1/2022 9:44:44 AM

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9314869904300097322324	2022-07-14 9:51 AM	81363.004.22950.	New Mexico State Land Office		Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 6:57 AM
9314869904300097322317	2022-07-14 9:51 AM	81363.004.22950.	Isramco Resources, LLC		Houston	TX	77046	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097322300	2022-07-14 9:51 AM	81363.004.22950.	Laughlin Company Services, Inc.		Midland	TX	79707	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097322294	2022-07-14 9:51 AM	81363.004.22950.	Adley Properties LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-26 11:20 AM
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9314869904300097322270	2022-07-14 9:51 AM	81363.004.22950.	Pandora Partners, LP		Midland	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
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9314869904300097322256	2022-07-14 9:51 AM	81363.004.22950.	Mammoth Exploration LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 5:34 PM
9314869904300097322249	2022-07-14 9:51 AM	81363.004.22950.	Bureau of Land Management		Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 1:37 PM
9314869904300097322232	2022-07-14 9:51 AM	81363.004.22950.	Mewbourne Oil Company		Tyler	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-19 9:00 AM
9314869904300097322225	2022-07-14 9:51 AM	81363.004.22950.	3MG Corporation		Tyler	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-19 9:00 AM
9314869904300097322218	2022-07-14 9:51 AM	81363.004.22950.	Mewbourne Development Corporation		Tyler	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-19 9:00 AM
9314869904300097322201	2022-07-14 9:51 AM	81363.004.22950.	CWM 2000-B, Ltd.		Tyler	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-19 9:00 AM
9314869904300097322195	2022-07-14 9:51 AM	81363.004.22950.	Mewbourne Energy Partners 01-A, LP		Tyler	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-19 9:00 AM
9314869904300097322188	2022-07-14 9:51 AM	81363.004.22950.	Michael D. Hays and Kathryn Hayes, Co-Trustees of	the Hayes Revocable Trust	Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097322171	2022-07-14 9:51 AM	81363.004.22950.	Rubicon Oil & Gas I, LP		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-21 12:55 PM
9314869904300097322164	2022-07-14 9:51 AM	81363.004.22950.	Co-Trustees of Sanford & Shirley Starman 1991	Revocable Trust dated May 23, 1991	Westlake Village	CA	91360	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 2:56 PM
9314869904300097322157	2022-07-14 9:51 AM	81363.004.22950.	Sempra Energy Production Company		Dallas	TX	75225	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300097322140	2022-07-14 9:51 AM	81363.004.22950.	MEL Energy, Inc.		Bismarck	ND	58503	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 12:00 AM
9314869904300097322133	2022-07-14 9:51 AM	81363.004.22950.	Outdoor Entourage, Inc.		Bismarck	ND	58503	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 3:37 PM
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9314869904300097322096	2022-07-14 9:51 AM	81363.004.22950.	Jan Baxter Taylor & Gregory S. Taylor, Trustees of	the Taylor Mineral Trust	Ada	OK	74820	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300097322089	2022-07-14 9:51 AM	81363.004.22950.	Bole Resources, LLC.		Williston	ND	58802	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 10:36 AM
9314869904300097322072	2022-07-14 9:51 AM	81363.004.22950.	Redbird Royalty, LP.		Owasso	OK	74055	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 5:31 PM
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9314869904300097322034	2022-07-14 9:51 AM	81363.004.22950.	RKC, Inc.		Fairfield	CT	06490	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-18 2:59 PM
9314869904300097322027	2022-07-14 9:51 AM	81363.004.22950.	OXY Y-1 Company		Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300097322010	2022-07-14 9:51 AM	81363.004.22950.	EOG Resources, Inc.		Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	2022-07-19 7:46 AM



Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

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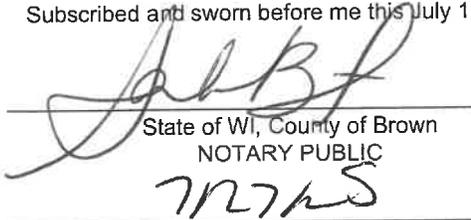
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

07/17/2022



Legal Clerk

Subscribed and sworn before me this July 17, 2022:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

SARAH BERTELSEN
Notary Public
State of Wisconsin

Ad # 0005339196

PO #: 22950 & 22951

of Affidavits 1

This is not an invoice



CASE NO. 22950: Notice to all affected parties, as well as the heirs and devisees of Bureau of Land Management; New Mexico State Land Office; EOG Resources, Inc.; Mammoth Exploration LLC; Shadowfeet, LLC; Pandora Partners, LP; OWL Exploration, LLC; Adley Properties LLC; Laughlin Company Services, Inc.; Isramco Resources, LLC; OXY Y-1 Company; RKC, Inc.; Devon Energy Production Company, L.P.; Chi Energy, Inc.; Redbird Royalty, L.P.; Bole Resources, LLC; Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust; Stephen C. Baxter and Doris June Baxter, as Joint Tenants; Ranchito AD4, LP; KT Energy, Inc.; Outdoor Entourage, Inc.; MEL Energy, Inc.; Semptra Energy Production Company; Sanford Starman and Shirley Starman, Co-Trustees of the Sanford and Shirley Starman 1991 Revocable Trust dated May 23, 1991; Rubicon Oil & Gas I, LP; Michael D. Hayes and Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust; Union Oil Company of California; The Superior Oil Company & Mobile Producing Texas & New Mexico, Inc. (Exxon); Mewbourne Energy Partners 01-A, LP; CWM 2000-B, Ltd.; Mewbourne Development Corporation; 3MG Corporation; and Mewbourne Oil Company of Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on August 4, 2022. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Ripley 35-26 WXY Fed Com 3H and the Ripley 35-26 WXY Fed Com 5H wells to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico.

