

### 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. 23169** 

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<sup>&</sup>lt;sup>1</sup> Revised only to update Trojan Horse 35 WXY Fed Com 4H footages.

<sup>&</sup>lt;sup>2</sup> Replaced with correct C-102s.

### COMPULSORY POOLING APPLICATION CHECKLIST/REVISED

Revision to Trojan Horse 35 WXY Fed Com 4H well footages shown in red

ALL INICODRAATION IN T	IE ADDITOATION AUTO		
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Case: 23168	APPLICANT'S RESPONSE					
Date: 11/03/2022 (Hearing date)						
Applicant:	Marathon Oil Permian LLC					
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC (OGRID 372098)					
Applicant's Counsel:	Modrall Sperling					
Case Title:	Application of Marathon Oil Permian LLC for Compulsory Pooling, Eddy County, New Mexico					
Entries of Appearance/Intervenors:	None					
Well Family	Trojan Horse					
Formation/Pool						
Formation Name(s) or Vertical Extent:	Wolfcamp					
Primary Product (Oil or Gas):	Oil					
Pooling this vertical extent:	N/A					
Pool Name and Pool Code:	Purple Sage, Wolfcamp (98220)					
Well Location Setback Rules:	Purple Sage, Wolfcamp					
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	W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ					
Other Situations						
Depth Severance: Y/N. If yes, description	N					
Proximity Tracts: If yes, description	N EXHIBIT					
Proximity Defining Well: if yes, description	N A					
Applicant's Ownership in Each Tract Released to Imaging: 11/2/2022 4:04:10 PM	See Exhibit B-3					

Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: Trojan Horse 35 WXY Fed Com 2H (API 30-015-49704)	
	SHL: 233' FSL & 1242 FWL (Unit M) Section 26, T-22-S R-28-E FTP: 990' FWL & 330' FNL Section 35, T-22-S R-28-E BHL: 990' FWL & 330' FSL Section 2, T-23-S R-28-E Orientation: North to South East to West Completion Target: Wolfcamp Completion Status: Standard TVD: 9,675', MVD: 20,284'
Well #2: Trojan Horse 35 WXY Fed Com 4H (API Pending)	
	SHL: 233' FSL & 1267' FWL (Unit M) Section 26, T-23-S R-28-E FTP: 2299' FWL & 332' FNL Section 35, T-22-S R-28-E BHL: 2369' FWL & 330' FSL Section 2, T-23-S R-28-E Orientation: North South Completion Target: Wolfcamp Completion Status: Standard TVD: 9,695', MVD: 20,340'
Horizontal Well First and Last Take Points	See above; see also Exhibit B-2; B-5
Completion Target (Formation, TVD and MD)	See above; see also Exhibit B-2; B-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	See Exhibit B, ¶ 21-22.
Requested Risk Charge	See Exhibit B, ¶ 23.
Notice of Hearing	
Proposed Notice of Hearing	See Exhibit B-7
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit B-7
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-7
Ownership Determination	
	See Exhibit B-3
and Ownership Schematic of the Spacing Unit	occ Extractor o
and Ownership Schematic of the Spacing Unit  Fract List (including lease numbers and owners)	See Exhibit B-3

Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	See Exhibit B-5
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit B-3
Chronology of Contact with Non-Joined Working Interests	See Exhibit B-4
Overhead Rates In Proposal Letter	See Exhibit B-5
Cost Estimate to Drill and Complete	See Exhibit B-6
Cost Estimate to Equip Well	See Exhibit B-6
Cost Estimate for Production Facilities	See Exhibit B-6
Geology	
Summary (including special considerations)	See Exhibit C
Spacing Unit Schematic	See Exhibit C-2
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-2
Well Orientation (with rationale)	See Exhibit C-7; Exhibit C ¶ 13-14.
Target Formation	See Exhibit C-5
HSU Cross Section	See Exhibit C-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B-2
Tracts	See Exhibit B-3
Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit B-3
General Location Map (including basin)	See Exhibit C-1
Well Bore Location Map	See Exhibit C-3
Structure Contour Map - Subsea Depth	See Exhibit C-3
Cross Section Location Map (including wells)	See Exhibit C-4
Cross Section (including Landing Zone)	See Exhibit C-5
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	Illew MBning
11/2/202	As revised to only change 4H well footages as shown in red.

### 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. 23168** 

### SELF AFFIRMED DECLARATION OF CHASE RICE

Chase Rice hereby states and declares as follows:

- I am over the age of 18, I am a landman for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein.
- 2. 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.
- 3. My area of responsibility at Marathon 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 standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
- 10. This spacing unit will be dedicated to the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox.
  - 11. Attached as Exhibit B.2 are the proposed C-102s for the wells.
- 12. The C-102s identify the proposed surface hole locations, first take point, and bottom hole locations. The C-102s also identify the pool and pool code.
- 13. These wells will be located within the Purple Sage Wolfcamp Gas Pool, which is subject to special pool rules that establish 330-foot setback requirements.
- 14. Marathon's proposal letters identified these wells as having non-standard setbacks. The C-102s reflect a change to the setbacks and these wells will comply with the Division's setback requirements for this pool. In the event Marathon's plans may change, Marathon will submit non-standard approval location applications for administrative approval.
  - 15. There are no depth severances within the proposed spacing unit.
- 16. **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.

- 17. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed well proposals to all parties entitled to well proposals, including an Authorization for Expenditure.
- 18. In my opinion, Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.
  - 19. **Exhibit B.4** is a summary of my contacts with the working interest owners.
- 20. **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.
- 21. **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.
- 22. 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.
- 23. Marathon requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
  - 24. Marathon requests that it be designated operator of the wells.
- 25. Marathon seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

- 26. The parties Marathon is seeking to pool were notified of this hearing.
- 27. **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 November 3, 2022 hearing was published on October 19, 2022.
- 28. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.
- 29. 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: November 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. 23168** 

### **APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby applies to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a standard 640-acre, more or less, standard Wolfcamp horizontal spacing unit comprising the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Marathon states as follows:

- 1. Marathon has an interest in the subject lands and has a right to drill a well thereon.
- 2. Marathon seeks to dedicate the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico to form a standard 640-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Marathon plans to drill the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled.
- 4. These wells will be located within the PURPLE SAGE; WOLFCAMP (GAS) pool (Pool Code 98220), which is subject to special pool rules that establish 330 foot setback



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requirements. See Order No. R-14262. The producing interval for the wells is expected to be orthodox and to comply with the Division's set back requirements set forth in Order No. R-

14262.

5. Marathon sought, but has been unable to obtain, a voluntary agreement from all

interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in

the drilling of the wells or to otherwise commit their interests to the wells.

6. The creation of a standard horizontal spacing unit and the pooling of all interests

in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary

wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an

Examiner of the Oil Conservation Division on November 3, 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 W/2 of Section 35, Township 22 South, Range 28 East, and

the W/2 of Section 2, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico;

B. Designating Marathon as the 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,

together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the

wells in the event a working interest owner elects not to participate in the wells.

2

Received by OCD: 10/4/2022 10:25:01 AM

Respectfully submitted,

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

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

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CASE NO. 23168 : 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 standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the Trojan Horse 35 WXY Fed Com 2H and Trojan Horse 35 WXY Fed Com 4H wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, 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

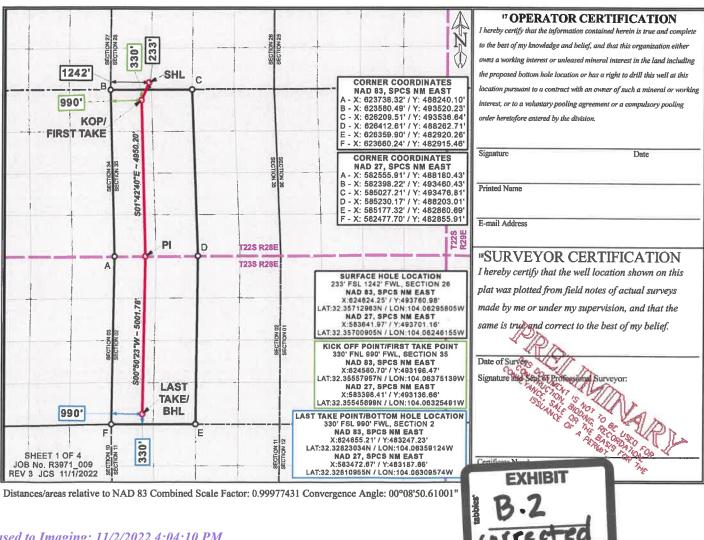
### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code			
		98220	PURPLE SAGE; WOLFCAMP (GAS)		
<sup>4</sup> Property Code		<sup>5</sup> Pr	roperty Name	<sup>6</sup> Well Number	
		TROJAN HORS	E 35 WXY FED COM	2H	
<sup>7</sup> OGRID No.		8 OI	perator Name	<sup>9</sup> Elevation	
372098		MARATHON	OIL PERMIAN LLC	3089'	

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	22S	28E		233	SOUTH	1242	WEST	EDDY
			" Bo	ttom Hol	e Location If	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
M	2	23S	28E		330	SOUTH	990	WEST	EDDY
12 Dedicated Acres	13 Joint or	r Infill 14 (	Consolidation	Code 15 Or	der No.				
639.17									

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.



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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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

District IV

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

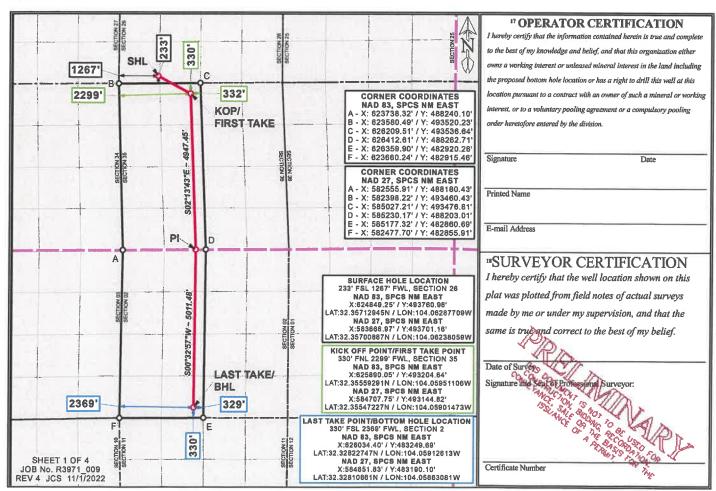
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

- 1	API Numbe	r		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name				
				98220		PURPLE SAGE; WOLFCAMP (GAS)				
<sup>4</sup> Property	Code	0			<sup>5</sup> Property !	Name		6	Well Number	
			TROJAN HORSE 35 WXY FED COM 4H						4H	
7 OGRID	OGRID No. <sup>1</sup> Operator Name <sup>9</sup> Elevation				<sup>9</sup> Elevation					
37209	98			MARA'	THON OIL	PERMIAN LL	C		3090'	
					<sup>10</sup> Surface I	Location				
TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	North/South line Feet from the Eas		Count	
M	26	228	1 202		222	COLUTION	WEST	EDDA		

