Before the Oil Conservation Division Examiner Hearing November 3, 2022

Case No. 23168

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



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

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

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 Ea 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	Y		
Other Situations			
Depth Severance: Y/N. If yes, description	N		
Proximity Tracts: If yes, description	N		
Proximity Defining Well: if yes, description	N		
Applicant's Ownership in Each Tract	See Exhibit B-3 EXHIBIT		
Well(s)			

OCD Hearing 11-3-2 No. 23168

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status	Add wells as needed
(standard or non-standard)	
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)	20,201
•	SHL: 233 FSL & 1302' FWL (Unit m) Section 26, T-23-S R-28-E FTP: 2310' FWL & 330' FNL Section 35, T-22-S R-28-E BHL: 2310' 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	
Land Ownership Schematic of the Spacing Unit	See Exhibit B-3
Tract List (including lease numbers and owners)	See Exhibit B-3
Pooled Parties (including ownership type)	See Exhibit B-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above Hearing No. 23168) No. 23168	11-3-2

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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) Additional Information	See Exhibit C-5
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	Weamwoody //
Date: 11/1/2022	

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

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

CASE NO. 23168

SELF AFFIRMED DECLARATION OF CHASE RICE

Chase Rice hereby states and declares as follows:

- 1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC 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.

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- 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.

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- 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



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.

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 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.1
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

API Number

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

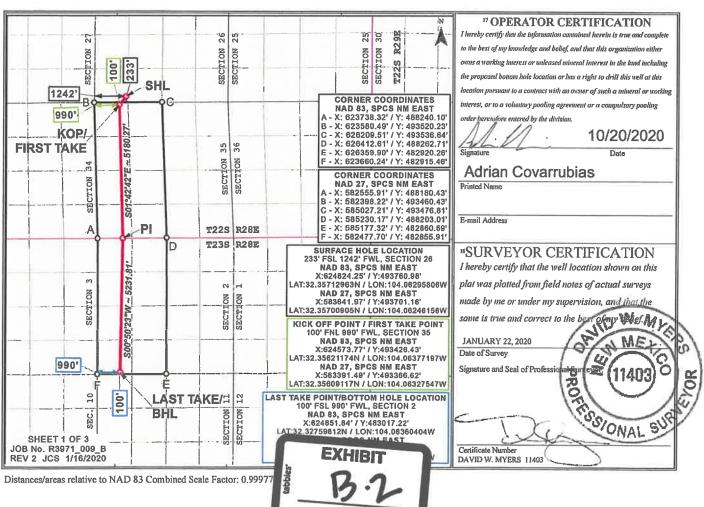
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	5-4970			98220		PURPLE	E SAGE; WC	LFCAMP (C	AS)
⁴ Property 333039	Code		,	ΓROJAN	⁵ Property I HORSE 35	Name WXY FED C	OM		Welt Number 2H
⁷ OGRID 37209			* Operator Name MARATHON OIL PERMIAN LLC					9 Elevation 3089'	
		[™] Surface Location							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West lin	e County
M	26	22S	28E		233	SOUTH	1242	WEST	EDDY

" Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/\Vest line M **23S** 28E 100 SOUTH 990 WEST **EDDY** 12 Dedicated Acres Joint or Infill Consolidation Code ¹⁵ Order 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.



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

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

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

■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

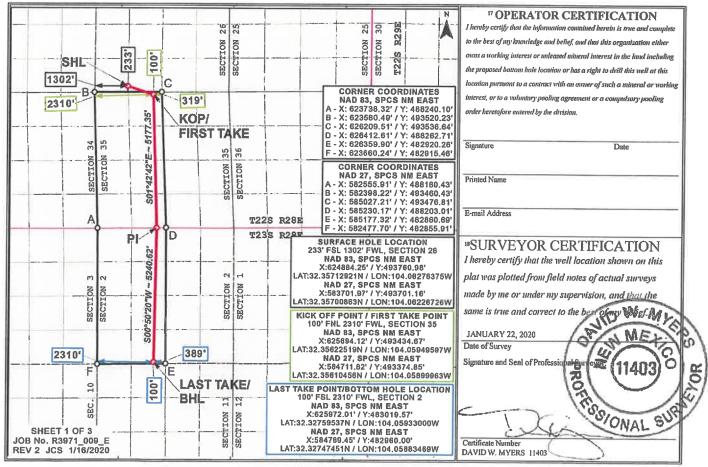
¹ AP1 Numbe	r	² Pool Code	³ Pool Name	
		98220	8220 PURPLE SAGE; WOLFCA	
⁴ Property Code			roperty Name E 35 WXY FED COM	⁶ Well Number 4H
⁷ ogrid no. 372098		-	nerator Name OIL PERMIAN LLC	⁹ Elevation 3090 ¹

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 1302 WEST **EDDY**

" Bottom Hole Location If Different From Surface

			טע	MOIII LION	ic Location ii	Different From	Dullace		
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		100	SOUTH	2310	WEST	EDDY
12 Dedicated Acres	13 Joint o	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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977431 Convergence: 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

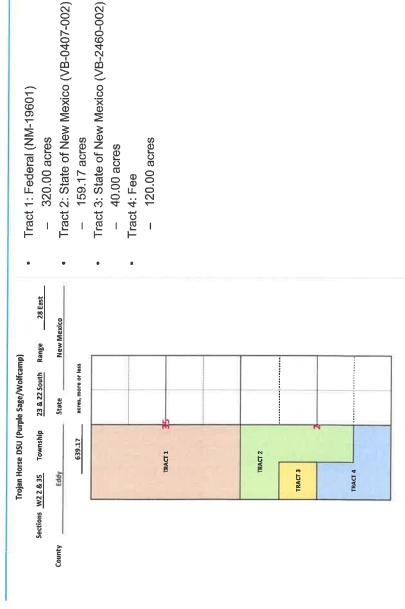






Exhibit "B.3" Summary of Interests Trojan Horse 35 WXY Fed Com 2H & 4H

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

97.233906% 97.233906% 2.766094% 1.915015% 0.425539% 0.425539% ORRI Owners:

OXY USA Inc.
Joseph Wm. Foran

KMF Land, LLC

Foundation Minerals, LLC

Post Oark Mavros II, LLC

Sortida Resources, LLC

Oark Valley Mineral and Land, LP

Osprey Oil and Gas, LLC

McDurdy Finery, LLC

C. Free O&C LLC

McDurdy Energy, LLC

McDurdy Energy, LLC

C. Free O&C LC

Mamie LLC

Mamie LLC

Sortides and Annette I. Casey, Co-Trustees of the Casey Trust

Brett K. Bracken

Robert C. Bracken Uncommitted Working Interest:

LHAH Properties, L.L.C.

Rogers*Resources LP

Loftin Family Limited Partnership Committed Working Interest:

Marathon Oil Permian LLC Rogers*Resources LP



Parties to Be Pooled

Uncommitted Working Interest: LHAH Properties, L.L.C. Rogers*Resources LP Loftin Family Limited Partnership

Joseph Wm. Foran ORRI: OXY USA Inc.

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 JSG Energy, LLC C. Free O&G LLC

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

Rogers*Resources LP Brett K. Bracken

MarathonOil

Exhibit "B.4" Summary of Contacts

W/2 of Section 35 T22S-R28E & W/2 Section 2 T23S-R28E: 639.17 acres Trojan Horse 35 WXY Fed Com 2H & 4H

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

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) interest owners.

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.

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

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:
Title:
Date:

