# Examiner Hearing January 10-11, 2019 Before the Oil Conservation Division

Case No. 16415, 16416, 16417

Fremen 7 WA Fed Com 2H, & Fremen 7 WA Fed Com 3H, Fremen 7 WXY Fed Com 3H, Fremen 7 WXY Fed Com 5H, Fremen 7 WA Fed Com 9H



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

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

#### CASE NO. 16415

#### **AMENDED APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an amended application to 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 Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of this application, Marathon states as follows:

- 1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
- 2. Marathon seeks to dedicate the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 640-acre, more or less, spacing unit.
- 3. Marathon plans to drill the **Fremen 7 WD Fed Com 1H** well to a depth sufficient to test Wolfcamp formation. This well will be horizontally drilled.
  - 4. This well will comply with the Division's setback requirements.
  - 5. This well will be located within the Purple Sage Wolfcamp Gas Pool.



- 6. 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 well or to otherwise commit their interests to the well.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 8. Marathon further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, this case is set for hearing before an Examiner of the Oil Conservation Division on January 10, 2019, Marathon requests that, after notice and hearing as required by law, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy 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 the 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.
- F. Allowing a period of one (1) year between when the well is drilled and when the well is completed under the order.

#### Respectfully submitted,

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

Deana M. Bennett

Zoe E. Lees

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant

CASE NO. 16415: Amended application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Fremen 7 WD Fed Com 1H well, to be horizontally drilled. 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

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

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

CASE NO. 16416

#### **AMENDED APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an amended application to 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 Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of this application, Marathon states as follows:

- 1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
- 2. Marathon seeks to dedicate the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 640-acre, more or less, spacing unit.
- 3. Marathon plans to drill the **Fremen 7 WXY Fed Com 2H** well to a depth sufficient to test the Wolfcamp formation. This well will be horizontally drilled.
  - 4. This well will comply with the Division's setback requirements.
  - 5. This well will be located within the Purple Sage Wolfcamp Gas Pool.

EXHIBIT 2

- 6. 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 well or to otherwise commit their interests to the well.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 8. Marathon further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, this case is set for hearing before an Examiner of the Oil Conservation Division on January 10, 2019, Marathon requests that, after notice and hearing as required by law, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy 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 the 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.
- F. Allowing a period of one (1) year between when the well is drilled and when the well is completed under the order.

#### Respectfully submitted,

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

Deana M. Bennett

Zoe E. Lees

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant

CASE NO. 16416: Amended Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Fremen 7 WXY Fed Com 2H well, to be horizontally drilled. 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

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

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

CASE NO. 16417

#### **AMENDED APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an amended application to 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 Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of this application, Marathon states as follows:

- 1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
- 2. Marathon seeks to dedicate the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico to form a 640-acre, more or less, spacing unit.
- 3. Marathon plans to drill the Fremen 7 WA Fed Com 3H, Fremen 7 WXY Fed Com 5H, and the Fremen 7 WA Fed Com 9H wells to a depth sufficient to test the Wolfcamp formation. These wells will be horizontally drilled using the same drilling rig.
  - 4. These wells will be located within the Purple Sage Wolfcamp Gas Pool.



- 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 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.
- 7. Marathon further requests that it be allowed one (1) year between the time the wells are drilled and completion of the first well under the order issued by the Division.

WHEREFORE, this case is set for hearing before an Examiner of the Oil Conservation Division on January 10, 2019, Marathon requests that, after notice and hearing as required by law, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico;
- B. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Marathon to recover its costs of drilling, equipping and completing these 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.
- F. Allowing a time period of one (1) year between when the wells are drilled and when the first well is completed under the order.

#### Respectfully submitted,

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

Deana M. Bennett

Zoe E. Lees

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant

CASE NO. 16417: Amended Application of Marathon Oil Permian LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Fremen 7 WA Fed Com 3H, Fremen 7 WXY Fed Com 5H, and the Fremen 7 WA Fed Com 9H wells, to be horizontally drilled. The producing area for these wells will 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

DISTRICT I
1623 N. French Dr., Hobbs, NM 88240
Phone: (573) 393-6161 Fax: (575) 393-0720
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Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazzo Rd., Aztec, NM 87410
Phone: (595) 334-6178 Fax: (305) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

API Number

Property Code

OGRID No.

372098

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

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

☐ AMENDED REPORT

Well Number

1H

Elevation

3247'

Pool Name

PURPLE SAGE; WOLFCAMP (GAS)

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Name

FREMEN 7 WD FED COM

Operator Name

MARATHON OIL PERMIAN LLC

Pool Code

98220

					Surface I	ocation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from t	he North	South line	Feet from the	East/West line	County
M	7 ·	24S	27E		757		DUTH	290	WEST	EDDY
			Bot	tom Hole I	ocation If	Different Fr	om Surfa	ce		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the		South line	Feet from the	East/West line	County
Р	8	24S	27E		330	sc	DUTH	100	EAST	EDDY
Dedicated Acres Joint or Infill Consolidated Code Order No.										
640.00		*								
No allowable v division.	vill be assign	ed to this c	ompletion u	ıntil all inte	rests have be	een consolidat	ted or a no	n-standard unit has	s been approved b	y the
N.(Y):	DRNER <u>E (NAD 83)</u> 450715.8° 570945.8° 32.2390583° N 104.2377778° W <u>E (NAD 27)</u> 450657.7° 529663.2° 32.2389386° N 104.2373943° W		NE/MW C MMSPLE (L N,Y): = 4 E(X): = 5 LAT.: = 32.2 LON:: = 104.2 MMSPLE (L N,Y): = 4 E(X): = 52 LAT.: = 30.2 LAT.: = 30.2	NAD 83) 50745.7' 76072.8' 391667' N 1208333' W NAD 27) 50687.5' 34890.3' 3890067' N		ME CORNE: MMSP-E (NAD 8: N.Y)* = 450775. E.(X): = 581299: LON: = 104.2040814* V NMSP-E (NAD 2: N.Y)* = 450717. LAT: = 32.299720* ON:: = 104.2035833* V	P C C C C C C C C C C C C C C C C C C C	I hereby certify therein is true and knowledge and beletiher owns a wor mineral interest it proposed bottom herill this well at contract with an working interest.	DR CERTIFICA that the information c t complete to the best lef, and that this on thing interest or unle n the land including ole location or has a this location pursuan numer of such a min muner of such a min mpulsory pooling ord by the division.	ontained t of my janization ased the right to t to a eral or
I NAC I NAC L NAC	) 83, NMSP-E, N.(Y): .AT.: = 32.2265664° ( ) 27, NMSP-E, N.(Y): .AT.: = 32.2284474° (	N, LON.: = 104.237 = 446114.0', E.(X): N, LON.: = 104.236 30' FSL, 100' FWL = 445744.9', E.(X): N, LON.: = 104.237 = 445687.0', E.(X):	0372° W = 529932.0' 5381° W = 570924.6' 6526° W = 529742.1'	NAD 83, NMSP- LAT.: = 32.2 NAD 27, NMSP-	253956° N, LON.: =	5', E.(X): = 581206.3' 104.2044029° W 5', E.(X): = 540023.7'		Signature  Print Name  E-mail Address	Date	
SHL 290'		7 —   				LTP/BHL: 330' FSL 100' FEL	<del>-</del>	I hereby certify that plat was plotted from made by me or und	E To	own on this al surveys nd that the ny belief.
330' FSL 100' FWL E.(X): LAT.:: NMSP. N.(Y): E.(X): LAT.:: E.(X): LAT.::	ORNER -E (MAD 83) - 445415.0" - 570824.5" - 32.2244881° N - 104.2380556° W - 4104.2380556° W - 445357.0" - 529642.0' - 32.2243672° N - 104.2374781° W		SE/SW CC NMSP-E (N N,(Y): = 44 E,(X): = 57 LAT.: = 32.22 LON.: = 104.22 NMSP-E (N N,(Y): = 44 E,(X): = 53 LAT.: = 32.22 LON.: = 104.22	IAD 83) 5425.2' 80055.3' 45000° N 211111° W IAD 27) 5367.2' 4882.7' 43812° N		SE CORNEI NMSP-E (NAD 83 N.(Y): = 445426. E.(X): = 561312. LAT.: = 32.2244883° I ON.: = 104.2040824° V NMSP-E (NAD 27 N.(Y): = 445366. E.(X): = 540129. LAT.: = 32.2243688° I ON.: = 104.2035646° V			14729 331 Draft: M.P.	H. KS
EVUIL								Certificate Number	14/29	

DISTRICT I
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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, New Mexico 87505

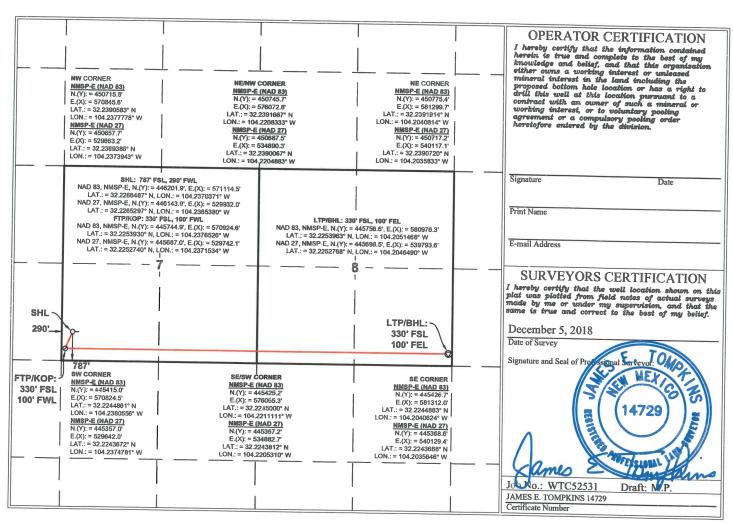
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code