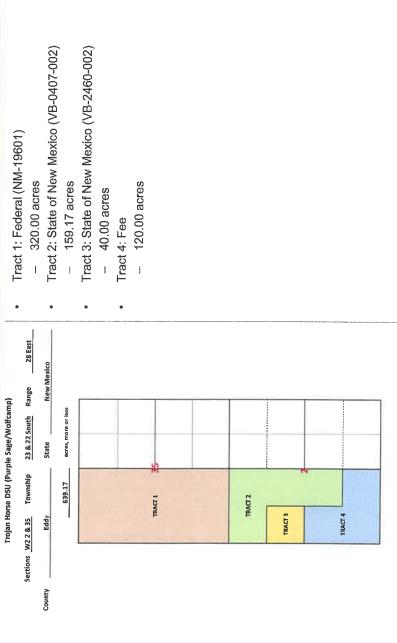
1			_						447
M	26	22S	28E		233	SOUTH	1267	WEST	EDDY
	" Botton		ttom Ho	le Location If	Different Fron	n Surface	,		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	23S	28E		330	SOUTH	2369	WEST	EDDY
12 Dedicated Acres	13 Joint o	Infill 1	* Consolidation	Code 15 Oi	der No.				
639.17									

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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977431 Convergence Angle: 00°08'50.61001"

Exhibit "B.3" Lease Tract Map Trojan Horse 35 WXY Fed Com 2H & 4H W/2 of Section 35 T22S-R28E & W/2 Section 2 T23S-R28E: 639.17 acres







## Exhibit "B.3" Summary of Interests Trojan Horse 35 WXY Fed Com 2H & 4H W/2 of Section 35 T22S-R28E & W/2 Section 2 T23S-R28E: 639.17 acres

2.766094% 1.915015% 0.425539% 0.425539%																
													asev Trust			
rship							ч, г.						I. Casev, Co-Trustees of the C.			
Incommitted Working Interest: LHAH Properties, L.L.C. Rogers*Resources L.P Loftin Family Limited Partner	RRI Owners: OXY USA Inc	Joseph Wm. Foran	KMF Land, LLC	Foundation Minerals, LLC	Post Oak Mavros II, LLC	Sortida Resources, LLC	Oak Valley Mineral and Land	Osprey Oil and Gas, LLC	McCurdy Energy, LLC	JSG Energy, LLC	C. Free O&G LLC	Mamie LLC	John E. Casey and Annette I	Cimmaron Holdings, LLC	Brett K. Bracken	Rogers*Resources LP
	Thership	rship	Working Interest: perties, L.L.C. ssources LP illy Limited Partnership Inc. m. Foran	Working Inferest: perties, L.L.C. ssources LP illy Limited Partnership inc. m. Foran i. L.C.	Working Interest: perties, L.L.C. ssources LP illy Limited Partnership inc. in. Foran in. Horan in. Horan in. Minerals, LLC	Working Interest: Perlies, L.L.C. seources LP intitled Partnership Inc. m. Foran i. L.C. n Minerals, LLC Manyos II, LLC	Working Interest: perties, L.L.C. seources LP illy Limited Partnership Inc. m. Foran i, L.C. Mavnersis, L.C. Mavnersis, L.C. Mavnersi, L.C.	Working Interest: perties, L.L.C. ssources LP illy Limited Partnership inc. m. Foran i, LLC Marvos II, LLC ssources, LLC Mannal and Land, LP Mennal and Land, LP	Working Interest: Perlies, L.L.C. seources LP Illy Limited Partnership Inc. In. Foran I. L.C. Marros II, L.C. Advinces, L.C. Advinces, L.C. Androse, L.C. An	Working Interest: Perties, L.L.C. sesources LP  ily Limited Partnership  Inc. m. Foran i, L.L.C  AMercals, LLC Amerals and Land, LP  Ameral and Land, LP  Finety, LLC  Finety,	Working Interest: perties, L.L.C. seources LP illy Limited Partnership Inc. m. Foran i, LLC Mavross II, LC Mavross II, LC Mavross II, LC Mavross II, LC An on Mineral and Land, LP and Ges, LLC In on May of the Company	Working Interest: perfies, L.L.C. seources LP interest L.C. interest L.C. interest L.C. interest L.C. Marros I, L.C. Almoral and Land, LP and Gas, L.C. Thergy, L.C. Thergy L.C. Th	Working Interest: Perties, L.L.C. sesources LP  inty Limited Partnership Inc. m. Foran I, L.L.C AMmerals, LLC Ammerals, LLC Ammerals, LLC Ammerals, LLC Ammerals, LLC Seources, LLC Foran Ammerals, LLC Seources, LLC Seources, LLC Seources, LLC Seources, LC Seources,	Working Interest: perties, L.L.C. seources LP interest LP interest LP interest LP interest LP interest LC Mavros II, LC Mavros I	Working Interest: perlies, L.L.C. seources LP interest L.C. interest L.C. interest L.C. Mavros II, L.C. seources, L.C. Almineral and Land, LP and Gas, L.C. Seources, L.C. Seources, L.C. Admineral and Land, LP seources, L.C. C.	Working Interest: Perlies, L.L.C. seources LP interest and Land seources LC n Minerals, LLC seources, LLC seources



# Parties to Be Pooled

Uncommitted Working Interest: LHAH Properties, L.L.C. Rogers\*Resources LP

Loffin Family Limited Partnership

ORRI: OXY USA Inc. Joseph Wm. Foran

KMF Land, LLC Foundation Minerals, LLC

Sortida Resources, LLC Oak Valley Mineral and Land, LP Post Oak Mavros II, LLC

Osprey Oil and Gas, LLC McCurdy Energy, LLC JSG Energy, LLC C. Free O&G LLC

Mamie LLC

John E. Casey and Annette I. Casey, Co-Trustees of the Casey Trust Cimmaron Holdings, LLC

Brett K. Bracken Rogers\*Resources LP



Exhibit "B.4" Summary of Contacts Trojan Horse 35 WXY Fed Com 2H & 4H

W/2 of Section 35 T22S-R28E & W/2 Section 2 T23S-R28E: 639.17 acres

### Summary of Contacts

Marathon conducted extensive title work to determine the working interest owners and other interest owners.

Marathon searched public records, phone directory, and various types of internet searches.

Marathon sent well proposal letters to the working interest owners on or around June 29, 2022.

Marathon proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners. Marathon has discussed the general terms of the JOA with the intent of finalizing the JOA with the working interest owners prior to spud (subject to final approvals)

Marathon had multiple communications with the uncommitted working interest owners, which I have outlined in the chart

Marathon has acquired several parties' working interest in the spacing through commercial transactions

Marathon filed applications to force pool parties who had not entered into 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.

Follow Up	Initial proposal returned undeliverable. Sent proposal to alternate address. Email Communication with Fred Closuit (LHAH) (10/28/22).	Email Communication with James Rogers (7/15/2022/replied 7/19/2022)	Indicated desire to participate in the wells via affirmative election (7/19/2022).
Proposal Letter Received	July 22, 2022	July 15, 2022	July 15, 2022
Date Proposal Letter Sent	June 29, 2022	June 29, 2022	June 29, 2022
% Interest	1.915015%	0.425539%	0.425539%
Name	LHAH Properties, L.L.C.	Rogers*Resources LP	Loftin Family Limited Partnership
	% Interest Date Proposal Letter Proposal Letter Sent Received	% Interest         Date Proposal Letter         Proposal Letter           Sent         Received           1.915015%         June 29, 2022         July 22, 2022	% Interest         Date Proposal Letter         Proposal Letter           Sent         Received           Received         June 29, 2022         July 22, 2022           June 29, 2022         July 15, 2022

MarathonOil



Marathon Oil

Chase Rice Staff Land Professional - Permian

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

June 29, 2022

LHAH Properties, LLC 415 W Wall ST STE 1500 Midland, TX 79701

Re: Trojan Horse 35 WXY Fed Com 2H and 4H (the "Wells")
Participation Proposal
W/2 of Section 35

Township 22 South, Range 28 East

W/2 of Section 2

Township 23 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 W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, Eddy County, New Mexico (the "Subject Lands"), as follows:

### 1) Trojan Horse 35 WXY Fed Com 2H

SHL: W/2 of Section 35, 22S-28E and W/2 of Section 2, 23S-28E

First take point: 990' FWL & 100' FNL of Section 35, 22S-28E

Last take point: 990' FWL & 100' FSL of Section 2, 23S-28E

The Well will be drilled horizontally within the Purple Sage/Wolfcamp formation to an approximate true vertical depth of 9,675' and an approximate measured depth of 20,284'.

### 2) Trojan Horse 35 WXY Fed Com 4H

SHL: W/2 of Section 35, 22S-28E and W/2 of Section 2, 23S-28E

First take point: 2310' FWL & 100' FNL of Section 35, 22S-28E

Last take point: 2310' FWL & 100' FNL of Section 2, 23S-28E

The Well will be drilled horizontally within the Purple Sage/Wolfcamp formation to an approximate true vertical depth of 9,695' and an approximate measured depth of 20,340'.



### 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,

Chase Rice

**Marathon Oil Permian LLC** 

Chase Rice

Staff Land Professional

### **PARTICIPATION BALLOT**

# LHAH Properties, LLC hereby elects to: \_\_\_\_\_ Not to participate in the Trojan Horse 35 WXY Fed Com 2H Well. \_\_\_\_ Participate in the Trojan Horse 35 WXY Fed Com 2H Well by paying its proportionate share of all actual costs. \_\_\_\_ Not to participate in the Trojan Horse 35 WXY Fed Com 4H Well. \_\_\_ Participate in the Trojan Horse 35 WXY Fed Com 4H Well by paying its proportionate share of all actual costs. By: \_\_\_\_\_\_ Print Name: \_\_\_\_\_\_