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS	COMPLETION PRO FACILITIES PRO	CLATE 6/29/200 EPARED BY COUNT NELSON PARED BY KRISTEN DHAIN FARED BY HARSHA DISSANAYAKE PARED BY CRAIG PLANTE
Asset Team	PERMICAN	
Field Lessu/Facility	Purple Sage FORMATION: Wolfcom Trejan Horse BS WITY Fed Corn 2H DEVELOPMENT	EXPLORATION RECOMPLETION
Location Prospect	MALASA REPLOTATION	WORKDVER
Est Total Depth		8
LOCATION COST - INTANGIBLE		dion Dayss
LOCATION COST - INTANGIBLE		
GL CODE	DESCRIPTION	ESTIMATED COST
7001270 7001250	Location and Agams Land Broker Free and Services	100,50
	TOTAL LOCATION COST - INTANGIBLE	\$150,00
DRILLING COST - TANGIBLE	The same state of the same of	
DWITHUR COST - I VARGIBIE		
7001270	Conductor Pipe	28,440
7012050	Surface Casing 3	27,500 112,115
7012050 7012050	Intermediate Caring 2 Production Cening	549,999
7012050 7012550	Delty Liner Hamper, Tleback Sar & Cag Accessories Delling Wellhood Equipment	
7012040	Casing & Tubing Access	25,885
7290003	Miseralianeous MINO Motorials	5,200
	TOTAL DRILLING - TANGELE	\$804,90
DRILLING COST - INTANGIBLE		
7290002 7290002	Drilling Rig Mob/Domob Drilling Rig - skey work/footspe	105,759
7019040	Directional Oriting Services	602,884 171,881
7019020 7019020	Content and Committing Serv Surfaces Content and Committing Serv Intermediate 1	15,865 26,442
2019020 P019020	Coment and Comenting Serv Intermediate 2	
7019240	Carnett and Camerting Serv Production Must Fluids & Services	158,654 70,072
7012310 7012020	Solids Control aguignment	45,218
7019010	Casing Ottoy and Services	126,923
7016350	Fool (Mad)	77,872
7001460	Water (non petable)	3L731 26,442
7012358 7018000	Welston (postable)	5,298
7019150 7019150	Mod Lagging specutaming	14,636
7019310	Stabilizers, Hole Openers, Underronners (DM rentals) Cooling Inspection/closeling	37,019 15,865
7018110 7016188	Drill pipe/collar inspection services freight - truck	20,577 26,442
7001460 7001160	Water hauling and disposal (includes soft famping)	63,461
7001440	Contract Services - Dispuse/New Hearthous Waste Vacuator Trucks	10,577
7000030 7000010	Contract Labor - general Contract Labor - Operations	31,731
7901300	Contract Sevelote - Facilities	10,577
7018300 7019350	Well Services - Well Costrol Services Well Services - Well/Wellhead Services	22,476 10,577
7290003	Revtal Tools and Equipment (surface rentals)	12,560
7260001 7003110	Ric Conferent and Miss. Telecommunications Services	100,481 5,28s
7001120 7001400	Committing Services	105,505
	Safety and Environmental Rental Bulletings (trailers)	33,168
7330002		12,560
7019310 7011010	Coring (sidewells & nestysis)	
7019910	Coring (sidewwith & newlysis) 856 Contingency & Years	294,051
7019910	Coring (sidewells & nestysis)	
7019910	Coffing (deformalis) & passivated ESI Confiftinguency & Tomes TOTAL DRILLING - BYTANISIBLE	294,051 52,854,787
701910 7011010	Coring (sidewwith & newlysis) 856 Contingency & Years	294,051
7039310 7031010 7031010 MARRYTHON OR PERMIAN LLC AUTHORITY FOR EXPENDITURE	Coffing (deformalis) & passivated ESI Confiftinguency & Tomes TOTAL DRILLING - BYTANISIBLE	294,051 52,854,787
7019310 7011010 MARATHON OIL PERMIAN LLC	Coffing (deformalis) & passivated ESI Confiftinguency & Tomes TOTAL DRILLING - BYTANISIBLE	\$1,554,797 \$3,159,690
7038310 7031010 POSIGIO POSIGIO MARATHON OR PERMAN LLC AUTHORITY FOR EUPOPOPUTUR DETAIL OF ESTIMATED WELL COSTS Asset Team	Cofing (siderwells & poneyted) 282 Contrigence & Times TOTAL ORALING - RETANGAME TOTAL DRALLING COST	\$1,554,797 \$3,159,690
7038101 7031010 7031010 7031010 MARRATHOR OR PERMANN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WILL COSTS Asset Team Reid	Cofted, Selferwellis & ponsyladi 355 Centrigenery & Times TOTAL DRILLING - BETAMBRINE TOTAL DRILLING COST PERMAN Purple Sees FORMATION: Wolfermy	\$1,554,797 \$3,159,690
7038101 7031010 7031010 MARKSTHON OIL PERMANN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS Asset Team Pend Access/Feelitry	Cofing (siderwells & poneyted) 282 Contrigence & Times TOTAL ORALING - RETANGAME TOTAL DRALLING COST	\$1,554,797 \$3,159,690
7038101 7031010 7031010 7031010 MARRATHOR OR PERMANN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WILL COSTS Asset Team Reid	Cofted, Selferwellis & ponsyladi 355 Centrigenery & Times TOTAL DRILLING - BETAMBRINE TOTAL DRILLING COST PERMAN Purple Sees FORMATION: Wolfermy	\$1,554,797 \$3,159,690
7038310 7031010 PRINTED TO THE STANDAY OR PERSONNILL BARRATHON OR PERSONNILL AUTHORITY FOR EXPOSETURE FOR TOWN PRINTED TO THE STANDAY OR TOWN PRINTED TO THE STANDAY OR TOWN PRINTED TO THE STANDAY OR TOWN FOR THE STANDAY OR	Cofted, Selferwellis & ponsyladi 355 Centrigenery & Times TOTAL DRILLING - BETAMBRINE TOTAL DRILLING COST PERMAN Purple Sees FORMATION: Wolfermy	294,053. \$2,454,797 \$3,159,690 DATE 9/789/2022
7038101 7031010 7031010 MARRATHON OR PERMANN LIC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS Asset Team Pelid Losses/Recility COMPLETION - TANGIBLE	Cofted (Selforwellis & possibility) SEL CONTENT OF THE SELFORMENT	\$1,554,797 \$3,159,690
7038310 7031010 7031010 7031010 MARRATHON OR PERMANN LIC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WIRL COSTS Asset Team Peld Leases/Facility COMPLETION - TANGISLE 64 COOR 70313580 70323590 70323590 70323590	Cofted, Editorwellia, B. analysish 255 Centrigenery & Times TOTAL DRILLING - BETAMBRINE TOTAL DRILLING COST DESCRIPTION Table See FORMATION: Wordings Trojum Horse 35 WAY Fed Corn 2H DESCRIPTION Table See FORMATION: Wordings The See FORMATION: Wordings Trojum Horse 35 WAY Fed Corn 2H DESCRIPTION Table See FORMATION: Welling See FORMATION: Wording See FORMATION: Wordi	294,053. \$2,454,797 \$3,159,690 DATE 9/789/2022
7038810 7031010 7031010 MARATYON OR PERMAN LLC AUTHORITY FOR EXPONENTIALS DETRIL OF ESTIMATED WILL COSTS ARREST TOWN Flidd GOMEPLETION - TANGIBLE 64 COOR 7012369 7012369	Coffee (siderwells & nontyte) 28 Contriguence & Times TOTAL DRILLING - BETANGIBLE TOTAL DRILLING COST FERMAN Period Sees. FORMATION: Wolfersup Tropins Horse SS WAY Fed Com 281 DESCRIPTION Lights. Tabling. Accessories (nipole), whether entry)	\$3,159,690 BATE 6/78/7022 ESTIMATED COST
7038310 7031010 7031010 7031010 MARRATHON OR PERMANN LIC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WIRL COSTS Asset Team Peld Leases/Facility COMPLETION - TANGISLE 64 COOR 70313580 70323590 70323590 70323590	Cofted, Editorwellia, B. analysish 255 Centrigenery & Times TOTAL DRILLING - BETAMBRINE TOTAL DRILLING COST DESCRIPTION Table See FORMATION: Wordings Trojum Horse 35 WAY Fed Corn 2H DESCRIPTION Table See FORMATION: Wordings The See FORMATION: Wordings Trojum Horse 35 WAY Fed Corn 2H DESCRIPTION Table See FORMATION: Welling See FORMATION: Wording See FORMATION: Wordi	\$3,159,690 BATE 6/78/7022 ESTIMATED COST
7038310 7031010 7031010 7031010 MARRATHON OR PERMANN LIC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WIRL COSTS Asset Team Peld Leases/Facility COMPLETION - TANGISLE 64 COOR 70313580 70323590 70323590 70323590	Cofted, Entiremental A possibility SEX Contrigence A Times TOTAL DRILLING - PETAMERIE TOTAL DRILLING COST TOTAL DRILLING COST FERMAN Purple Sees. FORMATION: Wolframp Trojes Horse 33 WAY Fed Corn 2H DESCRIPTION Lightus. Tubbers Accessories (objet), witerline entry) Michigan Signing Pachers - Conspliction Septembers.	294,053. \$2,454,797 \$3,159,690 DATE 6/28/2022 ESTIMATED COST 15,000
7038310 7031010 7031010 7031010 MARRATHON OR PERMANN LIC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WIRL COSTS Asset Team Peld Leases/Facility COMPLETION - TANGISLE GL CODE 7031389 7031389 7031389 7031389 7031389 7031389 7031389 7031389	Cofted, Enderwelled, A possiphid, 25th Centringment & Times TOTAL DRILLING - BYTAMBRINE TOTAL DRILLING COST TOTAL DRILLING COST TOTAL DRILLING COST TOTAL DRILLING COST PERMANN Purple See: FORMATION: Wordingmy Trojus Horse 33 WAY Fed Corn 2H DESCRIPTION Lights Li	294,053. \$2,854,797 \$3,159,690 DATE 6/28/2022 ESTIMATED COST 15,000 \$15,000