		PURPLE SAGE;WOLF			CAMP (GAS)					
Property Co		Property Name FREMEN 7 WXY FED COM						Well Number 2H		
OGRID No.  372098  Operator Name  MARATHON OIL PERMIAN LLC						Elevation 3247'				
					Surface	Location	on			
UL or lot no.	Section	Township	Range	Lot Ide	Feet from	m the	North/South line	Feet from the	East/West line	County
M	7	248					WEST	EDDY		
			Bott	om Ho	le Location	If Diffe	rent From Surfac	e		
UL or lot no.	Section	Township	Range	Lot Ida	Feet from	n the	North/South line	Feet from the	East/West line	County
P	8	248	27E	27E		0	SOUTH	100	EAST	EDDY
Dedicated Acres	Joint or	nfill Consolidated Code			Order No.					
640.00										



DISTRICT I

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DISTRICT III

1000 Rio Brazco Rd, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV

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Phone: (505) 476-3462

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

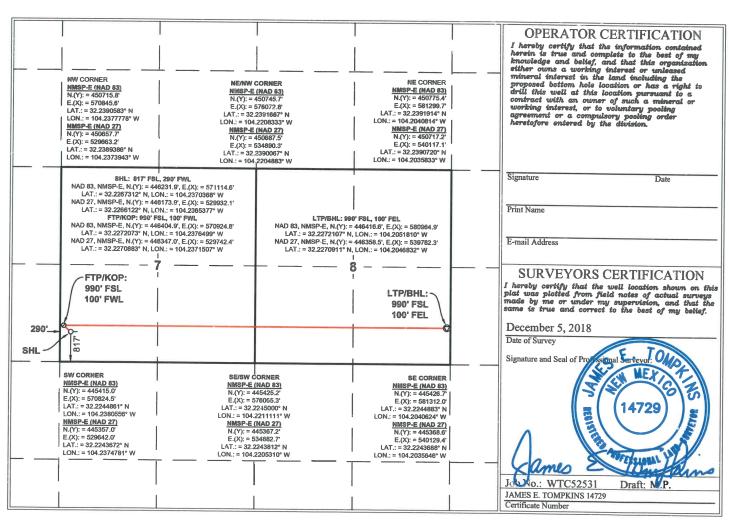
Form C-102 Revised August 1, 2011 Submit one copy to appropriate

☐ AMENDED REPORT

**District Office** 

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

A	PI Number		Pool Code 98220			Pool Name PURPLE SAGE; WOLFCAMP (GAS)				
Property C	Property Name FREMEN 7 WA FED COM						Well Number 3H			
OGRID N 37209		Operator Name MARATHON OIL PERMIAN LLC						Elevation 3248'		
	Surface Location						'			
UL or lot no.	Section	Township	Range	Range Lot Idn Feet fro			North/South line	Feet from the	East/West line	County
М	7	248	27E		81	17	SOUTH	290	WEST	EDDY
			Botte	om Hole	Location	If Diffe	rent From Surfac	e		
UL or lot no.	Section	Township	Range	Lot Idn	Feet fro	om the	North/South line	Feet from the	East/West line	County
Р	8	248	27E	27E 990 SOUTH 100				EAST	EDDY	
Dedicated Acres	Joint or	Infill	Consolidated Cod	onsolidated Code Order No.						
640.00										



DISTRICT I

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DISTRICT II

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DISTRICT IV

220 S. St. Francis Dr., Santa Fe, NM 87505

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API Number

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

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

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code 98220

Property Code				98220			PURP	LE SAGE;WOLI	FCAMP (GAS)	
				Property Name FREMEN 7 WXY FED COM						mber
OGRID No. 372098 MA				MAR		ator Name	RMIAN LLC		Elevation 3248'	
					Surface	Locati	on			
UL or lot no.	Section	Township	Range	Range Lot Idn Feet from			North/South line	Feet from the	East/West line	County
М	7	248					WEST	EDDY		
			Bott	om Hol	e Location	If Diffe	erent From Surface	e		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	m the	North/South line	Feet from the	East/West line	County
ı	8	24S	27E		165	0	SOUTH	100	EAST	EDDY
Dedicated Acres	Joint or	infill Consolidated Code			rder No.					
640.00										

		_				
	NW CORNER  NMSP-E (NAD 83) NL(Y): = 450715.8' EL(X): = 570845.6' LAT.: = 32.2390583' N LON.: = 104.2377778' W NMSP-E (NAD 27) NL(Y): = 450657.7' EL(X): = 5229683.2' LAT.: = 32.2389386' N LON.: = 104.2373943' W	NMSP-E   N.(Y):=   E.(X):=     LAT.:= 32.   LON.:= 104   NMSP-E   N.(Y):=   E.(X):=   LAT.:= 32.	CORNER (NAD B3) 480745.7' 578072.8' 2391687' N 2208333' W (NAD 27) 450087.5' 334890.3' 23990087' N 2204883' W	ME CORNER <u>MMSP-E</u> (NAD 83) N.(Y): = 450775.4' E:(X): = 581299.7' LAT.: = 22.2391914° N LON.: = 104.2040814° W <u>MMSP-E</u> (MAD 27) N.(Y): = 450717.2' E:(X): = 540117.1' LAT.: = 32.2390720° N LON.: = 104.2036833° W	    	OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pressuant to a contract with an owner of such a mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
290'	SHL: 847' FS NAD 83, NMSP-E, N.(Y): 44 LAT.:= 32.2268136° N, L NAD 27, MMSP-E, N.(Y): 44 LAT.:= 32.226946° N, L FTP/KOP: 1550' NAD 83, NMSP-E, N.(Y): 44 LAT.:= 32.2290216° N, L NAD 27, NMSP-E, N.(Y): 44 LAT.:= 32.228026° N, L FTP/KOP: 1650' FSL 100' FWL	48261.9', E.(X): = 571114.5' ODI.:= '104.2370371' W 48203.9', E.(X): = 529932.0' ON::= 104.2365380' W FSL, 100': FWL 47084.9', E.(X): = 570925.1' ON::= 104.2376473' W 47006.9': E.(X): = 52742.6'	NAD 83, NMSP-E, N.(Y): = LAT.: = 32.2290242° N NAD 27, NMSP-E, N.(Y): =	50' FSL, 100' FEL 4470'78.6', E.(X): = 581183.6' 1, LON: = 10420447'13' W 4470'18.5', E.(X): = 540001.0' 1, LON: = 104.2039'734' W LTP/BHL:		Print Name  E-mail Address  SURVEYORS CERTIFICATION  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  December 5, 2018
SHL	SW CORNER  NMSP-E (NAD 83)  N.(Y): = 445415.0'  E.(X): = 570824.5'  LAT.: = 32.2244881' N  LON.: = 104.2380556' W  NMSP-E (NAD 27)  N.(Y): = 445357.0'  E.(X): = 529642.0'  LAT.: = 32.2243672' N  LON.: = 104.2374781' W	SE/SW C NMSP-E N.(Y): 4 E(X): 5 LAT.:= 32.2 LON.:= 104. NMSP-E( N.(Y): 4 E(X): 5 LAT.:= 32.2 LON.:= 104.4	NAD 83) 45425.2° 76065.3° 245000° N 2211111° W NAD 27) 45367.2° 34882.7° 243812° N	SE CORNER  MMSP-E (NAD 33)  N.(Y):= 445426.7  E.(X):= 581312.0  LAT.:= 32.2244983° N  LON.:= 104.204624° W  LON.:= 104.2035646° W		John C.: WTC52531 Draft: M.P.  JAMES E. TOMPKINS 14729 Certificate Number

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API Number

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

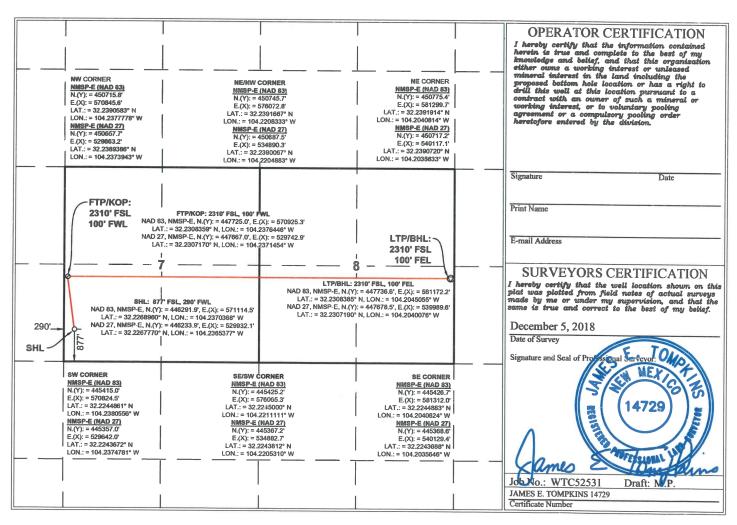
☐ AMENDED REPORT

Pool Name

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Code

				98220			PURF	LE SAGE;WOLI	FCAMP (GAS)	CAMP (GAS)	
Property C		Property Name FREMEN 7 WA FED COM						Well Number			
					D COM		9H				
OGRID N			Oper	ator Name			Elevati	on			
372098 MARATHON OIL PERMIAN LLC						3249	9'				
					Surface	e Locati	on				
UL or lot no.	Section	Township	Range	Range Lot Idn Feet fro			North/South line	Feet from the	East/West line	County	
М	7	24S	27E		87	7	SOUTH	290	WEST	EDDY	
			Bott	om Hole	e Location	If Diffe	rent From Surfa	ce			
UL or lot no.	Section	Township	Range	Lot Idn	Feet fro	om the	North/South line	Feet from the	East/West line	County	
1	8	248	27E	27E 2			SOUTH	100	EAST	EDDY	
Dedicated Acres	Joint or	Infill	Consolidated Code Order No.					1			
640.00											



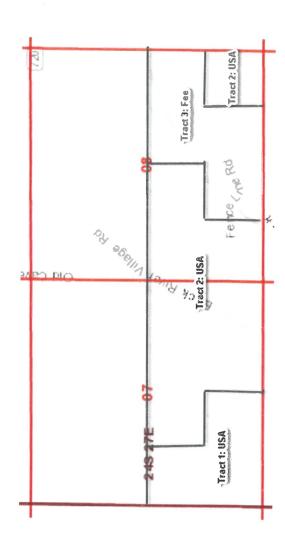
Fremen 7 WA Fed Com 3H, Fremen 7 WA Fed Com 9H, Fremen7 WD Fed Com 1H, Fremen WXY Fed Com 2H & Fremen 7 WXY Fed Com 5H Lease Tract Map