CASE NO. 22951: Notice to all affected parties, as well as the heirs and devisees of Bureau of Land Management; New Mexico State Land Office; EOG Resources, Inc.; Mammoth Exploration LLC; Shadowfeet, LLC; Pandora Partners, LP; OWL Exploration, LLC; Adley Properties LLC; Laughlin Company Services, Inc.; Isramco Resources, LLC; OXY Y-1 Company; RKC, Inc.; Devon Energy Production Company, L.P.; David H. Essex; William R. Bergman; Curtis Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated 8/31/21; Patrick Cole Qualls; Matthew Porter Qualls; John W. Wolf; Gary Green; Norma D. Green; Gene H. Davis; McCombs Energy, Ltd.; Gene Shumate; Chi Energy, Inc.; Redbird Royalty, LP; Bole Resources, LLC; Jan Baxter Taylor and Gregory S. Taylor, Trustees of the Taylor Mineral Trust; Stephen C. Baxter and Doris June Baxter, as Joint Tenants; Ranchito AD4, LP; KT Energy, Inc.; Outdoor Entourage, Inc.; MEL Energy, Inc.; Thunderbolt Petroleum, LLC; Jim Ikard; Jami Huber Owen; O.D. Albright III; GK Partners; Sisbro Oil & Gas, LLC; Mizel Resources, A Trust; Williamson Oil & Gas, LLC; Dolores McCall; Arlen Edgar; Scott T. Peterson; M.D. Abel Co.; Bishop-Windham Family Ltd. Partnership; Dorothy L. Hockaday Trust; Christa Hinojosa; Griffin Petroleum Company; Semptra Energy Production Company; Sanford Starman and Shirley Starman, Co-Trustees of the Sanford and Shirley Starman 1991 Revocable Trust dated May 23, 1991; Rubicon Oil & Gas I, LP; Michael D. Hayes and Kathryn Hayes, Co-Trustees of the Hayes Revocable Trust of Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on August 4, 2022. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Ripley 35-26 SB Fed Com 201H, Ripley 35-26 SB Fed Com 202H, and Ripley 35-26 SB Fed Com 203H wells to be horizontally drilled. The producing area for the wells will be orthodox. The completed interval for the Ripley 35-26 SB Fed Com 202H well will be less than 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico.
#5339196, Current Argus, July 17, 2022



MODRALL SPERLING

L A W Y E R S

July 14, 2022

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 22950

TO: AFFECTED PARTIES

This letter is to advise you that Marathon Oil Permian LLC (“Marathon”) has filed the enclosed application.

In Case No. 22950, Marathon seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Ripley 35-26 WXY Fed Com 3H** and the **Ripley 35-26 WXY Fed Com 5H** wells to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on August 4, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.

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 these cases, including the right to present evidence either in support of or in opposition to the application.

Modrall Spierling
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



OCD Examiner Hearing 8-4-22

Case No. 22950

Page 2

Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this 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 Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. 22950

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy 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 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 640-acre, more or less, spacing unit.
3. Marathon plans to drill the **Ripley 35-26 WXY Fed Com 3H** and the **Ripley 35-26 WXY Fed Com 5H** wells to a depth sufficient to test the Wolfcamp formation.
4. The wells will be horizontally drilled.
5. These wells will be located within the Purple Sage Wolfcamp Gas Pool, which is subject to special pool rules that establish 330’ setback requirements. These wells will comply with the Division’s setback requirements for this pool.

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

7. 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.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico;

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

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

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

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: Deana M. Bennett

Deana M. Bennett

Bryce H. Smith

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

Attorneys for Applicant

CASE NO. 22950 : **Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 26 and 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Ripley 35-26 WXY Fed Com 3H** and the **Ripley 35-26 WXY Fed Com 5H** wells to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Marathon Oil Permian LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 3.6 southeast of Malaga, New Mexico.

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

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

CASE NO. 22950
(RIPLEY WOLFCAMP)

SELF AFFIRMED DECLARATION OF ELIZABETH SCULLY

Elizabeth Scully hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC (“Marathon”), and have personal knowledge of the matters stated herein. I have not previously testified before the Oil Conservation Division (“Division”)

2. I received a Master of Science in Geology from the University of Oklahoma, which I received in 2014. I have worked as a petroleum geologist since 2014. I have worked for Marathon as a geologist for 8 years. My resume summarizing my educational and work experience is attached to this Declaration as **Exhibit C.8**.

3. My area of responsibility includes the area of Eddy County in New Mexico.

4. I am familiar with the application filed by Marathon in this case.

5. I conducted a geological study of the areas embracing Marathon’s Ripley Development Area.

6. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.

7. **Exhibit C.2** is a wellbore schematic showing Marathon’s development plan.

8. **Exhibit C.3** is structure map of the Wolfcamp XY formation. The proposed spacing unit is identified by a black dashed box. The proposed Ripley wells are the red lines, and each well



is identified by a number. The contour interval used this exhibit is 50 feet. This exhibit shows that the structure dips gently to the east.

9. **Exhibit C.4** is a cross section reference map that identifies two wells in the vicinity of the proposed well, shown by a line of cross-section running from A to A'.

10. **Exhibit C.5** is a stratigraphic cross section hung on the top of the Wolfcamp formation. The well logs on the cross-section give a representative sample of the Wolfcamp XY formation in the area. The target zone is identified by green shading and a red arrow. In my opinion, the gross interval thickness is near constant thickness across the project area.

11. **Exhibit C.6** is a Gross Sand Isochore of the Wolfcamp XY formation. The gross interval thickness is near constant thickness.

12. I conclude from the maps that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter section in the proposed unit will contribute more or less equally to production.