703810 7031010 7031010 7031010 MARRATHON OR PERMANN LIC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS ABOUT TERM PRINT LOSSEN FOR L	Coffee (siderwells & nontrivial RE Confrigence & Times TOTAL DRILLING - PILANGERS TOTAL DRILLING COST PERMAN Purple Segs - ROBASTION: Wolfersop Trojan Horse SS WAY Fed Corn 2H DESCRIPTION Tables Accessories (ologia, visialine suriny) Michigan Segs - Consolidation Segments TOTAL COMPLETION: TANGERS TOTAL COMPLETION: TANGERS TOTAL COMPLETION: TANGERS Location and Access (dress location setter rig moves, pet anchors) Location and Access (dress location setter rig moves, pet anchors)	294,053. \$2,454,797 \$3,159,690 DATE 6/28/2022 ESTIMATED COST 15,000
POSSBID POSSBI	Coffee (siderwells & postyled) 285 Certification of Terms TOTAL DRILLING - PILLANGERS TOTAL DRILLING COST TOTAL DRILLING COST PERMAN Partial Seed Collection Perman Seed Collection Perman Seed Collection Perman Seed Collection Trailing Cost DESCRIPTION Taking Technical Seed Collection Total Completion Engigeness TOTAL COMPLETION - TANGENE Jocation and Access (thress locations after rig renys, pet anchors) Drilling Rig During Completion Jocation and Access (thress locations after rig renys, pet anchors) Drilling Rig During Completion Jocation & Services	294.053. \$2.854,797 \$3.3159,690 DATE 6/78/7022 ESTIMATED COST
7038810 7031010 7031010 MARRATHON OR PERMAN LLC AUTHORITY FOR EXPENSIVES DETAIL OF ESTIMATED WELL COSTS Ancet Team Pelid Learne Feelitry COMPLETION - TANGIBLE GL CODE 703380 703380 703380 7032800 7032800 703380 703380 703380 703380 703380 703380 703380 703380 703380 703380 703380 703380 703380 703380 703380 703380 703380	Coffee (siderwells & postyled) 285 Centrigence & Times TOTAL DRILLING - BYLANGIBLE TOTAL DRILLING COST TOTAL DRILLING COST TOTAL DRILLING COST PERMAN Partin Sees RORMATION: Worldcomp Purplin Sees RORMATION: Worldcomp Purplin Horse SS WAY Feel Carn 24 DESCRIPTION Taking.	294,053. \$2,854,797 \$3,159,690 DATE 6/28/2022 ESTIMATED COST 15,000 \$15,000
7038101 7031010 7031010 MARATHOR OR PERMAN LIC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS Annot Team Pelid Losse Facility COMPLETION - TANGIBLE 64 CODE 7031380 7031380 7031380 7031380 7031380 COMPLETION - INTANGIBLE FROM THE PROPERTY OF THE PERMAN LIC PROPERTY OF THE PE	Coffee (siderwells & nontyte) 28 Contriguence A Times TOTAL DRILLING - BETANSIANE TOTAL DRILLING COST PERMAN Persis Sees FORMATION: Worksomp Trojen Horse SS WAY Fed Corn 284 DESCRIPTION Liebing Accessories (ningle, wisetine entry) Wolfland lignin Thebric Accessories (ningle, wisetine entry) Wolfland lignin Thebric Accessories (ningle, wisetine entry) Molfland lignin Thebric Accessories (ningle, wisetine entry) Molfland lignin Thebric Accessories (ningle, wisetine entry) Molfland lignin Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry) Location and Access (forces location ofter rig mores, pet enthry)	234.053 \$2.454,797 \$3,159,690 DATE 6/78/7022 ESTIMATED COST 15,600
7038810 7031010 POSIGIO POSIGIO BARRATHON OR PERBRAN LLC ANTHONY FOR EXPONENTIAL CHARLES AND THE STRINGATED WILL COSTS ARREY TENN FRIEI GL COOR 703100 703100 703100 COMPLETION - TANGIBLE GL COOR 703100 703100 703100 COMPLETION - INTANGIBLE PROBLET PROBLET	Coffee (siderwells & non-trick) PECENTIFICATION PETALORALING - PETANOSINE TOTAL DRILLING COST PERMAN Purple Sees. FORMATION: Worldsupp Trojen Horse 38 WOY Fed Corn 281 DESCRIPTION Tabling. Tabling. DESCRIPTION Tabling. DESCRIPTION Tabling. Description Equipment TOTAL COMPLETION - TAMERINE Location and Access (dress location after rig move, jet enchors). Defining Reviews (I reven). Defining Reviews (I reven). Defining Reviews (I reven). Description Equipment Location and Access (dress location after rig move, jet enchors). Defining Reviews (I reven). Defining Reviews (I reven). Defining Reviews (I reven). Description (I reven)	294.053. \$2,854,797 \$3,159,690 DATE 6/78/7022 ESTIMATED COST
POSSBID POS	Coffee (sinformella & pontyte) 285 Centrigenery & Times TOTAL DRILLING - PILANGERE TOTAL DRILLING COST PERMAN Purple See IONMATION: Wolfermy Trojan Horse SS WAY Fed Corn 281 DESCRIPTION Talkina. Talkina. Talkina. DESCRIPTION Talkina. Talki	294,053 \$3,159,690 DATE 9/78/7022 ESTIMATED COST 15,000 7,000 285,000
703810 7031010 7031010 7031010 7031010 MARATHON OR PERMAN LIC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS ABORT TEAM (LOSSE FACILITY) COMPLETION - TANGIBLE (CORE 7031880 7031890	Coffee (sinformella & nontrola) PRI CARRIPATION - PETANGENE TOTAL DRILLING COST FERMINA Purple See FORMATION: Worksump Trojan Horse 35 WAY Fed Corn 2H DESCRIPTION Liebius. T-bibus, Accessories (objects, wiresines sortry) Wellhard Sayle Peters - Completion Equipment Total COMPLETION - TANGENE Location and Access (dees location after rig reves, pet anchors) Defiling the During Completion Equipment TOTAL COMPLETION - TANGENE Location and Access (dees location after rig reves, pet anchors) Defiling the During Completion Josephina Reviews II avail Jambien, Bervies Child Training Sorvices II avail Jambien, Bervies Desta Completion Completion And Completion Completion Jambien, Bervies Desta Completion Com	294,053. \$3,159,690 DATE 9/78/7022 ESTIMATED COST 15,000 7,000 285,000 485,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000
7038810 7031010 POSIGIO POSIGIO MARATHON OR PERMAN LLC AUTHORITY FOR EXPONENTIALS DETRAL OF ESTIMANTED WILL COSTS ARMEN Team Fluid GENERATED GL CODE 7031580 7031580 7031580 7031580 POSISSO POSIS	Coffee (siderwells & nontyte) PERMANN TOTAL DRILLING - BETANSIBLE TOTAL DRILLING COST FERMANN Purple See FORMATION: Worksump Trojan Horse SS WAY Fed Corn 2H DESCRIPTION Turbins Trojan Horse SS WAY Fed Corn 2H DESCRIPTION Turbins Turbins (Description Equipment Fed Corn 2H Turbins (Description Equipment Fed Corn 2H Location and Access (dess location offer rig rever, pet enclose) Dotting Right During Corn (Description Equipment Fed Corn 2H Location and Access (dess location offer rig rever, pet enclose) Dotting Right During Company Location and Access (dess location offer rig rever, pet enclose) Dotting Right During Company Location and Access (dess location offer rig rever, pet enclose) Dotting Right Services (I med) Location and Committee (I med) Location Corn and Services Control and Committee Ecologies Access (General County Corn and Cor	294.053 \$2,155,690 \$3,159,690 DATE 6/78/7022 ESTIMATED COST 15,000 7,000 188,000 49,001 49,001 188,000 188,000 198,000 198,000 198,000 198,000 198,000
POSSESS POSSES	Coffee (siderwells & nontriol	294.053. \$2.454.797 \$3,159,690 DATE 9/789/2022 ESTIMATED COST 155.000
POSSBID POSSBID POSSBID POSSBID POSSBID MARRATHON OR PERMAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS ABOUT CARM PHIL COMPLETION - TANGIBLE GL CODE TOLISMO TOLISMO TOLISMO TOLISMO POSSBID POSSBID TOLISMO TOLI	Coffee (sinformella & postpole) 250 Centragemen & Times TOTAL DRILLING - BYLANGERE TOTAL DRILLING COST TOTAL DRILLING COST PERMAN Portal See Consideration DESCRIPTION Tables DESCRIPTION Tables DESCRIPTION Tables DESCRIPTION Tables Tables Totales Description Technical Completed (single), winestines entry) Technical See Completed (single) Technical See Completed (single) Totales Description Totales Totales Totales Totales Totales Totales Location and Access (does location after rig move, pet anchors) Defiling rig During Completion July Elevies Full Service Collect Tables Services (Townsell Completed Totales To	294.053 \$2,155,690 \$3,159,690 DATE 6/78/7022 ESTIMATED COST 15,000 7,000 188,000 49,001 49,001 188,000 188,000 198,000 198,000 198,000 198,000 198,000
7038810 7031010 MARATHON OR PERMAN LIC AUTHORITY FOR EXPENSIVE DETAIL OF ESTIMATED WELL COSTS ABOUT COMPLETION - TANGIBLE GL CODE 703380 703380 703380 703380 703380 703380 703380 703800 703880	Coffee (siderwells & nonlytic) PERMAN PET CATE OR PETAMERIE TOTAL DRILLING COST PETAMEN Perpla Sees. FORMATION: Worksamp Trojan Horse 35 WAY Fed Com 2H DESCRIPTION Labita. Tabilia. Tabi	234.053 \$2.454.797 \$3,159,690 DATE 9/789/2022 ESTIMATED COST 15.000 7,000 255,000 255,000 464,322 3,695,473 127,090 1