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

MARATHON OIL PERMIAN LLC AUTHORITY POR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS	FACILITIES PRE	DATE 6/29/2022 PARED BY COURT HELSON PARED BY KRISTEN DRAIN PARED BY HARSHA DISSAMAYAKE PARED BY CRAIG PLANTE
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7019140	Fuel (Mud) Water (non putable)	31,731 26,442
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701911D 7016180	Drill pipe/collar inspection services	20,577
7001460	Freight - truck  Water hasting and disposal (Includes sell faculag)	26,442 63,481
7001160 7001440	Contract Services - Degrand/Worn-Hazardous Waste Vessum Trycks	84,615 10,577
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7001200	Contract Labor - Operations Contract Services - Socilities	3,173
7019300 7019350	Well Services - Well Control Services Well Services - Well (Wellheed Services	22,476 10,577
7290003	Rental Tools and Equipment (surface rentals)	12,560
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7001120	Consulting Services	1.05,505
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700,1400 7830002 79059310 79159310	Bentral Buildings president Central protection & multiplia)  BY Constitution of Tomas  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  DESCRIPTION Tropins Horse 35 WAY Feel Corn 2rd  ToTAL COAPLETON - TANGENIE  Location and Ancess jobres boostlon after ris move, set anchore) Defiling Rig During Completion John State & Services Location and Ancess jobres boostlon after ris move, set anchore) Defiling Rig During Completion Description of the Services Location and Ancess jobres boostlon after ris move, set anchore) Defiling Rig During Completion Location and Ancess jobres in remi Description of the Services Location Corn and Environ Completion of the Services Location Corn and Environ Comment and Commenting Services Moli Testing Services Location Corn and Environ Location Services L	\$5,168 12,560 12,560 234,051 \$2,354,787  \$3,159,690  \$3,159,690  CATE \$6/29/2022  ESTIMATED COST  15,000  7,000  265,890  444,022 3,897,737 175,090  253,354  40,000  25,000  78,500  118,102
700,1400 7350002 70159310 70159310 70159310 70159310 70159310 70159310 70159310 ANALON OIL PERMIAN LLC ANTHORITY FOR EXPENDITURE FOR ALL SEPENDITURE FOR ALL SEPENDITURE GL CODE 703,2560 703,25	Bentral Buildings president Central protection is analysis  TOTAL DRILLING COST  DESCRIPTION Tropins Horse 35 WAY Feel Corn 214  Total Accessories (Depte, wheather entry) Wellines Easile Tropins - Competition Engineerent  TOTAL COMPLETION - TANGEME  Location and Accessories (Depte, wheather after rise moves, seet anchores) Defining Rise Daring (completion) Mark Titals - Revisions Description - Tangement - Tange	\$5,168 \$12,560 \$234,951 \$2,345,787 \$3,159,690 \$3,159,690 \$5,159,690 \$5,287,2022  ESTIMATED COST \$15,000 \$15,000 \$15,000 \$15,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$4,000 \$25,000 \$25,000 \$4,000
7001400 7320002 70159310 70159	Bentral Buildings resilient Centre, plotered B. A samples STG Centragence, B. Tomes  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMAN Purple Sage COSMATION: Workstamp Tropins Horse 35 WAY Fed Corn 254  DESCRIPTION Tables Tables Tropins Accessories (relegade, whratine entrey) Wellfared Bags Perlorar - Completion: Equipment Total Costina Bags Perlorar - Completion: Equipment Description Bags Perlorar - Completion: Equipment Description Total Costina Bags Perlorar - Completion Perlorar - Comple	\$5,168 12,560 12,560 234,051 \$2,354,787 \$3,159,690  \$3,159,690  CATT \$6(29/2022)  ESTIMATED COST  15,000  7,000
700,1400 7830000 7830000 7830000 7805000 7805000 7805000 7805000 7805000 78050000 78050000 780500000 780500000 780500000 780500000 780500000 78050000 78050000 78050000 78050000 780500000 78050000 780500000 780500000 78050000000 78050000000 78050000000 780500000000 78050000000000	Bentral Buildings president Central protection is analysis  TOTAL DRILLING COST  DESCRIPTION Tropins Horse 35 WAY Feel Corn 214  Total Accessories (Depte, wheather entry) Wellines Easile Tropins - Competition Engineerent  TOTAL COMPLETION - TANGEME  Location and Accessories (Depte, wheather after rise moves, seet anchores) Defining Rise Daring (completion) Mark Titals - Revisions Description - Tangement - Tange	\$5,168 \$12,560 \$234,951 \$2,345,787 \$3,159,690 \$3,159,690 \$5,159,690 \$5,287,2022  ESTIMATED COST \$15,000 \$15,000 \$15,000 \$15,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$25,000 \$4,000 \$25,000 \$25,000 \$4,000
700,1400 7830000 7830000 7830000 7805000 7805000 7805000 7805000 7805000 78050000 78050000 780500000 780500000 780500000 780500000 780500000 78050000 78050000 78050000 78050000 780500000 78050000 780500000 780500000 78050000000 78050000000 78050000000 780500000000 78050000000000	Bentral Buildings president Central protection is analysis TYTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  DESCRIPTION Parish Enge _ FORMATION: Workstrapp Tropins Horas 35 WAY Fed Corn 254  DESCRIPTION James Horas 35 WAY Fed Corn 254  DESCRIPTION James Horas 35 WAY Fed Corn 254  Total Accessories Coloptic, whealing entry Withhead Sandar Total Completion Engineered Description of the Completion Description of the Completion Description Engineered Description En	\$3,159,690  \$2,354,787  \$3,159,690  \$3,159,690  GATE \$6/29/2012  ESTHMATED COST  15,000
7001400 7300002 7300002 70159310 70159310 70159310 70159310 70159310 70159310 70110910  AMRATHON OU PERMIAN LIC ANTHORITY FOR EXPENDITURE DIFFIRM OF STINARTID WIGH COSTS ARRAT Turm Red Leane Pacility L	Bentral Buildings president Central protection is analysis TYTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  DESCRIPTION Parish Enge _ FORMATION: Workstrapp Tropins Horas 35 WAY Fed Corn 254  DESCRIPTION James Horas 35 WAY Fed Corn 254  DESCRIPTION James Horas 35 WAY Fed Corn 254  Total Accessories Coloptic, whealing entry Withhead Sandar Total Completion Engineered Description of the Completion Description of the Completion Description Engineered Description En	\$3,159,690  \$2,354,787  \$3,159,690  \$3,159,690  GATE \$6/29/2012  ESTHMATED COST  15,000



SURFACE EQUIPMENT - TANGIBLE

7012350	Milsc. Plaing, Fittings & Valves		116,484
7005540	Campany Labor & Burston		
7000030	Contract Labor - General		126,508
7001110	Telecommunication equip (Telemetry)		
7013410	Line Plan & Accessories		33,723
7012270	Mispellanapus Materials (containment vestum)		35,127
7008060	SCADA	-	11,113
7016180	Feeight - track		21,617
	Contract Engineering	_	7,197
7011590	Matering and Instrumentation	-	197,123
7012290	CSE Materials		115,627
7012200	Gos Treating		-
7012010	Dehydration		*****
7012350	Compressor		13,378
7012610	Power Vapor Reservery Unit		
7012440	Separates & other pressure vessels	-	400.000
7012500	Tanks		186,907
7012100			32,900
7012640	Hoster Truster Flams & Accessories		97,237
7000010	Electrical Labor	-	
7000010	Machanical Labor		63,890
7012480	Roof Pamping unit & Pad		338,162
7012180	Purrousing Unit Engine	_	
7012350	Electrical Power (electrical cooperative construction costs)	-	20.002
144004	Emilian Power (Emilian Eduperative Construction Costs)	_	25,882
	TOTAL SURFACE EQUIPMENT - TANGIBLE		\$1,227,000
	TOTAL SURFACE EQUIPMENT COST	\$	1,227,000
ARTIFICIAL LIFT			
2.77	CATALON II		
7000030	Contract Labor		5,000
7001220	Consultant		4,000
7008290	Time Writing/Overhead		5,000
7012180	Actificial Lift Equipment		262,000
7012350	Materials & Supplies		2,000
7012550	Production Tree		5,000
7012580	Tubing		105,000
7016190	Freight .		5,000
7018150	Rentals		6,000
7019130	IOE Fluid		2,000
7019220	Well Services Is No		24,000
	TOTAL ARTIFICIAL LIFT		425,000
	TOTAL ARTIFICIAL UFT COST	\$	425,000
	SUMMARY OF ESTIMATED DRILLING WELL COS	5TS T	OTAL COST
	TOTAL LOCATION COST	\$	168,000
	TOTAL DRULING COST	\$	
			3,159,690
	TOTAL COMPLETIONS COST	\$	5,551,913
	TOTAL SURFACE EQUIPMENT COST	\$	1,227,000
	TOTAL ARTIFICIAL LIFT COST	\$	425,000
	IOTAL ARTIFICIAL OF I COST	-	425,000
	GRAND TOTAL COST	-	\$10,531,602
CTRA EXPENSE INSURANCE			
Op:	iest to be covered by Operator's Extra Expense insurance and pay my proportion erator has secured Eura Expense insurance covering costs of well control, clean up and redrilling messel in the nean QUEO QUEO	arte share of	the premium.
	eet to purchase my own well control insumance policy.		
neither box is checked above	non-operating working interest owner elects to be covered by Operator's well control insurance	£	
Prepared by:	Date:		
Company Approval:	Date.		
Joint Owner Interest;	Amount:		
Joint Owner Name:	Signature		
CONTROL PRINCE			