13. **Exhibit C.7** provides an overview of the stress orientation in the area based on the 2020 Snee-Zoback paper.

14. There is no preferred well orientation in this area given SHmax is at approximately 45 degrees in mid Eddy County. Marathon's preferred well orientation is north/south to maximize lateral length with respect to Marathon's acreage.

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

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

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

[Signature page follows]

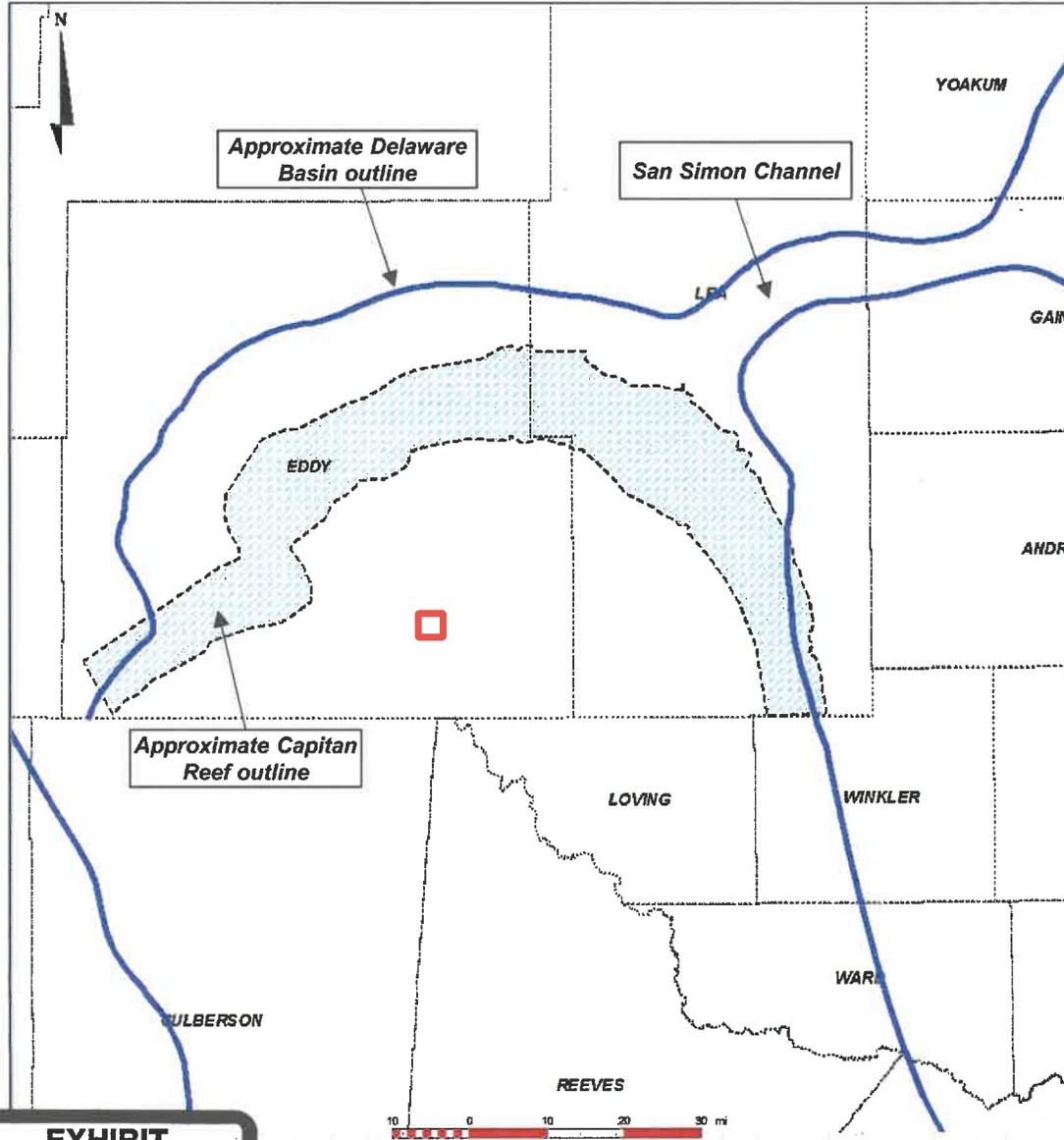
I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: July 28, 2022