POSSBID POSSBI	Coffee (Information & non-trivial REC Contrigence & Times TOTAL DRILLING - PETANISHEE TOTAL DRILLING COST PERMAN Purple See: FORMATION: Worldness Tropic Horse SS WOY Fed Corn 2H DESCRIPTION Judicia. Tubbins. Accessories Integrity, whether entry Wolfmand Sayde Pretent - congeletion Equipment TOTAL COMPLETION - TANGENE Location and Access (dress location after rig renne, pet enchors) Deliting Rep During Completion Location and Access (dress location after rig renne, pet enchors) Deliting Rep Louring Completion Location and Access (dress location after rig renne, pet enchors) Deliting Rep Louring Completion Location and Access (dress location after rig renne, pet enchors) Deliting Rep Louring Completion Location and Access (dress location after rig renne, pet enchors) Deliting Rep Louring Completion Location and Access (dress location after rig renne, pet enchors) Location and Access (dress location after rig renne, pet enchors) Control and General and General Rennes Well Territy Services Well Territy Services Well Territy Services Velocity Services Velo	294.053 \$2,454,797 \$3,159,690 DATE 9/789/2022 ESTIMATED COST 15,000 215,000 251
POSSBID POSSBI	Coffee (siderwells & nontrivial RE Centrigeners & Times TOTAL DRILLING - PILANGERE TOTAL DRILLING COST PERMAN Purple Edge _ FORMATTON: World-surp Trojan Horse SS WAY Fed Corn 2H DESCRIPTON Tabilitis _ Description (single), witestines entry) MORBand Sirvie Probert - Conspiction (spelpment TOTAL COMPLETION - TAMESSEE Location und Accesse (dress locations after rig mores, pet enchors) Delling rig During Completion Juing Horse & Services Collect Tability Encircles Tames _ Services _ Description Description _ Description Description	294.053. \$2,454,797 \$3,159,690 DATE 9/789/2022 ESTIMATED COST 155.000
7038810 7031010 7031010 P031010 BARRATHON OR PERBRAN LLC AUTHORITY FOR EXPONENTIALS DETRIL OF ESTIMATED WELL COSTS ARREST TOWN FINAL FOR THE POST OF THE POST	Coffee (siderwells & nontyte) PERMANN TOTAL ORILLING - SETANGERS TOTAL ORILLING COST FERMANN Purple See FORMATION: Wolferump Trojan Horse SS WAY Fed Com 2H DESCRIPTION Labina Trojan Horse SS WAY Fed Com 2H DESCRIPTION Labina Trojan Horse SS WAY Fed Com 2H DESCRIPTION Labina Trojan Horse SS WAY Fed Com 2H Technology Completion Equipment Trojan Horse SS WAY Fed Com 2H Location and Access (dees location offer rig reave, pet sectors) Dottiller Rig During Equipment TOTAL COMPLETION - TANGERSE Location and Access (dees location offer rig reave, pet sectors) Dottiller Rig During Equipment Location and Access (dees location offer rig reave, pet sectors) Dottiller Rig During Equipment Location and Committee Sectors Collect Tailing Sectors III smell Location and Committee Sectors Collect Tailing Sectors III smell Location and Committee Sectors Collect Tailing Sectors III smell Location and Committee Sectors Location and C	234.053 52.454.797 \$3,159,690 BATE 6/78/7022 ESTIMATED COST 15,600 7,600 483,000 494,322 342,244 49,000 25,000 25,000 25,000 17,500
703810 7031010 7031010 7031010 MARATHON OR PERMAN ILC ANTHORY FOR EXPONENTIALS COTTAL OF ESTIMATED WILL COSTS ARMY TOWN FINISH FINISH GOVERNMENT OF TAMBIBLE GL COOR 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031380 7031800	Coffee (sinformella & nontrola) REC CONTRESSENCE OF TIMES TOTAL ORALING - RETANDAME TOTAL ORALING - RETANDAME TOTAL ORALING - RETANDAME TOTAL ORALING - RETANDAME PERMAN Purple Sees - SORMATION: Worldsump Trojan Home SS MAY Fed Corn 281 DESCRIPTION Linking Tubing Accessories (nlopple, wiselines entry) Wolfmand liquin Theber - Completion Engigmann TOTAL COMPLETION - TANGERIE Location and Access (dress location offer rig mores, and enchors) Delta tip During Commistion Location and Access (dress location offer rig mores, and enchors) Delta tip During Commistion Location and Access (dress location offer rig mores, and enchors) Delta tip During Commistion Location and Access (dress location offer rig mores, and enchors) Delta tip During Commistion Location and Access (dress location offer rig mores, and enchors) Delta tip During Commistion Location and Access (dress location offer rig mores, and enchors) Delta tip During Commistion Location and Access (dress location offer rig mores, and enchors) Location and Commission (accessed to the complete of the Commission of the C	234.053 \$2.454,797 \$3,159,690 DATE 6/78/7022 ESTRIMATED COST 155,000 7,000 488,000 488,000 123,254 49,000 25,000 181,002 181,002 183,000 181,002
703810 7031010 7031010 7031010 BARRATHON OR PERBRAM LLC ANTHORITY FOR EXPONENTIALS COTTAL OF ESTIMATED WILL COSTS ARREY TWEN FINITE GLE COMPLETION - TANGIBLE GLE COOR 703100	Coffee (sinformella & nontriol) PERMANN TOTAL DRILLING - PETANISHEE TOTAL DRILLING COST PERMANN Purple Sees - Fotbhatton: Worksomp Trojen Horse 35 MOV Fed Corn 264 DESCRIPTION Linking Trojen Horse 35 MOV Fed Corn 264 DESCRIPTION Linking Tubing Accessories (plupple, whether entry) Wellband liquid Theiring Trojen Horse 35 MOV Fed Corn 264 DESCRIPTION Linking Tubing Company Total Company Total Company Total Company Total Company Linking Linking Linking Linking Linking Total Company Total Company Total Company Linking	294.053. \$2,155,797 \$3,159,690 DATE 9/78/7022 ESTIMATED COST \$15,000 7,000 185,000 185,000 185,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 486,000 25,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000
POSSELID POS	Coffee (siderwells & nonlytic) PERMAN PET CATE OR PETAMERIES TOTAL DRILLING COST PETAMEN Perpla Sees. FORMATION: Workings Trojan Horse 35 WAY Fed Com 2H DESCRIPTION Labita. Tabilita. Tabi	294.053 \$3,159,690 \$3,159,690 DATE 6/78/2022 ESTIMATED COST 15,800 7,800 488,7073 125,090 823,844 40,000 78,500 148,100 148,000
703810 7031010 7031010 7031010 7031010 MARRATHON OR PERMANN LLC AUTHORITY FOR EXPENSIVES DETAIL OF ESTIMATED WILL COSTS ABORT SARE GU COOR 7031300 7033000 7033000	Coffee (sinformella & nontriol) PERMANN TOTAL DRILLING - PETANISHEE TOTAL DRILLING COST PERMANN Purple Sees - Fotbhatton: Worksomp Trojen Horse 35 MOV Fed Corn 264 DESCRIPTION Linking Trojen Horse 35 MOV Fed Corn 264 DESCRIPTION Linking Tubing Accessories (plupple, whether entry) Wellband liquid Theiring Trojen Horse 35 MOV Fed Corn 264 DESCRIPTION Linking Tubing Company Total Company Total Company Total Company Total Company Linking Linking Linking Linking Linking Total Company Total Company Total Company Linking	294.053. \$2,155,797 \$3,159,690 DATE 9/78/7022 ESTIMATED COST \$15,000 7,000 185,000 185,000 185,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 25,000 486,000 25,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000 486,000
POSSESSIO POSSES	Coffee (Information & non-trivial PRICAMPS per LANGE PRICAMENTS TOTAL DRILLING - PRICAMENTS TOTAL DRILLING COST PERMAN Purple Sees. FORMATION: Worldsup Trojen Horse 38 WOY Fed Corn 281 DESCRIPTION Tablete. Ta	294.053. \$2.454.707 \$3,159,690 DATE 9/789/2022 ESTIMATED COST 15.000
POSSESSIO POSSES	Coffee (siderwells & nontrivial REC Confergrapes & Times TOTAL DRILLING - PETANGERIE TOTAL DRILLING COST PERMAN Purple Edge. SORMATTON: World-surp Trojun Horse SS WAY Fed Corn 2H DESCRIPTON Tabilitis. DESCRIPTON Tabilitis. T	294.053 \$3,159,690 \$3,159,690 DATE 6/78/2022 ESTIMATED COST 15,800 7,800 488,7073 125,090 823,844 40,000 78,500 148,100 148,000
7038810 7031010 P031010 P031010 BMARATHON OR PERBRAN LLC AUTHORITY FOR EXPONENTIALS DETTAL OF ESTIMATED WELL COSTS ARREST SEMIN PRINCIPLE GL COOP 7031580 7031580 7031580 7031580 7031580 P031580 P031590 P031580	Coffee (siderwells & nontrivial REC Confergrapes & Times TOTAL DRILLING - PETANGERIE TOTAL DRILLING COST PERMAN Purple Edge. SORMATTON: World-surp Trojun Horse SS WAY Fed Corn 2H DESCRIPTON Tabilitis. DESCRIPTON Tabilitis. T	294.053 \$2,155,690 \$3,155,690 DATE 6/78/7022 ESTIMATED COST 15,000
7038810 7031010 P031010 P031010 BMARATHON OR PERBRAN LLC AUTHORITY FOR EXPONENTIALS DETTAL OF ESTIMATED WELL COSTS ARREST SEMIN PRINCIPLE GL COOP 7031580 7031580 7031580 7031580 7031580 P031580 P031590 P031580	Coffee (siderwells & nonlytic) PERMANN TOTAL ORILLING - BETANDRIBLE TOTAL DRILLING COST FERMANN Purple See Forman - Comment - Comme	294.053. \$2.454.707 \$3,159,690 DATE 9/789/2022 ESTIMATED COST 15.000



