

| | | | |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Marathon Oil Permian LLC **OGRID Number:** 372098
Well Name: Mammoth 1 TB Fed Com 1H; TB Fed Com 10H, WA Fed Com 2H, WA Fed Com 10H **API:** 30-025-46127; 46128; 46130; 46133
Pool: Harding Tank; Bone Spring & Harding Tank; Wolfcamp **Pool Code:** 96661 & 96658

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

| FOR OCD ONLY | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application Content Complete |

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adrian Covarrubias

Print or Type Name

Signature

04/27/2022

Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com

e-mail Address

SURFACE COMMINGLING
MAMMOTH FEDERAL COM 1H 2H 7H 10H

Marathon Oil Permian LLC is requesting to surface commingle under 19.15.12.10(C) NMAC for Commingling with Diverse Ownership.

The approval of this commingle will not affect the value of oil and gas.

Please see below for details:

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

List of Leases and Pools to be commingled:

| WELL NAME | API # | LEASE | POOL (CODE) |
|------------------------------|--------------|---|----------------------------------|
| Mammoth 1 TB Federal Com 1H | 30-025-46127 | CA Pending W2W2 Sec1-T26S-R34E W2W2 Sec36-T25S-R34E | Hardin Tank; Bone Spring (96661) |
| Mammoth 1 TB Federal Com 10H | 30-025-46128 | CA Pending E2W2 Sec1-T26S-R34E E2W2 Sec1-T25S-R34E | Hardin Tank; Bone Spring (96661) |
| Mammoth 1 WA Federal Com 2H | 30-025-46130 | CA Pending W2 Sec1-T26S-R34E W2 Sec1-T25S-R34E | Hardin Tank; Wolfcamp (96658) |
| Mammoth 1 WA Federal Com 7H | 30-025-46133 | CA Pending W2 Sec1-T26S-R34E W2 Sec1-T25S-R34E | Hardin Tank; Wolfcamp (96658) |

The Mammoth Tank Battery will be located at UL. N-Sec.1-T26S-R34E.

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 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 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.

SURFACE COMMINGLING
MAMMOTH FEDERAL COM 1H 2H 7H 10H

GAS ALLOCATION METHODOLOGY

Each well has an orifice meter and a gas lift meter. The facility has a Sales meter 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 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 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 METHODOLOGY

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.

All meter proving and calibration frequencies will be performed as per 19.15.12.10(C)(2) NMAC.

Attachments:

- Notification to interest owners via Certified Mail
- Notification to BLM
- Notification to State Land Office.
- Lease Map
- Facility Diagram
- C-102 Plats

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Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
100 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877
Type of Mailing: CERTIFIED MAIL
04/27/2022

Firm Mailing Book ID: 226935

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|--------------------------|
| 1 | 9314 8699 0430 0094 7467 89 | Marathon Oil Permian LLC 990 Town and Country Boulevard Houston TX 77024 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 2 | 9314 8699 0430 0094 7467 96 | EOG Resources, Inc. P.O. Box 2267 Midland TX 79705 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 3 | 9314 8699 0430 0094 7468 02 | OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 4 | 9314 8699 0430 0094 7468 19 | OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 5 | 9314 8699 0430 0094 7468 26 | LJA Charitable Investments, LLC P.O. Box 331367 Houston TX 77233 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 6 | 9314 8699 0430 0094 7468 33 | Pennies From Heaven, LLC c/o Bank of America P.O. Box 832407 Houston TX 77288 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 7 | 9314 8699 0430 0094 7468 40 | Franklin Mountain Royalty Investments, LLC 44 Cook Street, Suite 1000 Denver CO 80206 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 8 | 9314 8699 0430 0094 7468 57 | Monticello Minerals LLC 5528 Vickery Boulevard Dallas TX 75206 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 9 | 9314 8699 0430 0094 7468 64 | Rheiner Holdings, LLC P.O. Box 980552 Houston TX 77098 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 10 | 9314 8699 0430 0094 7468 71 | Prevail Energy LLC 521 Dexter Street Denver CO 80220 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 11 | 9314 8699 0430 0094 7468 88 | Cayuga Royalties, LLC P.O. Box 540711 Houston TX 77254 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 12 | 9314 8699 0430 0094 7468 95 | Cyrene L. Inman, Successor Trustee of the Cyrene L Inman Trust u/t/a of 1/26/94 6844 Rio Grande Boulevard NW Albuquerque NM 87107 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 13 | 9314 8699 0430 0094 7469 01 | EMG Oil Properties, Inc. 1000 West Fourth Street Roswell NM 88201 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 14 | 9314 8699 0430 0094 7469 18 | Oscura Resources, Inc. P.O. Box 2292 Roswell NM 88202 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 15 | 9314 8699 0430 0094 7469 25 | Post Oak Crown IV, LLC 5200 San Felipe Houston TX 77056 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |

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Page 4 of 68

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Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
100 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877
Type of Mailing: CERTIFIED MAIL
04/27/2022

Firm Mailing Book ID: 226935

Received by OCD: 4/28/2022 9:20:54 AM

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|--------------------------|
| 16 | 9314 8699 0430 0094 7469 32 | Post Oak Crown IV-B, LLC 5200 San Felipe Houston TX 77056 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 17 | 9314 8699 0430 0094 7469 49 | Good News Minerals, LLC P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 18 | 9314 8699 0430 0094 7469 56 | KMF Land, LLC 1144 15th Street, Suite 2650 Denver CO 80202 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 19 | 9314 8699 0430 0094 7469 63 | Zunis Energy, LLC 15 E. 5th Street, Suite 3300 Tulsa OK 74103 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 20 | 9314 8699 0430 0094 7469 70 | Mavros Minerals II, LLC P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 21 | 9314 8699 0430 0094 7469 87 | Oak Valley Mineral and Land, LP P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 22 | 9314 8699 0430 0094 7469 94 | Kaleb Smith P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 23 | 9314 8699 0430 0094 7470 07 | Deane Durham P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 24 | 9314 8699 0430 0094 7470 14 | Mike Moylett P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 25 | 9314 8699 0430 0094 7470 21 | Crown Oil Partners, LP P.O. Box 50820 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 26 | 9314 8699 0430 0094 7470 38 | Collins & Jones Investments, LLC 508 W. Wall Street, Suite 1200 Midland TX 79701 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 27 | 9314 8699 0430 0094 7470 45 | LMC Energy LLC 550 W. Texas Avenue, Suite 945 Midland TX 79701 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 28 | 9314 8699 0430 0094 7470 52 | Gerald G. Vavrek 1521 2nd Avenue #1604 Seattle WA 98101 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 29 | 9314 8699 0430 0094 7470 69 | Jesse A. Faught, Jr. P.O. Box 52603 Midland TX 79710 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| 30 | 9314 8699 0430 0094 7470 76 | H. Jason Wacker 5601 Hillcrest Midland TX 79707 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |

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100 Fourth Street, Suite 1000
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PS Form 3877

Type of Mailing: CERTIFIED MAIL
04/27/2022

Firm Mailing Book ID: 226935

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|---------------------|-----------------------------|--|----------------|-----------------|----------------|-----------------|-----------------------------|
| 31 | 9314 8699 0430 0094 7470 83 | David W. Cromwell 2008 Country Club Drive Midland TX 79701 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| Totals: | | | \$42.16 | \$116.25 | \$57.35 | \$0.00 | |
| Grand Total: | | | | | | \$215.76 | |

| | | | |
|---|---|---|---------------|
| List Number of Pieces Listed by Sender | Total Number of Pieces Received at Post Office | Postmaster: Name of receiving employee | Dated: |
| 31 | | | |

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Modrall Sperling Roehl Harris & Sisk P.A.
100 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877
Type of Mailing: CERTIFIED MAIL
04/27/2022

Firm Mailing Book ID: 226944

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|---------------------|-----------------------------|---|---------------|---------------|---------------|---------------|-----------------------------|
| 1 | 9314 8699 0430 0094 7494 45 | New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe NM 87501 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 81363.178.Thunder Notice |
| Totals: | | | \$1.36 | \$3.75 | \$1.85 | \$0.00 | |
| Grand Total: | | | | | | \$6.96 | |

| | | | |
|---|---|---|---------------|
| List Number of Pieces Listed by Sender | Total Number of Pieces Received at Post Office | Postmaster: Name of receiving employee | Dated: |
| 1 | | | |

Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

| | | |
|---|--|---|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | 5. Lease Serial No. |
| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator | | 7. If Unit of CA/Agreement, Name and/or No. |
| 3a. Address | | 8. Well Name and No. |
| 3b. Phone No. (include area code) | | 9. API Well No. |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) | | 10. Field and Pool or Exploratory Area |
| | | 11. Country or Parish, State |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

| | |
|---|-------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) | Title |
| Signature | Date |

THE SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|------|
| Approved by | Title | Date |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office | |

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.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Batch Well Data

MAMMOTH 1 TB FED COM 10H, US Well Number: 3002546128, Case Number: NMNM113970, Lease Number: NMNM113970,
Operator:MARATHON OIL PERMIAN LLC

MAMMOTH 1 WA FED COM 2H, US Well Number: 3002546130, Case Number: NMNM113970, Lease Number: NMNM113970,
Operator:MARATHON OIL PERMIAN LLC

MAMMOTH 1 WA FED COM 7H, US Well Number: 3002546133, Case Number: NMNM113970, Lease Number: NMNM113970,
Operator:MARATHON OIL PERMIAN LLC

MAMMOTH 1 TB FED COM 1H, US Well Number: 3002546127, Case Number: NMNM113970, Lease Number: NMNM113970,
Operator:MARATHON OIL PERMIAN LLC

CONFIDENTIAL



APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Marathon Oil LLC
Mammoth 1 TB Federal Com 1H; Mammoth 1 TB Federal Com 10H
Well Name: Mammoth 1 WA Federal Com 2H; Mammoth 1 WA Federal Com 7H
Pool: Hardin Tank; Bone Spring & Hardin Tank; Wolfcamp

OGRID #: 372098
30-025-46127; 30-025-46128
API #: 30-025-46130; 30-025-46133

OPERATOR NAME: Marathon Oil LLC
OPERATOR ADDRESS: 990 Town & Country Blvd., Houston, TX 77024

APPLICATION REQUIREMENTS – SUBMIT:

- 1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
The information submitted with this application is accurate and complete, and
No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that no action will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adrian Covarrubias

Print or Type Name

Handwritten signature of Adrian Covarrubias

Signature

713-296-3368

Phone Number

4/28/2022

Date

acovarrubias@marathonoil.com

e-mail Address

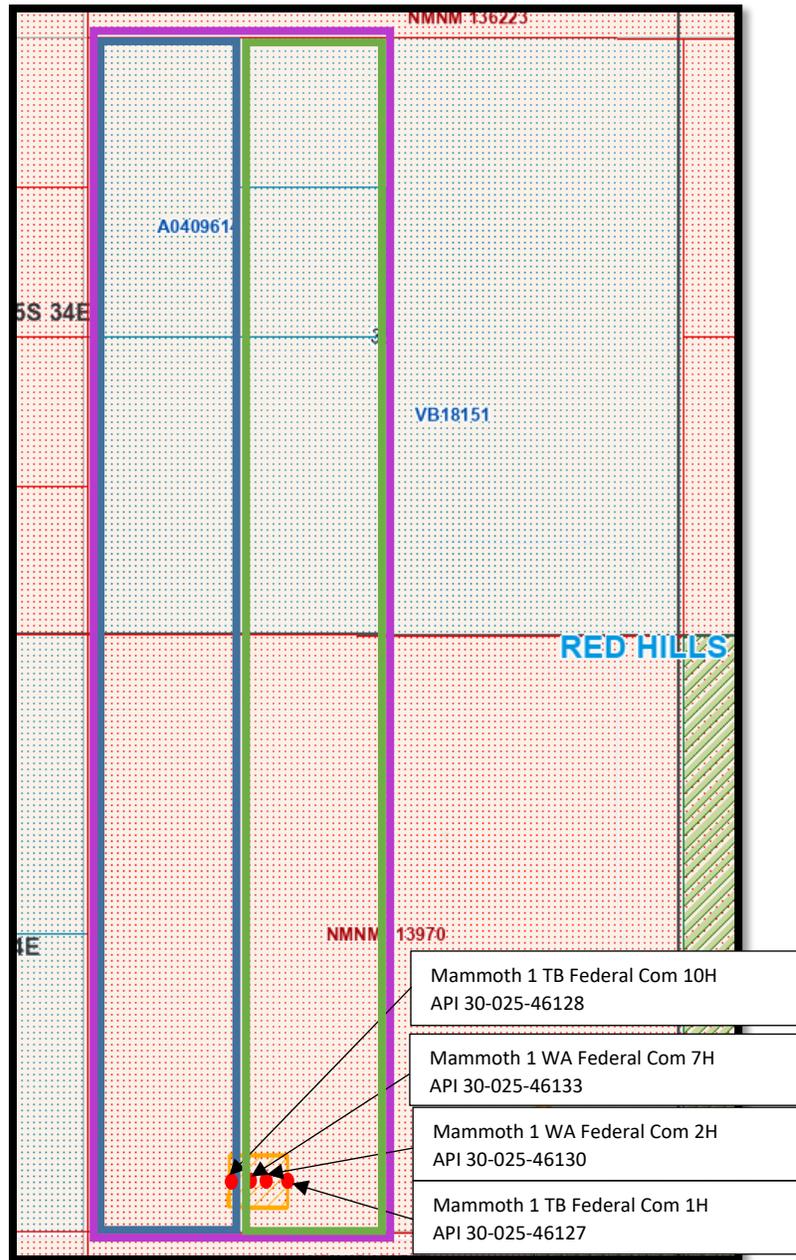
Submit application to:
Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

SURFACE COMMINGLING
MAMMOTH FEDERAL COM 1H 2H 7H 10H

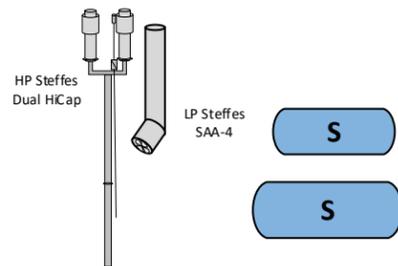
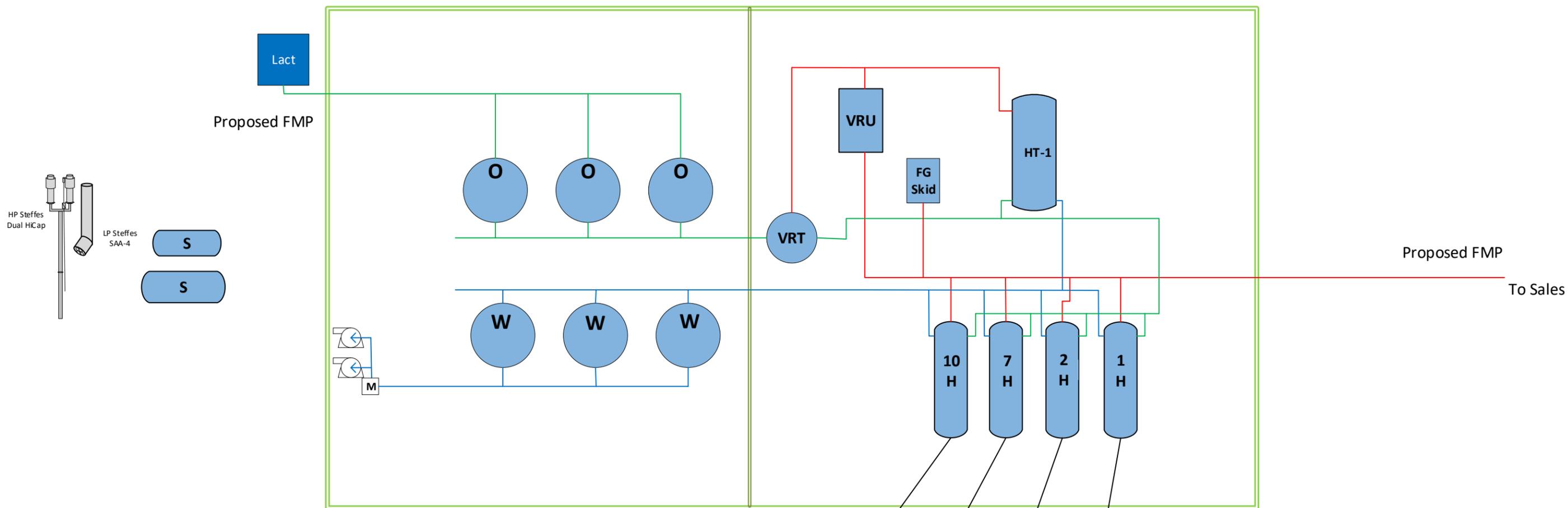
Lease Map