Elizabeth Scully

Ripley 35-26 Fed Com Unit

Locator Map



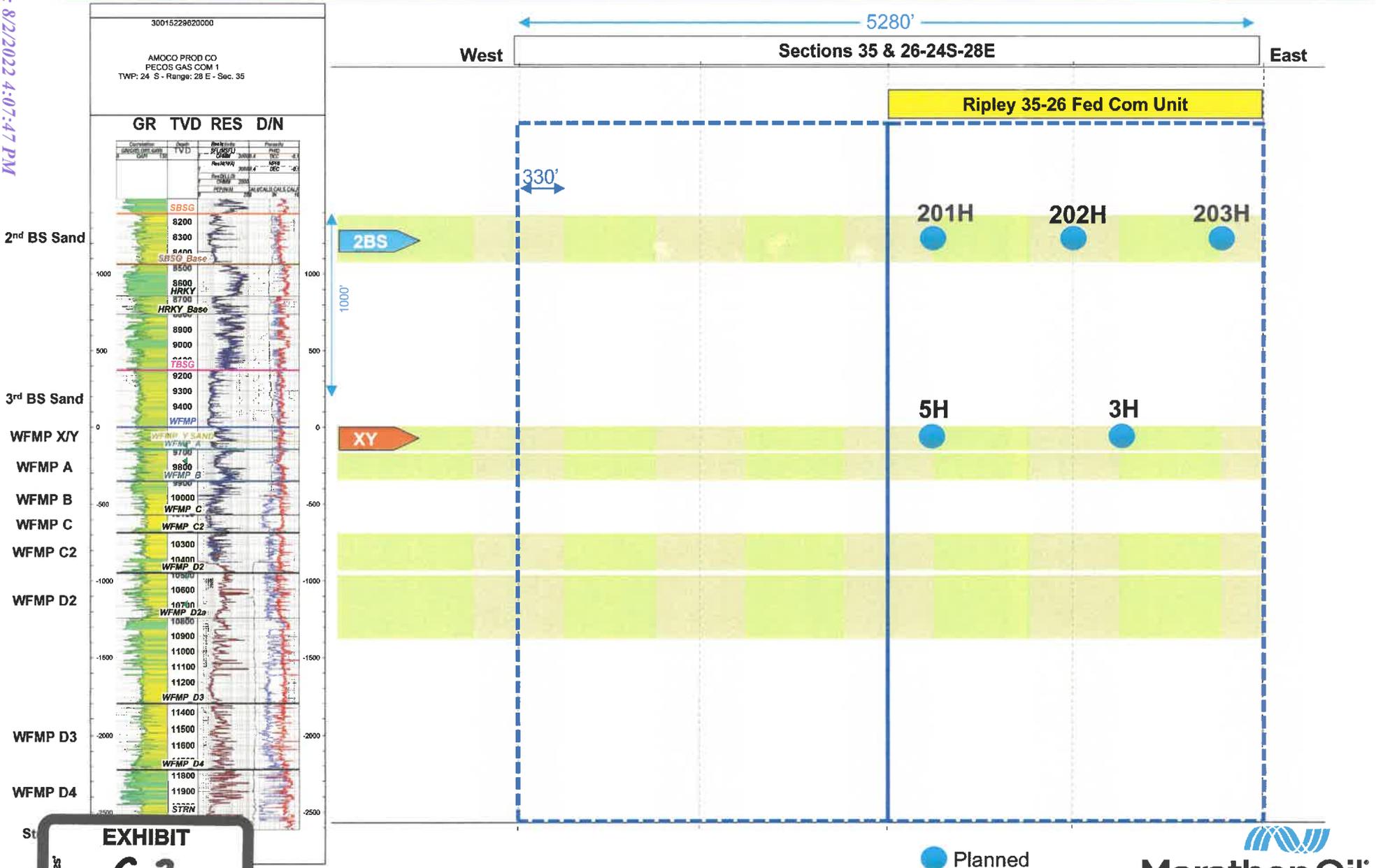
- Approximate location of proposed Ripley 35-26 Fed Com well locations shown with red box
- Located basinward of the Capitan Reef
- Mid Eddy county

tabbles

EXHIBIT
C.1

Ripley 35-26 Fed Com Unit

Wellbore Schematic



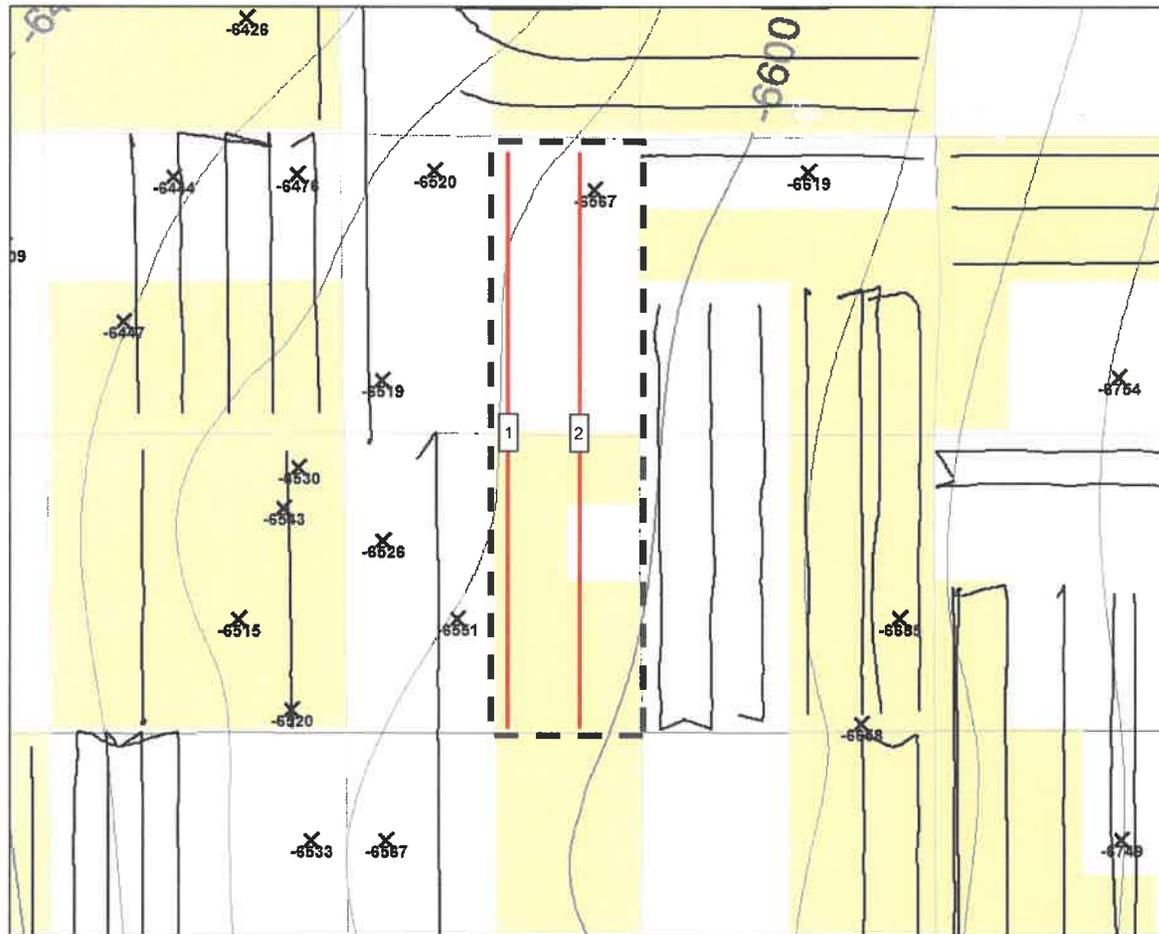
St
tabbles'
EXHIBIT
C.2

● Planned



Ripley 35-26 Fed Com Unit

Structure Map for Upper Wolfcamp Wells – Top of Wolfcamp (TVDSS)



