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	NEW MEXIC	O OIL CONSERV	ATION DIVISION	SALE OF NEW MEETE
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	1220 South St. Fr	ancis Drive, Sant	a Fe, NM 87505	R COMMENT MAN OF THE PARTY OF T
				чилти»
THIS	ADMINISTI CHECKLIST IS MANDATORY FOR A	RATIVE APPLICATI		DIVISION RULES AND
0			E DIVISION LEVEL IN SANTA FE	3.110.01.110.220.7.11.2
Applicant: Maratho				Number: <u>372098</u>
Well Name: Charlie	e Murphy 6 TB Fed Com 14H; WXY	Fed Com 12H; WXY Fed Con	m 18H API: 30-02	5-46484; 30-025-46486; 30-025-46487
Pool: WC-025 G-08S25353	34O; Bone Spring & WC-025 G-09 S26350	04N; Wolfcamp	Pool Co	ode: 97088 & 98117
SUBMIT ACCUR	ATE AND COMPLETE IN	_		E TYPE OF APPLICATION
		INDICATED BELO	JW	
,	ICATION: Check those	,	•	
	n – Spacing Uni <u>t</u> – Simul [.]			
	NSL $NSP_{(PF)}$	ROJECT AREA)	SP(proration unit))
	one only for [I] or [II]			
	nmingling – Storage – M			
	DHC XCTB P			
	ction – Disposal – Pressu] WFX			
L] WFX FINIX 3	WD LIFI L	OK LIFFK	FOR OCD ONLY
2) NOTIFICATION	N REQUIRED TO: Check	those which apply	/	
	t operators or lease hol		· •	■ Notice Complete
	Ity, overriding royalty o		vners	□ Application
	cation requires publish			Content
	cation and/or concurre		_O	
E. 😾 Notific	cation and/or concurre	ent approval by Bl	_M	Complete
	ce owner			
G. 😾 For al	I of the above, proof o	f notification or pu	ublication is attache	d, and/or,
H. ☐ No no	otice required			
0) OFFICIONATION	NICHT CONTRACTOR OF THE CONTRACTOR		1	. Para Para Car
,	N: I hereby certify that		•	•
	e approval is accurate nat no action will be ta	-	•	_
	are submitted to the Div		anon ornii me requir	
N	ote: Statement must be comple	eted by an individual with	n managerial and/or superv	visory capacity.
			9/2/2021	
Adrian Covarrubias			Date	
Print or Type Name			713-296-3368	
11/1/	1		Phone Number	
14/1.1/1			11.	4
Signature			acovarrubias@mara e-mail Address	nthono11.com
Signature			E-Mail Addless	