SURFACE EQUIPMENT - TANGIBLE

701390-701390-700660-7900600-7900600-7900600-7900310-701390-7010000-701390-701390-701390-701390-701390-701390-701390-701390-7010	Miller, Flysin, Fifthian & Valvers Gampanes Jahor & Bureloses Contract Leber - General Telecomonisation equip (Telemetry) Line Flye & Accessories	116,484
70003180 70023180 7032418 7032270 7000000 7013100 7013290	Contract Labor - General Telecommunication equip (Telemetry) Line Pipe G Accessories	
7032430 7032270 7008060 7034380 700189 7032280	Telecommunication equip (Telemetry)	
7012270 7008060 7016180 700189 7012290	Line Pipe & Accessories	
700060 7016180 7001190 7012290		11,723
7016180 7001180 7012290	Miscellaneous Materials (containment system)	15,127
7001180 7012290	SCADA	11,113
7012290	Freight-track	11,617
	Contract Engineering	7,117
	Nietwing and Instrumentation	197,123
	IRE Materials	115,627
703.2200	Sax Treating	
701,2200	Debydistion	
7012010	Compressor	11,378
7012350	Power	
7812610	Yapar Receivery Unit	
7012440	Separator & other pressure vessels	186,907
7012500	Tanks	32,900
7012100	Houser Treater	97,237
7012640	Flare & Accessories	14,124
7000010	Electrical Luleov	03,890
7000010	Interhenical Later	138,162
7012480	Rod Pumping onlt IIs Pad	
7012180	Pumping Unit Engine	
7012950	Electrical Power (electrical cooperative construction costs)	25,882
TO	STAL SURFACE EQUIPMENT - TANGIBLE	\$1,227,000
TO	OTAL SURFACE EQUIPMENT COST	\$ 1,227,000
ARTIFICIAL LIFT		
7000030	Construct Labor	5,000
7001120	Consultant	4,000
7008230	Tion Writing/Orestwad	
7012180	Artificial Lift Equipment	5,000 262,000
7012350	Materials & Supplies	2,000
7012550	Production Tree	
7012580	Tubing	5,000
7016190	freight	105,000
7018150	Rencals	5,000
7919130	EDI Fluid	
7018220	Well Services & Nie	2,000
7020000	WOLDSTROM NO	24,000
TO	FFAL ARTHRESAL DET	425,000
тс	DTAL ARTIFICIAL LIFT COST	\$ 425,000
	SUMMARY OF ESTIMATED DRILLING WELL CO	ISTS TOTAL COST
		is idial 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
		4 460,000
	GRAND TOTAL COST	\$10,531,602
CTRA EXPENSE INSURANCE		
	red by Operator's Extra Expense Insurance and pay my proportio	water channel of the manufacture
I plact to he rever	il Extra Expense Insurance covering costs of well control, clean up and redrillin m (UBO-0185.	# 25
Operator has secured estimated in Line item	e my own well control insurante policy.	
Operator has secured estimated in Line item		
Operator has secured estimated in line item I elect to purchase	norking interest owner elects to be covered by Operator's well control insuran	DE.
Operator has secured estimated in line item I elect to purchase		GE.
Operator has source consumer to the consumer of the consumer o	northing interest owner elects to be covered by Operator's well control insurant	oe.
Operator has sourced estimated in line item I elect to purchase I elected above, non-coerating we Prepared by:	northing interest owner elects to be covered by Operator's well control insurance Dece:	oc.

DETAIL OF ESTIMATED WELL COSTS	COMPLETI	DATE U./29/20 ON PREPARED BY COURT NELSON ON PREPARED BY SUBSTEN DRAIN
	FACILIT ARTIFICIAL L	TES PREPARED BY HARSHA DISSANAYAKI IFT PREPARED BY CRAIG PLANTE
Asset Team; Field	PERMIAN Purple Sage FORMATION: Wolfcamp WILDCAT	
Lease/Facility	Trules Horse 35 WXY Fed Com 4H DEVELOPM	
Location Prospect	MALAGA EXPLOITATI	ION WORKDYER
Est Total Deoth	20,340 Est Drilling Days 21,25 Est	Completion Days 6
	20,340 Est Drilling Days 23,25 Est	Completion Days 6
LOCATION COST - INTANGIBLE		
61 CODE 7001270	DESCRIPTION Location and Access	ESTIMATED COST
7001250	Land Bruhar Fees and Services	100.50 67,50
	TOTAL LOCATION COST - INTANGIBLE	5168,0
DRILLING COST - TANGIBLE		
2001220		
7001270 7012050	Conductor Pipe Surface Casing	25,64
7012050 2012050	intermediate Casing 1 intermediate Cosing 2	112,11
7012050 7012050	Production Casting	549,01
7012550	Drig Liner Hanger, Tleback Eq & Oig Accessories Dritting Wellhard Equatories	25,30
7012040 7290003	Casing B Tubing Access Miscellaneous MillO Materials	58,51 5,21
	TUTAL DRILLING - TANGING	\$804.9
ORILLING COST - INTANGIBLE	1977 STANDER	3808,3
7290002 7290002	Orilling Rig Moh/Demob Orilling Rig - day work/Yootage	105,71
7019040 7019020	Directional Oriting Services	171,90
7019020	Consent and Committing Sero Surface Committed Committing Sero Intermediate 3	15,a 26,4
7019020 7019020	Coment and Comming Serv Intermediate 2 Coment and Comming Serv Production	158,61
7019140	Mud Hulds B. Services	70.07
7012310 7012020	Solida Control equipment	45,21 126,91
7019010 7016350	Casting Crew and Services	42,8
7019140	Fuel (Rig) Ruel (Maril)	77,81 31,73
7001460 7012350	Water (non perable) Weter (perable)	26,44
7019000	Well Language Services	5,21
7019150 7019250	Must Lauring-geneteering Stabilizers, Hole Openers, Undervocasers (DH rentals)	14,63
7019110	Casing Inspection/cleaning	25,81
7019110 7016180	Drill pipe/collar inspection services Present - truck	10,53
7001460 7001360	Water hauling and altoposal (includes soil farming)	63,41
7001440	Contract Services - Dieposal/Hon-Hazardous titaste Vecuum Trucks	84,61
7000030 7000010	Contract Labor - Operations	31,75
7001200	Contract Services - Factimes	10,57
7019300 7019350	Well Services - Well Control Services Well Services - Well/Wellhoud Services	22,47
7290003	Rental Tools and Equipment (surface rentals)	12,56
7260001 7001110	Mg Equipment and Misc. Telecommunications Services	1,00,48
7001120 7001400	Computing Services Safety and Environspectal	105,50
7330002	Rental Buildings (trailers)	25,16 12,56
7019310 7011010	Coring (sidewalls & analysis) IFS Contingency & Taxes	234,03
	TOTAL DRILLING - INTANSHILE	\$1,854,70
	TOTAL DRILLING COST	42 170 60
ARATHON OIL PERMIAN LLC	101111	\$3,159,69 DATE 6/29/202
UTHORITY FOR EXPENDITURE ETAIL OF ESTIMATED WELL COSTS		
edt Teen	PERMIAN	
asa/Facility	Purple Sage FORMATION: Wolfersup Trojan Horse 35 WXY Fed Com 4H	
OMPLETION - TANGIBLE		
6L CODE 7012580	DESCRIPTION	ESTIMATED COST
7012040 7012850	Tubing Accessories (nipple, swireline entry) Writhant Louis	= = ====
7012560	Packers - Completion Equipment	15,00
	TOTAL COMPLETION - TANGIBLE	\$15,00
IMPLETION - INTANGIBLE		
7001270	Location and Access (dress location after rig move, set exchors	
7290002	Drilling Rig During Completion	7,00
7019140 7019030	Must Fluids & Services Coiled Tubing Services (5 rums)	1,65,000
7019240 7019270	Snubbing Services	
7016350	Full (from the)	
7019010 7019020	Casing Crew and Services Cament and Comenting Services	
793,0000 7990002	Well Testing Services (flow hand & equip)	444,32
7019330	Freturing Services Ferturetina	3,897,57
7019360 7001460	Wirefine Services Water Hauling & Disposal (fine fluids)	323,26
702.61.0D 7290003	Freight - Truck (had pipe; drig & compl)	
7290008	BOP Nortal & Testing Rental Tools and Equipment (Incl cirig: Rightplant, hydra-walk)	
	CT Downhole Rental Equipment (le. Bit, BHA)	40,000
7290003 7390003	Contract Labor - general	25,000
729000H 7000030	Tejecommunications Services	
7000030 7001110	Telepotenunkations Services Latety and Environmental	
7250008 7000030 7001110 7002400 7003120	Triepommunications Services Mateirs and Environment Consulting Services Element Manufold	78,500 118,100
7290000 7000030 7001110 7001400	Telegomunications Services Maker and Exercisonersal Cossulting Services Eleger Manifold Frack Stack Rentals	78,500 118,102 85,000
728608 700030 7001110 7002400 700120 7019900 7016180 7280001	Teleparamuskajana Services Meter and Euriconomistal Consultinia Services Binner Minalitoti Frank Sinck Remistal Freight Termoportation Services) Bustomera Remistal (w/o poperator, francisianis, Methophanis)	78,50 118,30 85,00 4,00
725001 700030 700110 7001400 700120 7015900 7016190 736001 7380002 700030	Triestementalizations Enroless Latetra and Enrolessensensis Consulting Services Enter therefold Enrolessensensensis Enrolessensensensensensensensensensensensense	78,50 118,10 85,00 4,80 148,26;
7:860.4 700030 700110 7001400 700120 701900 7016180 7286001 7380002	Trinomenusiations Envices Lating and Envicencest Consulting Services Ellipse Hearthold Frack Stack Remetal Freight (Trinoportation Services) Ellipse Hearthold Frack Stack Remetal Freight (Trinoportation Services) Environment Services Environment Services Environment Services Environment Services Environment Services Environment Services	78,50 118,10 85,00 4,80 148,26;
725001 700030 700110 7001400 700120 7015900 7016190 736001 7380002 700030	Triestementalizations Enroless Latetra and Enrolessensensis Consulting Services Enter therefold Enrolessensensensis Enrolessensensensensensensensensensensensense	79,500 118,100 85,000 4,000 1,68,251 25,000
7250018 700030 700110 7001400 7001120 701120 701120 7011500 7115100 7380001 7380002 7000030	Telepistemunisations Enviros Metry and Environomosti Consultina Services Bieger Mentilod Frack Stack Bentals Freight (Temaporation Services) Endoment Hentilod Endoment Hentil (w/o operation for the banks, Rehipbants) Hentil Buildings (Verland) Contract Labor - Paraphing (pump-down pumpe) 8% Configured Temaporation ST Configured Temaporation TOTIAL COMPLETION - HYTALIGEBLE	78,500 18,000 85,000 4,000 149,263 25,000
725001 700030 700110 7001400 700120 7015900 7016190 736001 7380002 700030	Teleparamanizations Enrolecs Matty and Enricognomical Consultina Services Bayer (Membro) Frack Stack Remails Fragin (Transportation Services) Enderman Hamila for poperation for tenkis, fairtisheds) Enderman Hamila for poperation for tenkis, fairtisheds) Contract allow - Parametr (sour-recent purpose) Sty Contingency & Totols Sty Contingency & Totols	79,500 118,100 85,000 4,400 148,261 25,000