Map Legend

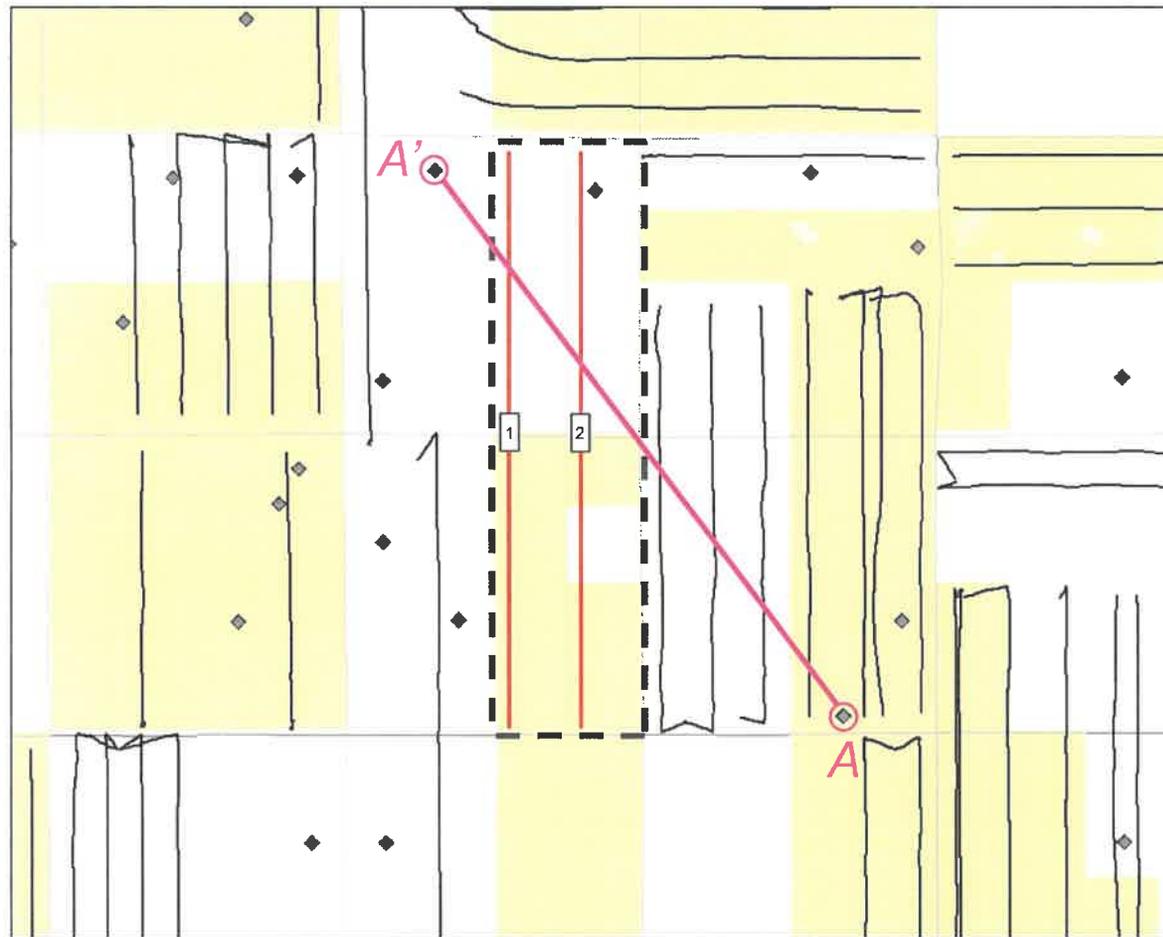
-  MRO Acreage
-  Project Area
-  Proposed Well
-  Existing WCU Well
-  Ripley 35-26 WXY Fed Com 5H
-  Ripley 35-26 WXY Fed Com 3H

1 mile C.I. = 50'



Ripley 35-26 Fed Com Unit

Reference Map for Cross Section – Wolfcamp Wells



Map Legend

-  MRO Acreage
-  Project Area
-  Proposed Well
-  Existing WCU Well
-  Vertical Well Log
-  Ripley 35-26 WXY Fed Com 5H
-  Ripley 35-26 WXY Fed Com 3H
-  Cross Section Line