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS	COMPLETION PRE FACILITIES PRE ANTIFICIAL LIFT PRE	DATE 6/29/2022 PARED BY COURT NELSON PARED BY IORISTEN DRAIN PARED BY HAISHA DISSANAYANII PARED BY CRAIN PLANTE
Asset Tears Field	Perodiani Purple Sage FORMATION: Wolfcamp WILDCAT	EU-LORATION
Losse/FacEity Location	Trojan Horse 35 Willy Fed Com 4H DEVELOPMENT X EXPLOTATION	MECOMPLETION WORKDYER
Prospecs	MALASA	
Est Total Depth	20,340 Est Drilling Days 21.25 Est Comple	tion Days 6
LOCATION COST - INTANGIBLE		
GL CODE		
7001270	DESCRIPTION Location and Access	ESTIMATED COST 100,500
7001250	Land Broker Fees and Services	67,500 B
	TOTAL LOCATION COST - INTANGIBLE	\$168,000
DRILLING COST - TANGIBLE		
7001270		
7012050	Conductor rips Surface Cash	26,442 27,500
7012050 7012050	Internediate Coding 1 Internediate Coding 2	112,115
7012050	Production Casing	549,999
7012050 7012550	Drig Liner Hanger, Tieback Eq & Oig Accessories Drilling Wellhead Equipment	25,385
7012040	Cening & Tubling Access Miscellaneous MRO Materials	58,173
		5,288
	TOTAL DIRLLING - TANGIBLE	\$804,503
DRILLING COST - INTANGIBLE		
7290002	Drilling Rig Mob/Dernoh	104,769
7290002 7019040	Dritting file - day work/footoge	602,884
7019020	Otrectional Oriting Services Coment and Committing Serv Surface	171,961 15,865
7019020 7019020	Corners and Comenting Serv Intermediate 2	25,442
7019020	Coment and Commissing Serv Production	158,634
7013140 7012316	Mud Fluids B. Services Solids Control equipment	70,072 45,216
7012020 7019010	Mit .	126,923
7016350	Cesting Crew and Services First (Rig)	42,308 77,472
7019140 7001460	Poel (Mud) Winter (non putable)	31,731 26,442
7012350 7019000	Water (putable)	5,288
7019150	Well Logging Services  After Logging genetaering	14,636
7019150 7019110	Stabilizers, Hole Openers, Undergamers (DH rentals) Casing inspection/cleaning	37,018 15,865
7019110	Drill pipe/collar inspection services	10,577
7016180 7001466	Freight - truck Water hausing and alisposal (factudes soll farming)	26,442
7001160 7001845	Contract Services - Disposal/Non-Hazardous Wasta	84,615
7000030	Vacuum Trucks Contract Labor - annerel	10,577 31,731
700010	Contract Labor - Operations Contract Services - Facilities	1,173 20,577
7019300	Well Services - Well Control Services	13,476
7019350 7290003	Well Services - Well/Wellhood Services Rental Tools and Equipment (serface pansals)	36.177 12,560
7280001	Rig Equipment and Nike. Telecommunications Services	100,481
		3,268
7001110 7001120	Corroutting Services	103,505
7003.120 7001.400	Corouting Services Labory and Environmental	103,505 35,168
7001120 7001409 7330002 7019310	Consulting Services  Safety and Environmental Reptal Bullstrag (trailers)  Coring (sidewolk & analysis)	103,505 93,168 12,560
700120 7001400 7330002	Coronizing Services Safety and Conformental Bertrial Entities (trailers) Corking (indexeals & analysis) 29% Contingency & Towers	103,505 35,168
7001120 7001409 7330002 7019310	Consulting Services  Safety and Environmental Reptal Bullstrag (trailers)  Coring (sidewolk & analysis)	103,505 93,168 12,560
7001120 7001409 7330002 7019310	Consutting Services  Safety and Environmental  Bentral Buildings (trailers)  Corbu (deformells in analysis)  284 Caustingency in Tower  TOTAL DRILENG - INTANSHILE	103,505 33,168 12,560 234,051
7001120 7001409 7330002 7019310	Coronizing Services Safety and Conformental Bertrial Entities (trailers) Corking (indexeals & analysis) 29% Contingency & Towers	105,505 35,168 12,550 234,051
7001.129 7001.406 733.0002 701951.0 701451.0 701451.0	Consutting Services  Safety and Environmental  Bentral Buildings (trailers)  Corbu (deformells in analysis)  284 Caustingency in Tower  TOTAL DRILENG - INTANSHILE	105,505 \$5,168 12,560 234,951 \$2,334,787
700,1,120 700 also 733,0002 7019510 704,6019	Consutting Services  Safety and Environmental  Bentral Buildings (trailers)  Corbu (deformells in analysis)  284 Caustingency in Tower  TOTAL DRILENG - INTANSHILE	105,505 39,148 12,550 22A,951 \$2,554,787 \$3,159,690
700,1220 700.000 783,0002 783,0002 793,910 793,9210 793,9210 793,9210 MARATHON OIL PERMANN LLC AUTHORITY FOR EXPENDITURE	Consulting Services  Selety and Environmental  Bental Religions (Trellers)  Cortin (Selenosis is analysis)  3% Cartingency is Town  TOTAL DRILLING COST  PERMANN	105,505 39,148 12,550 22A,951 \$2,554,787 \$3,159,690
TOUSLISS TOU AUGH TOU AUGH TROUGH TROUGH TROUGH TROUGH TROUGH TOU AUGH TOU AUGH AUTHORITY FOR CONSISTING DETAIL OF ESTRANTES WILL COSTS Aught Touch Touch The Touch Touch The Touch	Consulting Services  Safety and Environmental  Jentet Bubblerg Freilers  Octors (Gelevenils in analysis)  285 Gentragency in troop  TOTAL DRILLING COST  PERMIAN  Parpia Sage FORMATION: Wolfensey  Parpia Sage FORMATION: Wolfensey	105,505 39,148 12,550 22A,951 \$2,554,787 \$3,159,690
TOUSLISS TOU AMP TO SHEET TOU AMP TRANSCE TRUSSIS TRUSSIS TOUSES TOUSE TOUSES TOUSE TOUSES TOUSES TOUSES TOUSES TOUSES TOUSES TOUSES TOUSES TOUSE TOUSES TOUSE TOUSE TOUSES TOUSES TOUSES TOUSES TOUSES TOUSES TOUSES TOUSES TOUSES TOUSE	Consulting Services  Selety and Environmental  Bental Religions (Trellers)  Cortin (Selenosis is analysis)  3% Cartingency is Town  TOTAL DRILLING COST  PERMANN	105,505 39,148 12,550 22A,951 \$2,554,787 \$3,159,690
TOUSLISS TOU AUGH TOU AUGH TROUGH TROUGH TROUGH TROUGH TROUGH TOU AUGH TOU AUGH AUTHORITY FOR CONSISTING DETAIL OF ESTRANTES WILL COSTS Aught Touch Touch The Touch Touch The Touch	Consulting Services  Safety and Environmental  Jentet Bubblerg Frederick  Detter Geforenich in sustyckl  205 Gentregenery in treery  TOTAL DRILLING COST  PERMANA  Parpia Sage FORMATION: Wolfensey  Parpia Sage FORMATION: Wolfensey	105,505 39,148 12,550 22A,951 \$2,554,787 \$3,159,690
TOUSLIZES TOO LARGE TOO LA	Consulting Services  Jastry and Environmental  Jentral Bubblings (Irollens)  Dental Bubblings (Irollens)  Zerfan (Jedensells & nashyuk)  ZH Cantingancy & Tumer  TOTAL DRILLING COST  PERMAN  Paralla Saga FORMATION: Wolfcamp  Tragan Horne 35 WITY Fed Com 48  DESCRIPTION	105,505 39,148 12,550 22A,951 \$2,554,787 \$3,159,690
TOUSLISS TOUGHER TOUGHER TRANSCE TRESSIS TRUSSIS TRUSS	Consulting Services  Lister's and Environmental  Jentetal Buildings (Invillens)  Certing Edificionalis in sandynski  20% Carteringsensy in Transp  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMIAN  Purple Sage FORMATION: Wolfensys  Trojan Hone 33 WOY Fed Com 414  DESCRIPTION  Tabling	165,565 93,468 12,660 224,851 \$2,254,787 \$2,254,787 \$3,159,690 DATE 6/25/2022
TOURLISE TOU AUGH TOU AUGH TRANSCORE	Consulting Services  Lister's and Environmental  Jentet Buildings (Invillent)  Jentet Buildings (Invillent)  Cortin Eddowskii & navalyski  2th Cartengangs in Treers  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMIAN  Purple Sego FORMATION: Wolfensys  Trojan Hone 35 WOV Fed Com 414  DESCRIPTION  Tubing Accessories (objeke, whelios entry)  Methods (Suple)	165,565 93,468 12,660 224,851 \$2,254,787 \$2,254,787 \$3,159,690 DATE 6/25/2022
TOULIZED TOO slepe T33,00022 T93,930022 T93,9310022 T93,931002 T93,931002 T93,931002 T93,931002 MARATHON OIL PERMANN LLC AUTHORITY FOR EXPENDITURE DEPTAL OF ESTRANTED WELL COSTS Asset Town Field Lasses Scaliby COMPLETION - TANGIBLE GL CODE T93,2380 T93,2040	Consulting Services  Jackey and Environmental  Jental Reliability (Irollens)  Dental Reliability (Irollens)  Zerbing (Irollens)	165,565  \$5,168  12,560  284,851  \$2,354,787  \$3,159,690  DATE 6/23/2022
TOURLISE TOU AUGH TOU AUGH TRANSCORE	Consulting Services  Lister's and Environmental  Jentet Buildings (Invillent)  Jentet Buildings (Invillent)  Cortin Eddowskii & navalyski  2th Cartengangs in Treers  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMIAN  Purple Sego FORMATION: Wolfensys  Trojan Hone 35 WOV Fed Com 414  DESCRIPTION  Tubing Accessories (objeke, whelios entry)  Methods (Suple)	165,565  \$5,168  12,560  284,851  \$2,354,787  \$3,159,690  DATE 6/23/2022
TOURLISE TOURSE	Consulting Services  Listing and Environmental  Jentetal Buildings (Inniern)  Jentetal Buildings (Inniern)  Corting (Edwowlit in Australia)  20% Carteringseng in Tumor  YOTAL DRILLING COST  PERMANA  PERMANA  Perpla Saga ROBBANTON: Wolfcomp  Trojam Horne 35 WKY Fed Com 48  DESCRIPTION  Listing  Judicia: Competition Equipment  Judicia: Competition Equipment	165,565 93,468 12,560 12,560 224,851 \$2,254,767 \$2,154,7690  DATE 6/23/2022  ESTIMATED COST
TOUSLISS TOU AMP TOU AMP TOU AMP TOURS TOU	Consulting Services  Listing and Environmental  Jentet Beddings (millers)  Jentet Beddings (millers)  Jentet Beddings (millers)  Zert Germany  Zert Germany  Zert Germany  Zert Germany  Zert Germany  Zert Germany  TOTAL DRILLING COST   PERMAN  PERMAN  PERMAN  PERMAN  PERMAN  DESCRIPTION  Subine  DESCRIPTION  Subine  Triglen Horse SS WIXT Fed Com 4H  DESCRIPTION  Subine  Thibling Accessories bubgels, wireline entry)  Meditional Studie  Pachers - Georgelstion Equipment  TOTAL COMPLETION - TAMOSIBLE	165,505 93,484 12,560 12,560 224,851 \$2,254,767 \$2,159,690 DATE \$(25/2022)  ESTIMATED COST 15,800
TOUSLIZED TOU HEP TOU	Consulting Services  Listing and Environmental  Jentel Belddings (millern)  Corting (defensells in Australia)  2th Carteringsens in trees  YOTAL DRILLING COST  PERMAN  PERMAN  PERMAN  Perple Sage ROBBANION: Wolfersey  Trojan Horse 35 WKY Fed Com 48  DESCRIPTION  Listing  Thinks Accessories (playale, whedice entry)  Michael Sage  Trojan Completion Equipment  TOTAL COMPLETION - TAMOSIBLE  Location and Access idness location wither rig mass, and enchors)  Desting Rig During Completion  Location and Access idness location wither rig mass, and enchors)  Desting Rig During Completion	165,565 93,468 12,560 12,560 224,851 \$2,254,767 \$2,154,7690  DATE 6/23/2022  ESTIMATED COST
TOULIZE TOU AND TOU	Consulting Services  Safety and Environmental  Jentet Bubblerg Uniform  Jentet Bubblerg Uniform  Octon (Selecuted) is natural  20 General Selecuted in satural  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMIAN  Purple Sage PORMATION: Wolfcomp  Trudan Bone 35 WINT Fed Com 44  DESCRIPTION  Tabling Accessories (bageds, whetines entry)  Virolling Recessories (bageds, whetines entry)  Virolling Regular (Selecuted)  Jentet Completion (Selecuted)  Jentet Completion (Selecuted)  Deling Regular (Description of the rig mass, set enchors)  Deling Regular (Deresdetion bodd Regular Bereig mass, set enchors)  Deling Regular (Deresdetion bodd Regular Bereig mass, set enchors)  Deling Regular (Deresdetion bodd Regular Bereig mass, set enchors)  Deling Regular (Deresdetion bodd Pelanis Bereige)	\$15,505 \$13,465 \$13,465 \$12,560 \$24,851 \$2,254,787 \$2,254,787 \$3,159,690  DATE \$6/25/2022  ESTIMATED COST \$15,000 \$15,000
7004.129 700.000 700.000 700.000 703.0002 703.0002 703.0002 703.1002	Consulting Services  Safety and Environmental  Jentite Buildings (Invillens)  Jentite Buildings (Invillens)  Cotten (Selecuted) is naturally  20 Gent (Selecuted) is naturally  TOTAL DRILLING COST   TOTAL DRILLING COST  PERMIAN  Purple Sage PORSANTION: Wolficeney  Truden Bone 35 WINT Fed Com 44  DESCRIPTION  Tubling Recessories (Jalgade, whetine entry)  Windbard Building  Pechanic Completion (Selecuted)  Jentite Building  J	165,505 93,484 12,560 12,560 224,851 \$2,254,767 \$2,159,690 DATE \$(25/2022)  ESTIMATED COST 15,800
7004.120 700.000 783.0002	Consulting Services  Lister's and Environmental  Jentet Buildings (Invillent)  Jentet Buildings (Invillent)  Corting Editoroids in studyald  285 Central Services  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMAN  Perple Segs FORMATION: Wolfcamp  Trujan Bone 35 WIN' Fed Com 48  DESCRIPTION  **Listing  Tubing Accessories (belgele, wheling entry)  Wellberg Accessories (belgele, wheling entry)  Wellberg Accessories (belgele, wheling entry)  TOTAL COMPLETION - TAMOSIBLE  LOCATION - TA	\$15,505 \$13,465 \$13,465 \$12,560 \$24,851 \$2,254,787 \$2,254,787 \$3,159,690  DATE \$6/25/2022  ESTIMATED COST \$15,000 \$15,000
TOURLISTS TOURS TO	Consulting Services  Safety and Environmental  Bertiel Buildings Unifiers  Dertiel Buildings Unifiers  Corting Editorophic in safetyahl  20 Care Safetyahl  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMAN  Pariel Sage ROBMATION: Wolfersage  Trupin Sage Robmation Safety  DESCRIPTION  Safety  Safety  Description Completion Safety  Description Sage Safety  Location and Azzara (dress location other rig mass, set enchors)  Building Rig Dering Completion  Build Rights Sarvices  Control Tuning Safety Safety  Description Safety  Location and Azzara (dress location other rig mass, set enchors)  Desting Rig Dering Completion  Building Rage Media  Descriptions Units  Fall Regularies  Location and Azzara (dress location other rig mass, set enchors)  Desting Rig Dering Completion  Building Rage Media  Location and Azzara (dress location other rig mass, set enchors)  Desting Rig Dering Completion  Location and Azzara (dress location other rig mass, set enchors)  Desting Rig Dering Completion  Location and Azzara (dress location other rig mass, set enchors)  Desting Rig Dering Completion  Location and Azzara (dress location other rig mass, set enchors)  Location and Azzara (dress location other rig mass, set enchors)  Location and Azzara (dress location other rig mass, set enchors)  Location and Azzara (dress location other rig mass, set enchors)	\$15,505 \$13,465 \$13,465 \$12,560 \$24,851 \$2,254,787 \$2,254,787 \$3,159,690  DATE \$6/25/2022  ESTIMATED COST \$15,000 \$15,000