- CA Pending (Wolfcamp)
- CA Pending (Bone Spring)
- CA Pending (Bone Spring)
- Mammoth Fed Com Pad
- Wells ●



Mammoth 1 Fed 1H 2H 7H 10H CTB



LEGEND

- W = Water Storage Tank
- O = Oil Storage Tank
- GB = Gun Barrel Tank
- S = Separator
- HT = Heater Treater
- ★ = Well Head
- G = Generator
- P = Pump

- 10H
 - 7H
 - 2H
 - 1H
- Mammoth Fed Com 26 34 1 TB 1H
30-025-46127
 - Mammoth Fed Com 26 34 1 WA 2H
30-025-46130
 - Mammoth Fed Com 26 34 1 WA 7H
30-025-46133
 - Mammoth Fed Com 26 34 1 TB 10H
30-025-46128

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|----------------------------|--------------------------------|
| ¹ API Number | ² Pool Code | ³ Pool Name |
| | 98117 | WC-025 G-09 S263504N; WOLFCAMP |
| ⁴ Property Code | ⁵ Property Name | |
| | MAMMOTH 1 WA FED COM | |
| ⁷ OGRID No. | ⁸ Operator Name | ⁶ Well Number |
| 372098 | MARATHON OIL PERMIAN LLC | 2H |
| | | ⁹ Elevation |
| | | 3281' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 1 | 26S | 34E | | 448 | SOUTH | 1479 | WEST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 36 | 25S | 34E | | 100 | NORTH | 330 | WEST | LEA |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.

Corner Coordinates NAD 83, SPCS NM EAST

A - X: 820398.92' / Y: 399168.72'
 B - X: 823039.79' / Y: 399183.78'
 C - X: 823132.38' / Y: 388627.40'
 D - X: 820492.21' / Y: 388613.44'

Corner Coordinates NAD 27, SPCS NM EAST

A - X: 779211.91' / Y: 399110.96'
 B - X: 781852.75' / Y: 399126.00'
 C - X: 781944.85' / Y: 388569.90'
 D - X: 779304.71' / Y: 388555.97'

LAST TAKE POINT/BOTTOM HOLE LOCATION
 100' FNL 330' FWL, SECTION 36
 NAD 83, SPCS NM EAST
 X: 820729.64' / Y: 399070.60'
 LAT: 32.09391157N / LON: 103.43112923W
 NAD 27, SPCS NM EAST
 X: 779542.62' / Y: 399012.85'
 LAT: 32.09378589N / LON: 103.43066386W

FIRST TAKE POINT
 100' FSL 330' FWL, SECTION 1
 NAD 83, SPCS NM EAST
 X: 820821.17' / Y: 388715.18'
 LAT: 32.06544627N / LON: 103.43111335W
 NAD 27, SPCS NM EAST
 X: 779633.66' / Y: 388657.70'
 LAT: 32.06532044N / LON: 103.43064968W

KICK OFF POINT
 100' FSL 330' FWL, SECTION 1
 NAD 83, SPCS NM EAST
 X: 820821.17' / Y: 388715.18'
 LAT: 32.06544627N / LON: 103.43111335W
 NAD 27, SPCS NM EAST
 X: 779633.66' / Y: 388657.70'
 LAT: 32.06532044N / LON: 103.43064968W

SURFACE HOLE LOCATION
 448' FSL 1479' FWL, SECTION 1
 NAD 83, SPCS NM EAST
 X: 821966.79' / Y: 389069.66'
 LAT: 32.06639422N / LON: 103.42740588W
 NAD 27, SPCS NM EAST
 X: 780779.29' / Y: 389012.16'
 LAT: 32.06626835N / LON: 103.42694228W

¹⁷ 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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR 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.

SEPTEMBER 19, 2019
 Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number
 LLOYD P. SHORT 21653

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985482 Convergence: 00°29'26.29720"

District I
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|----------------------------|--------------------------------|
| ¹ API Number | ² Pool Code | ³ Pool Name |
| | 98117 | WC-025 G-09 S263504N; WOLFCAMP |
| ⁴ Property Code | ⁵ Property Name | |
| | MAMMOTH 1 WA FED COM | |
| ⁷ OGRID No. | ⁸ Operator Name | ⁶ Well Number |
| 372098 | MARATHON OIL PERMIAN LLC | 7H |
| | | ⁹ Elevation |
| | | 3281' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 1 | 26S | 34E | | 448 | SOUTH | 1539 | WEST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 36 | 25S | 34E | | 100 | NORTH | 1331 | WEST | LEA |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.

CORNER COORDINATES NAD 83, SPCS NM EAST
A - X: 820398.92' / Y: 399168.72'
B - X: 823039.79' / Y: 399183.78'
C - X: 823132.38' / Y: 388627.40'
D - X: 820492.21' / Y: 388613.44'

CORNER COORDINATES NAD 27, SPCS NM EAST
A - X: 779211.91' / Y: 399110.96'
B - X: 781852.75' / Y: 399126.00'
C - X: 781944.85' / Y: 388569.90'
D - X: 779304.71' / Y: 388555.97'

LAST TAKE POINT/BOTTOM HOLE LOCATION
100' FNL 1331' FWL, SECTION 36
NAD 83, SPCS NM EAST
X:821730.18' / Y:399076.31'
LAT:32.09390421N / LON:103.42789851W
NAD 27, SPCS NM EAST
X:780543.14' / Y:399018.54'
LAT:32.09377849N / LON:103.42743326W

FIRST TAKE POINT
100' FSL 1330' FWL, SECTION 1
NAD 83, SPCS NM EAST
X:821821.35' / Y:388720.47'
LAT:32.06543778N / LON:103.42788478W
NAD 27, SPCS NM EAST
X:780633.84' / Y:388662.98'
LAT:32.06531191N / LON:103.42742122W

KICK OFF POINT
100' FSL 1330' FWL, SECTION 1
NAD 83, SPCS NM EAST
X:821821.35' / Y:388720.47'
LAT:32.06543778N / LON:103.42788478W
NAD 27, SPCS NM EAST
X:780633.84' / Y:388662.98'
LAT:32.06531191N / LON:103.42742122W

SURFACE HOLE LOCATION
448' FSL 1539' FWL, SECTION 1
NAD 83, SPCS NM EAST
X:822026.78' / Y:389069.69'
LAT:32.06639290N / LON:103.42721224W
NAD 27, SPCS NM EAST
X:780839.28' / Y:389012.18'
LAT:32.06626704N / LON:103.42674864W

17 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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR 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.

SEPTEMBER 19, 2019
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number
LLOYD P. SHORT 21653

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985482 Convergence: 00°29'26.29720"

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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|--|--|--|---------------------------------|
| ¹ API Number 30-025-46128 | | ² Pool Code 96661 | | ³ Pool Name HARDIN TANK; BONE SPRING | |
| ⁴ Property Code 325751 | | ⁵ Property Name MAMMOTH 1 TB FED COM | | | ⁶ Well Number 10H |
| ⁷ OGRID No. 372098 | | ⁸ Operator Name MARATHON OIL PERMIAN LLC | | | ⁹ Elevation 3281' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 1 | 26S | 34E | | 448 | SOUTH | 1569 | WEST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 36 | 25S | 34E | | 100 | NORTH | 2311 | WEST | LEA |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

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.

17 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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Adrian Covarrubias* Date: 10/21/2020
Printed Name: Adrian Covarrubias
E-mail Address:

18 SURVEYOR 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.

SEPTEMBER 30, 2020
Date of Survey
Signature and Seal of Professional Surveyor: *David W. Myers*

Certificate Number: DAVID W. MYERS 11403

SHEET 1 OF 3
JOB No. R3762_012
REV 5 WM 9/30/2020

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985482 Convergence Angle: 00°29'26.29720"

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Phone: (575) 393-6161 Fax: (575) 334-0720
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State of New Mexico
Energy, Minerals & Natural Resources Department
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Santa Fe, NM 87505

Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

| | | | | | |
|--|--|---|--|---|--|
| ¹ API Number 30-025-46127 | | ² Pool Code 96661 | | ³ Pool Name Hardin Tank; Bone Spring | |
| ⁴ Property Code 325751 | | Property Name Mammoth 1 TB FED COM | | | ⁶ Well Number 1H |
| ⁷ OGRID No. 372098 | | ⁸ Operator Name MARATHON OIL PERMIAN LLC | | | ⁹ Elevation 3281' |

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 |
|---------------|----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| N | 1 | 26S | 34E | | 448 | SOUTH | 1509 | WEST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| D | 36 | 25S | 34E | | 101 | NORTH | 825 | WEST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

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.