eceined by Och; 2/7/2021 5:12:35 F	State of New Mex	tico		Form C-103 of 3
Office <u>District I</u> – (575) 393-6161	Energy, Minerals and Natur	al Resources		vised July 18, 2013
1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283		D.W.W.G.V.C.V.	WELL API NO. Multiple	
811 S. First St., Artesia, NM 88210	OIL CONSERVATION		5. Indicate Type of Lease	
<u>District III</u> – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. France		STATE I	FEE
<u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM	Santa Fe, NM 87:	505	6. State Oil & Gas Lease	No.
(DO NOT USE THIS FORM FOR PROPOS	CES AND REPORTS ON WELLS SALS TO DRILL OR TO DEEPEN OR PLU		7. Lease Name or Unit Ag Charlie Murphy 6 Federal C	
PROPOSALS.)	CATION FOR PERMIT" (FORM C-101) FOI	R SUCH		,om
	Gas Well Other		8. Well Number Multiple	
2. Name of Operator Marathon Oil Permian LLC			9. OGRID Number 372098	
3. Address of Operator 5555 San Felipe St., Houston, TX 77	7056		10. Pool name or Wildcat Multiple	
4. Well Location	030		Multiple	
Unit Letter :	feet from the	line and	feet from the	line
Section 6	Township 26S Rar		NMPM County	
	11. Elevation (Show whether DR,	-		
12 Check A	Appropriate Box to Indicate Na	ture of Notice	Report or Other Data	
			•	
NOTICE OF IN			SSEQUENT REPORT	
PERFORM REMEDIAL WORK TEMPORARILY ABANDON	PLUG AND ABANDON CHANGE PLANS	REMEDIAL WOR	RK ∐ ALTERI RILLING OPNS.□ P AND A	NG CASING ☐
PULL OR ALTER CASING	MULTIPLE COMPL	CASING/CEMEN	_	Α ⊔
DOWNHOLE COMMINGLE		O TOTAL POLITICAL		
CLOSED-LOOP SYSTEM				
	COMMINGLE	OTHER:	nd give pertinent dates includ	ling estimated date
	rk). SEE RULE 19.15.7.14 NMAC.			
• • •	sting to Surface Commingle Production fro	om the following wel	lls:	
Name	API CA Lease		Pool	
Charlie Murphy 6 TB Fed Com 14H Charlie Murphy 6 WXY Fed Com 12 Charlie Murphy 6 WXY Fed Com 18	30-025-46484 Pending WC-025 C H 30-025-46486 NMNM141288	WC-02	ne Spring & WC-025 G-09 S26350 5 G-09 S263504N;Wolfcamp 5 G-09 S263504N;Wolfcamp	04N;Wolfcamp
, ,	14H has a Downhole Commingle Permit (
, ,	, and the second		,	
	entral trank battery located in NENE-Sec production will be accurately measured w			est will not
Please see attached.				
g 15.	n' n i n			
Spud Date:	Rig Release Dat	e:		
I hereby certify that the information a	above is true and complete to the bes	t of my knowledg	ge and belief.	
11/1				
SIGNATURE ALLIL	TITLE Regulate	ory Professional	DATE	2021
Type or print name Adrian Covarrub	ias E-mail address:	acovarrubias@r	marathonoil.com PHONE: 7	13-296-3368
For State Use Only				
APPROVED BY:	TITLE		DATE	
Conditions of Approval (if any):				

Marathon Oil Permian LLC is requesting to surface commingle which will fall under 19.15.12.10(B) NMAC for Commingling with Identical Ownership.

Please see below for details:

19.15.12.10(B)(1) – Measurement and Allocation Methods

Marathon Oil Permian LLC will be using the metering method to measure and allocate production. Please see below for Method of Allocation.

19.315.12.10(B)(2)(a) - List of Leases and Pools to be Commingled:

Well Name	API	CA Lease	Pool
Charlie Murphy 6 TB Federal	30-025-46484	Pending	WC-025 G-08S253534O; Bone Spring &
Com 14H		Approval	WC-025 G-09 S263504N;Wolfcamp
Charlie Murphy 6 WXY	30-025-46486	NMNM141288	WC-025 G-09 S263504N;Wolfcamp
Federal Com 12H			
Charlie Murphy 6 WXY	30-025-46487	NMNM141288	WC-025 G-09 S263504N;Wolfcamp
Federal Com 18H			

19.15.12.10(B)(2)(b) - Method of Allocation

OIL ALLOCATION METHODOLOGY

Each well has a Coriolis meter at the three-phase separator that measures oil produced by the well. This volume is used to determine the theoretical percentage each well produced and is used to allocate Calculated Production and Total Sales Volumes back to each well.

- a) Theoretical % of production for each well is calculated by dividing each oil meter volume by the sum of the oil meters.
- b) Total Production of the facility is calculated by adding Ending Inventory plus LACT Sales Meter (FMP) minus Beginning Inventory.
- c) Total Available Sale is calculated by adding Total Production plus Beginning Inventory.
- d) Theoretical % for each well is multiplied by the Total Production and Total Available Sales.
- e) Total Oil Sales is oil measured through the LACT Sales (FMP) meter. Volumes are verified with the LACT tickets.
- f) Beginning Inventory comes from previous accounting period's Closing Inventory for each well.
- g) Ending Inventory is calculated by measuring the height of oil in the tanks. Ending Inventory for each well is calculated by multiplying the Theoretical % of Production by total of ending inventory.