TOULIZE TOU AUG AUTHOURTY FOR COPENDITURE DETAL OF ESTMANTED WILL COSTS Asset Town Field Laman Recilly GLODE TOULSE TOU AUG TO	Consulting Services  Safety and Environmental  Institut Bubblegs (trailers)  Detting Bubblegs (trailers)  Cotten (delevenis is a sustyna)  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMIAN  Purple Sage ROBMATION: Wolfcomp  Trailer (trailers)  DESCRIPTION  Stabing  DesCRIPTION  Tabling Accessories (phigole, wheliase server)  Welfbood (faule)  Jackson Conception (sedigment)  TOTAL COMPLETION - TAMOSIBLE  Location and Access (dress location effer rig mass, set enchors)  Delling Ilig During Correctedion  Mod Platia Barrices  Control Tubing Correctedion  Mod Platia Barrices  Control Tubing Services II rund  Jestificial Services  Publing Plant Order  Control Tubing Services II rund  Control Tubing Services III rund  Control Tubing Services II rund  Control Tubing Ser	165,505 93,488 12,560 12,562 12,563,787 \$2,564,787 \$3,159,690 DATE 6/28/2022  ESTINATED COST 15,690 7,690 165,000 165,000
700.1210 700.000 783.0002 783.0002 783.0002 783.0002 783.1002 783.	Consulting Services  Safety and Environmental  Jentital Bubblegs (Invillens)  Jentital Bubblegs (Invillens)  Cotten (Selected) is a sustyable  20 Gartes (Selected) is a sustyable  20 Gartes (Selected) is a sustyable  TOTAL DRILLING COST   PEMMAN  Purple Sage PORMATION: Wolfcomp  Truden Hone 33 WINV Fed Corn 418  DESCRIPTION  Tabling  Tubing Accessories (blagele, whelice entry)  Vinformed Sage  Police (Selected)  Jentital Bubble  Jentital Bubble  Jentital Bubble  Location and Access (dress location effer rig mass, set enchors)  Drilling Rig During Cornselection  Mol Planta Services  Jentific Burble  Jentific Bervices  Jentific Bervices  Jentific Cornselection  Mol Planta Services  Jentific Burble  Jentific Burbl	165,505 93,468 12,560 12,560 224,851 \$2,254,767 \$2,159,690 DATE \$12,800 15,800 7,800 165,000
TOURLISE TOURSE	Consulting Services  Listing and Environmental  Jentel Buildings (Invited  Jentel Buildings (Invited  Jentel Buildings (Invited  Zet Cartingsens) in Invited  Zet Cartingsens in Invited  TOTAL DRILLING COST   PERMAN  PERMAN  PERMAN  PERMAN  PERMAN  PERMAN  PERMAN  Trojan Rone S SWXY Fed Corn 441  DESCRIPTION  Subins  Trojan Rone S SWXY Fed Corn 441  DESCRIPTION  Tubins, Accessories bulgels, wireline entry)  Mediting Rigo Dering Cornels  Description on Access places location effer rig mass, set enchors)  Desline Rigo Dering Cornels  Description Services  Description Services  Description Services  Description Services  Description Services  Jentel Market Services  Description Services  Jentel Market Services  Jentel Market Services  Description Services  Medit Testing Services (Services  Medit Testing Services (Services  Jentel Services (Services  Medit Testing Services  Jentel S	165,505 93,468 12,560 12,560 12,560 12,560  224,815 \$2,554,787  \$3,159,690  515,600  7,600  165,000  444,312 3,809,573 179,096
7004.129 700489 7330002 701489 7330002 7019510 7014810 7014810 7014810 7014810 FRANKATHON OIL PERMANY LLC AUTHORITY FOR EXPENDITURE FORTAL OF ESTIMATED WILL COSTS Ansat Town Field Assat Town Field COMPLETION - TANGIBLE GL COOR 7012580	Consulting Services  Safety and Environmental  Bettet Buildings Uniform  Dettet Dutilities Uniform  Dettet Dutilities Uniform  Dettet Dutilities Uniform  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMAN  Purple Sage ROBMATION: Workness  Topin Sage ROBMATION: Workness  Progen Form 35 WITH Fed Com 41  DESCRIPTION  Saless  District Accessories Subgels, wireline entry)  Melither Russes  Detter - Completion Environment  TOTAL COMPLETION - TAMOSPLE  Location and Access Schwes Boselson where is mass, set enchoral  Dettine I Rep During Completion  Dettine I Rep D	165,505 93,484 12,560 12,560 12,560 224,851 \$2,159,690  DATE \$(25/2022)  ESTIMATED COST 15,800 7,800 165,000 165,000 165,000 165,000 165,000
7004.120 700.000	Consulting Services  Safety and Environmental  Ingrital Buildings (trollers)  Detting Buildings (trollers)  Corting Geldersells is a sustypals  20 Carte (Geldersells is a sustypal)  20 Carte (Geldersells is a sustypal)  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMIAN  Paralla Sage PORMATION: Wolfcompy Troglan Horse 35 WIXT Feet Corn 44  DESCRIPTION  Stabing  Thinks Assessment in Judgel, with editor environ'  Thinks Assessment in Judgel, with editor environ'  Thinks Assessment in Judgel, with editor environ'  Total Comparison of the Comparison o	165,505 93,468 12,560 12,560 12,560 12,560  224,815 \$2,554,787  \$3,159,690  515,600  7,600  165,000  444,312 3,809,573 179,096
7001.129 700.109 701.009 701.009 701.009 701.009 701.0007	Consulting Services  Listric and Environmental  Jentital Bubblings (Invillent)  Jentital Bubblings (Invillent)  Cortina (Edecwish is Australia)  2th Carteringsens in Trimon  TOTAL DRILLING COST   TOTAL DRILLING COST   PERMAN  Purple Sage FORMATION: Wolfensey  Trojan Hone 33 WINT Fed Com 418  DESCRIPTION  Tubing Accessories (objecte, whetless entry)  Welffred Egals  Packers - Completion Espigment  TOTAL COMPLETION - TAMOSPLE   Location and Access lotness location where rig mass, set enchors)  Desling Rig During Considerion  Molf finals is Enrices  Joseph Lenna degl  Casing Creat Reference  Location and Access lotness location where rig mass, set enchors)  Desling Rig During Considerion  Molf finals is Enrices  Location and Access lotness  Desling Rig During Considerion  Molf finals Cons	165,505 93,468 12,560 12,560 12,560 12,560  224,815 \$2,554,787  \$3,159,690  515,600  7,600  165,000  444,312 3,809,573 179,096
7001.128 700.189 701.089 733.0002 701.089 733.0002 701.081 703.1002	Consulting Services  Listrie and Environmental  Jentel Buildings (Invillent)  Jentel Buildings (Invillent)  Cortin (Edewalds in Australia)  2th Carteringsers in Traver  TOTAL DRILLING COST   TOTAL DRILLING COST  PERMAN  Purilla Sege. FORBANTION: Wolfcomp  Trajan Hone 33 WOV Fed Com 414  DESCRIPTION  Listing  Tubing Accessories (objects, whether sig mass, set enchors)  Wellbridge (Invillent September 1)  DeSting Rig Dering Conspiction after rig mass, set enchors)  DeSting Rig Dering Conspiction for the right set of the set	165,505  93,481  12,560  224,881  52,564,787  \$3,159,690  DATE 6/28/2022  ESTIMATED COST  15,800  7,800  165,000  165,000  165,000  17,800  185,000
7001.120 700.000 700.000 700.000 700.000 700.0000	Consulting Services  Safety and Environmental  Jertital Bubblings (Invillens)  Jertital Bubblings (Invillens)  Jertital Bubblings (Invillens)  Corten (Selection) in Sandyald  285 Gantingsergs in Transp  TOTAL DRILLING COST  TOTAL DRILLING COST  PAMILIAN  Parplia Sage PORMATION: Wolfcomp  Traples Sage Pormation  Deling Ris During Cornelection  Molf Traples Sarvices Drump  Sage Pormation  Sage Pormation  Jerus Sage Por	185,505  83,483  12,560  234,883  52,564,787  \$3,159,690  DATE 6/28/2022  ESTIMATED COST  15,000  7,000  165,000  165,000  165,000  17
7001.120 700.100	Consulting Services  Safety and Environmental  Jertital Bubblings (Invillens)  Jertital Bubblings (Invillens)  Corten (Selecuted) is navigual  20 Gartestagency in Transp  TOTAL DRILLING COST   **PERMANA**  PURPLE Sage PORSANTION: Wolfscarpy  Trudan Bones 35 WINV Fed Com 44  **Perple Sage PORSANTION: Wolfscarpy  Trudan Bones 35 WINV Fed Com 44  **DeSCRIPTION**  Tabling Recessories (Jolgade, whetines entry)  Well-Bushes  Trotal, Combit Gaule  Jedes and Account (Invited Comments)  Jedes and Comments (Invited Comments)  Jedes and Services  Jedes (Invited Comments)  Jedes (In	185,505  B1488  12,560  234,851  \$2,564,787  \$2,564,787  \$3,159,690  165,000  165,000  165,000  17,000  22,5000  23,2566  232,866  40,000  75,500  125,000  17,500
7001.120 700.000	Consulting Services  Lister's and Environmental  Jentital Buildings (Invillent)  Jentital Buildings (Invillent)  Corten Editowski is in subsyald  2th Carteringsen; is Trimon  TOTAL DRILLING COST   **TOTAL DRILLING COST  **PERMAN  Parple Sage FORMATION: Wolfcamp  Trudin Bones 35 WINT Fed Com 418  **DESCRIPTION*  **Listing  Tubling Accessories (objecte, whetline entry)  Wellbridge (Invillent Services)  Packers - Completion Engineerin  Joseph Formation (Invillent Services)  Joseph For	105,505
7004.120 700.100 700.1	Consulting Services  Safety and Environmental  Ingrital Buildings Universal  Ingrital Buildings Universal  Detting Editorous in sustayas  Detting Editorous in Sustayas  TOTAL DRILLING COST  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMAN  Paralia Sage PORMATION: Wolfcompy Trugin Horse 35 WIXT Feet Com 44  DESCRIPTION  Stabing  DESCRIPTION  Stabing  Thinks Ascamories [brigate, wire diese entery]  Methodes finale  Licetion and Ascass (piness location after rig mass, set enchors)  Drilling IRS During Correlation  Mod Plains Bernders  Description  Description  Description  Description  Licetion and Licetion  Description  Des	105,505
7004.120 700.100 700.1	Consulting Services  Safety and Environmental  Institut Bubblings (trailers)  Dettitut Bubblings (trailers)  Corten (defensels) in sustypal  26 Cartestagency in trains  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMIAN  Purple Sage PORMATIONS: Wolfcomp  Trailers (Sage Pormations)  Trailers (Sage Pormations)  Trailers (Sage Pormations)  Location and Azzess (phress location effer rig mass, set enclose)  Dettitute (Sage Pormations)  Location and Azzess (phress location effer rig mass, set enclose)  Dettitute (Sage Pormations)  Location and Azzess (phress location effer rig mass, set enclose)  Dettitute (Sage Pormations)  Location and Azzess (phress location effer rig mass, set enclose)  Dettitute (Sage Pormations)  Locations (Sa	165,505  155,505  125,505  224,815  \$2,504,815  \$2,504,815  \$2,504,815  \$2,504,815  \$2,504,815  \$2,504,815  \$2,504,815  \$2,500  15,800
7001.120 700.100 700.1	Consulting Services  Lister's and Environmental  Jentet Buildings (Invillent)  Jentet Buildings (Invillent)  Certar (Edecwist) is navigable  2th Carteringsers in Transp  TOTAL DRILLING COST   PERMAN  PRIPA Sign FORMATION: Wolfersup  Trujan Hone 33 WIV/Fed Com 44  DESCRIPTION  Tubing Accessories (objecte, wheeling environment)  Jedestr - Completion (Septement  TOTAL COMPLETION - TAMOSPLE   Location and Access (dress location other rig mass, set enchors)  Melling Ling During Considerion  Jedestr - Completion (Septement  TOTAL COMPLETION - TAMOSPLE  Location and Access (dress location other rig mass, set enchors)  Jeding Ling During Considerion  Jeding Ling During Considerion  Location and Access (dress location other rig mass, set enchors)  Jeding Ling During Considerion  Location Completion (Septement  TOTAL COMPLETION - TAMOSPLE  Location Completion (Septement  Location Completion  Location  Location Completion  Location  Locat	105,505 93,481 12,560 12,54,851 52,554,767 \$3,159,690  DATE \$4725727  ESTIMATED COST 15,890 165,000 165,000 165,000 165,000 17,990 165,000 165,000 17,990 185,000 185,
7001.120 700.100 700.1	Consulting Services  Safety and Environmental  Institut Bubblings (trailers)  Dettitut Bubblings (trailers)  Corten (defensels) in sustypal  26 Cartestagency in trains  TOTAL DRILLING COST  TOTAL DRILLING COST  PERMIAN  Purple Sage PORMATIONS: Wolfcomp  Trailers (Sage Pormations)  Trailers (Sage Pormations)  Trailers (Sage Pormations)  Location and Azzess (phress location effer rig mass, set enclose)  Dettitute (Sage Pormations)  Location and Azzess (phress location effer rig mass, set enclose)  Dettitute (Sage Pormations)  Location and Azzess (phress location effer rig mass, set enclose)  Dettitute (Sage Pormations)  Location and Azzess (phress location effer rig mass, set enclose)  Dettitute (Sage Pormations)  Locations (Sa	105,505 93,481 12,560 12,54,851 52,554,767 \$3,159,690  DATE \$4725727  ESTIMATED COST 15,890 165,000 165,000 165,000 165,000 17,990 165,000 165,000 17,990 185,000 185,
7004.120 700.100 700.1	Consulting Services  Safety and Environmental  Jergital Bubblergs (Invillens)  Jergital Bubblergs (Invillens)  Corten (Selection) in Sandyald  28 Gantingsergs in Trimor  TOTAL DRILLING COST   TOTAL DRILLING COST  PAMAMA  Parpla Sage PORMATION: Wolfcomp  Truden Bone 35 WINV Fed Com 414  DESCRIPTION  Tabling  Tribling Accessories (Inlegde, whetines entry)  VinCheng Ragie  Tribling Accessories (Inlegde, whetines entry)  VinCheng Ragie  Total COMPLETION - TAMOSIBLE  JOSTIC Ragies  Josepherone Ragies  Jostic Ragies  Josepherone  Josepherone	165,505  155,505  155,505  124,815  12,500  224,815  \$2,254,787  \$2,254,782  \$3,159,690  DATE \$(725/2022)  155,000  165,000  165,000  17,000  185,0
7004.120 700.100 700.1	Consulting Services  Safety and Environmental  Jergital Bubblergs (Invillens)  Jergital Bubblergs (Invillens)  Corten (Selection) in Sandyald  28 Gantingsergs in Trimor  TOTAL DRILLING COST   TOTAL DRILLING COST  PAMAMA  Parpla Sage PORMATION: Wolfcomp  Truden Bone 35 WINV Fed Com 414  DESCRIPTION  Tabling  Tribling Accessories (Inlegde, whetines entry)  VinCheng Ragie  Tribling Accessories (Inlegde, whetines entry)  VinCheng Ragie  Total COMPLETION - TAMOSIBLE  JOSTIC Ragies  Josepherone Ragies  Jostic Ragies  Josepherone  Josepherone	185,565 83,484 12,560 23,481 12,560 24,481 52,354,787 \$3,159,690  DATE 6/29/2022  ESTIMATED COST 15,800 156,000 160,000 175,500 40,000 175,500 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000 155,000