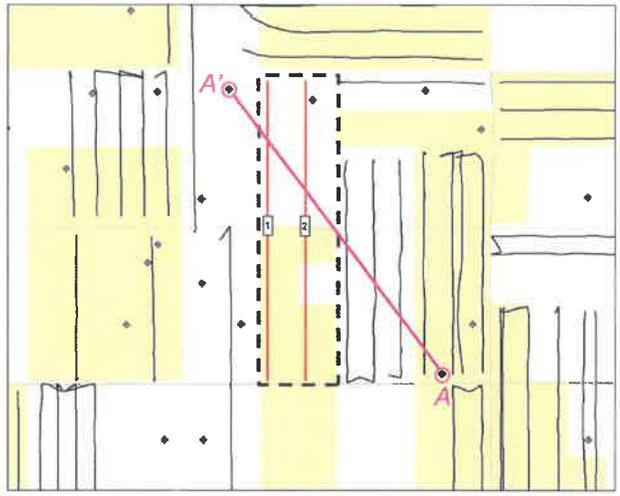
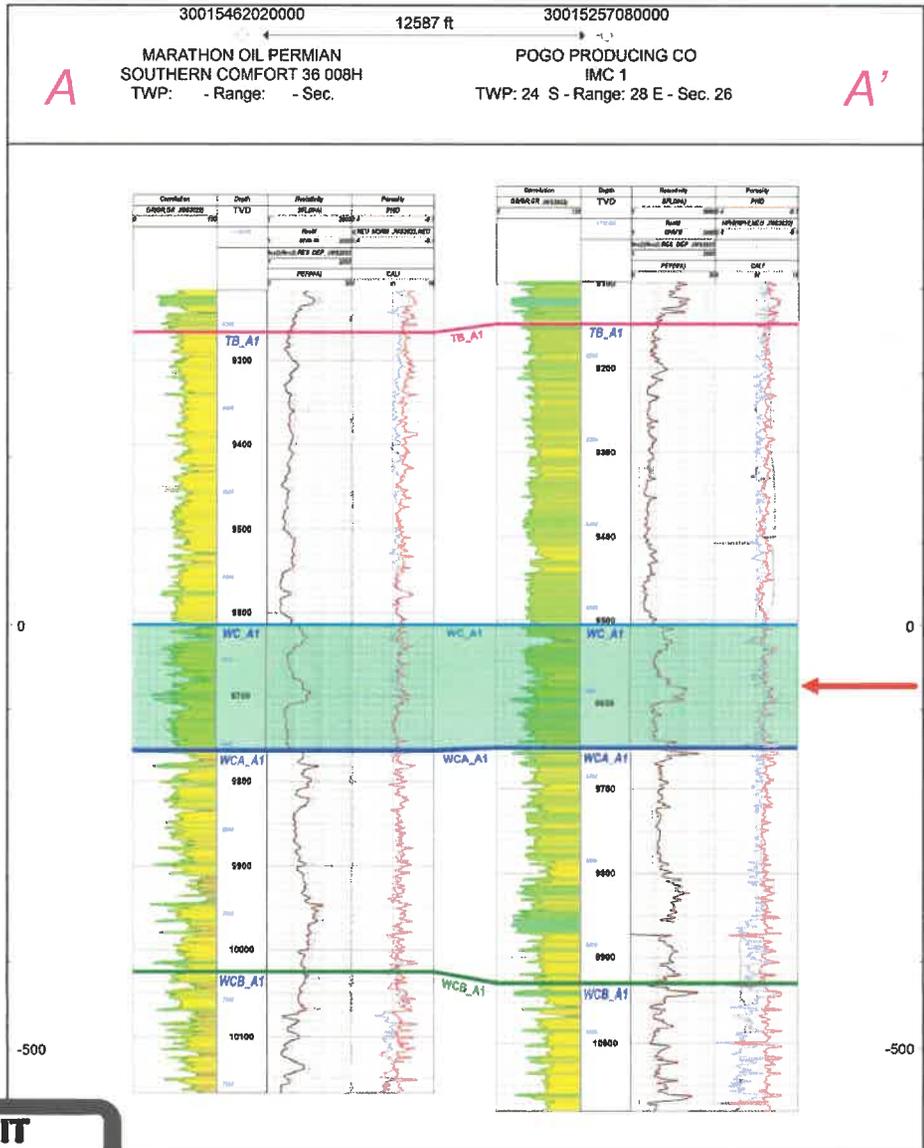
1 mile

C.I. = 50'



Ripley 35-26 Fed Com Unit

Stratigraphic Cross Section (Top Wolfcamp Datum)