¹⁷ OPERATOR CERTIFICATION

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Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R-Squared Global.

MARCH 24, 2020
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number _____

CORNER COORDINATES NAD 83, SPCS NM EAST
A - X: 820492.21' / Y: 388613.44'
B - X: 820398.92' / Y: 399168.72'
C - X: 821719.36' / Y: 399176.25'
D - X: 821812.29' / Y: 388620.42'

CORNER COORDINATES NAD 27, SPCS NM EAST
A - X: 779304.71' / Y: 388555.97'
B - X: 779211.91' / Y: 399110.96'
C - X: 780532.33' / Y: 399118.48'
D - X: 780624.78' / Y: 388562.93'

LAST TAKE POINT/BOTTOM HOLE LOCATION
101' FNL 825' FWL, SECTION 36
22618' MEASURED DEPTH IN FEET
NAD 83, SPCS NM EAST
X: 821225.00' / Y: 399072.31'
LAT: 32.09390486N / LON: 103.42952975W
NAD 27, SPCS NM EAST
X: 780037.97' / Y: 399014.55'
LAT: 32.09377917N / LON: 103.42906444W

KICK OFF POINT/FIRST TAKE POINT
122' FSL 818' FWL, SECTION 1
11898' MEASURED DEPTH IN FEET
NAD 83, SPCS NM EAST
X: 821309.08' / Y: 388739.52'
LAT: 32.06550194N / LON: 103.42953780W
NAD 27, SPCS NM EAST
X: 780121.57' / Y: 388682.03'
LAT: 32.06537610N / LON: 103.42907418W

SURFACE HOLE LOCATION
448' FSL 1509' FWL, SECTION 1
NAD 83, SPCS NM EAST
X: 821996.71' / Y: 389069.70'
LAT: 32.06639364N / LON: 103.42730928W
NAD 27, SPCS NM EAST
X: 780809.21' / Y: 389012.20'
LAT: 32.06626777N / LON: 103.42684568W

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985482 Convergence Angle: 00°29'26.29720"

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Revised August 1, 2011
Submit one copy to appropriate
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

| | | | | | |
|--|--|---|--|--|--|
| ¹ API Number 30-025-46127 | | ² Pool Code 96658 | | ³ Pool Name Hardin Tank; Wolfcamp | |
| ⁴ Property Code 325751 | | Property Name Mammoth 1 TB FED COM | | | ⁶ Well Number 1H |
| ⁷ OGRID No. 372098 | | ⁸ Operator Name MARATHON OIL PERMIAN LLC | | | ⁹ Elevation 3281' |

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 |
|---------------|----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| N | 1 | 26S | 34E | | 448 | SOUTH | 1509 | WEST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| D | 36 | 25S | 34E | | 101 | NORTH | 825 | WEST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

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.

17 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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R-Squared Global.

MARCH 24, 2020
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number _____

CORNER COORDINATES NAD 83, SPCS NM EAST
A - X: 820492.21' / Y: 388613.44'
B - X: 820398.92' / Y: 399168.72'
C - X: 823039.79' / Y: 399183.78'
D - X: 823132.38' / Y: 388627.40'

CORNER COORDINATES NAD 27, SPCS NM EAST
A - X: 779304.71' / Y: 388555.97'
B - X: 779211.91' / Y: 399110.96'
C - X: 781852.75' / Y: 399126.00'
D - X: 781944.85' / Y: 388569.90'

BOTTOM HOLE LOCATION
101' FNL 825' FWL, SECTION 36
22618' MEASURED DEPTH IN FEET
NAD 83, SPCS NM EAST
X: 821225.00' / Y: 399072.31'
LAT: 32.09390486N / LON: 103.42952975W
NAD 27, SPCS NM EAST
X: 780037.97' / Y: 399014.55'
LAT: 32.09377917N / LON: 103.42906444W

LAST TAKE POINT
2119' FNL 851' FWL, SECTION 1
15309' MEASURED DEPTH IN FEET
NAD 83, SPCS NM EAST
X: 821309.81' / Y: 391772.81'
LAT: 32.07383933N / LON: 103.42945341W
NAD 27, SPCS NM EAST
X: 780122.45' / Y: 391715.24'
LAT: 32.07371352N / LON: 103.42898930W

FIRST TAKE POINT
2516' FNL 850' FWL, SECTION 1
14912' MEASURED DEPTH IN FEET
NAD 83, SPCS NM EAST
X: 821313.80' / Y: 391376.20'
LAT: 32.07274911N / LON: 103.42945126W
NAD 27, SPCS NM EAST
X: 780126.42' / Y: 391318.65'
LAT: 32.07262330N / LON: 103.42898721W

KICK OFF POINT
122' FSL 818' FWL, SECTION 1
11898' MEASURED DEPTH IN FEET
NAD 83, SPCS NM EAST
X: 821309.08' / Y: 388739.52'
LAT: 32.06550194N / LON: 103.42953780W
NAD 27, SPCS NM EAST
X: 780121.57' / Y: 388682.03'
LAT: 32.06537610N / LON: 103.42907418W

SURFACE HOLE LOCATION
448' FSL 1509' FWL, SECTION 1
NAD 83, SPCS NM EAST
X: 821996.71' / Y: 389069.70'
LAT: 32.06639364N / LON: 103.42730928W
NAD 27, SPCS NM EAST
X: 780809.21' / Y: 389012.20'
LAT: 32.06626777N / LON: 103.42684568W

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99985482 Convergence Angle: 00°29'26.29720"

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
May 04, 2022
and ending with the issue dated
May 04, 2022.



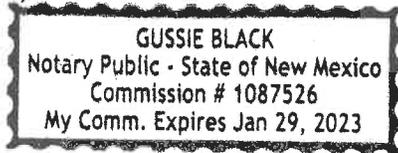
Publisher

Sworn and subscribed to before me this
4th day of May 2022.



Business Manager

My commission expires
January 29, 2023
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

| | |
|--|--------------|
| LEGAL | LEGAL |
| LEGAL NOTICE May 4, 2022 | |
| <p>Application of Marathon Oil Permian LLC for Surface Commingle: Notice to all affected parties, as well as the heirs and devisees of: the New Mexico State Land Office; EOG Resources, Inc.; OXY USA Inc.; LJA Charitable Investments, LLC; Pennies From Heaven, LLC c/o Bank of America; Franklin Mountain Royalty Investments, LLC; Monticello Minerals LLC; Rheiner Holdings, LLC; Prevail Energy LLC; Cayuga Royalties, LLC; Cyrene L. Inman, Successor Trustee of the Cyrene L. Inman Trust u/t/a dated 1/26/1994; EMG Oil Properties, Inc.; Oscura Resources, Inc.; Post Oak Crown IV, LLC; Post Oak Crown IV-B, LLC; Good News Minerals, LLC; KMF Land, LLC; Zunis Energy, LLC; Mavros Minerals II, LLC; Oak Valley Mineral and Land, LP; Kaleb Smith; Deane Durham; Mike Moylett; Crown Oil Partners, LP; Collins & Jones Investments, LLC; LMC Energy LLC; Gerald G. Vavrek; Jesse A. Faught, Jr.; H. Jason Wacker; David W. Cromwell of Marathon Oil Permian LLC's Application for Surface Commingle. Marathon Oil Permian LLC, 990 Town & Country Blvd., Houston, TX 77024 is applying to the New Mexico Oil Conservation Division for administrative approval to surface commingle according to the provisions of NMAC 19.15.12.10 from the wells Mammoth 1 TB Federal Com 1H (API 30-025-46127), Mammoth 1 TB Federal Com 10 H (API 30-025-46128), Mammoth 1 WA Federal Com 2H (API 30-025-46130), Mammoth 1 WA Federal Com 7H (API 30-025-46133), located in the Hardin Tank; Bone Spring, Pool (96661) and Hardin Tank; Wolfcamp Pool (96658), located in Section 1-T26S-R34E, Lea County, New Mexico. Any objection or requests for a hearing regarding this application must be submitted to the Division's Santa Fe office, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505 in writing within 20 days from the date the Oil Conservation Division receives Marathon's application. Any interested party with questions or comments may contact Adrian Coarrubias, acovarrubias@marathonoil.com, 713-296-3159. #37620</p> | |