SURFACE EQUIPMENT - TANGIBLE

7012950	Miss. Fining, Fittleys & Valves	216,484
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	126,508
7001110	Telecommunication equip (Telemetry)	
7012410	Line Pipe & Accessories	33,728
7013270	Miscellaneous Materials (containment pystem)	35,327
7008060	SCADA	11.113
7016180	Freight - truck	11,617
7001196	Contract Engineering	7,197
7012290	Metantry and Instrumentation	197,123
7012290	GRE Natarials	113,627
7012200	Gas Treating	-
7012200	Deliveration	
7012010	Compressor	13,378
7012250	Power	
7812419	Vepor Receiving Unit	-
7012440	Separator & other pressure vessels	186,907
7012500	Tároks	32,900
7012100	Heater Truster	97,237
7012640	Flare & Accessories	14,124
7000020	Eintrical Labor	63,890
7000010	Mechanical Labor	130,162
7012480	Rod Pumping unit & Fad	
7012180	Pumping Unit Engine	7.6
7012350	Electrical Power (electrical emperative construction costs)	25,882
	TOTAL SURFACE EQUIPMENT - TANGURLE	\$1,227,000
	TOTAL SURFACE EQUIPMENT COST	\$ 1,227,000
ARTIFICIAL LIFT		
7000030	Contract Labor	5,000
7001120	Consultant	4,000
7008230	Time Writing/Overhead	5,090
7012180	Artificial Lift Equipment	262,000
7012350	Materials & Supplies	2,000
7012550	Production Tree	5,000
7012580	Tubing	185,000
7016190	Treight	5,000
7018150	Rentals	6,020
7019130	KIII Fluid	2,000
7019220	Well Services & Rig	24,600
	TOTAL ARTIFICIAL LIFT	425,080
	TOTAL ARTIFICIAL LIFT COST	\$ 425,000
	SUMMARY OF ESTIMATED DRILLING WELL COS	TS TOTAL COST
	TOTAL LOCATION COST	\$ 168,000
	TOTAL DRILLING COST	\$ 3,159,690
	TOTAL COMPLETIONS COST	\$ 5,551,913
	TOTAL SURFACE EQUIPMENT COST	\$ 1,227,000
	TOTAL ARTIFICIAL LIFT COST	\$ 425,000
	GRAND TOTAL COST	\$10.531,602
EXTRA EXPENSE INSURANCE		
Operati — estima	t to be covered by Operator's Extra Expense Insurance and pay my proportion or has secured Extra Expense Insurance covering costs of well control, clean up and rednaing sed in Line team 0.180-0.185.	
. I sled	t to purchase my own well control insurance policy.	
N neither box is checked above, no	on-operating working interest owner elects to be covered by Operator's well control insurance	<u> </u>
Prepared by:	Oate:	
Company Approval:	Oate:	
Joint Owner Interest:	Amount: Sgenture:	

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

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

CASE NO. 23168 (Trojan Horse)

### **AFFIDAVIT**

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

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was sent under a notice letter mailed October 14, 2022, attached, and that proof of receipt is attached hereto. I also state that notice of hearing was published in the Carlsbad Current Argus on October 19, 2022, as reflected in the attached Affidavit of Publication.

Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 151 day of November, 2022 by Deana M.

Bennett.