GAS ALLOCATION

Each well has an orifice meter and a gas lift meter. The facility has a Sales meter (FMP) that measures volume of gas before it leaves the facility.

- a) Net Well Production is base amount of production not used for gas lift and is calculated by subtracting Gas Lift (GL) metered volume from the Orifice meter readings.
- b) Theoretical % used for the allocation is calculated by dividing the Net Well Production Volume for each well into the sum of the total Net Well Production.
- c) Net Facility Gas (FMP) is volume of gas sold for royalty purposes and is measured with a meter as it leaves the facility. This volume is verified with purchaser statements.
- d) Theoretical % for each well is multiplied by the Net Facility Gas (FMP) to determine Sales, Lease Fuel for each well.
- e) Lease Use is the volume of gas used by the equipment on the facility.
- f) Gas used to run other equipment is measured via an orifice meter. Total Lease Use gas is allocated to the well based on the wells Theoretical %.
- g) HP Flare is volume of gas flared from the facility, allocated to wells by Theoretical % for each well times the Flare Meter volume.
- h) Individual Compressor usage is based on manufacturer's usage rate applied to compressor run time. Total Compressor Use is calculated by adding Individual Compressor Usage and allocated to wells by Theoretical %.
- i) Allocated Production is all gas produced by the facility and is calculated by adding Net Facility Gas plus HP Flare plus Lease Use.

WATER ALLOCATION

Each well has a mag meter at the three-phase separator that measures the volume of water produced by the well.

a) Water Production is the volume of water measured at the mag meter.

19.15.12.10(B)(2)(c) – Certification by a licensed attorney or qualified petroleum landman that ownership in the pools and leases to be commingled are identical.

Marathon Oil Permian LLC ("Marathon") is submitting the application with the New Mexico Oil Conservation Division ("Division") for administrative approval to commingle production according to the provisions of NMAC 19.15.12.10.C from the Charlie Murphy 6 TB Fed Com 14H well (API# 30- 025-46484), the Charlie Murphy 6 WXY Fed Com 12H well (API# 30-025-46486), and the Charlie Murphy 6 WXY Fed Com 18H well (API# 30-025-46487) located in Section 6, T26S-R35E, Lea County, New Mexico. The interest in all three wells is identical.

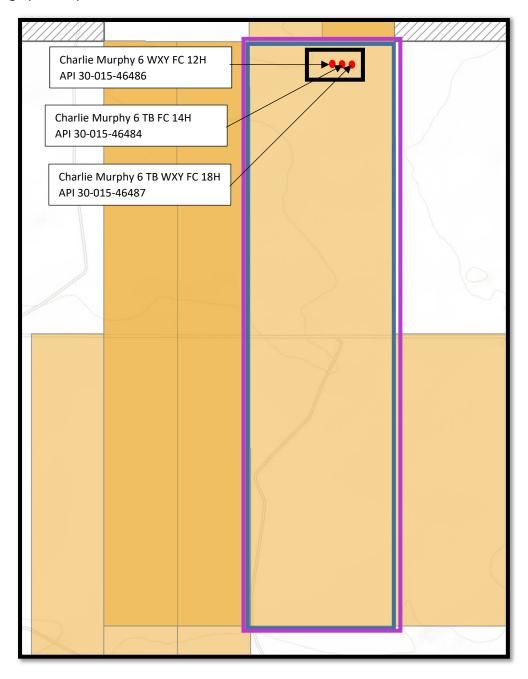
Should you have any questions please do not hesitate to contact me at 713-296-3159 or by email at jbroussard1@marathonoil.com.