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Proving, Provings & Valves	116,484
7006640	Commany Labor & Burdon	
7000030	Contract Labor - General	126,508
7001110	Telecommunication equip (Telemetry)	
7012410	Line Pige & Accessories	33,723
7012276	Miscellaneous Meterials (containment system)	35,127
7008060	SCADA	11,113
7016180	Freight - truck	11,617
7001190	Contract Engineering	7,187
7012290	Metering and Instrumentation	197,123
7012290	ISE Materials	115.627
7012200		115,627
7012200	Gm Treating	
7012000	Duhydration	
	Compressor	13,578
7012350	Power	
7012610	Vapor Recovery Unit	
7012440	Separatur & other pressure vessels	186,807
7613500	Tinks	32,900
7012100	Heater Treater	97,237
7012640	Flare & Accessories	14,124
7000010	Electrical Labor	63,890
7000010	Machanical Labor	138,162
7012480	Rod Fumping unit & Pad	
7012180	Pumping Unit Expine	
7012350	Electrical Power (electrical cooperative construction costs)	25,882
	TOTAL SURFACE EQUIPMENT - TANGIBLE	\$1,227,000
	TOTAL SURFACE EQUIPMENT COST	\$1,227,000
RTIFICIAL LIFT		
7000030	Section 1 show	5.000
	Contract Labor	
7001120	Consultant	4,000
7000230	Time Writing/Overhead	5,000
7012180	Artificial Life Equipment	262,000
7012350	Materials & Supplies	2,000
7012550	Production Tree	5,000
7012580	Turbing	185,000
7016190	Freight	5,000
7018150	Rentals	6,000
7019130	ICH Fluid	2,000
7015220	Well Services & Ittg	24,000
	TOTAL ARTIFICIAL LIFT	7,000
	(C) AL ARTIPLING EP-	425,000
	TOTAL ARTIFICIAL LIFT COST	\$425,000
	SUMMARY OF ESTIMATED DRILLING WELL CO	OSTS TOTAL COST
	TOTAL LOGAMON GOT	
	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	
	TOTAL ARTIPICIAL UPT COST	\$ 425,000
	GRAND TOTAL COST	\$10,531,602
TRA EXPENSE INSURANCE		
5.5	o be covered by Operator's Erdre Expense Insurance and pay my proportie	
Operator	has secured Extra Expense Insurance covering costs of well commot, clean up and redrish d in Line item 0180-0185.	ng as
, lelett	o puschase my own well control insurance policy.	
either box is checked above, non-	operating working interest owner elects to be covered by Operator's well control insurar	10E.
Prepared by:	Dance:	
Company Approval:	Oute:	
Joint Owner Interest:	Amount:	
Joint Owner Hame	Signature.	
CORRES AND AND ADDRESS.		

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

Notary Public

My commission expires:____

07-27-25

EXHIBIT
B·7

26

Page 1 2022 Walz CertifiedPro.net

Type of Mailing: CERTIFIED MAIL 10/14/2022

Firm Mailing Book ID: 235233	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 Mail	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
		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
Andreas Schuman Rochl Harris & Sisk P.A. 200 Fourth Street, Suite 1000 Mlbuquerque NM 87102	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
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Dated:

Postmaster: Name of receiving employee

Total Number of Pieces Received at Post Office

List Number of Pieces Listed by Sender

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Page 2 2022 Walz CertifiedPro.net

Firm Mailing Book ID: 235233	Keierence 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	
Firm M	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
	RR Fee	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$50.00 Total:
	Service Fee	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$100.00 \$50.0 Grand Total:
1877 ETIFIED MAIL 22	Postage	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$1.44	\$36.00
PS Form 3877 Type of Mailing: CERTIFIED MAIL, 10/14/2022	Name, Street, City, State, Zip	C. FREE O&G LLC C/O Caroline Free Bagot 3310 Fairmount Street, Apt. 11A Dallas TX 75201	MAMIE LLC C/o Mary Margery Free 1300 Eldorado Parkway, Apt. 301 McKinney TX 75069	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	Cimmaron Holdings, LLC C/O D. Steven Degenfelder PO Box 354 Casper WY 82602	Brett K. Bracken 4605 Mockinbird Lane Midland TX 79707	Devon Energy Production Company, LP West Sheridan Ave. Oklahoma City OK 73102	Lawrence W. Robinette 9912 Silver Rock Way Denton TX 76207	MRC DELAWARE RESOURES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	MRC EXPLORERS RESOURES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	MRC SPIRAL RESOURES, LLC 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Totals:
And a state of the	USPS Article Number	9314 8699 0430 0100 5913 03	9314 8699 0430 0100 5913 10	9314 8699 0430 0100 5913 27	9314 8699 0430 0100 5913 34	9314 8699 0430 0100 5913 41	9314 8699 0430 0100 5913 58	9314 8699 0430 0100 5913 65	9314 8699 0430 0100 5913 72	9314 8699 0430 0100 5913 89	9314 8699 0430 0100 5913 96	
Suigant Report R	Tine 11.	92 /2/2022 8	LI 2:04:16 A				ring 11-3 3168	75 3-2	23	24	25	