S2 of Section 7 and S2 of Section 8, T24S-R27E - 640 acres

Tract 1: Federal Lease LC 064200

Tract 2: Federal Lease NMNM 112268

Tract 3: Fee Lease







# Summary of Interests

Fremen 7 WA Fed Com 3H, Fremen 7 WA Fed Com 9H, Fremen7 WD Fed Com 1H, Fremen WXY Fed Com 2H & Fremen 7 WXY Fed Com 5H

S2 of Section 7 and S2 of Section 8, T24S-R27E - 640 acres

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Marathon Oil Permian LLC

# Uncommitted Working Interest

- COG Operating, LLC
- Marshall & Winston, Inc.
- Apache Corporation

# **Unleased Mineral Interest**

31.25%

68.75%

31.25% 18.75%

18.75%

%0



Fremen List of Offset Owners, per VOG				
Mewbourne Oil Company	PO Box 7698	Tyler	X	75711-7698
COG Operating, LLC	600 W. Illinois Avenue	Midland	X	79701
Devon Energy Production Co	20 North Broadway, Ste. 1500	Oklahoma City	ŏ	73102
Marshall & Winston, Inc.	P.O. Box 50880	Midland	×	79710
ConocoPhillips Company	PO Box 2197	Houston	ĭ	77252
Foundation Minerals, LLC	P.O. Box 50820	Midland	×	79710
Mavros Minerals LLC	P.O. Box 50820	Midland	×	79710
Oak Valley Mineral and Land, LP	P.O. Box 50820	Midland	X	79710
Trinity River Energy Lease Assets Inc.	777 Main St. Ste 900	Fort Worth	ĭ	76102-5313
OGX Production LTD	P.O. Box 2064	Midland	×	79702
Chesapeake Exploration LLC	PO Box 18496	Oklahoma City	OK	73154-0496
Chevron USA Inc	6301 Deauville	Midland	×	79706-2964
Apache Corporation	303 Veterans Airpark Lane, Ste 1000	Midland	×	79705
Owners for Fremen				
COG Operating, LLC	600 W. Illinois Avenue	Midland	X	79705
Marshall & Winston, Inc.	P.O. Box 50880	Midland	Z	88220
Apache Corporation	303 Veterans Airpark Lane, Ste 1000	Midland	OK	73102
USA	620 Greene St.	Carlsbad	Σ	88220
Devon Energy Production Co	20 North Broadway, Ste. 1500	Oklahoma City	OK	73102
O'Neill Propoerties, Ltd.	P.O. Box 2840	Midland	ĭ	79702

#### **Summary of Attempted Contacts**

- Marathon sent revised well proposal letters on November 29, 2018.
- Marathon then contacted parties to see if they would participate in the well and/or execute a joint operating agreement.
- Marathon conducted updated record searches and internet searches for contact information for parties it seeks to pool.
- Marathon continued to attempt to contact the parties who had not executed an agreement.
- Marathon filed an application to force pool parties who had not entered in to an agreement.
- Marathon sent notices of the force pooling application to the addresses of record.
- Marathon then also published notice in a newspaper of general circulation in the county where the wells will be located.

Travis Prewett
Senior Land Professional
THPrewett@marathonoil.com



Marathon Oil Permian, LLC 5555 San Felipe St. Houston, Texas 77056 Telephone: (713) 296 - 3696

November 29, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Apache Corporation 303 Veterans Airpark Lane, Suite 1000 Midland, TX 79705

Re: REVISED Fremen 7 Fed 1H, 2H, 3H, 5H and 9H Well Proposals

S/2 of Section 7 & 8, 24S-27E Eddy County, New Mexico

Dear Working Interest Owner:

Marathon Oil Permian LLC ("MRO") proposes the drilling of the following four (4) wells planned to produce from the SW of Section 7, T24S-R27E, Eddy County, New Mexico.

- Fremen 7 WA Fed Com 9H with a proposed First Take Point of ~330' FWL and ~2,310' FSL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~2,310' FSL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~9,028' TVD) with an estimated treated lateral length of 9,829'. The total estimated drilling and completion cost is \$10,089,286.00 as shown in the attached AFE.
- Fremen 7 WXY Fed Com 5H with a proposed First Take Point of ~330' FWL and ~1,650' FSL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~1,650' FSL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~8,893' TVD) with an estimated treated lateral length of 9,825'. The total estimated drilling and completion cost is \$10,089,286.00 as shown in the attached AFE.
- Fremen 7 WA Fed Com 3H with a proposed First Take Point of ~330' FWL and ~990' FSL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~990' FSL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~9,028' TVD) with an estimated treated lateral length of 9,824'. The total estimated drilling and completion cost is \$10,089,286.00 as shown in the attached AFE.
- Fremen 7 WXY Fed Com 2H with a proposed First Take Point of ~330' FWL and ~330' FSL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~330' FSL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~8,893' TVD) with an estimated treated lateral length of 9,834'. The total estimated drilling and completion cost is \$10,089,286.00 as shown in the attached AFE.
- Fremen 7 WD Fed Com 1H with a proposed First Take Point of ~330' FWL and ~330' FSL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~330' FSL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~9,550' TVD) with an estimated treated lateral length of 9,834'. The total estimated drilling and completion cost is \$10,626,990.00 as shown in the attached AFE.

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered. The AFEs represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred.

MRO proposes drilling the well under the terms of the 1989 AAPL JOA and if you are interested in participating, a form of this JOA will be sent to you following this proposal. The JOA will have these general provisions:

If your election is to participate in the drilling and completion of the wells please sign and return a copy of this letter along with the enclosed AFE within thirty-five (35) days of receipt of this proposal.

If you do not wish to participate, Marathon proposes to acquire your interest via term assignment at the following terms:

- 3 year lease term
- \$2000 bonus consideration per net mineral acre
- Delivering a 80% NRI, proportionately reduced

This term assignment offer terminates February 1, 2019 and is subject to due diligence and title verification satisfactory to Marathon.

Should you have any questions regarding this or other matters, please do not hesitate to contact me at the above listed numbers.

Sincerely,

Travis Prewett

Marathon Oil Company

Land Professional - Permian Asset

<<< WELL ELECTIONS FOLLOW >>>

Drilling and Completing in the S/2 of Section 7 and 8, T24S-R27E, Eddy County, New Mexico.
Initial Elections Below
Fremen 7 WA Fed Com 9H
elects to participate in the drilling, completing, and equipping of the aforementioned well.
elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.
Fremen 7 WXY Fed Com 5H
elects to participate in the drilling, completing, and equipping of the aforementioned well.
elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.
Fremen 7 WA Fed Com 3H
elects to participate in the drilling, completing, and equipping of the aforementioned well.
elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.
Fremen 7 WXY Fed Com 2H
elects to participate in the drilling, completing, and equipping of the aforementioned well.
elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.
Fremen 7 WD Fed Com 1H
elects to participate in the drilling, completing, and equipping of the aforementioned well.
elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.
Apache Corporation
By:
Print Name:
Title:
Data

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS DATE 11/20/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD COMPLETION PREPARED BY JOSH SHANNON FACILITIES PREPARED BY SCOTT KING

ARTIFICIAL LIFT PREPARED BY BILLLY MOORE

Asset Team	PERMIAN	
Field		EXPLORATION
Lease/Facility		RECOMPLETION
Location		WORKOVER
Prospect	MALAGA	
Est Total Depth	19,642 Est Drilling Days 24 Est Completion Days	11
LOCATION COST - II	∛TANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	30,000
7001250	Land Broker Fees and Services	27,000
	TOTAL LOCATION COST - INTANGIBLE	57,000
DRILLING COST - TA	NGIBLE	
7012050	Conductor Pipe	28,000
7012050	Surface Casing .	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing Production Casing	175,170
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
		639,170
	TOTAL DRILLING - TANGIBLE	633,170
DRILLING COST - IN	TANGIBLE	
	D. W N N L. D b	26,000
7019200	Drilling Rig Mob/Demob	624,000
7019220	Drilling Rig - day work/footage	
7019040	Directional Drilling Services	215,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	75,000
7019140	Mud Fluids & Services	68,000
7012310	Solids Control equipment	43,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	74,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	
7019150	Mud Logging+geosteering	20,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
	Stabilizers, mule openers, order rearries of remaining	15,000
7019110	Casing inspection/cleaning	10,000
7019110	Drill pipe/collar inspection services	25,000
7016180	Freight - truck	60,000
7001460	Water hauling and disposal (includes soil farming)	80,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	10,000
7001440	Vacuum Trucks	30,000
7000030	Contract Labor - general	3,000
7000030	Contract Labor - Operations	10,000
7001200	Contract Services - Facilities	22,000
7019300	Well Services - Well Control Services	
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	96,000
7018150	Rig Equipment and Mist.	12,000
7001110	Telecommunications Services	5,000
7001120	Consulting Services	112,800
7001400	Safety and Environmental	38,400
7018120	Rental Buildings (trailers)	19,200
7019310	Coring (sidewalls & analysis)	
7011010	7% Contingency & Taxes	180,990
	TOTAL DRILLING - INTANGIBLE	\$2,127,390
	TOTAL DRILLING COST	\$2,766,560
COMPLETION - TA	VGIBLE	
7012580	Tubing	
7012040	Tubing Accessories (nipple, wireline entry)	
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	
	TOTAL COMPLETION - TANGISLE	\$15,000