STATE OF NEW MEXICO NOTARY PUBLIC Karlene Schuman Commission No. 1101248

February 27, 2025

My commission expires: 07-27-25

Notary Public

EXHIBIT
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Page 1

Page 1

Contilled Pro-Inet 1

8	ALB OCT 14 2022 110	Firm Mailing Rook IN-235933	Reference	Contents	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice	81363.0182. Notice
		Firm Maili		Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
				RR Fee	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
				Service Fee	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
	PS Form 3877	Type of Mailing: CERTIFIED MAIL 10/14/2022		Postage	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44
				Name, Street, City, State, Zip	LHAH Properties, L.L.C. 250 Jungle Road Palm Beach FL 33480	Rogers Resources LP 416 Manor Village Circle Midland TX 79707	Loftin Family Limited Partnership PO Box 624 Rankin TX 79778	The United States of America 301 Dinosaur Trail Santa Fe NM 87508	The State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	OXY USA INC. 5 Greenway Plaza Houston TX 77046	Joseph Wm. Foran 8340 Meadow Road Ste. 158 Dallas TX 75231	KMF LAND, LLC 1401 Lawrence Street, suite 1750 Denver CO 80202	FOUNDATION MINERALS, LLC PO Box 50820 Midland TX 79710	Post Oak Mavros II, LLC 34 S. Wynden Dr. Ste 210 Houston TX 77056	Sortida Resources, LLC P.O. Box 50820 Midland TX 79710	Oak Valley Mineral and Land, LP 4000 N. Big Spring St., #300 Midland TX 79705	OSPREY OIL AND GAS, LLC 2100 West Loop South, Suite 900 Houston TX 77027	MCCURDY ENERGY, LLC 2506 Sinclair Ave. Midland TX 79705	JSG ENERGY, LLC 6006 Medina Dr. Midland TX 79707
	uman rling Roehl Harris & Sisk P.A.	treet, Suite 1000 s NM 87102	naging:	USPS Article Number	9314 8699 0430 0100 5911 50	9314 8699 0430 0100 5911 67	9314 8699 0430 0100 5911 74	9314 8699 0430 0100 5911 81	9314 8699 0430 0100 5911 98	9314 8699 0430 0100 5912 04	9314 8699 0430 0100 5912 11	9314 8699 0430 0100 5912 28	9314 8699 0430 0100 5912 35	9314 8699 0430 0100 5912 42	9314 8699 0430 0100 5912 59	9314 8699 0430 0100 5912 66	9314 8699 0430 0100 5912 73	9314 8699 0430 0100 5912 80	9314 8699 0430 0100 5912 97
Rei	arlene Schi Modrall Spe	Managarda Sourth	naging:	Tine 11/	 /2/2022	2 4:04:1	ო 10 PM	4	٧٠	9	7	∞	6	10	11	12	13	14	15

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Page 2 of 49
Social Maiz Certified Prometing Page 2

## Type of Mailing: CERTIFIED MAIL 10/14/2022

rlene Schu drall Spen Fourth S	Modrall Sperling Rochl Harris & Sisk P.A. P.A. OAlbuquerque NM 87102		PS Form 3877 Type of Mailing: CERTIFIED MAIL, 10/14/2022				A18 U OCT 1 4 2022
Line	USPS Article Number	Name, Street, City, State, Zin	Doctores	Couries Pos	i aa	Firm Mailir	Firm Mailing Book ID: 235233 Reference
16	9314 8699 0430 0100 5913 03		\$1.44	\$4.00	\$2.00	\$0.00	Contents 81363.0182. Notice
17	9314 8699 0430 0100 5913 10	MAMIE LLC C/o Mary Margery Free 1300 Eldorado Parkway, Apt. 301 McKinney TX 75069	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
18	9314 8699 0430 0100 5913 27	John E. Casey and Annette I. Casey, Co-Trustees Of Casey Trust, c/o Kris Strotman 2706 W. Cuthbert, Suite B-203 Midland TX 79701	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
19	9314 8699 0430 0100 5913 34	Cimmaron Holdings, LLC C/O D. Steven Degenfelder PO Box 354 Casper WY 82602	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
20	9314 8699 0430 0100 5913 41	Brett K. Bracken 4605 Mockinbird Lane Midland TX 79707	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
21	9314 8699 0430 0100 5913 58	Devon Energy Production Company, LP West Sheridan Ave. Oklahoma City OK 73102	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
22	9314 8699 0430 0100 5913 65	Lawrence W. Robinette 9912 Silver Rock Way Denton TX 76207	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
23	9314 8699 0430 0100 5913 72	MRC DELAWARE RESOURES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
24	9314 8699 0430 0100 5913 89	MRC EXPLORERS RESOURES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
25	9314 8699 0430 0100 5913 96	MRC SPIRAL RESOURES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.44	\$4.00	\$2.00	\$0.00	81363.0182. Notice
			Totals: \$36.00	\$100.00 \$50.0 Grand Total:		\$0.00 \$186.00	
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9314869904300100591396	2022-10-14 10:42 AM	81363.0182.	MRC SPIRAL RESOLURES LLC		Della-	ì	1	STABLE SHIPE	Service Options	Mail Delivery Date
9314869904300100591389	2022-10-14 10:42 AM	81363.0182	MRC EXPLORERS BESOLIDES 115		Dallas	× i	75240	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 10:34 AM
9314869904300100591372	2022-10-14 10:42 AM	01353 0103	MADO DEL AVIGNOS PESOONES, LLC		Dallas	×	75240	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 10:34 AM
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0214060004200400504244	2022-10-14 10:42 AIM	\$1303,0182.	Devon Energy Production Company, LP		Oklahoma City	ŏ	73102	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-12 7-11 AM
9314869904900100291341	2022-10-14 10:42 AM	81363.0182.	Brett K. Bracken		Midland	¥	79707	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
2214862904200100291234	2022-10-14 10:42 AM	81363.0182.		C/O D. Steven Degenfelder	Casper	W	82602	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-19 9-43 AM
931486390430010059137/	2022-10-14 10:42 AM	81363.0182.	John E. Casey and Annette I. Casey, Co-Trustees	Of Casey Trust, c/o Kris Strotman	Midland	ř	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 2:47 PM
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2314863304300100381303	2022-10-14 10:42 AM	81363.0182.	C. FREE O&G LLC	C/O Caroline Free Bagot	Dallas	¥	75201	Undelivered	Return Receipt - Electronic, Certified Mail	
/5715C00T00C0005050	2022-10-14 10:42 AM	81363.0182.	JSG ENERGY, LLC		Midland	7	79707	Undelivered	Return Receipt - Electronic, Certified Mail	
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9314969904300100391273	2022-10-14 10:42 AM	81363.0182.	OSPREY OIL AND GAS, LLC		Houston	¥	77027	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
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3214405300430010053TT20	2022-10-14 10:42 AM	81363.0182.	LHAH Properties, L.L.C.		Palm Beach	냄	33480	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 3:13 PM

### Carlsbad Current Argus.

### Affidavit of Publication Ad # 0005452886 This is not an invoice

MODRALL SPERLING POBOX 2168

**ALBUQUERQUE, NM 87103** 

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:

10/19/2022

2022:

State of WI, County of Brown NOTARY PUBLIC

9/19/21

My commission expires

VICKY FELTY Notary Public State of Wisconsin

Ad # 0005452886 PO #: 23168 # of Affidavits1

This is not an invoice

CASE NO. 23168: Notice to all affected parties, as well as heirs and devisees of LHAH Properties, LLC; Rogers Resources LP; Loftin Family Limited Partnership; The United States of America; The State of New Mexico; Oxy USA, Inc.; Joseph Wm. Foran; KMF Land, LLC; Foundation Minerals, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Osprey Oil and Gas, LLC; McCurdy Energy, LLC; ISG Energy, LLC; C. Free O&G LLC, C/O Caroline Free Bagot; Mamie LLC, C/O Mary Margery Free; John E. Casey and Annette I. Casey, Co-Trustees of the Casey Trust c/o Kris Strotman; Cimarron Holdings, LLC, C/O D. Steven Degenfelder, Managing Member; Brett K. Bracken; Devon Energy Production Company, LP; Lawrence W. Robinette; MRC Delaware Resources, LLC; MRC Explorers Resources, LLC; MRC Spiral Resources, LLC; MRC Explorers Resources, LLC; MRC Spiral Resources, LLC of Marathon Oil Permian LLC's application 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 November 3, 2022 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at http://www.emnrd.state.nm.us/OCD/hearings.html. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 23 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the Trojan Horse 35 WXY Fed Com 2H and Trojan Horse 35 WXY Fed Com 4H wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the



October 14, 2022

Deana M. Bennett 505.848.1834 dmb@modrall.com

### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

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

**CASE NO. 23168** 

TO: AFFECTED PARTIES

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

Case No. 23168, Marathon seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, New Mexico.

The hearing will be conducted remotely on November 3, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="http://www.emnrd.state.nm.us/OCD/hearings.html">http://www.emnrd.state.nm.us/OCD/hearings.html</a>.

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 this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com Page 2

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. 23168

### **APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby applies to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests within a standard 640-acre, more or less, standard Wolfcamp horizontal spacing unit comprising the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Marathon states as follows:

- 1. Marathon has an interest in the subject lands and has a right to drill a well thereon.
- 2. Marathon seeks to dedicate the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico to form a standard 640-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Marathon plans to drill the **Trojan Horse 35 WXY Fed Com 2H** and **Trojan Horse 35 WXY Fed Com 4H** wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled.
- 4. These wells will be located within the PURPLE SAGE; WOLFCAMP (GAS) pool (Pool Code 98220), which is subject to special pool rules that establish 330 foot setback

Released to Imaging: 10/5/2022 10:21:09 AM Released to Imaging: 11/2/2022 4:04:10 PM requirements. See Order No. R-14262. The producing interval for the wells is expected to be orthodox and to comply with the Division's set back requirements set forth in Order No. R-14262.

- 5. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 6. The creation of a standard horizontal spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 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 W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico;
- B. Designating Marathon as the 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, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

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Page 3 of 4

Respectfully submitted,

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

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 Reveived by OCD: 10/4/2022 10:25:01 AM

Page 4 of 4

CASE NO. 23168 : 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 standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the W/2 of Section 35, Township 22 South, Range 28 East, and the W/2 of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the Trojan Horse 35 WXY Fed Com 2H and Trojan Horse 35 WXY Fed Com 4H wells, to be horizontally drilled. The producing area for these wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 4 miles north of Loving, 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. 23168** 

#### SELF AFFIRMED DECLARATION OF MATT BAKER

Matt Baker hereby states and declares as follows:

- 1. I am over the age of 18, I am a geologist for Marathon Oil Permian LLC, and have personal knowledge of the matters stated herein.
- 2. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
- 3. My area of responsibility at Marathon 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 area embracing Marathon's Trojan Horse 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 Trojan Horse development plan.
- 8. **Exhibit C.3** is structure map of the top of the Wolfcamp formation. The proposed project area is identified by a black-dashed box, and the proposed wells are identified by red lines.

EXHIBIT C

The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips to the east.

- 9. **Exhibit C.4** is a cross section reference map that identifies three wells in the vicinity of the proposed wells, 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 and the words "Producing Zone." In my opinion, the Upper Wolfcamp thins slightly from North to South.
- 11. Exhibit C.6 is a Gross Interval Isochore of the top of the Wolfcamp to WolfcampB. The Upper Wolfcamp thins slightly from North to South.
  - 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.
    - 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. The preferred well orientation in this area is either north/south or east/west. This is because the S<sub>Hmax</sub> is at approximately 45 degrees in mid-Eddy County. Marathon is proposing North/South orientation to maximize the lateral length given Marathon's acreage.
- 15. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

16. 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.