			Transa O	Transaction Report Details - CertifiedFro.net Firm Mail Book ID= 235233 Generated: 11/1/2022 7:50:33 AM	te.		5.3			
USPS Article Number	Date Created	Reference Number	Transition of	Came	je.	Course	d P	A A A LILLY		
9314869904300100591396	2022-10-14 10:42 AM	1 81363.0182.	MRC SPIRAL RESOURES, LLC	* 100000	Pallac	77	25.340	Manna Status	Service Options	Mail Delivery Date
9314869904300100591389	2022-10-14 10:42 AM	1 81363.0182.	MRC EXPLORERS RESOURES, LLC		Dallac		04757	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 10:34 AM
9314869904300100591372	2022-10-14 10:42 AM	1 81363.0182.	MRC DELAWARE RESOURES, 11C		Selles Colles	٠	0470	Delivered	Keturn Receipt - Electronic, Certified Mail	2022-10-17 10:34 AM
9314869904300100591365	2022-10-14 10:42 AM		lawrence W Robinette		Danas	. ≍	75240	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300100591358	2022-10-14 10:42 AM		Davon Fnorm Broduction Comment 10		Denton	×	/970/	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 2:02 PM
9314869904300100591341	2022-10-14 10-42 AM		Bross V Brosley		Oklahoma City	ž	73102	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 7:11 AM
9314869904300100591334	2022-10-14 10:42 AM		Siett N. Bidokeil		Midland	ř.	79707	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300100591327	2022-10-14 10:42 AM		Limited Holdings, L.C.	C/O D. Steven Degenfelder	Casper	 M	32602	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-19 9:43 AM
931486904300100591330	2022 -10-14 10:42 AIM		John L. Lasey and Annette I. Casey, Co-Trustees	Of Casey Trust, c/o Kris Strotman	Midland	<u>*</u>	79701	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 2:47 PM
014800000000000000000000000000000000000	2022-10-14 10:42 AW		MAMIETIC	C/o Mary Margery Free	McKinney	Ĕ.	75069	Undelivered	Return Receipt - Electronic, Certified Mail	
3314663904900100331303	2022-10-14 10:42 AM		C. FREE O&G LLC	C/O Caroline Free Bagot	Dallas	ř	75201	Undelivered	Return Receipt - Electronic, Certified Mail	
33.148639.043.001.00591.297	2022-10-14 10:42 AM		JSG ENERGY, LLC		Midland	¥	70767	Undelivered	Return Receipt - Electronic, Certified Mail	
35.148639U43U1UU591.28U	2022-10-14 10:42 AM		MCCURDY ENERGY, LLC		Midland	¥	20767	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
93148699U43UUIUU5912/3	2022-10-14 10:42 AM		OSPREY OIL AND GAS, LLC		Houston	¥	77027	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mall	
3514665904500100591266	2022-10-14 10:42 AM		Oak Valley Mineral and Land, LP		Midland	<u></u>	79705	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 11:47 AM
0014869904500100591259	2022-10-14 10:42 AM		Sortida Resources, LLC		Midland	ř	9710	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 10:39 AM
931486904300100591242	2022-TO-T4 10:42 AIN	01363.0182.	Post Gak Mayros II, LLC		Houston	ř	77056	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300100591239	3033-10-14-10:42-518		FOUNDALIUM MINERALS, LLC		Midland		79710	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 10:39 AM
9314869904300100591113	2022-10-14 10:42 AIN		KMP LAND, LLC		Denver		80202	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 11:42 AM
0214809904300100331211	2022-10-14 10:42 AIVI		Joseph Wm. Foran		Dallas		75231	Undelivered	Return Receipt - Electronic, Certified Mail	
9314803304300700331504	2022-10-14 10:42 AM		OXY USA INC.		Houston	ĭ	77046	Delivered	Return Receipt - Electronic, Certified Mail	
931496290430010031138	2022-10-14 10:42 AM		The State of New Mexico		Santa Fe	NM NM	37501	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 6:50 AM
9314909304300100291101	2022-10-14 10:42 AM		The United States of America		Santa Fe	MM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-17 2:32 PM
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OCTTACOOTOOCLOCACACACACACACACACACACACACACACACACAC	2022-10-14 10:42 AM	81363.0182.	LHAH Properties, L.L.C.		Palm Beach	, ⊒	33480	Delivered	Return Receipt - Electronic, Certified Mail	2022-10-18 3:13 PM

Carlsbad Current Argus.

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; JSG 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

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 of Marathon Oil Permian

LLC's application for compulsory pooling, Eddy Country, 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

w.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 25 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

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.

#5452886, Current Argus, October 19, 2022

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

Subscribed and sworn before me this October 19,

State of WI, County of Brown NOTARY PUBLIC

My commission expires

VICKY FELTY Notary Public State of Wisconsin

Ad # 0005452886 PO#: 23168 # of Affidavits1

This is not an invoice

OCD Hearing 11-3-2 No. 23168 30



October 14, 2022

Deana M. Bennett 505.848.1834 dmb@modrali.com

VIA CERTIFIED MAIL 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: http://www.emnrd.state.nm.us/OCD/hearings.html.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in 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

Neena M Bennett

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

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.

Respectfully submitted,

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

By: Meona M Bennett

Deana M. Bennett Bryce H. Smith Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant CASE NO. 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.
- 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.

1

OCD Hearing 11-3-2 No. 23168



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_{Hmax} 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.

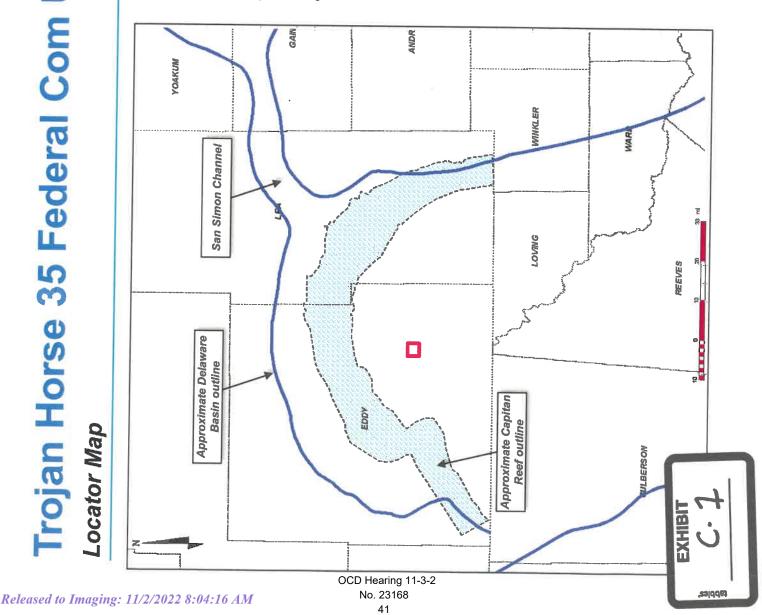
Dated: October 31, 2022

Matt Baker

Locator Map

Trojan Horse 35 Federal Com well Approximate location of proposed locations shown with red box Located outside of the Capitan Reef

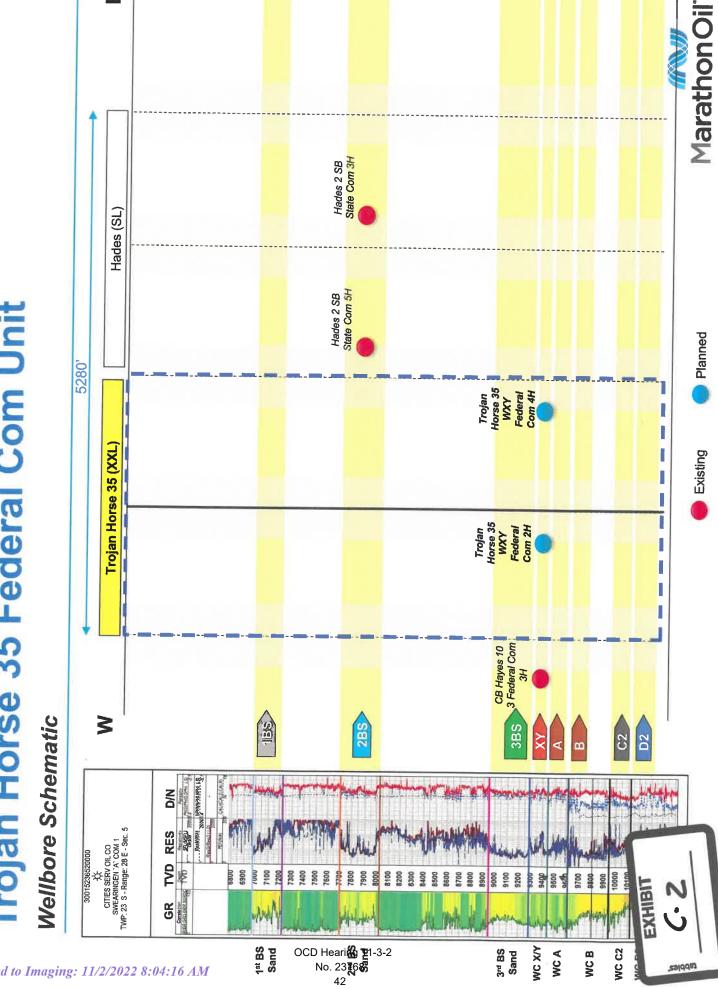
Mid-eastern Eddy County





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Trojan Horse 35 Federal Com Unit