Sincerely,

Jeff Broussard Land Professional

Lea County, New Mexico

1) Topographic Map



CA NMNM141288 (Wolfcamp)

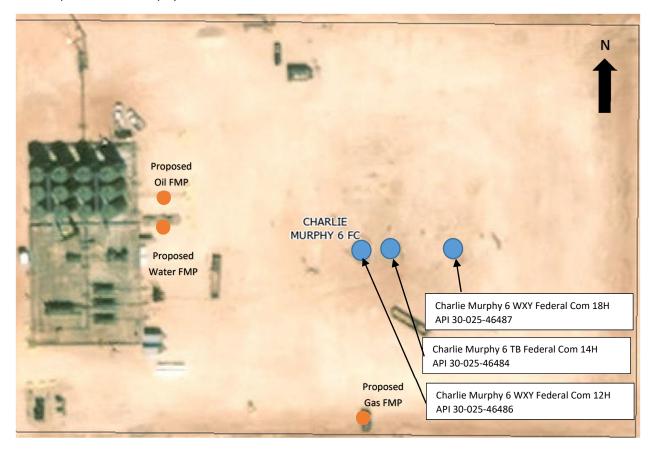
CA Pending (Bone Spring)

Charlie Murphy 6 Fed Com 12H 14H 18H

Please see next page for closer look of well pad with Proposed FMPs

Wells

Close-up of Charlie Murphy 6 Fed Com 12H 14H 18H CTB



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 IIV
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

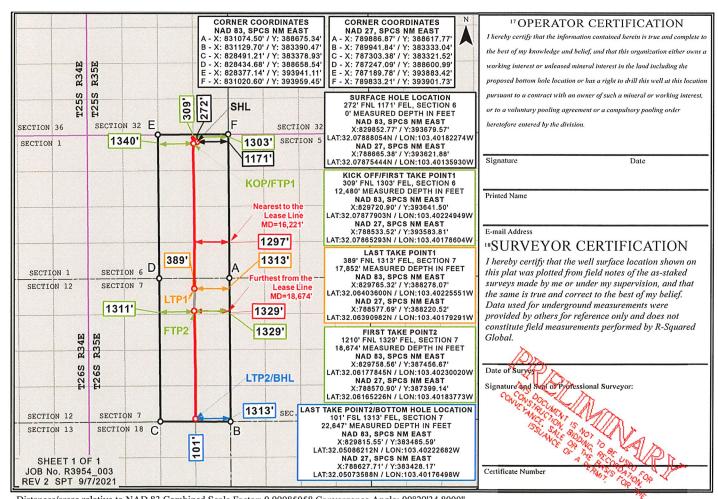
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WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

¹ API Numbe	ber ² Pool Code		³ Pool Name	
30-025-464	5484 97088		WC-025 G-08 S253534O; BONE SPRING	
⁴ Property Code 326318	Property Name CHARLIE MURPHY 6 TB FED COM		⁶ Well Number 14H	
⁷ OGRID No. 372098			perator Name OIL PERMIAN LLC	⁹ Elevation 3270'

¹⁰ Surface Location UL or lot no. Township Range North/South line East/West line Lot Idn Feet from the Feet from the County A 6 26S 35E 272 NORTH 1171 **EAST LEA** Bottom Hole Location If Different From Surface UL or lot no. Lot Idn Feet from the North/South line East/West line Section Township Range Feet from the County **SOUTH** 26S 35E 101 1313 **EAST LEA** Dedicated Acres Joint or Infill Consolidation Code Order No 640.0

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: 0.99985058 Convergence Angle: 00°29'34.8000"