01104570

00266394

DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS &
P. O. BOX 2168
ALBUQUERQUE, NM 87103-2168

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

| | | |
|--|--|---|
| Well Name: MAMMOTH 1 TB FED COM | Well Location: T26S / R34E / SEC 1 / SESW / 32.0663942 / -103.4274059 | County or Parish/State: LEA / NM |
| Well Number: 1H | Type of Well: OIL WELL | Allottee or Tribe Name: |
| Lease Number: NMNM113970 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3002546127 | Well Status: Drilling Well | Operator: MARATHON OIL PERMIAN LLC |

Subsequent Report

Sundry ID: 2688208

Type of Submission: Subsequent Report

Type of Action: Drilling Operations

Date Sundry Submitted: 08/22/2022

Time Sundry Submitted: 10:37

Date Operation Actually Began: 08/19/2022

Actual Procedure: Marathon Oil Permian LLC encountered the Wolfcamp formation during drilling operations from 14912' MD to 15309' MD. Please revise the drilling plan for this well to include the Wolfcamp pool. Casing and cement design did not change. Please see attached C-102s for both Bone Spring and Wolfcamp formation.

SR Attachments

PActual Procedure

DHC5217_Order_20220822103548.pdf

BLM_Accepted__Mammoth_1_TB_Fed_Com_1H__DHC__6.2.2022_20220822103547.pdf

20200324_R3762_008__MAMMOTH_1_TB_FED_COM_1H__BONE_SPRING__REV._1__CERTIFIED_AS__DRILLED_20220819085003.pdf

20200324_R3762_008__MAMMOTH_1_TB_FED_COM_1H__WOLFCAMP__REV._1__CERTIFIED_AS__DRILLED_20220819085003.pdf

Well Name: MAMMOTH 1 TB FED COM

Well Location: T26S / R34E / SEC 1 / SESW / 32.0663942 / -103.4274059

County or Parish/State: LEA / NM

Well Number: 1H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM113970

Unit or CA Name:

Unit or CA Number:

US Well Number: 3002546127

Well Status: Drilling Well

Operator: MARATHON OIL PERMIAN LLC

Operator

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

Operator Electronic Signature: ADRIAN COVARRUBIAS

Signed on: AUG 22, 2022 10:37 AM

Name: MARATHON OIL PERMIAN LLC

Title: regulatory Compliance Representative

Street Address: 990 TOWN & COUNTRY BLVD

City: HOUSTON State: TX

Phone: (713) 296-3368

Email address: acovarrubias@marathonoil.com

Field

Representative Name:

Street Address:

City: State: Zip:

Phone:

Email address:

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the 1st of May 2022, 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 34 East, N.M.P.M.:

Section 1: E/2W/2

Lea County, New Mexico;

Township 25 South, Range 34 East, N.M.P.M.:

Section 36: E/2W/2

Lea County, New Mexico

containing 320.000 acres, more or less, and this agreement shall include only the Bone Springs 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, 990 Town & Country Blvd., Houston, TX, 77024. 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 May 1, 2022 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.

LESSEE OF RECORD/WORKING INTEREST OWNER

OXY USA INC.

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

)

COUNTY OF HARRIS)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared _____, known to me to be _____ for **OXY USA Inc.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public in and for the State of Texas

Mammoth 1 TB Federal Com #10H
State/Fed Communitization Agreement
E/2W/2 Bone Springs

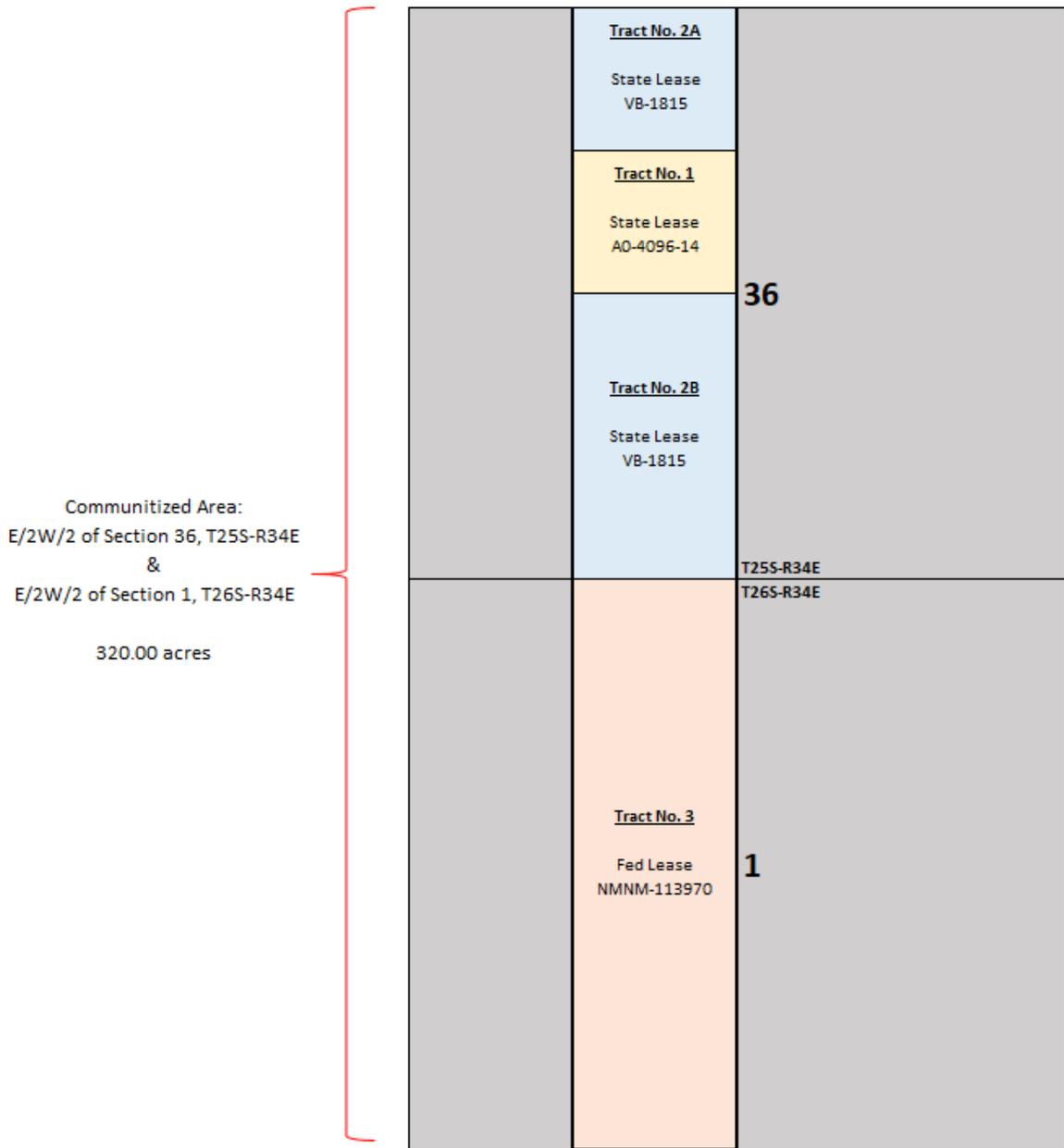
EXHIBIT A

To Communitization Agreement dated May 1, 2022

Plat of communitized area covering the:

E/2W/2 of Section 36 T25S, R34E, and E/2W/2 of Section 1 T26S, R34E, NMPM, Lea County, NM.