DETAIL OF ESTIMATED WELL COST Asset Team PERMIAN

Asset Team	PERMIAN	
Field Lease/Facility	FORMATION: WOLFCAMP D FREMEN FEDERAL 24 27 7 WD 1H	
-		
COMPLETION - IN		
GL CODE 7001270	DESCRIPTION  Location and Access (dress location after rig move, set anchors)	ESTIMATED COST 10,000
7019220	Drilling Rig During Completion	
7019140 7019030	Mud Fluids & Services	350,000
7019030	Coiled Tubing Services (3 runs) Snubbing Services	350,000
7019270	Pulling/Swab Units	
7016350	Fuel (from drig)	-
7019010 7019020	Casing Crew and Services Cement and Cementing Services	<del></del>
7019080	Well Testing Services (flow hand & equip)	360,000
7019320	Fracturing Services	4,100,000
7019330	Perforating	300,000
7019360 7001460	Wireline Services Water Hauling & Disposal (frac fluids)	15,000 295,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
7018150	BOP Rental & Testing	·
7018150	Rental Tools and Equipment ( incl drig; lightplant,hydra-walk)	
7018150 7000030	CT Downhole Rental Equipment (ie. Blt, BHA)  Contract Labor - general	60,000
7001110	Telecommunications Services	120,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150 7019300	Zipper Manifold Frack Stack Rentals	250,000 85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental ( w/o operator, frac tanks, lightplants)	160,000
7018120 7000030	Rental Buildings (trailers)  Contract Labor - Pumping (pump-down pumps)	35,000 60,000
7011010	8% Contingency & Taxes	459,200
	TOTAL COMPLETION - INTANGIBLE	\$6,779,200
	TOTAL COMPLETION - INTANGOLE	40,773,200
	TOTAL COMPLETION COST	\$6,794,200
SURFACE EQUIPN	IENT - TANGIBLE	
7012350	Misc. Piping, Fittings & Valves	85,795
7006640	Company Labor & Burden	
7000030	Contract Labor - General	74,150
7001110	Telecommunication equip (Telemetry)	27,950
7012410 7012270	Line Pipe & Accessories Miscellaneous Materials (containment system)	43,230
7008060	SCADA	
7016180	Freight - truck	
7001190	Contract Engineering	29,115 237,080
7012290 7012290	Metering and Instrumentation 1&E Materials	237,080
7012200	Gas Treating	
7012200	Dehydration	
7012010	Compressor	
7012350	Power	
7012610 7012440	Vapor Recovery Unit Separator & other pressure vessels	67,350
7012500	Tanks	193,450
7012100	Heater Treater	17,560
7012640	Flare & Accessories	11,645
7000010 7000010	Electrical Labor	29,115
7012480	Mechanical Labor  Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,290
	TOTAL SURFACE EQUIPMENT - TANGIBLE	\$839,730
	TOTAL SURFACE EQUIPMENT COST	\$ 839,730
	TOTAL SURFACE EQUIPMENT COST	
ARTIFICIAL LIFT		
7012580	Tubing	50,000
7012040	Tubing Accessories (nipple, wireline entry)	5,000
7012550	Wellhead Equip	5,000
7012560	Packers - Completion Equipment	5,000 6,000
7006640 7012180	Company Labor  Gas Lift Equipment	23,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	
7012140	Elect Sub Pumps (ESP)	47.500
7019350 7012270	Well Services-Well/Wellhead Services  Materials & Supplies-Tangible	42,500 25,000
7012270	Surface Wellhead Equipment	3,000
7012390	Pig Launchers/Receivers & Rel Equip	
7011010	Contingency & Taxes	5,000
	TOTAL ARTIFICIAL LIFT	169,500
	TOTAL ARTIFICIAL LIFT COST	\$ 169,500
	SUMMARY OF ESTIMATED DRILLING WELL COSTS	TOTAL COST
	TOTAL LOCATION COST	\$ 57,000
	TOTAL DRILLING COST	\$ 2,766,560
	TOTAL COMPLETIONS COST	\$ 6,794,200
	TOTAL SURFACE EQUIPMENT COST	\$ 839,730
	TOTAL ARTIFICIAL LIFT COST	\$ 169,500
		The second secon
	GRAND TOTAL COST	\$10,626,990
	GRAND TOTAL COST	\$10,626,990
	GRAND TOTAL COST  Participant's Approval	\$10,626,990

 Name of

 Company:

 Signature:

 Title:
 Date:

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS DATE 11/20/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY SCOTT KING

ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team Field	PERMIAN FORMATION: WOLFCAMP XY	WILDCAT	EXPLORATION
Lease/Facility	FREMEN FEDERAL 24 27 7 WXY 2H	DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY	X EXPLOITATION	WORKOVER
Prospect	MALAGA		
Est Total Depth	18,988 Est Drilling Days	22.6 Est Completion D	ays 11
LOCATION COST - I	NTANGIBLE		
GL CODE	DESCRIPTION		ESTIMATED COST
7001270	Location and Access		30,000
7001250	Land Broker Fees and Services		27,000
	TOTAL LOCATION COST - INTANGIBLE		57,000
DRILLING COST - T.	ANGIRI F		
Dittiering Cool - I	ANTOIDEE		
7012050	Conductor Pipe		28,000
7012050	Surface Casing		16,000
7012050	Intermediate Casing 1		55,000
7012050	Intermediate Casing 2		231,000
7012050	Production Casing		126,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories		55,000
7012550	Drilling Wellhead Equipment		50,000
7012040	Casing & Tubing Access		24,000
7012270	Miscellaneous MRO Materials		5,000
7012270	Miscellaneous MRO Materials		3,000
	TOTAL DRILLING - TANGIBLE		590,000
	TOTAL DRILLING - TANGIBLE		
DRILLING COST - II	NTANGIBLE		
7019200	Drilling Rig Mob/Demob		26,000
7019220	Drilling Rig - day work/footage		587,600
7019040	Directional Drilling Services		201,000
7019020	Cement and Cementing Service Surfa	ce	15,000
7019020		mediate 1	25,000
7019020		mediate 2	40,000
7019020		uction	60,000
7019140	Mud Fluids & Services		66,600
7012310	Solids Control equipment		41,000
			70,000
7012020	Bits		30,000
7019010	Casing Crew and Services		70,000
7016350	Fuel (Rig)		
7019140	Fuel (Mud)		18,000
7001460	Water (non potable)		25,000
7012350	Water (potable)		5,000
7019000	Well Logging Services		
7019150	Mud Logging+geosteering		19,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)		15,000
7019110	Casing inspection/cleaning		15,000
7019110	Drill pipe/collar inspection services		10,000
7016180	Freight - truck		25,000
7001460	Water hauling and disposal (includes soil farming)		60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste		80,000
7001440	Vacuum Trucks		10,000
7000030	Contract Labor - general		30,000
7000030	Contract Labor - Operations		3,000
7001200	Contract Services - Facilities		10,000
7019300	Well Services - Well Control Services		21,300
7019350	Well Services - Well/Wellhead Services		10,000
7018150	Rental Tools and Equipment (surface rentals)		90,400
7018150	Rig Equipment and Misc.		11,300
7001110	Telecommunications Services		5,000
7001120	Consulting Services		106,220
7001400	Safety and Environmental		36,160
7018120	Rental Buildings (trailers)		18,080
7019310	Coring (sidewalls & analysis)	(	171,196
7011010	7% Contingency & Taxes		1/1/130
			\$2,026,856
	TOTAL DRILLING - INTANGIBLE		32,020,830
		- The supplemental state of the	
	TOTAL DRILLING COST		\$2,616,856
COMPLETION - TA	NGIBLE		
7047500	Tubing		
.7012580	Tubing		
7012040	Tubing Accessories (nipple, wireline entry)		15,000
7012550	Wellhead Equip		15,000
7012560	Packers - Completion Equipment		
	TOTAL COMPLETION - TANGIBLE		\$15,000



MARATHON OIL PERMIAN LLC 11/20/2018 AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS Asset Team PERMIAN Field FORMATION: WOLFCAMP XY Lease/Facility FREMEN FEDERAL 24 27 7 WXY 2H COMPLETION - INTANGIBLE GL CODE DESCRIPTION ESTIMATED COST 7001270 Location and Access (dress location after rig move, set anchors) 10,000 7019220 7019140 Drilling Rig During Completion Mud Fluids & Services 7019030 Coiled Tubing Services (3 runs) 350,000 Snubbing Services
Pulling/Swab Units 7019240 7019270 7016350 Fuel (from drlg) 7019010 7019020 Casing Crew and Services
Cement and Cementing Services Well Testing Services (flow hand & equip) 360,000 7019080 Fracturing Services
Perforating
Wireline Services 7019320 3,750,000 300,000 7019330 7019360 Water Hauling & Disposal (frac fluids)
Freight - Truck (haul pipe; drlg & compl)
BOP Rental & Testing 7001460 285,000 7016180 7018150 20,000 Rental Tools and Equipment ( incl drlg; lightplant,hydra-walk) 7018150 7018150 CT Downhole Rental Equipment (ie. Bit, BHA) 7000030 7001110 Contract Labor - general Telecommunications Services 60,000 120,000 7001400 Safety and Environmental Consulting Services
Zipper Manifold
Frack Stack Rentals 7001120 100,000 7018150 7019300 250,000 85,000 7016190 Freight (Transportation Services) Equipment Rental ( w/o operator, frac tanks, lightplants)
Rental Buildings (trailers) 7018150 160.000 7018120 35,000 60,000 Contract Labor - Pumping (pump-down pumps) 7000030 7011010 8% Contingency & Taxes 431,200 TOTAL COMPLETION - INTANGIBLE \$6,391,200 TOTAL COMPLETION COST \$6,406,200 SURFACE EQUIPMENT - TANGIBLE 7012350 Misc. Piping, Fittings & Valves 85,795 7006640 Company Labor & Burden 7000030 74,150 7001110 Telecommunication equip (Telemetry) 27,950 7012410 Line Pipe & Accessories 7012270 Miscellaneous Materials (containment system) 43,230 7016180 Freight - truck 7001190 Contract Engineering 29,115 7012290 7012290 Metering and Instrumentation I&E Materials 237,080 7012200 **Gas Treating** 7012200 7012010 Compressor 7012350 Power Vapor Recovery Unit Separator & other pressure vessels 7012610 7012440 67,350 7012500 Tanks 193,450 7012100 Heater Treater 17,560 7012640 Flare & Accessories Electrical Labor 11,645 29,115 7000010 Mechanical Labor 7012480 Rod Pumping unit & Pad Pumping Unit Engine
Electrical Power (electrical cooperative construction costs) 23,290 7012350 \$839,730 TOTAL SURFACE EQUIPMENT - TANGIBLE TOTAL SURFACE EQUIPMENT COST 839,730 ARTIFICIAL LIFT 7012580 Tubing Accessories (nipple, wireline entry) 7012040 5,000 7012550 7012560 Wellhead Equip
Packers - Completion Equipment 5,000 5,000 7006640 Company Labor 7012180 Gas Lift Equipment 23,000 Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services 701248 7012140 42,500 7019350 Materials & Supplies-Tangible
Surface Wellhead Equipment
Pig Launchers/Receivers & Rel Equip 7012270 25,000 3,000 7012390 7011010 Contingency & Taxes 5.000 169,500 TOTAL ARTIFICIAL LIFT COST 169,500 SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COST