Horizontal Spacing Unit

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

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

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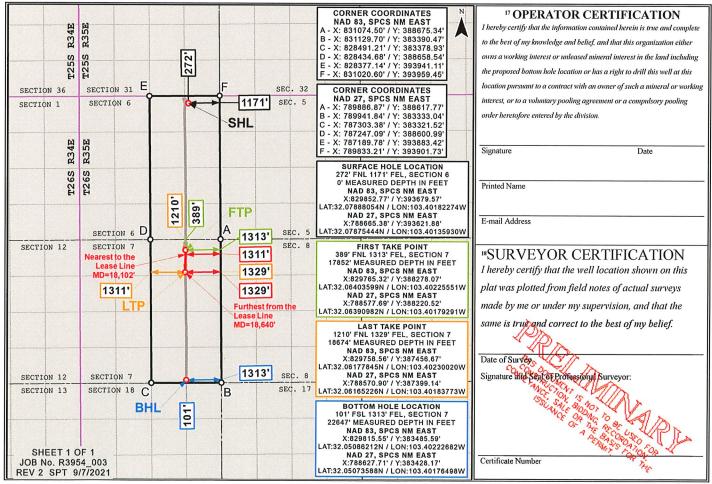
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe	ber ² Pool Code		³ Pool Name	
30-025-464	6484 98117		WC-025 G-09 S263504N; WOLFCAMP	
4 Property Code	5 Pro		roperty Name	⁶ Well Number
326318	CHARLIE MUR		RPHY 6 TB FED COM	14H
⁷ OGRID No.	⁸ Operator Na		perator Name	⁹ Elevation
372098		MARATHON	OIL PERMIAN LLC	3270'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	6	26S	35E		272	NORTH	1171	EAST	LEA
	i i		п Во	ttom Hol	le Location If	Different Fron	n Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	26S	35E		101	SOUTH	1313	EAST	LEA
12 Dedicated Acres	13 Joint or	r Infill 14 (Consolidation	Code 15 Or	der No.			•	
640.0									

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: 0.99985058 Convergence Angle: 00°29'34.8000"

Horizontal Spacing Unit

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
CHARLIE	18H	3002546487	NMNM13647	NMNM13647	MARATHON OIL
CHARLIE	12H	3002546486	NMNM13647	NMNM13647	MARATHON OIL
CHARLIE	14H	3002546484	NMNM13647	NMNM13647	MARATHON OIL

Notice of Intent

Sundry ID: 2632994

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: 09/07/2021 Time Sundry Submitted: 01:15

Date proposed operation will begin: 09/06/2021

Procedure Description: Marathon Oil Permian LLC is requesting to surface commingle which will fall under 43 CFR

3173.14(a)(1). Please see attached for details.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

BLM__Charlie_Murphy_14H_12H_18H__Commingle_Submittal_20210907131439.pdf

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: ADRIAN COVARRUBIAS Signed on: SEP 07, 2021 01:14 PM

Name: MARATHON OIL PERMIAN LLC

Title: regulatory Compliance Representative

Street Address: 5555 SAN FELIPE ST.

City: HOUSTON State: TX

Phone: (713) 296-3368

Email address: acovarrubias@marathonoil.com

Field Representative

Ponr	ocont.	ativo	Name:
Repi	esent	auve	maille.

Street Address:

City: State: Zip:

Phone:

Email address:

Federal Communitization Agreement

Contra	ct No.	

THIS AGREEMENT, entered into as of the 12th of March 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico:

Section 6: E/2 Section 7: E/2

Containing 640.00 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons or oil hereinafter referred to as "communitized substances," producible from such formation.

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas

interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be Marathon Oil Permian LLC, 5555 San Felipe St., Houston, TX, 77056. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding-or-step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said

- communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 12, 2020 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in

- which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination:</u> In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Marathon Oil Permian LLC

8-26-21

Date

By:

Clayton Rule, Attorney-in-fact

ACKNOWLEDGEMENT

STATE OF TEXAS

) ss.