Mammoth 1 TB Federal Com #10H: 30-025-46128



Mammoth 1 TB Federal Com #10H
State/Fed Communitization Agreement
E/2W/2 Bone Springs

EXHIBIT B

To Communitization Agreement dated May 1, 2022 embracing:

Township 26 South, Range 34 East, N.M.P.M.:

Section 1: E/2W/2
Lea County, New Mexico;

Township 25 South, Range 34 East, N.M.P.M.:

Section 36: E/2W/2
Lea County, New Mexico

Operator of Communitized Area: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

| | |
|----------------------------------|--|
| Lease Serial No.: | A0-0496-0014 |
| Lease Date: | April 21, 1931 |
| Lease Term: | 10 years |
| Lessor: | State of New Mexico |
| Original Lessee: | Fred Luthy |
| Present Lessee: | Estate of Fred Luthy - 100.00% |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-20331-A |
| Description of Land Committed: | <u>Township 25 South, Range 34 East, N.M.P.M.</u> Section 36: SE/4NW/4 Lea County, New Mexico |
| Number of Acres: | 40.00 |
| Royalty Rate: | 12.50% |
| Name of Working Interest Owners: | Marathon Oil Permian LLC.....100.000000% |
| Name and Percent of ORRI Owners: | Pennies from Heaven LLC.....1.388889% |
| | Cyrene L. Inman, Trustee of the Cyrene K. Inman Trust.....1.388889% |
| | Tierra Royalties, LLC.....0.499920% |
| | Franklin Mountain Royalty Investments, LLC.....0.888969% |
| | Oscura Resources, Inc.....4.166667% |
| | EMG Oil Properties, Inc.....2.041666% |
| | Branex Resources, Inc.....2.125000% |

Mammoth 1 TB Federal Com #10H
State/Fed Communitization Agreement
E/2W/2 Bone Springs

DESCRIPTION OF LEASES COMMITTED (continued):

Tract No. 2A

Lease Serial No.: VB-1815
 Lease Date: March 1, 2010
 Lease Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Daniel E. Gonzales
 Present Lessee: EOG Resources, Inc. - 100.00%
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-20331-A
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**
 Section 36: NE/4NW/4
 Lea County, New Mexico

Number of Acres: 40.00
 Royalty Rate: 18.75%
 Name of Working Interest Owners: EOG Resources, Inc.....100.00%
 Name and Percent of ORRI Owners: NONE

Tract No. 2B

Lease Serial No.: VB-1815
 Lease Date: March 1, 2010
 Lease Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Daniel E. Gonzales
 Present Lessee: EOG Resources, Inc. - 100.00%
 Authority to Pool: NMOCDC Compulsory Pooling Order No. R-20331-A
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**
 Section 36: E/2SW/4
 Lea County, New Mexico

Number of Acres: 80.00
 Royalty Rate: 18.75%
 Name of Working Interest Owners: EOG Resources, Inc.....100.00%
 Name and Percent of ORRI Owners: NONE

Mammoth 1 TB Federal Com #10H
State/Fed Communitization Agreement
E/2W/2 Bone Springs

DESCRIPTION OF LEASES COMMITTED (continued):

Tract No. 3

| | |
|----------------------------------|---|
| Lease Serial No.: | NMNM-113970 |
| Lease Date: | June 1, 2005 |
| Lease Term: | 10 years |
| Lessor: | The United States of America |
| Original Lessee: | J Bar Cane Inc. |
| Present Lessee: | OXY USA Inc. |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-20331-A |
| Description of Land Committed: | <u>Township 26 South, Range 34 East, N.M.P.M.</u> Section 1: E/2W/2 Lea County, New Mexico |
| Number of Acres: | 160.00 |
| Royalty Rate: | 12.50% |
| Name of Working Interest Owners: | Marathon Oil Permian LLC.....100.000000% |
| Name and Percent of ORRI Owners: | OXY USA Inc.....7.500000% |
| | CEP Minerals LLC.....0.700000% |
| | Post Oak Crown IV, LLC.....0.035860% |
| | Post Oak Crown IV-B, LLC.....0.212533% |
| | Wells Fargo Central Pacific Holdings.....0.095215% |
| | Crown Oil Partners, LP.....0.203429% |
| | Crown Oil Partners IV Management, LP.....0.096606% |
| | Collins & Jones Investments, LLC.....0.027271% |
| | LMC Energy.....0.004546% |
| | Gerard G. Vavrek.....0.004895% |
| | Jesse A. Faught, Jr.....0.003314% |
| | H. Jason Wacker.....0.003138% |
| | David M. Cromwell.....0.003137% |
| | Crown Ventures III, LLC.....0.001292% |
| | Crown Oil Partners IV Employee Holdings, LLC.....0.008764% |
| | Zunis Energy, LLC.....0.510000% |
| | James F. Adelson, Trustee of the James F. Adelson Revocable Trust.....0.090000% |

Mammoth 1 TB Federal Com #10H
State/Fed Communitization Agreement
E/2W/2 Bone Springs

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|----------------------|--------------------------------------|--|
| Tract No. 1 | 40.00 | 12.50% |
| Tract No. 2A | 40.00 | 12.50% |
| Tract No. 2B | 80.00 | 25.00% |
| Tract No. 3 | 160.00 | 50.00% |
| Totals | 320.00 | 100.00% |

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the 1st of May 2022, 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 34 East, N.M.P.M.:
 Section 1: W/2
 Lea County, New Mexico;

Township 25 South, Range 34 East, N.M.P.M.:
 Section 36: W/2
 Lea County, New Mexico

containing 640.000 acres, more or less, and this agreement shall include only the Wolfcamp 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, 990 Town & Country Blvd., Houston, TX, 77024. 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 May 1, 2022 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.

LESSEE OF RECORD/WORKING INTEREST OWNER

OXY USA INC.

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

On this _____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared _____, known to me to be _____ for **OXY USA Inc.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public in and for the State of Texas

WORKING INTEREST OWNER

EOG Resources, Inc.

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared _____, known to me to be _____ for **EOG Resources, Inc.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

EXHIBIT A

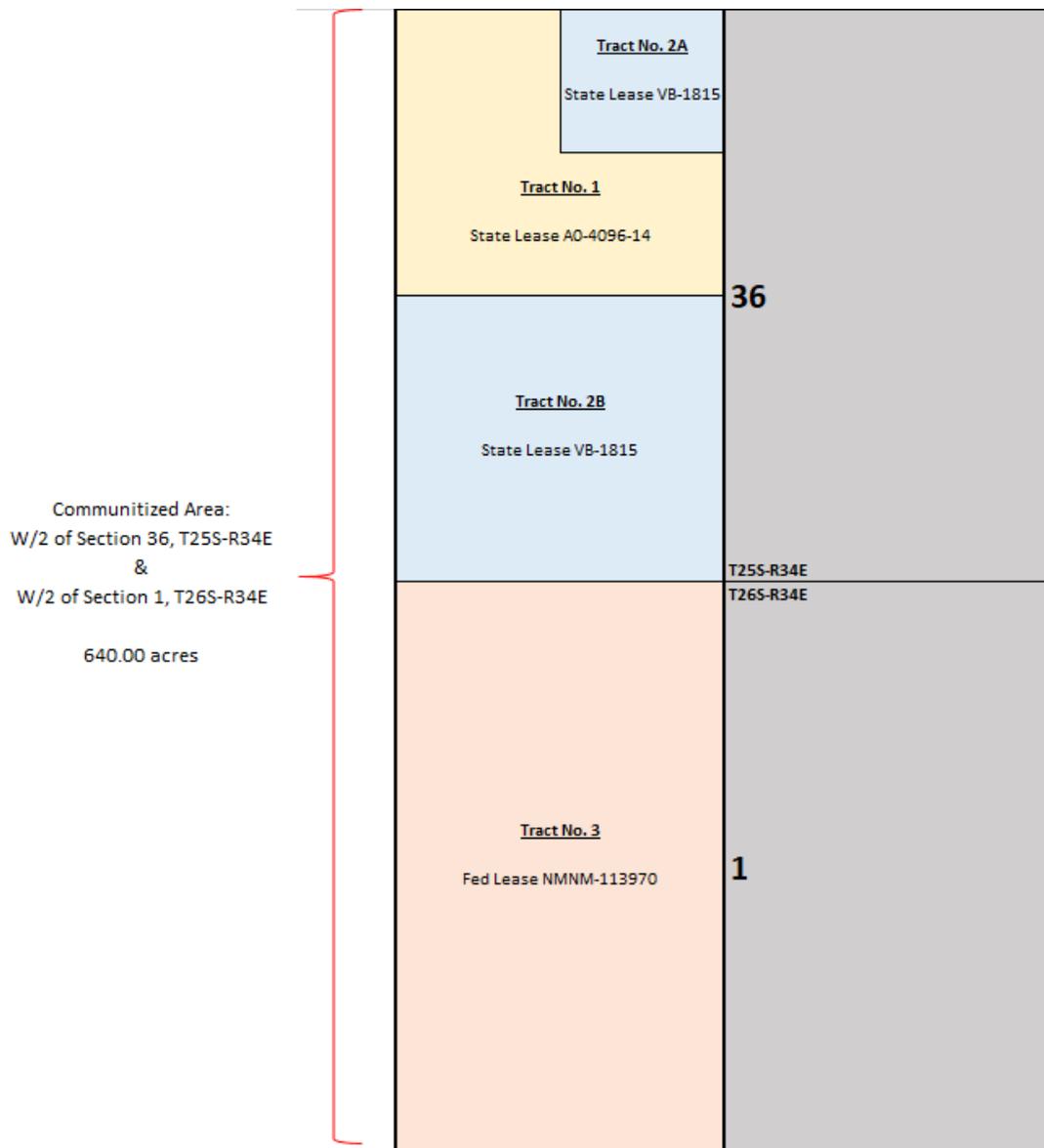
To Communitization Agreement dated May 1, 2022

Plat of communitized area covering the:

W/2 of Section 36 T25S, R34E, and W/2 of Section 1 T26S, R34E, NMPM, Lea County, NM.