TOTAL LOCATION COST	\$ 57,000
TOTAL DRILLING COST	\$ 2,616,856
TOTAL COMPLETIONS COST	\$ 6,406,200
TOTAL SURFACE EQUIPMENT COST	\$ 839,730
TOTAL ARTIFICIAL LIFT COST	\$ 169,500
GRAND TOTAL COST	\$10,089,286

Participant's	Approvai	

Name of

Company:	
Signature:	
Title:	Date:

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS DATE 11/20/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY SCOTT KING

ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team	PERMIAN	
Field	FORMATION: WOLFCAMP AWILDCAT	_ EXPLORATION
Lease/Facility	FREMEN FEDERAL 24 27 7 WA 3H DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Depth	19,104 Est Drilling Days 22.6 Est Completion Day.	s11
LOCATION COST	·INTANGIBLE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	30,000
7001250	Land Broker Fees and Services	27.000
7001230	Land bloker rees and services	27,000
	TOTAL LOCATION COST - INTANGIBLE	57,000
DRILLING COST -	TANGIRI F	
DRILLING COST	Middle	
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050		
	Production Casing	126,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
	TOTAL POLICING. TANGENG	F00.000
	TOTAL DRILLING - TANGIBLE	590,000
DRILLING COST -	INTANGIBLE	
7019200	Drilling Rig Mob/Demob	26,000
7019220	Drilling Rig - day work/footage	587,600
7019040	Directional Drilling Services	201,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	60,000
	Mud Fluids & Services	66,600
7019140		
7012310	Solids Control equipment	41,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	70,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	
7019150	Mud Logging+geosteering	19,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110		10,000
	Drill pipe/collar inspection services	
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	21,300
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	90,400
7018150	Rig Equipment and Misc.	11,300
7001110	Telecommunications Services	5,000
7001120	Consulting Services	106,220
7001400	Safety and Environmental	36,160
7018120	Rental Buildings (trailers)	18.080
7019310	Coring (sidewalls & analysis)	20,000
7011010	7% Contingency & Taxes	171,196
7011010	770 CONTRIBETO CONTRACT	27=7230
	TOTAL DRILLING - INTANGIBLE	\$2,026,85
	TOTAL DRILLING COST	\$2,616,85
COMPLETION - 1	ANCIDIE	
CONTRETION - 1	ANGIDLE	
7012580	Tubing	
7012040	Tubing Accessories (nipple, wireline entry)	
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	
	TOTAL COMPLETION - TANGIBLE	\$15,00



PERMIAN Field FORMATION: WOLFCAMP A Lease/Facility FREMEN FEDERAL 24 27 7 WA 3H COMPLETION - INTANGIBLE GL CODE DESCRIPTION ESTIMATED COST 7001270 Location and Access (dress location after rig move, set anchors) 10,000 Drilling Rig During Completion
Mud Fluids & Services
Coiled Tubing Services (3 runs) 7019220 7019140 7019030 350,000 7019240 **Snubbing Services** Pulling/Swab Units 7016350 Fuel (from drig) Casing Crew and Services
Cement and Cementing Services
Well Testing Services (flow hand & equip) 7019010 7019020 7019080 360,000 7019320 Fracturing Services 3,750,000 7019330 15,000 wirenne services
Water Haufing & Disposal (frac fluids)
Freight - Truck (haul pipe; drig & compl)
BOP Rental & Testing
Rental Tools and Equipment (incl drig; lightplant,hydra-walk) 7001460 285,000 7016180 20,000 CT Downhole Rental Equipment (ie. Bit, BHA) 7018150 7000030 Contract Labor - general Telecommunications Services 7001110 7001400 120,000 Safety and Environmental Consulting Services
Zipper Manifold
Frack Stack Rentals 7001120 100,000 85,000 7016190 Freight (Transportation Services) Equipment Rental ( w/o operator, frac tanks, lightplants)
Rental Buildings (trailers)
Contract Labor - Pumping (pump-down pumps) 160,000 35,000 7018150 60,000 7011010 8% Contingency & Taxes 431,200 TOTAL COMPLETION - INTANGIBLE \$6,391,200 TOTAL COMPLETION COST \$6,406,200 SURFACE EQUIPMENT - TANGIBLE Misc. Piping, Fittings & Valves 85,795 Company Labor & Burden
Contract Labor - General
Telecommunication equip (Telemetry) 7006640 7000030 74,150 7012410 Line Pipe & Accessories 27,950 7012270 Miscellaneous Materials (containment system) 43,230 7008060 7016180 Freight - truck 7001190 **Contract Engineering** 29,115 Metering and Instrumentation I&E Materials 7012290 237,080 7012200 Gas Treating 7012200 7012010 Compressor 7012350 Power Vapor Recovery Unit Separator & other pressure vessels 7012610 7012440 7012500 Tanks 193,450 Heater Treater 7012100 17,560 7012640 Flare & Accessories Electrical Labor 29,115 7000010 Mechanical Labor 7012480 Rod Pumping unit & Pad Pumping Unit Engine
Electrical Power (electrical cooperative construction costs) 7012180 7012350 23,290 TOTAL SURFACE EQUIPMENT - TANGIBLE \$839,730 TOTAL SURFACE EQUIPMENT COST 839,730 ARTIFICIAL LIFT 7012580 50,000 Tubing Accessories (nipple, wireline entry) 7012040 5,000 Wellhead Equip
Packers - Completion Equipment 5,000 5,000 7012550 7012560 Company Labor 6,000 7012180 Gas Lift Equipment 23,000 Rod Pumping, Sucker Rods & Rod Pump Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services 7012480 7019350 42,500 7012270 Materials & Supplies-Tangible 7012550 7012390 Surface Wellhead Equipment
Pig Launchers/Receivers & Rel Equip 3,000 7011010 Contingency & Taxes 5,000 169.500 TOTAL ARTIFICIAL LIFT COST 169,500 SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COST TOTAL LOCATION COST 57.000 TOTAL DRILLING COST 2,616,856 TOTAL COMPLETIONS COST 6,406,200 TOTAL SURFACE EQUIPMENT COST 839.730 TOTAL ARTIFICIAL LIFT COST 169,500 GRAND TOTAL COST \$10,089,286 Participant's Approval Name of Signature:

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS DATE 11/20/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD

COMPLETION PREPARED BY JOSH SHANNON

FACILITIES PREPARED BY SCOTT KING

ARTIFICIAL LIFT PREPARED BY BILLY MOORE

	AKTIFICIAL LIFT PREPARED BY	BILLY MOOKE
Asset Team	PERMIAN	
Field	FORMATION: WOLFCAMP XY WILDCAT	EXPLORATION
Lease/Facility	FREMEN FEDERAL 24 27 7 WXY 5H	RECOMPLETION
Location	EDDY COUNTY X EXPLOITATION	WORKOVER
Prospect	MALAGA	
Est Total Depth		s11
LOCATION COST - II	NTANGIRI F	
EOCATION COST - II	TANGIBE	
GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	30,000
7001250	Land Broker Fees and Services	27,000
	TOTAL LOCATION COST - INTANGIBLE	57,000
		37,000
DRILLING COST - TA	NGIBLE	
7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	126,000
7012050	Drlg Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
	THE STATE OF THE S	
	TOTAL DRILLING - TANGIBLE	590,000
DRILLING COST - IN	TANGIBLE	
7019200	Duillian Die Mah /Domah	25.000
7019220	Drilling Rig Mob/Demob	26,000
7019040	Drilling Rig - day work/footage	587,600
7019040	Directional Drilling Services	201,000
7019020	Cement and Cementing Service Surface	15,000
	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	60,000
7019140	Mud Fluids & Services	66,600
7012310	Solids Control equipment	41,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	70,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	
7019150	Mud Logging+geosteering	19,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	21,300
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	90,400
7018150	Rig Equipment and Misc.	11,300
7001110	Telecommunications Services	5,000
7001110	Consulting Services	
7001120		106,220
7018120	Safety and Environmental	36,160
7019310	Rental Buildings (trailers)	18,080
7011010	Coring (sidewalls & analysis) 7% Contingency & Taxes	171,196
7011010	776 Continigency & Taxes	174,130
	TOTAL DRILLING - INTANGIBLE	\$2,026,856
	TOTAL DRILLING COST	\$2,616,856
COMPLETION - TAN	GIBLE	
7012580	Tubing	
7012040	Tubing Accessories (nipple, wireline entry)	
7012550	Wellhead Equip	15,000
7012560	Packers - Completion Equipment	15,000
7022500	, sense semprenon -quipment	
	TOTAL COMPLETION - TANGERS	615 000