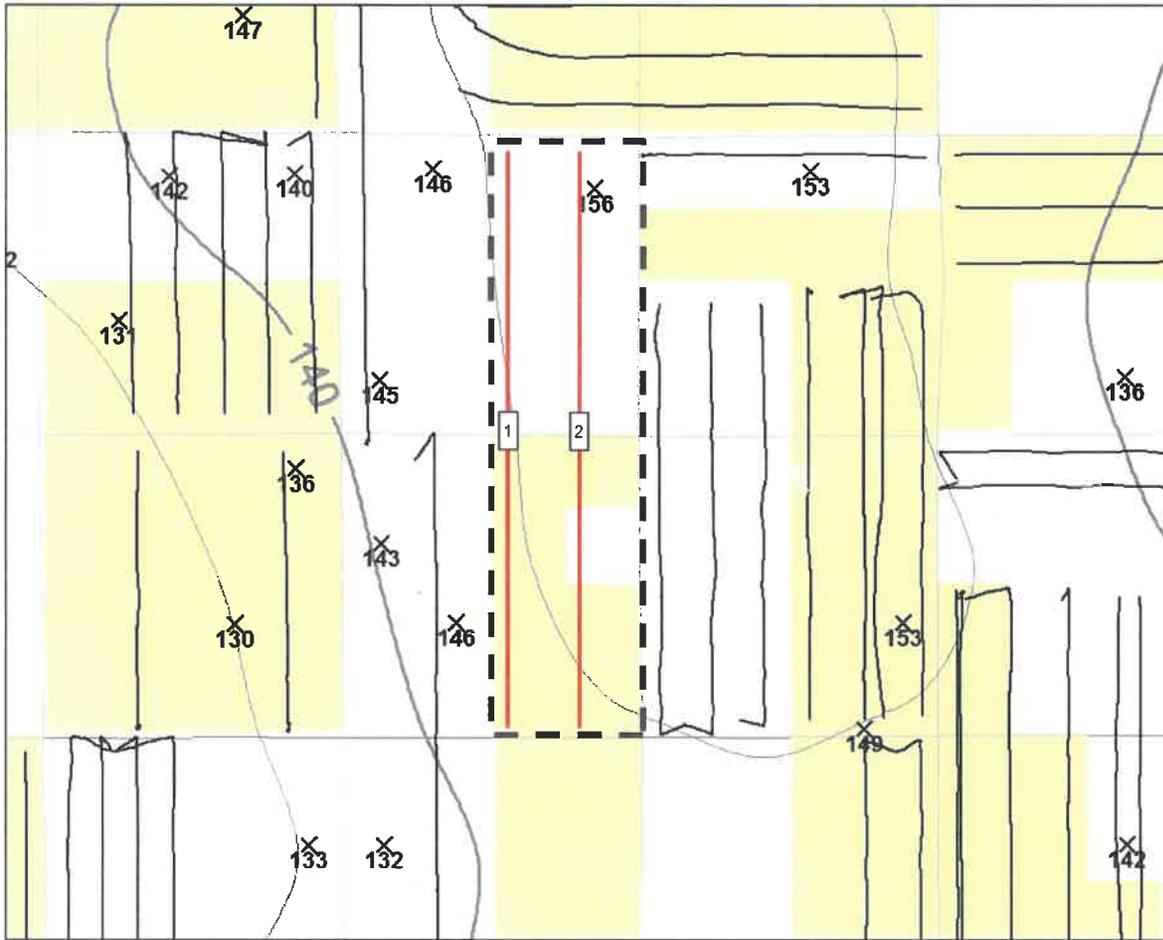
Producing Zone – Wolfcamp XY

EXHIBIT
C-5



Ripley 35-26 Fed Com Unit

Gross Interval Isochore – Wolfcamp to Wolfcamp A



Map Legend

-  MRO Acreage
-  Project Area
-  Proposed Well
-  Existing WCU Well
-  Ripley 35-26 WXY Fed Com 5H
-  Ripley 35-26 WXY Fed Com 3H

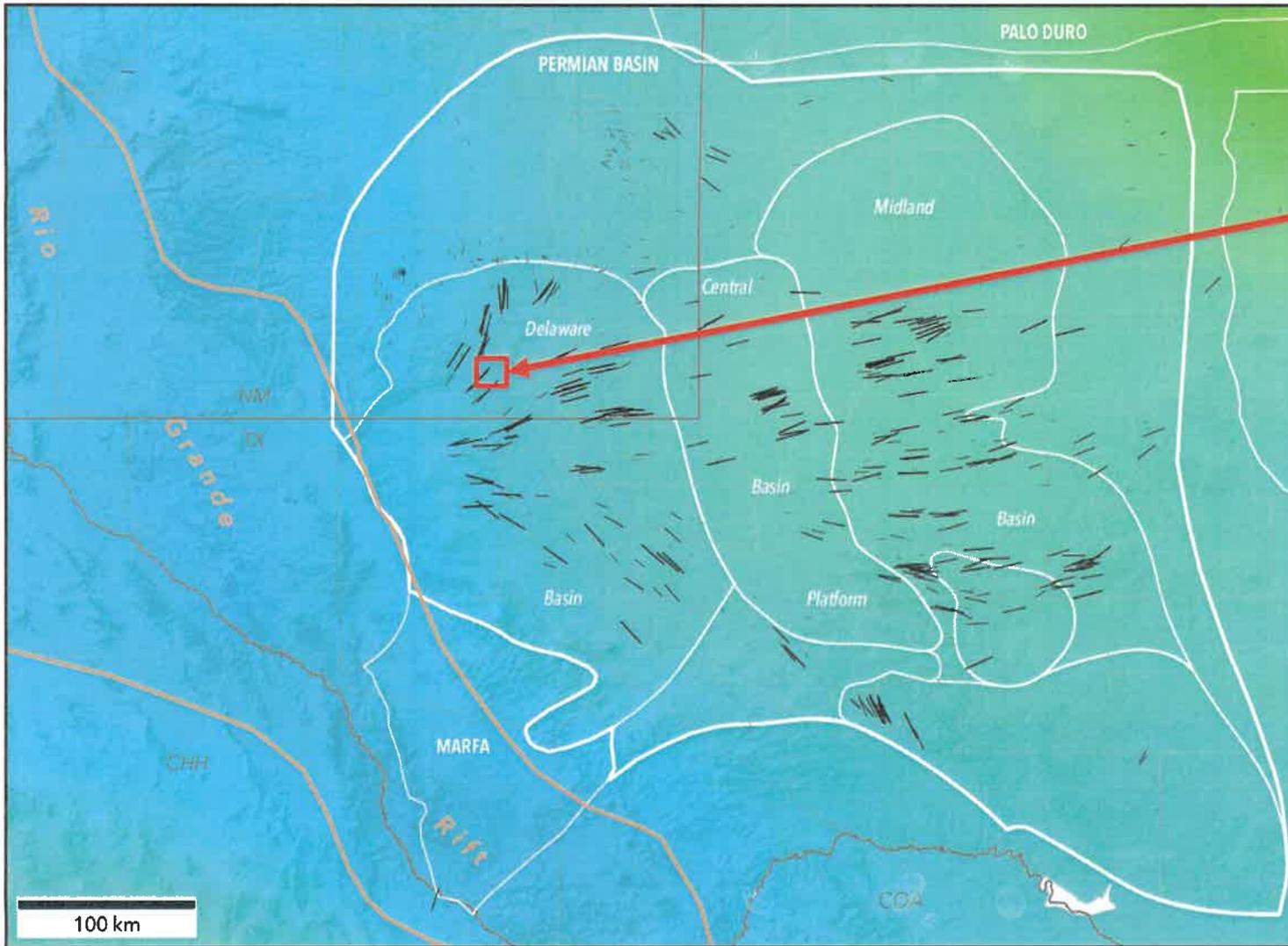
1 mile

C.I. = 10'