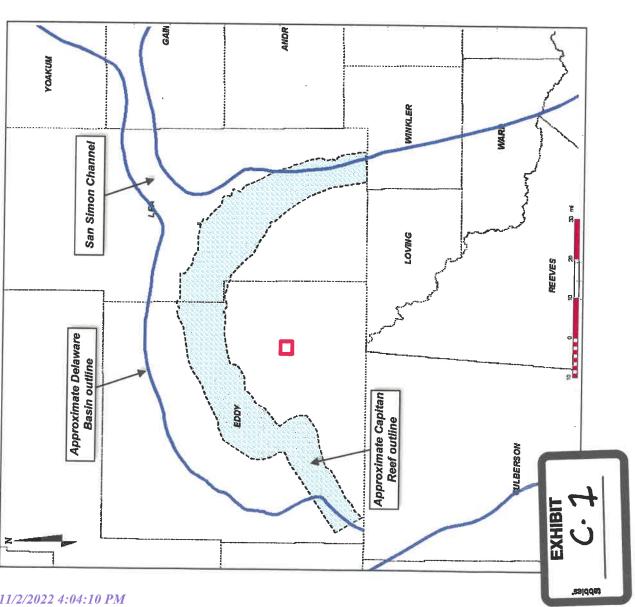
Dated: October 31, 2022

Matt Baker

Locator Map

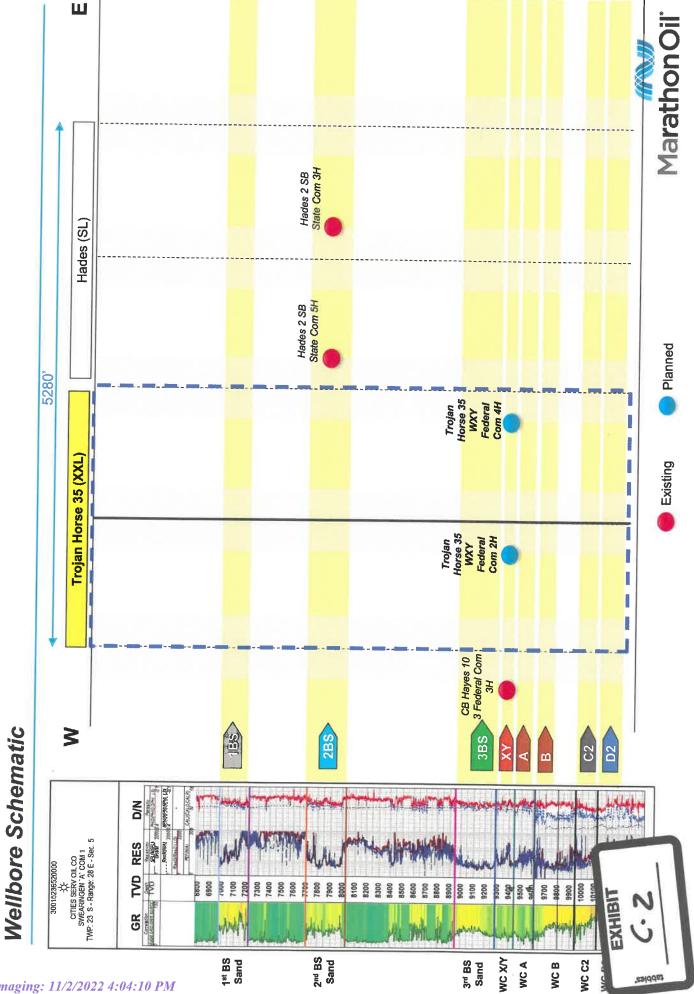


- locations shown with red box
- Located outside of the Capitan Reef Mid-eastern Eddy County





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Structure Map - Top of Wolfcamp (TVDSS)

-6630

26

-6511

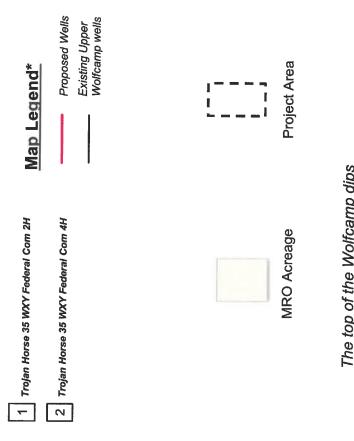
-6418

6400

34

-6379

-8447



The top of the Wolfcamp dips towards the east.

2099

-6477



C.I. = 25

1 mile

-6512

-6406

EXHIBIT

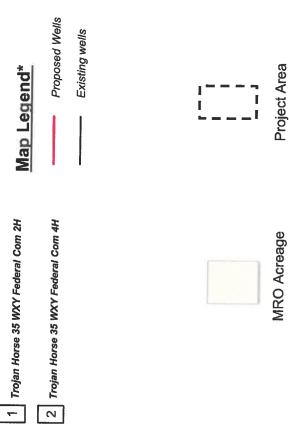
-6526

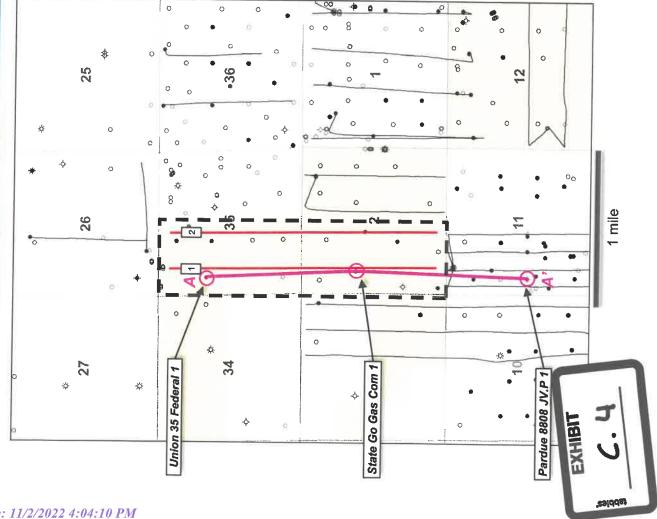
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MarathonOil

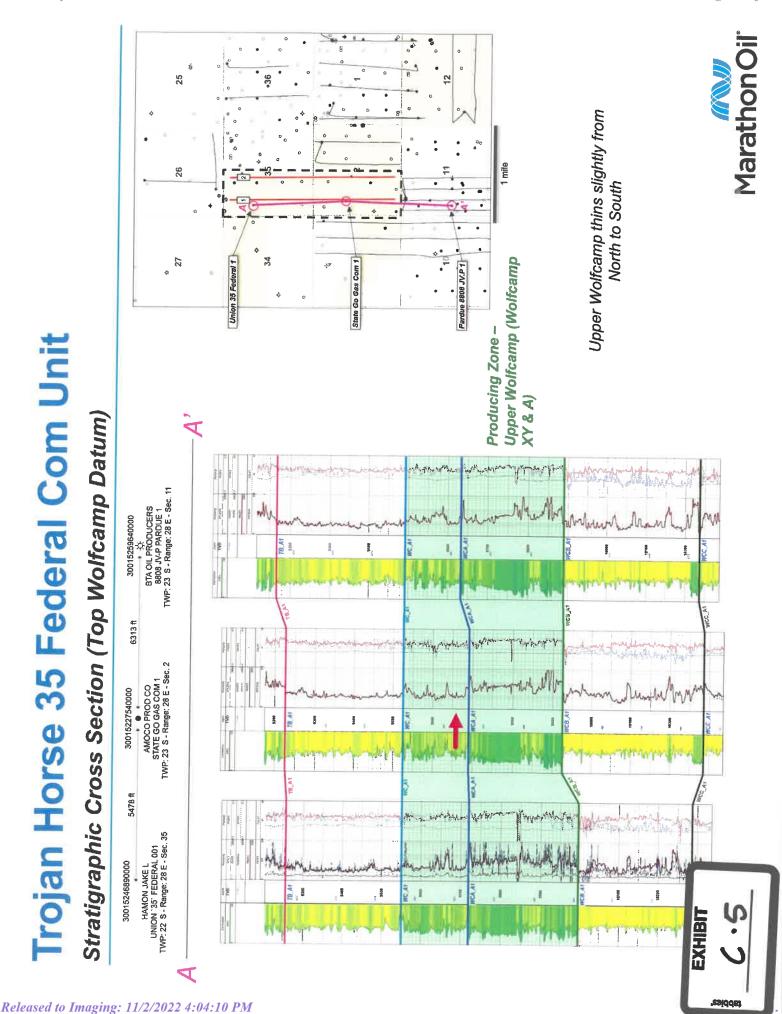
# Trojan Horse 35 Federal Com Unit

Reference Map for Cross Section



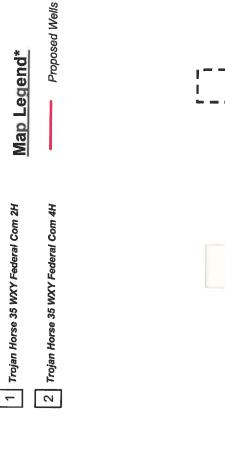


Stratigraphic Cross Section (Top Wolfcamp Datum)



Gross Interval Isochore - Top Wolfcamp to Top Wolfcamp B

522



409

423



Upper Wolfcamp thins slightly from North to South



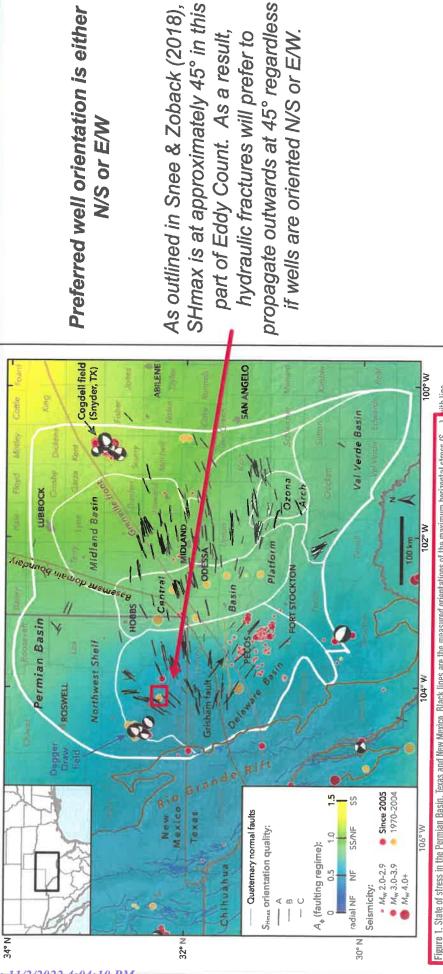
C.I. = 25

1 mile

EXHIBIT

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#### Preferred Well Orientation - SHmax



SHmax is at approximately 45° in this

hydraulic fractures will prefer to

part of Eddy Count. As a result,

if wells are oriented N/S or E/W.

As outlined in Snee & Zoback (2018),

Preferred well orientation is either

N/S or E/W

are from the Texas Bureau of Economic Geology Permian Basin Geological Synthesis Project. Earthquakes are from the USCS National Earthquake Information Center, the Quaternary Faults and Folds Database (Crone and Wheeler, 2000). The boundary between the Shawnee and Mazatzal basement domains is from Lund et al. (2015), and the Precambrian Grenville Front is from Thomas (2006). The Permian Basin boundary is from the U.S. Energy Information Administration, and the subbasin boundaries parameter (see text for details) of Simpson (1997). Blue lines are fault traces known to have experienced normal-sense offset within the past 1.5 Ma, from the USGS vith line Figure 1. State of stress in the Permian Basin, Texas and New Mexico. Black lines are the measured orientations of the maximum horizontal stress (S., lexNet Seismic Monitoring Program, and Gan and Frohlich (2013). Focal mechanisms are from Saint Louis University (Herrmann et al., 2011).

Source:

Snee, J.L. & M.D. Zoback, 2018, State of stress in the Permian Basin, Texas and Yew Mexico: Implications for induced seismicity: The Leading Edge, 810-819, EXHIBIT

https://doi.org/10.1190/tle37020810.1.