COUNTY OF HARRIS

On this 26th day of August, 2021, before me, a Notary Public for the State of Texas, personally appeared <u>Clayton Rule</u>, known to me to be the Attorney-in-fact for <u>Marathon Oil Permian</u> <u>LLC</u>, a Delaware limited liability company, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

FARLEY DUVALL
Notary Public, State of Texas
Commission Expires 07-25-2023
Notary ID 13210347-2

My Commission Expires

Notary Public

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OPERATOR/WORKING INTEREST OWNER

I, the undersigned, hereby certify, on behalf of **Marathon Oil Permian LLC**, Operator of this Communitization Agreement, that all working interest owners (i.e., lessees of record and operating rights owners) shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

8-26-21

By:

Clayton Rule, Attorney-in-fact

Date

ACKNOWLEDGEMENT

STATE OF <u>TEXAS</u>)

) ss

COUNTY OF HARRIS)

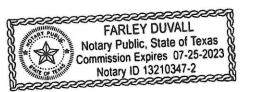
On this 26th day of August, 2021, before me, a Notary Public for the State of Texas, personally appeared <u>Clayton Rule</u>, known to me to be the Attorney-in-fact for <u>Marathon Oil Permian</u> <u>LLC</u>, a Delaware limited liability company, the company that executed the foregoing instrument and acknowledged to me such company executed the same.

(SEAL)

Received by OCD: 9/7/2021 5:12:35 PM

My Commission Expires

Notary Public



LESSEE OF RECORD/WORKING INTEREST OWNER OCCIDENTAL PERMIAN LIMITED PARTNERSHIP

2/5/2021 Date

By: July Clil W Name: John V. Schneider

Title: Attorney-in-Fact

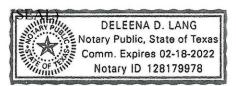
ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF HARRIS

The foregoing instrument was acknowledged before me on this the needay of February 2021, by John V. Schwider, Attorney-in-Fact of OCCIDENTAL PERMIAN LIMITED PARTNERSHIP, a Texas limited partnership.

)



My Commission Expires

Notary Public in and for the State of Texas

Released to Imaging: 9/17/2021 4:00:51 PM

LESSEE OF RECORD

3	3	2020	
D	ate		

Catherine Lebsack Name:

Vice President Title:

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)

day of March , 2020, before me, a Notary Public for the State of Texas, personally appeared Catherine Lebsack , known to me to be Vice President

for Devon Energy Production Company, LP, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

LESSEE OF RECORD/WORKING INTEREST OWNER

	CHEVRON U.S.A. INC.
3/25/221 Date	By: MPMA
Bute	Name: Josh P. Gautreau
	Title: Attorney-in-Fact
ACKNOWLE	DGEMENT
STATE OF <u>TEXAS</u>)	
COUNTY OF HARRIS) ss.	
On this 25 day of, 2021, before personally appeared, Josh P. Gautreau, know	vn to me to be <u>Attorney-in-Fact</u>
for Chevron U.S.A. Inc., a Pennsylvania corporation that executed the foregoing instrument	ration, on behalf of said corporation., the
executed the same.	and acknowledged to the such corporation
(SEAL) BRENDA L GUERRA My Notary ID # 129485877 Expires July 11, 2021	
My Commission Expires	Notary Public
ing commission Enphres	Trotal y Lucile

Notary Public

WORKING INTEREST OWNER

Date	By: Name: Title:
ACKNOWLE	CDGEMENT
STATE OF	
On this day of, 2020, bet personally appeared, known for Pintail Production Company , the company that acknowledged to me such corporation executed the	Fore me, a Notary Public for the State of Texas own to me to be hat executed the foregoing instrument and he same.
(SEAL)	
My Commission Expires	Notary Public

EXHIBIT "A"

Attached to the Communitization Agreement dated March 12, 2020.

Plat of communitized area covering 640 acres in Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico

Section 6: E/2 Section 7: E/2

WELL NAME/ NO.

- Charlie Murphy 6 TB FC 14H

Tract 1A E/2 Section 6

BLM Lease NMNM 013647 320 acres

Communitized Area
E/2 Section 6
&
E/2 Section 7
T26S-R35E – 640 acres

Tract 1B NE4 Section 7

BLM Lease NMNM 013647 160 acres

> Tract 2 SE4 Section 7

BLM Lease NMNM 115000 160 acres

EXHIBIT "B"

Attached to the Communitization Agreement dated March 12, 2020 embracing the E/2 of Section 6 and the E/2 of Section 7, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

OPERATOR OF COMMUNITIZED AREA:

Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1A

Lease Serial No.:

NMNM 013647

Lessor:

Bureau of Land Management

Name of Lessee of Record:

Occidental Permian Limited Partnership

Description of Land Committed:

Township 26 South, Range 35 East, N.M.P.M.