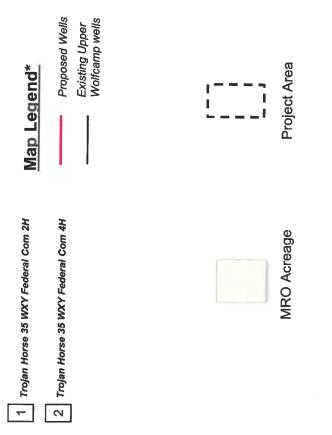
Structure Map - Top of Wolfcamp (TVDSS)

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36

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6400

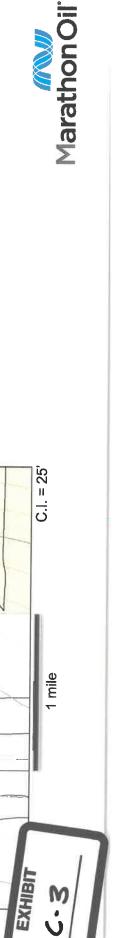
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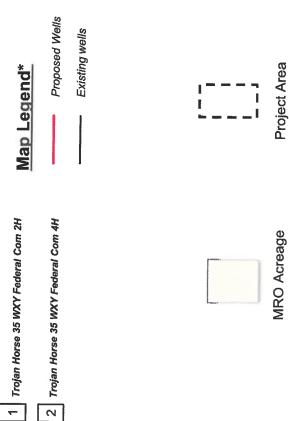


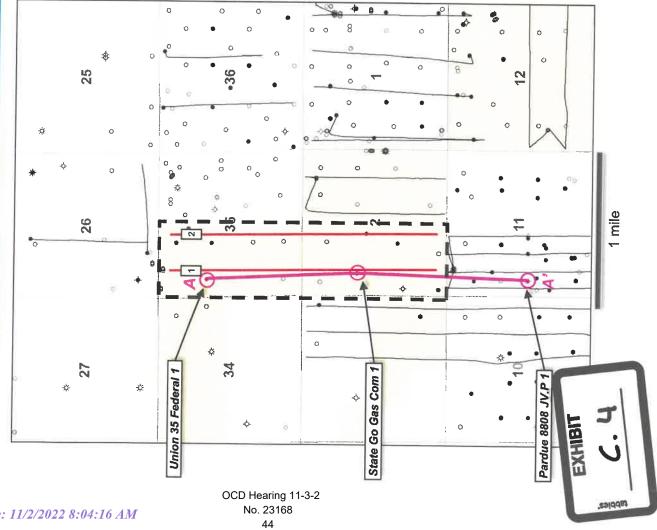
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MarathonOil

Trojan Horse 35 Federal Com Unit

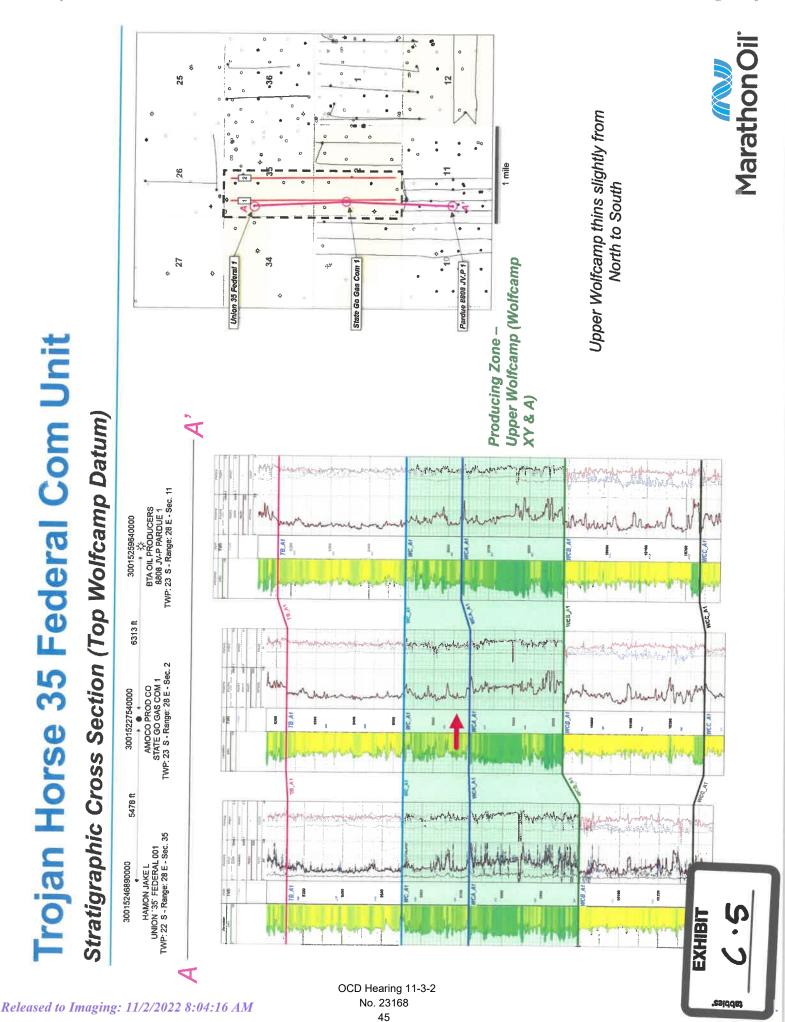
Reference Map for Cross Section





Released to Imaging: 11/2/2022 8:04:16 AM

Stratigraphic Cross Section (Top Wolfcamp Datum)



Gross Interval Isochore - Top Wolfcamp to Top Wolfcamp B



1 Trojan Horse 35 WXY Federal Com 2H

2 Trojan Horse 35 WXY Federal Com 4H

Proposed Wells Map Legend*

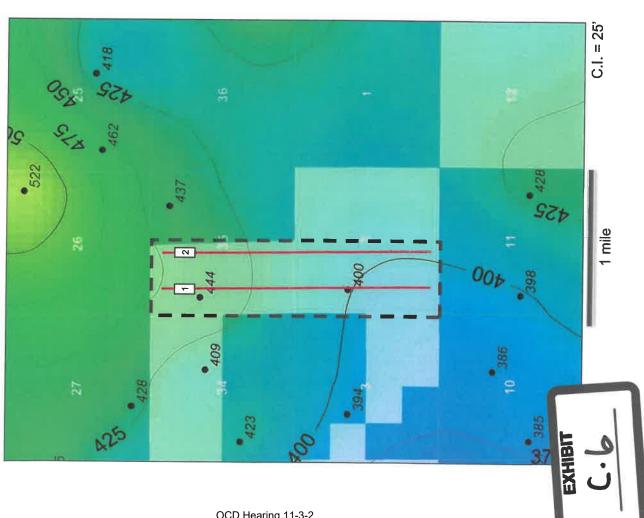




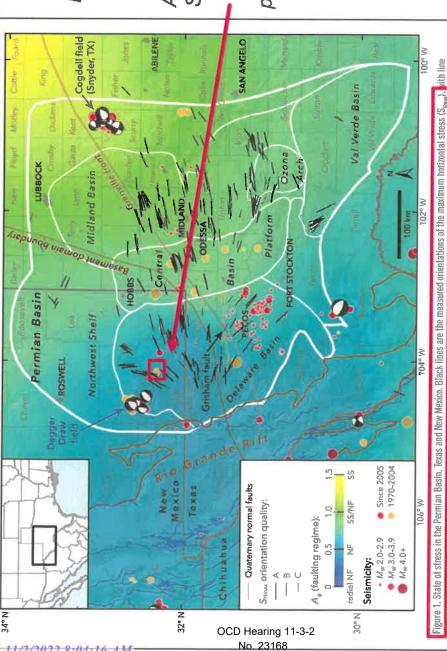
MRO Acreage

Upper Wolfcamp thins slightly from North to South





Preferred Well Orientation - SHmax



Preferred well orientation is either N/S or E/W

SHmax is at approximately 45° in this propagate outwards at 45° regardless As outlined in Snee & Zoback (2018), if wells are oriented N/S or E/W. part of Eddy Count. As a result, hydraulic fractures will prefer to

Source:

are from the Texas Bureau of Economic Geology Permian Basin Geological Synthesis Project. Earthquakes are from the USGS National Earthquake Information Center, the

lexNet Seismic Monitoring Program, and Gan and Frohlich (2013). Focal mechanisms are from Saint Louis University (Herrmann et al., 2011).

Quaternary Faults and Folds Database (Grone 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

ABOUT STATES OF USE THE COLORED DESIGNATION IS ALTHIELD MEATHIN OF INVESTIFED THE PRINTED STRESS THE BUTTING FEW HER EXPRESSED TISTING THE AL parameter (see text for details) of Simpson (1997). Blue lines are fault traces known to have experienced normal-sense offset within the past 1.6 Ma, from the USGS Snee, J.L. & M.D. Zoback, 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 810-819,

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