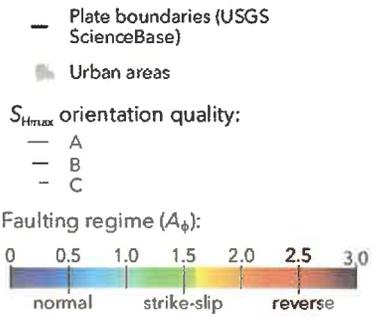
Ripley 35-26 Fed Com Unit

Preferred Well Orientation - SHmax



Preferred well orientation N/S to maximize lateral length with respect to Marathon's acreage.

SHmax is at approximately 45 degrees in mid Eddy county. Therefore, hydraulic fractures will propagate out at ~45 degrees. Production is expected to be the same for wells oriented either N/S or E/W.



Lund Snee & Zoback (2020)
 Previous stress data from Lund Snee & Zoback (2016), Alt & Zoback (2017), Heidbach et al. (2018), Lund Snee & Zoback (2018), and sources therein.
 Gulf of Mexico salt boundary from Pindell & Kennan (2009).

Lund Snee and Zoback (2020)



Elizabeth Mann Scully

EXPERIENCE

Marathon Oil Corporation; Houston, TX; Development Geologist – Permian, Delaware Basin (July 2021 – present)

- Oversee operations geologists and drilling & completions activity for Lea County, NM acreage position
- Communicate and interact daily with reservoir, drilling, and regulatory teams to pursue federal & state permits
- Integrate well log, seismic, production, and land data to understand basin history and resource capture
- Collaborate with petrophysicists & geophysicists on evergreen petrophysical & seismic models

Marathon Oil Corporation; Houston, TX; Development Geologist – Eagle Ford (July 2018 – July 2021)

- Sole geologist responsible for development of 90,000+ gross acres spanning 5 counties, including new Rocky Creek acreage
- Create long term drill schedule with other development geologists and present pads to Regional VP for execution
- Prepare staking requests and consult with land, regulatory, drilling, completions, & production teams regarding feasibility
- Ensure well designs optimize drainage and provide support throughout well life for drilling, completions, & production teams
- Maintain area maps, seismic attributes, and reservoir models to quantify trends in performance for evergreen POD

Marathon Oil Corporation; Houston, TX; Operations Geologist – Resource Plays (March 2017 – July 2018)

- Considered well planning & operations geology subject matter expert at Marathon Oil
- Organized centralized team for all resource play operations, personally led transition for Bakken, SCOOP, & STACK asset teams
- Lead Operations Geologist for multiple tight hole projects with Resource Exploration Team
- Led data acquisitions onsite including mudlogging, casing/core point, core preservation, wireline, lateral image logging, etc.
- In total, responsible for 1 million+ feet of lateral length placed in zone in Eagle Ford, Bakken, SCOOP, STACK & Permian plays

Marathon Oil Corporation; Houston, TX; Operations Geologist – Eagle Ford (July 2014 – March 2017)

- Planned and geosteered 100+ wells targeting Eagle Ford and Austin Chalk with 99% of 450,000'+ total lateral length in zone
- Responsible for geologic prognosis, including detailed geologic mapping and identification of potential drilling hazards
- Thrived in a team environment, daily communication with drilling engineers and field personnel including 24/7 availability
- Volunteered for 4-month night rotation overseeing geologic operations of all 9 Eagle Ford and Bakken drilling rigs at the time

Marathon Oil Corporation; Houston, TX; Exploration Geology Intern (Summer 2013)

- Built Eagle Ford bottom-hole temperature correction model for paleotemperature prediction
- Mapped play fairway temperature, thickness, vitrinite reflectance, total organic carbon, API gravity, pressure, porosity, permeability, gas-oil ratio, clay volume, Poisson's Ratio, and Young's Modulus
- Modeled geologic sweet spots of the Lower Eagle Ford and generated risk maps focusing on liquids-rich recovery
- Generated 8 maps from sweet spot model to be used in Eagle Ford on-boarding session for the company's incoming CEO

Indigo Minerals, LLC; Houston, TX; Geoscience Intern (Summer 2012)

- Correlated and mapped approximately 15 horizons over more than 2,000 wells in northern Louisiana
- Reviewed perforation and production history of 1,500 wells to highlight target horizons and trends
- Interpreted 3-D seismic & mapped 10 horizons and 12 faults over Vernon/Ansley field in Jackson Parish, LA
- Evaluated locations of booked PUDs, PROBs, and POSs, adding 12 wells to the company's reserve base

SKILLS & AFFILIATIONS

- Experienced in ArcGIS, GeoGraphix, Petrel, StarSteer, IHS/Enverus, Spotfire, Microsoft Office
- Led Marathon Oil's StarSteer license procurement and adoption company-wide
- Member of the Houston Geological Society and American Association of Petroleum Geologists

EDUCATION

University of Oklahoma; Norman, OK; M.S. Geology (May 2014)

M.S. Geology Thesis: *"Stratigraphic study of organic-rich microfacies of the Woodford Shale, Anadarko basin, Oklahoma"*
 Advisors: Dr. R. Douglas Elmore, Dr. Roger M. Slatt, and Dr. Joan M. Spaw

Washington and Lee University; Lexington, VA; B.S. Geology (May 2012)

