

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

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

**CASE NO.** \_\_\_\_\_

**APPLICATION**

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre more or less Bone Spring horizontal spacing unit comprised of the E/2W/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the E/2W/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico to form a 320-acre, more or less, Bone Spring spacing unit.
3. Marathon seeks to dedicate the spacing unit to the **Frizzle Fry BS Federal Com 502** to be horizontally drilled with a first take point in the SE/4SW/4 (Unit N) of Section 22 and a last take point in the NE/4NW/4 (Unit C) of Section 15.
4. This well will comply with the Division’s setback requirements.
5. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

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

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit underlying the E/2W/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico;

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

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

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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**CASE NO. \_\_\_\_\_: Application of Marathon Oil Permian LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2W/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Frizzle Fry BS Federal Com 502** to be horizontally drilled with a first take point in the SE/4SW/4 (Unit N) of Section 22 and a last take point in the NE/4NW/4 (Unit C) of Section 15. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 26 miles east/northeast of Loving, New Mexico.