MARATHON OIL PERMIAN LLC DATE 11/20/2018 AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS Asset Team PERMIAN FORMATION: WOLFCAMP XY FREMEN FEDERAL 24 27 7 WXY 5H Lease/Facility COMPLETION - INTANGIBLE GL CODE DESCRIPTION ESTIMATED COST 7001270 Location and Access (dress location after rig move, set anchors) 10,000 7019220 **Drilling Rig During Completion** Mud Fluids & Services Coiled Tubing Services (3 runs) 7019140 7019030 7019240 **Snubbing Services** 7019270 Pulling/Swab Units 7016350 7019010 Fuel (from drlg)
Casing Crew and Services 7019020 **Cement and Cementing Services** 7019080 Well Testing Services (flow hand & equip)
Fracturing Services 360,000 7019320 3,750,000 7019330 Perforating 300,000 7019360 Wireline Services 15,000 7001460 7016180 Water Hauling & Disposal (frac fluids)
Freight - Truck (haul pipe; drlg & compl) 20,000 7018150 **BOP Rental & Testing** 7018150 7018150 Rental Tools and Equipment ( incl drlg; lightplant,hydra-walk)
CT Downhole Rental Equipment (ie. Blt, BHA) 60,000 7000030 Contract Labor - general 7001110 Telecommunications Services 120,000 7001400 7001120 Safety and Environmental 100,000 Consulting Services 7018150 Zipper Manifold 250,000 7019300 7016190 Frack Stack Rentals
Freight (Transportation Services) 85,000 Equipment Rental ( w/o operator, frac tanks, lightplants) 160,000 7018150 7018120 Rental Buildings (trailers) 35,000 7000030 7011010 Contract Labor - Pumping (pump-down pumps)
8% Contingency & Taxes 60,000 431,200 TOTAL COMPLETION - INTANGIBLE \$6,391,200 TOTAL COMPLETION COST \$6,406,200 SURFACE EQUIPMENT - TANGIBLE Misc. Piping, Fittings & Valves Company Labor & Burden 7012350 85,795 7000030 Contract Labor - General 74,150 7001110 Telecommunication equip (Telemetry) 7012410 7012270 Line Pipe & Accessories
Miscellaneous Materials (containment system) 27,950 43,230 7008060 SCADA Freight - truck
Contract Engineering
Metering and Instrumentation 7016180 7001190 7012290 237,080 7012290 I&E Materials 7012200 Gas Treating 7012200 Dehydration 7012010 7012350 7012610 Vapor Recovery Unit 7012440 Separator & other pressure vessels 67,350 7012500 7012100 7012640 193,450 17,560 11,645 Heater Treater Flare & Accessories 7000010 Electrical Labor 29,115 7000010 7012480 Rod Pumping unit & Pad -7012180 **Pumping Unit Engine** 7012350 Electrical Power (electrical cooperative construction costs) 23,290 \$839,730 TOTAL SURFACE EQUIPMENT COST \$ 839,730 ARTIFICIAL LIFT Tubing
Tubing Accessories (nipple, wireline entry)
Wellhead Equip 7012580 50,000 5,000 7012550 7012560 Packers - Completion Equipment 5,000 Company Labor Gas Lift Equipment 6.000 7012180 23,000 7012480 Rod Pumping, Sucker Rods & Rod Pump 7012140 Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services
Materials & Supplies-Tangible 42,500 25,000 7012270 7012550 Surface Wellhead Equipment 3,000 7012390 Pig Launchers/Receivers & Rel Equip 5,000 Contingency & Taxes 7011010 TOTAL ARTIFICIAL LIFT 169,500 TOTAL ARTIFICIAL LIFT COST 169,500 SUMMARY OF ESTIMATED DRILLING WELL COSTS TOTAL COST TOTAL LOCATION COST 57,000 TOTAL DRILLING COST 2,616,856 TOTAL COMPLETIONS COST 6,406,200 TOTAL SURFACE EQUIPMENT COST 839,730 TOTAL ARTIFICIAL LIFT COST 169,500

	Participant's Approval	
Name of Company:		
Signature:		
Title:	***************************************	Date:

GRAND TOTAL COST

\$10,089,286

MARATHON OIL PERMIAN LLC AUTHORITY FOR EXPENDITURE DETAIL OF ESTIMATED WELL COSTS DATE 11/20/2018

DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY SCOTT KING
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team	PERMIAN				
Field		ORMATION: WOLFCAMP	Α	WILDCAT	EXPLORATION
Lease/Facility	FREMEN FEDERAL 24 27 7 WA 9H			DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY		X	EXPLOITATION	WORKOVER
Prospect	MALAGA				
Est Total Depth	19,222	Est Drilling Days	22.6	Est Completion Day	rs11
LOCATION COST	- INTANGIBLE				
GL CODE		DESCRIPTION			ESTIMATED COST
7001270	Location and Access				30,000
7001250	Land Broker Fees and Services				27,000
	TOTAL LOCATION COST - INTANGIBLE				57,000
					37,000
DRILLING COST -	FANGIBLE				
7012050	Conductor Pipe				28.000
7012050	Surface Casing				16,000
7012050	Intermediate Casing 1				55,000
7012050	Intermediate Casing 2				231,000
7012050	Production Casing				126,000
7012050	Drlg Liner Hanger, Tieback Eq & Csg A	ccessories			55,000
7012550	Drilling Wellhead Equipment				50,000
7012040	Casing & Tubing Access				24,000
7012270	Miscellaneous MRO Materials				5,000
	TOTAL DRILLING - TANGIBLE				590,000
					330,000
DRILLING COST -	NTANGIBLE				
7019200	Drilling Rig Mob/Demob				26,000
7019220	Drilling Rig - day work/footage				587,600
7019040	Directional Drilling Services				201,000
7019020	Cement and Cementing Service		Surface		15,000
7019020	Cement and Cementing Service		Intermediate 1		25,000
7019020	Cement and Cementing Service		Intermediate 2		40,000
7019020	Cement and Cementing Service		Production		60,000
7019140	Mud Fluids & Services				66,600
7012310	Solids Control equipment				41,000
7012020	Bits				70,000
7019010	Casing Crew and Services				30,000
7016350	Fuel (Rig)				70,000
7019140	Fuel (Mud)				18,000
7001460	Water (non potable)				25,000
7012350	Water (potable)				5,000
7019000	Well Logging Services				
7019150	Mud Logging+geosteering				19,000
7019250	Stabilizers, Hole Openers, Underream	ers (DH rentals)			15,000
7019110	Casing inspection/cleaning	icis (birrentals)			15,000
7019110	Drill pipe/collar inspection services			*	10,000
7016180	Freight - truck				25,000
7001460	Water hauling and disposal (includes	soil farming)			60,000
7001160	Contract Services - Disposal/Non-Haz				80,000
7001440	Vacuum Trucks				10,000
7000030	Contract Labor - general				30,000
7000030	Contract Labor - Operations				3,000
7001200	Contract Services - Facilities				10,000
7019300	Well Services - Well Control Services				21,300
7019350	Well Services - Well/Wellhead Services				
7019350				0	10,000
7018150	Rental Tools and Equipment (surface	rentais/		)	90,400
7001110	Rig Equipment and Misc.				11,300
7001110	Telecommunications Services Consulting Services				5,000
					106,220
7001400	Safety and Environmental				36,160
7018120	Rental Buildings (trailers)			6	18,080
7019310	Coring (sidewalls & analysis)				
7011010	7% Contingency & Taxes				171,196
	TOTAL DRILLING - INTANGIBLE				\$2,026,856
	TOTAL DRILLING COST				\$2,616,856
COMPLETION - TA	NGIBLE		-		
7012580	Tubing				_
7012380	Tubing Accessories (nipple, wireline e	entry)			
7012550	Wellhead Equip				15,000
7012560	Packers - Completion Equipment				4.5/000
					-
	TOTAL COMPLETION - TANGISLE				\$15,000



MARATHON OIL PERMIAN LLC DATE 11/20/2018 DETAIL OF ESTIMATED WELL COSTS Asset Team PERMIAN FORMATION: WOLFCAMP A FREMEN FEDERAL 24 27 7 WA 9H Lease/Facility COMPLETION - INTANGIBLE GL CODE DESCRIPTION ESTIMATED COST 7001270 7019220 Location and Access (dress location after rig move, set anchors) 10,000 Drilling Rig During Completion 7019140 **Mud Fluids & Services** Coiled Tubing Services (3 runs) 350,000 Snubbing Services 7019240 7019270 Pulling/Swab Units 7016350 7019010 Fuel (from drlg)
Casing Crew and Services **Cement and Cementing Services** 7019020 7019080 Well Testing Services (flow hand & equip) Fracturing Services 360,000 3,750,000 7019330 Perforating 300,000 7019360 Wireline Services 15,000 Water Hauling & Disposal (frac fluids)
Freight - Truck (haul pipe; drig & compl) 7001460 7016180 7018150 20,000 **BOP Rental & Testing** Rental Tools and Equipment ( incl drlg; lightplant,hydra-walk) 7018150 7018150 CT Downhole Rental Equipment (ie. Bit, BHA) Contract Labor - general 60,000 7001110 **Telecommunications Services** 120,000 Safety and Environmental Consulting Services 7001400 100,000 7018150 Zipper Manifold 250,000 7019300 Frack Stack Rentals 85,000 7016190 Freight (Transportation Services)
Equipment Rental ( w/o operator, frac tanks, lightplants) 7018150 160,000 7018120 Rental Buildings (trailers) 35,000 60,000 431,200 7000030 Contract Labor - Pumping (pump-down pumps) 7011010 8% Contingency & Taxes TOTAL COMPLETION - INTANGIBLE \$6,391,200 TOTAL COMPLETION COST \$6,406,200 SURFACE EQUIPMENT - TANGIBLE Misc. Piping, Fittings & Valves Company Labor & Burden Contract Labor - General 7012350 85,795 7000030 74,150 7001110 Telecommunication equip (Telemetry) 7012410 Line Pipe & Accessories
Miscellaneous Materials (containment system) 7012270 43,230 7008060 SCADA 7016180 Freight - truck 7001190 7012290 Contract Engineering Metering and Instrumentation 29,115 237,080 7012290 I&E Materials 7012200 7012200 Gas Treating Dehydration 7012010 Compressor Power Vapor Recovery Unit 7012350 7012610 7012440 Separator & other pressure vessels 67,350 7012500 193,450 17,560 7012100 7012640 Heater Treater
Flare & Accessories 11,645 7000010 **Electrical Labor** 29,115 Mechanical Labor Rod Pumping unit & Pad 7000010 . 7012180 Pumping Unit Engine 7012350 Electrical Power (electrical cooperative construction costs) 23,290 TOTAL SURFACE EQUIPMENT - TANGIBLE \$839,730 TOTAL SURFACE EQUIPMENT COST \$ 839,730 ARTIFICIAL LIFT 7012580 50,000 Tubing Accessories (nipple, wireline entry)
Wellhead Equip 7012040 5,000 7012550 7012560 Packers - Completion Equipment 5,000 7006640 Company Labor 7012180 23,000 Rod Pumping, Sucker Rods & Rod Pump 7012480 7012140 Elect Sub Pumps (ESP) Well Services-Well/Wellhead Services Materials & Supplies-Tangible 7019350 42,500 7012270 25,000 Surface Wellhead Equipment 7012550 3,000 7012390 Pig Launchers/Receivers & Rel Equip 7011010 Contingency & Taxes 5,000 TOTAL ARTIFICIAL LIFT 169,500 TOTAL ARTIFICIAL LIFT COST 169,500 SUMMARY OF ESTIMATED DRILLING WELL COSTS **TOTAL COST** TOTAL LOCATION COST 57,000 TOTAL DRILLING COST 2,616,856 TOTAL COMPLETIONS COST 6,406,200 TOTAL SURFACE EQUIPMENT COST TOTAL ARTIFICIAL LIFT COST 169,500 GRAND TOTAL COST \$10,089,286 Participant's Approval