Mammoth 1 WA Federal Com #2H: 30-025-46130

Mammoth 1 WA Federal Com #7H: 30-025-46133



Mammoth 1 WA Federal Com #2H
Mammoth 1 WA Federal Com #7H
Fed/State Communitization Agreement
W/2 Wolfcamp

EXHIBIT B

To Communitization Agreement dated May 1, 2022 embracing:

Township 26 South, Range 34 East, N.M.P.M.:

Section 1: W/2

Lea County, New Mexico;

Township 25 South, Range 34 East, N.M.P.M.:

Section 36: W/2

Lea County, New Mexico

Operator of Communitized Area: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

| | |
|----------------------------------|--|
| Lease Serial No.: | A0-0496-0014 |
| Lease Date: | April 21, 1931 |
| Lease Term: | 10 years |
| Lessor: | State of New Mexico |
| Original Lessee: | Fred Luthy |
| Present Lessee: | Estate of Fred Luthy - 100.00% |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-20331-A |
| Description of Land Committed: | <u>Township 25 South, Range 34 East, N.M.P.M.</u> Section 36: W/2NW/4 & SE/4NW/4 Lea County, New Mexico |
| Number of Acres: | 120.00 |
| Royalty Rate: | 12.50% |
| Name of Working Interest Owners: | Marathon Oil Permian LLC.....100.000000% |
| Name and Percent of ORRI Owners: | Pennies from Heaven LLC.....1.388889% |
| | Cyrene L. Inman, Trustee of the |
| | Cyrene K. Inman Trust.....1.388889% |
| | Tierra Royalties, LLC.....0.499920% |
| | Franklin Mountain |
| | Royalty Investments, LLC.....0.888969% |
| | Oscura Resources, Inc.....4.166667% |
| | EMG Oil Properties, Inc.....2.041666% |
| | Branex Resources, Inc.....2.125000% |

DESCRIPTION OF LEASES COMMITTED (continued):

Tract No. 2A

Lease Serial No.: VB-1815
 Lease Date: March 1, 2010
 Lease Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Daniel E. Gonzales
 Present Lessee: EOG Resources, Inc. - 100.00%
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-20331-A
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**
 Section 36: NE/4NW/4
 Lea County, New Mexico

Number of Acres: 40.00
 Royalty Rate: 18.75%
 Name of Working Interest Owners: EOG Resources, Inc.....100.00%
 Name and Percent of ORRI Owners: NONE

Tract No. 2B

Lease Serial No.: VB-1815
 Lease Date: March 1, 2010
 Lease Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Daniel E. Gonzales
 Present Lessee: EOG Resources, Inc. - 100.00%
 Authority to Pool: NMOCD Compulsory Pooling Order No. R-20331-A
 Description of Land Committed: **Township 25 South, Range 34 East, N.M.P.M.**
 Section 36: SW/4
 Lea County, New Mexico

Number of Acres: 160.00
 Royalty Rate: 18.75%
 Name of Working Interest Owners: EOG Resources, Inc.....100.00%
 Name and Percent of ORRI Owners: NONE

Mammoth 1 WA Federal Com #2H
 Mammoth 1 WA Federal Com #7H
 Fed/State Communization Agreement
 W/2 Wolfcamp

DESCRIPTION OF LEASES COMMITTED (continued):

Tract No. 3

| | |
|----------------------------------|--|
| Lease Serial No.: | NMNM-113970 |
| Lease Date: | June 1, 2005 |
| Lease Term: | 10 years |
| Lessor: | The United States of America |
| Original Lessee: | J Bar Cane Inc. |
| Present Lessee: | OXY USA Inc. |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-20331-A |
| Description of Land Committed: | <u>Township 26 South, Range 34 East, N.M.P.M.</u> Section 1: W/2 Lea County, New Mexico |
| Number of Acres: | 320.00 |
| Royalty Rate: | 12.50% |
| Name of Working Interest Owners: | Marathon Oil Permian LLC.....100.000000% |
| Name and Percent of ORRI Owners: | OXY USA Inc.....7.500000% |
| | CEP Minerals LLC.....0.700000% |
| | Post Oak Crown IV, LLC.....0.035860% |
| | Post Oak Crown IV-B, LLC.....0.212533% |
| | Wells Fargo Central Pacific Holdings.....0.095215% |
| | Crown Oil Partners, LP.....0.203429% |
| | Crown Oil Partners IV Management, LP.....0.096606% |
| | Collins & Jones Investments, LLC.....0.027271% |
| | LMC Energy.....0.004546% |
| | Gerard G. Vavrek.....0.004895% |
| | Jesse A. Faught, Jr.....0.003314% |
| | H. Jason Wacker.....0.003138% |
| | David M. Cromwell.....0.003137% |
| | Crown Ventures III, LLC.....0.001292% |
| | Crown Oil Partners IV Employee Holdings, LLC.....0.008764% |
| | Zunis Energy, LLC.....0.510000% |
| | James F. Adelson, Trustee of the James F. Adelson Revocable Trust.....0.090000% |

Mammoth 1 WA Federal Com #2H
Mammoth 1 WA Federal Com #7H
Fed/State Communinitization Agreement
W/2 Wolfcamp

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|----------------------|--------------------------------------|--|
| Tract No. 1 | 120.00 | 18.75% |
| Tract No. 2A | 40.00 | 6.25% |
| Tract No. 2B | 160.00 | 25.00% |
| Tract No. 3 | 320.00 | 50.00% |
| Totals | 640.00 | 100.00% |

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the 1st of May 2022, 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 34 East, N.M.P.M.:
 Section 1: W/2W/2
 Lea County, New Mexico;

Township 25 South, Range 34 East, N.M.P.M.:
 Section 36: W/2W/2
 Lea County, New Mexico

containing 320.000 acres, more or less, and this agreement shall include only the Bone Springs 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, 990 Town & Country Blvd., Houston, TX, 77024. 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 May 1, 2022 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.

LESSEE OF RECORD/WORKING INTEREST OWNER

OXY USA INC.

Date

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS)

)

COUNTY OF HARRIS)

On this ____ day of _____, 2022, before me, a Notary Public for the State of Texas, personally appeared _____, known to me to be _____ for **OXY USA Inc.**, the company that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public in and for the State of Texas