Section 6: E/2

Lea County, New Mexico

Number of Acres:

320.00

Name of Working Interest Owners: Pintail Production Company......100.000000%

Name of ORRI Owners:

Morris E. Schertz and Holly K. Schertz......0.666667% Robert N. Enfield Revocable Living Trust......0.062500% Lisa M. Enfield, Trustee of Lisa M. Enfield Trust.....0.031250% MLE, LLC0.031250% Richard C. Deason0.029167% Thomas D. Deason0.029167% Ronald H. Mayer, Trustee of Ronald H. Mayer and Martha M. Mayer Revocable Trust..................0.025000% SAP, LLC0.025000%

Tract No. 1B

Lease Serial No.:

NMNM 013647

Lessor:

Bureau of Land Management

Name of Lessee of Record:

Occidental Permian Limited Partnership

Description of Land Committed:

Township 26 South, Range 35 East, N.M.P.M.

Section 7: NE4

Lea County, New Mexico

Number of Acres:

160.00

Occidental Permian Limited Partnership25.000000%

100.000000%

Name of ORRI Owners:

Madison Hinkle	0.666666%
Rolla R. Hinkle	0.666666%
Morris E. Schertz	0.666666%
Bryan Bell Family, LP	0.125000%
Mona L. Coffield	0.062500%
Robert N. Enfield Revocable Living Trust.	0.062500%
DMA, Inc	0.083334%
Charmar, LLC	0.058334%
Richard C. Deason	0.029167%
Thomas D. Deason	0.029167%
Ronald H. Mayer, Trustee of Ronald H. M	ayer and Martha
M. Mayer Revocable Trust	0.025000%
SAP, Inc	0.025000%
Jerune Allen	0.500000%

Tract No. 2

Lease Serial No.:

NMNM 115000

Lessor:

Bureau of Land Management

Name of Lessee of Record:

Chevron USA, Inc......50.00%

Devon Energy Production Co. LP......50.00%

Description of Land Committed:

Township 26 South, Range 35 East, N.M.P.M.

Section 7: SE4

Lea County, New Mexico

Number of Acres:

160.00

Name of Working Interest Owners:

Marathon Oil Permian LLC.....50.000000%

Chevron USA, Inc50.000000%

100.000000%

Name of ORRI Owners:

None of record.

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No. 1A	320.00	50.0000%
Tract No. 1B	160.00	25.0000%
Tract No. 2	160.00	25.0000%
Total	640.00	100.0000%

 From:
 Covarrubias, Adrian (MRO)

 To:
 McClure, Dean, EMNRD

 Cc:
 Castaneda, Jinni A. (MRO)

Subject: RE: surface commingling application PLC-785 **Date:** Thursday, September 9, 2021 12:37:09 PM

Attachments: Charlie Murphy - Fed Com Agreement - Bone Spring E2 (2021-Submitted).pdf

Facility Diagram - Charlie Murphy 14H 12H 18H.pdf

Hi Dean,

Attached is a facility diagram and the CA Packet for the BS that has been sent to the BLM. Thanks again for taking action on this one so we can hopefully have the approval by next week.

Let us know if you have any other question.

Regards,

Adrian Covarrubias

Regulatory Professional | Permian Asset Marathon Oil Company | 5555 San Felipe, Houston, TX 77056 O: 713.296.3368 | M: 713.962.7591

From: McClure, Dean, EMNRD < Dean. McClure@state.nm.us>

Sent: Wednesday, September 8, 2021 4:37 PM

To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com> **Subject:** [External] surface commingling application PLC-785

Beware of links/attachments.

Mr. Covarrubias.