Participant's Approval

Name of
Company:

Signature:

Title:

Date:

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

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

**CASE NO. 16415** 

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

**CASE NO. 16416** 

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

**CASE NO. 16417** 

### **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 Applications were sent under a notice letter and that proof of receipt is attached hereto.

Deana M. Bennett



SUBSCRIBED AND SWORN to before me this 4th day of January, 2019 by Deana M. Bennett.

Karlene Schuman

My commission expires: 02/27/2021

Notary Public

Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 157858 Generated: 1/3/2019 9:36:10 AM

Certified Mail Article Number	Date Created Reference Number	Name 1	Name 2	Address	Clt	State	Zlo	Certifiad Mailing Status		
9314869904300054223839	2010-12-20 10:19 AWI 81363-0164 2018-12-20 10:19 AMI 81363-0164	State of New Mexico		P.O. Box 1148	Santa Fe	WN	87504 D	Delivered	Return Receint - Flectronic	Mail Delivery Date
9314869904300054225835	2018-12-20 10:19 AM 81363-0164	Mouthourne Oil Comments		P.O. Box 4362	Houston	¥	7210 De	elivered	Return Receipt - Electronic	01-03-2019
9314869904300054225828	2018-12-20 10:19 AM 81363-0164	Mac Dermiss Company &	Mewbourne Energy Partners 15-A, LP	Box 7968	Tyler	¥	75711 Do	elivered	Return Receipt - Electronic	12-27-2018
9314869904300054225811		ConocoPhillips Company		5400 LBJ Freeway	Dallas	<u>Έ</u>	_	elivered	Return Receipt - Electronic	12-26-2018
9314869904300054225804		Anache Compration		P.O. Box 2197	Houston	<u>۲</u>	Δ	elivered	Return Receipt - Electronic	12-31-2018
9314869904300054225798		Marshall & Winston Inc		2000 Post Oak Blvd. Suite 100	Houston		_	elivered	Return Receipt - Electronic	01-02-2019
9314869904300054225781		lame Davie & Barbara Davie		6 Desta Dr. #3100	Midland	Ĭ,	79705 De	Delivered	Return Receipt - Electronic	12-27-2018
9314869904300054225774	2018-12-20 10:19 AM 81363-0164	Sharon Meece		889 Black River Village	Carlsbad	_	_	Jelivered	Return Receipt - Electronic	12-26-2018
9314869904300054225767		Mapy Ellan David Moore		5315 Musket Ridge	Austin	,-		elivered	Return Receipt - Electronic	12-24-2018
9314869904300054225750		Fscondido Oil & Gas		111 Dove Ln	Meadowlakes			Jelivered	Return Receipt - Electronic	12-24-2018
9314869904300054225743		Craig William Orden		P.O. Box 51390	Midland		_	Jelivered	Return Receipt - Electronic	12-28-2018
9314869904300054225736		II Wall Family I wing Trust		159 Ogden Rd.	Loving	_	_	Jelivered	Return Receipt - Electronic	12-24-2018
9314869904300054225729		Karan Oadan Cortosa		1/25 CR 11	Clovis		_	Jelivered	Return Receipt - Electronic	12-24-2018
9314869904300054225712		Ann Forehand Landingin		Rt. 1, Box 136	Sumner		_	Jelivered	Return Receipt - Electronic	01-02-2019
9314869904300054225705		Farl Day (doc'd) 9. Many Lynn Combons		1303 N. Canal #15	Carlsbad		88220 M	Mailed	Return Receipt - Electronic	
9314869904300054225699		Smith Family Trust by Darlon	100	112 East Cherry Lane	Carlsbad		-	Mailed	Return Receipt - Electronic	
9314869904300054225682		Senting Payorable Truck (1/4) 0 0 2002	& Elizabeth F. Smith	P.O. Box 333	Socorro	NM 8	87801 De	Jelivered	Return Receipt - Electronic	12-31-2018
9314869904300054225675		Poer Dings Proportion 11 C	by Susan Ogden Benting, Trustee	1900 Richard Jones Rd #P-3	Nashville		37215 De	Delivered	Return Receipt - Electronic	12-29-2018
9314869904300054225668		Noss Dancan Froperities LLC		P.O. Box 647	Artesia		_	Jelivered	Return Receipt - Electronic	12-26-2018
9314869904300054225651		Datable A Market		3410 NW 9th Terrace	Cape Coral	FL 3	33993 Ma	Mailed	Return Receipt - Electronic	
9314869904300054225644		lamer F Bood		3PO Box 157	Carlsbad	_	_	Delivered	Return Receipt - Electronic	12-27-2018
9314869904300054225637		Alies Onder	c/o Jodie K. Darden, et al.	901 Madison	San Angelo		_	o be Returned	Return Receipt - Electronic	
9314869904300054225620		Figure Ogueri		P.O. Box 94	Loving	NM 8	_	Delivered	Return Receipt - Electronic	12-28-2018
9314869904300054225613		Daton Enorm		5353 David Ct. Apt A	Gurnee		60031 To	o be Returned	Return Receipt - Electronic	
9314869904300054225606		Cough Oil and Car		333 West Sheridan Ave.	Oklahoma City	OK 7.	73102 De	Delivered	Return Receipt - Electronic	12-26-2018
9314869904300054225590		COLUMN OF STREET		600 W. Illinois Avenue	Midland		79701 De	Delivered	Return Receipt - Electronic	12-26-2018
9314869904300054225583				2208 W Main St.	Artesia	NM 8	38210 De	Jelivered	Return Receipt - Electronic	12-26-2018
9314869904300054225576		Fourier of I and Management	Oak Valley Mineral and Land, LP	PO BOX 50820	Midland	-	_	Jelivered	Return Receipt - Electronic	12-26-2018
9314869904300054225569		Mewboirne Oil Company		620 E Greene St.	Carlsbad	WW WW	_	nrned	Return Receipt - Electronic	
		wewbourne on company		PO BOX 7698	Tyler	χL	'5711 De	Delivered	Return Receipt - Electronic	12-27-2018

## CURRENT-ARGUS

AOTARY PUBLIC PUBLIC OF WISC

### AFFIDAVIT OF PUBLICATION

Ad No. 0001272189

MODRALL SPERLING PO BOX 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 on the date as follows, to wit:

12/26/18

Legal Clerk

Subscribed and sworn before me this 26th of December 2018.

State of WI, County of Brown NOTARY PUBLIC

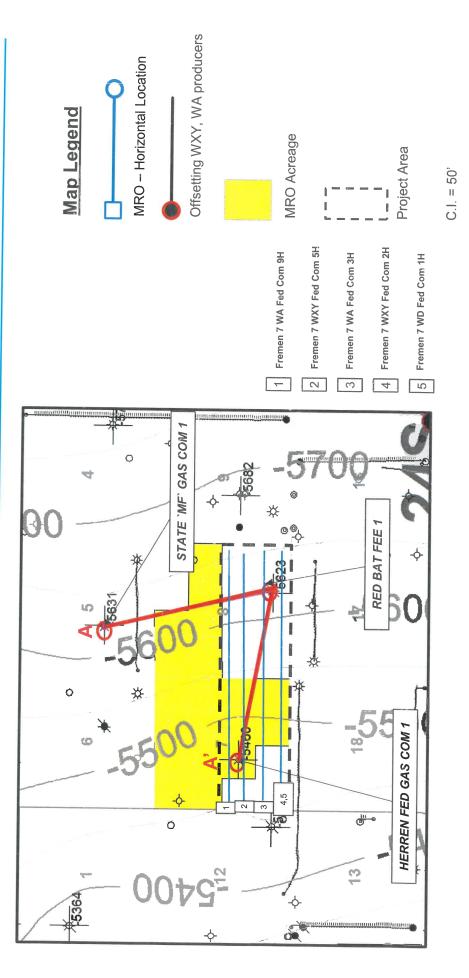
My Commission Expires

Ad#:0001272189 P O : Fremen # of Affidavits :0.00 CASE No. 16415: Notice to all affected parties, as well as the heirs and devisees of Mewbourne Oil Company; Mewbourne Energy Partners 15-A, LP; Bureau of Land Management; Foundation Minerlas, LLC; Mavros Minerals; LLC & Oak Valley Mineral and Land; LP; COG Operating, LLC; Concho Oil and Gas; Devon Energy; Edgar D. Smith; Alisa Ogden; James E. Reed c/o Jodie R. Darden, et al.; Patricia A. Magby; Russell L. Smith; Ross Duncan Properties LLC; Benting Revocable Trust u/a/d 8-8-2003 by Susan Ogden Benting, Trustee; Smith Family Trust by Harlen & Elizabeth F. Smith; Earl Ray (dec'd) & Mary Lynn Forehand; Ann Forehand Langlinais; Karen Ogden Cortese; JL Wall Family Living Trust; Craig William Ogden; Escondido Oil & Gas; Mary Ellen Paul Meece; Sharon Meece; James Davis & Barbara Davis; Marshall & Winston, Inc.; Apache Corporation; ConocoPhillips Company; MRC Permian Company; EOG Resources; and the State of New Mexico of Marathon Oil Permian LLC's application for compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 10, 2019, to consider this application. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the \$/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPNY, Eddy County, New Mexico. This spacing unit will be dedicated to the Fremen 7 WD Fed Com 1H well, to be horizontally drilled. 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 Marathon as operator of the well; and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

CASE No. 16416: Notice to all affected parties, as well as the heirs and devisees of Mewbourne Oil Company; Mewbourne Energy Partners 15-A, LP; Bureau of Land Management; Foundation Minerlas, LLC, Mavros Minerals, LLC & Oak Valley Mineral and Land, LP; COG Operating, LLC; Concho Oil and Gas; Devon Energy; Edgar D. Smith; Alisa Ogden; James E. Reed c/o Jodie R. Darden, et al.; Patricia A. Magby; Russell L. Smith; Ross Duncan Properties LLC; Benting Revocable Trust u/a/d 8-8-2003 by Susan Ogden Benting, Trustee; Smith Family Trust by Harlen & Elizabeth F. Smith; Earl Ray (dec'd) & Mary Lynn Forehand; Ann Forehand Langlinais; Karen Ogden Cortese; JL Wall Family Living Trust; Craig William Ogden; Escondido Oil & Gas; Mary Ellen Paul Meece; Sharon Meece; James Davis & Barbara Davis; Marshall & Winston, Inc.; Apache Corporation; ConocoPhillips Company; MRC Permian Company; EOG Resources; and the State of 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. January 10, 2019, to consider this application. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Fremen 7 WXY Fed Com 2H well, to be horizontally drilled. 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.

CASE No. 16417: Notice to all affected parties, as well as the heirs and devisees of Mewbourne Oil Company; Mewbourne Energy Partners 15-A, LP; Bureau of Land Management; Foundation Minerlas, LLC, Mavros Minerals, LLC & Oak Valiey Mineral and Land, LP; COG Operating, LLC; Concho Oil and Gas; Devon Energy; Edgar D. Smith; Alisa Ogden; James E. Reed c/o Jodie R. Darden, et al.; Patricia A. Magby; Russell L. Smith; Ross Duncan Properties LLC; Benting Revocable Trust u/a/d 8-8-2003 by Susan Ogden Benting, Trustee; Smith Family Trust by Harlen & Elizabeth F. Smith; Earl Ray (dec'd) & Mary Lynn Forehand; Ann Forehand Langlinais; Karen Ogden Cortese; JL Wall Family Living Trust; Craig William Ogden; Escondido Oil & Gas; Mary Ellen Paul Meece; Sharon Meece; James Davis & Barbara Davis; Marshall & Winston, Inc.; Apache Corporation; ConocoPhillips Company; MRC Permian Company; EOG Resources; and the State of New Mexico of Marathon Oil Permian LLC's application for compulsory pooling, Eddy County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 10, 2019, to consider this application. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the S/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Fremen 7 WA Fed Com 3H, Fremen 7 WXY Fed Com 5H, and the Fremen 7 WA Fed Com 9H wells, to be horizontally drilled. The producing area for these wells will 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Sai

Structure Map - Top of Wolfcamp (SSTVD)



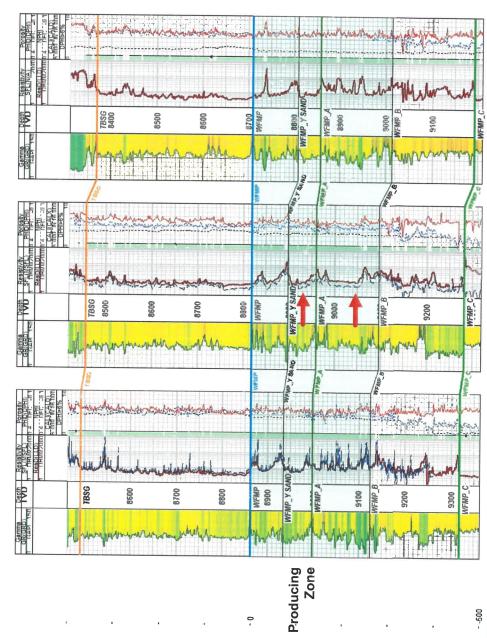


1 mile



## Stratigraphic Cross Section (Top Wolfcamp Datum)

	Š
30015210330000	HERREN FED GAS COM 1 TWP: 24 S - Range: 27 E - Sec. 7
6783 ft	
30015347010000	RED BAT FEE 1 TWP: 24 S - Range: 27 E - Sec. 8
6799 ft	
30015240670000	STATE 'MF' GAS COM 1 TWP: 24 S - Range: 27 E - Sec. 5
	⋖





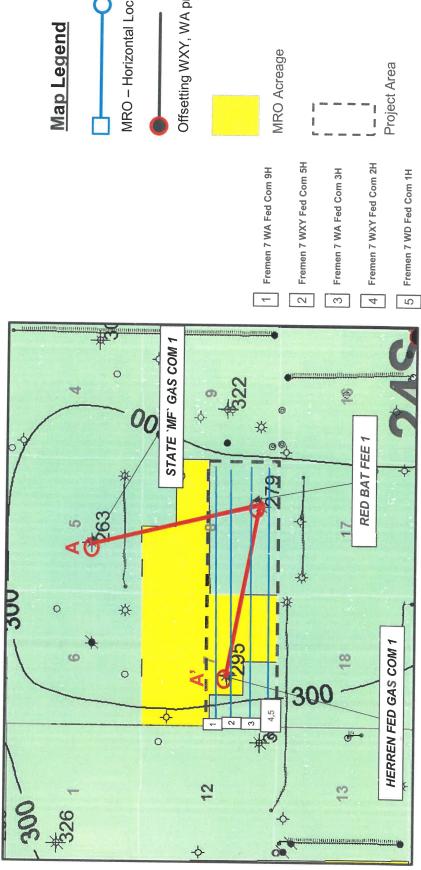
**EXHIBIT** 

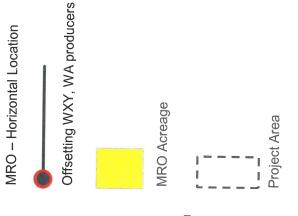
- -500

7

saldda'

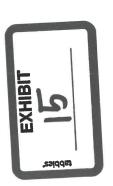
Gross Interval Isochore - Wolfcamp to Wolfcamp B





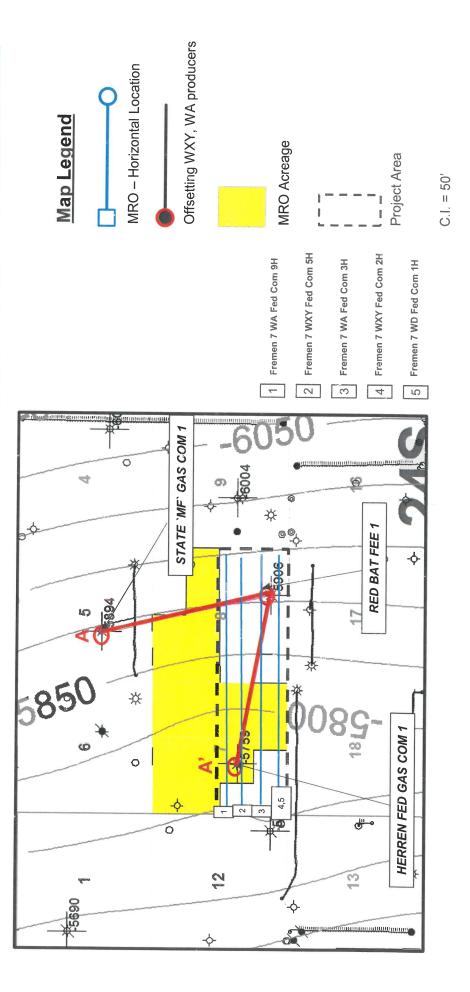
C.I. = 50

1 mile





Structure Map - Top of Wolfcamp B (SSTVD)

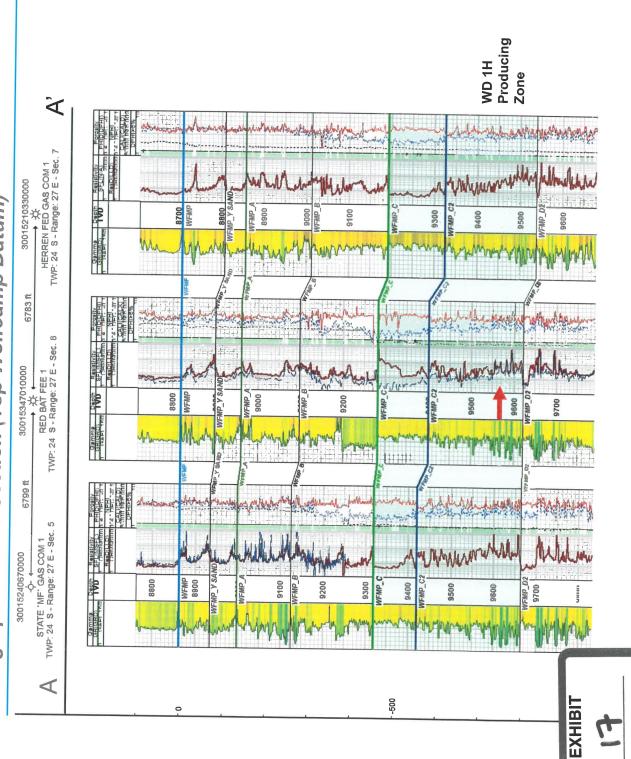






1 mile

## Stratigraphic Cross Section (Top Wolfcamp Datum)





'esiddes'

Gross Interval Isochore - Wolfcamp C to Wolfcamp D2