I am reviewing surface commingling application PLC-785 which involves the Charlie Murphy 6 Fed Com 12H 14H 18H CTB operated by Marathon Oil Permian, LLC (372098).

I am not seeing the new CA application for presumably the BS for this tract of land within the BLM system. As such please submit the CA packet being prepared.

Additionally, please submit the facility diagram.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Engineer, OCD, EMNRD To: Covarrubias, Adrian (MRO)

McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Kautz, Paul, EMNRD; Hawkins, James, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis, Kyle O; Walls, Christopher Cc:

Approved Administrative Order PLC-785 Subject: Date: Friday, September 17, 2021 3:58:15 PM

Attachments: PLC785 Order.pdf

NMOCD has issued Administrative Order PLC-785 which authorizes Marathon Oil Permian, LLC (372098) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
20.025.46494	Charlie Marmhy (TD Federal Com #14H	E/2	6-26S-35E	97088
30-025-46484	Charlie Murphy 6 TB Federal Com #14H	E/2	7-26S-35E	98117
20.025.46496	Charlie Murphy 6 WXY Federal Com	E/2	6-26S-35E	00117
30-025-46486	#12H	E/2 7-26S	7-26S-35E	98117
20 025 46497	Charlie Murphy 6 WXY Federal Com	E/2	6-26S-35E	00117
30-025-46487	#18H	E/2	7-26S-35E	98117

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY MARATHON OIL PERMIAN, LLC

ORDER NO. PLC-785

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Marathon Oil Permian, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

Order No. PLC-785

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

- 1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.
 - Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
- 2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

Order No. PLC-785

- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Way Q	DATE:	9/14/2021
ADMENNE SANDOVAL		

Order No. PLC-785

DIRECTOR

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-785

Operator: Marathon Oil Permian, LLC (372098)

Central Tank Battery: Charlie Murphy 6 Fed Com 12H 14H 18H CTB

Central Tank Battery Location: Unit A, Section 6, Township 26 South, Range 35 East Gas Title Transfer Meter Location: Unit A, Section 6, Township 26 South, Range 35 East

Pools

Pool Name	Pool Code
WC-025 G-08 S253534O; BONE SPRING	97088
WC-025 G-09 S263504N; WOLFCAMP	98117

Leases as defined in 19.15.12.7(C) NMAC

Leases as defined in 19.13.12.7(C) NWIAC				
Lease	UL or Q/Q	S-T-R		
CA Wolfcamp NMNM 141288	E/2	6-26S-35E		
CA woncamp invitain 141200	E/2	7-26S-35E		
NMNM 013647	E/2	6-26S-35E		
NMNM 013647	NE/4	7-26S-35E		
NMNM 115000	SE/4	7-26S-35E		

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool	
30-025-46484	Charlie Murphy 6 TB Federal Com	E/2	6-26S-35E	97088	
30-023-40464	#14H	E/2	7-26S-35E	98117	
30-025-46486	Charlie Murphy 6 WXY Federal Com	E/2	6-26S-35E	98117	
30-025-40460	#12H	E/2	7-26S-35E	90117	
20 025 46497	Charlie Murphy 6 WXY Federal Com	E/2	6-26S-35E	98117	
30-025-46487	#18H	E/2	7-26S-35E	98117	

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-785

Operator: Marathon Oil Permian, LLC (372098)

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Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring BLM	E/2 E/2	6-26S-35E 7-26S-35E	640	A

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 013647	E/2	6-26S-35E	320	A
NMNM 013647	NE/4	7-26S-35E	160	A
NMNM 115000	SE/4	7-26S-35E	160	A

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 Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 46891

CONDITIONS

Operator:	OGRID:	
MARATHON OIL PERMIAN LLC	372098	
5555 San Felipe St.	Action Number:	
Houston, TX 77056	46891	
	Action Type:	
	[C-107] Surface Commingle or Off-Lease (C-107B)	

CONDITIONS

Created	Condition	Condition
Ву		Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	9/17/2021