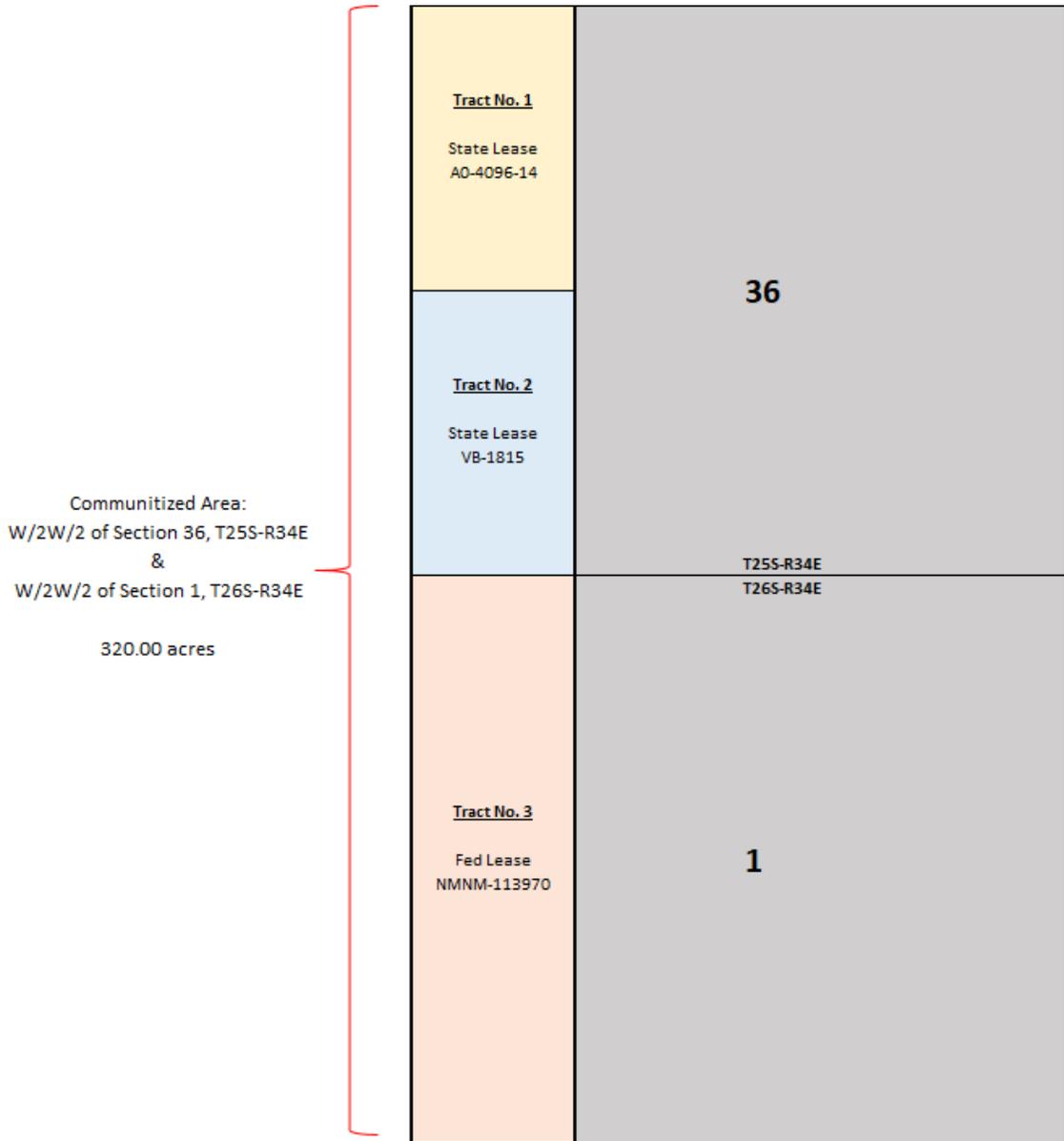
EXHIBIT A

To Communitization Agreement dated May 1, 2022

Plat of communitized area covering the:

W/2W/2 of Section 36 T25S, R34E, and W/2W/2 of Section 1 T26S, R34E, NMPM, Lea County, NM.

Mammoth 1 TB Federal Com #1H: 30-025-46127



Mammoth 1 TB Federal Com #1H
Fed/State Communitization Agreement
W/2W/2 Bone Springs

EXHIBIT B

To Communitization Agreement dated May 1, 2022 embracing:

Township 26 South, Range 34 East, N.M.P.M.:

Section 1: W/2W/2

Lea County, New Mexico;

Township 25 South, Range 34 East, N.M.P.M.:

Section 36: W/2W/2

Lea County, New Mexico

Operator of Communitized Area: Marathon Oil Permian LLC

DESCRIPTION OF LEASES COMMITTED:

Tract No. 1

| | |
|----------------------------------|---|
| Lease Serial No.: | A0-0496-0014 |
| Lease Date: | April 21, 1931 |
| Lease Term: | 10 years |
| Lessor: | State of New Mexico |
| Original Lessee: | Fred Luthy |
| Present Lessee: | Estate of Fred Luthy - 100.00% |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-20331-A |
| Description of Land Committed: | <u>Township 25 South, Range 34 East, N.M.P.M.</u> Section 36: W/2NW/4 Lea County, New Mexico |
| Number of Acres: | 80.00 |
| Royalty Rate: | 12.50% |
| Name of Working Interest Owners: | Marathon Oil Permian LLC.....100.000000% |
| Name and Percent of ORRI Owners: | Pennies from Heaven LLC.....1.388889% |
| | Cyrene L. Inman, Trustee of the |
| | Cyrene K. Inman Trust.....1.388889% |
| | Tierra Royalties, LLC.....0.499920% |
| | Franklin Mountain |
| | Royalty Investments, LLC.....0.888969% |
| | Oscura Resources, Inc.....4.166667% |
| | EMG Oil Properties, Inc.....2.041666% |
| | Branex Resources, Inc.....2.125000% |

Mammoth 1 TB Federal Com #1H
Fed/State Communitization Agreement
W/2W/2 Bone Springs

DESCRIPTION OF LEASES COMMITTED (continued):

Tract No. 2

| | |
|----------------------------------|---|
| Lease Serial No.: | VB-1815 |
| Lease Date: | March 1, 2010 |
| Lease Term: | 5 years |
| Lessor: | State of New Mexico |
| Original Lessee: | Daniel E. Gonzales |
| Present Lessee: | EOG Resources, Inc. - 100.00% |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-20331-A |
| Description of Land Committed: | <u>Township 25 South, Range 34 East, N.M.P.M.</u> Section 36: W/2SW/4 Lea County, New Mexico |
| Number of Acres: | 80.00 |
| Royalty Rate: | 18.75% |
| Name of Working Interest Owners: | EOG Resources, Inc.....100.00% |
| Name and Percent of ORRI Owners: | NONE |

Mammoth 1 TB Federal Com #1H
Fed/State Communitization Agreement
W/2W/2 Bone Springs

DESCRIPTION OF LEASES COMMITTED (continued):

Tract No. 3

| | |
|----------------------------------|---|
| Lease Serial No.: | NMNM-113970 |
| Lease Date: | June 1, 2005 |
| Lease Term: | 10 years |
| Lessor: | The United States of America |
| Original Lessee: | J Bar Cane Inc. |
| Present Lessee: | OXY USA Inc. |
| Authority to Pool: | NMOCD Compulsory Pooling Order No. R-20331-A |
| Description of Land Committed: | <u>Township 26 South, Range 34 East, N.M.P.M.</u> Section 1: W/2W/2 Lea County, New Mexico |
| Number of Acres: | 160.00 |
| Royalty Rate: | 12.50% |
| Name of Working Interest Owners: | Marathon Oil Permian LLC.....100.000000% |
| Name and Percent of ORRI Owners: | OXY USA Inc.....7.500000% |
| | CEP Minerals LLC.....0.700000% |
| | Post Oak Crown IV, LLC.....0.035860% |
| | Post Oak Crown IV-B, LLC.....0.212533% |
| | Wells Fargo Central Pacific Holdings.....0.095215% |
| | Crown Oil Partners, LP.....0.203429% |
| | Crown Oil Partners IV Management, LP.....0.096606% |
| | Collins & Jones Investments, LLC.....0.027271% |
| | LMC Energy.....0.004546% |
| | Gerard G. Vavrek.....0.004895% |
| | Jesse A. Faught, Jr.....0.003314% |
| | H. Jason Wacker.....0.003138% |
| | David M. Cromwell.....0.003137% |
| | Crown Ventures III, LLC.....0.001292% |
| | Crown Oil Partners IV |
| | Employee Holdings, LLC.....0.008764% |
| | Zunis Energy, LLC.....0.510000% |
| | James F. Adelson, Trustee of the |
| | James F. Adelson Revocable Trust.....0.090000% |

Mammoth 1 TB Federal Com #1H
 Fed/State Communitization Agreement
 W/2W/2 Bone Springs

RECAPITULATION

| Tract numbers | Number of Acres Committed | Percentage of Interest in Communitized Area |
|----------------------|--------------------------------------|--|
| Tract No. 1 | 80.00 | 25.00% |
| Tract No. 2 | 80.00 | 25.00% |
| Tract No. 3 | 160.00 | 50.00% |
| Totals | 320.00 | 100.00% |

From: [Engineer, OCD, EMNRD](#)
To: [Covarrubias, Adrian \(MRO\)](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-847
Date: Monday, August 29, 2022 1:08:30 PM
Attachments: [PLC847 Order.pdf](#)

NMOCD has issued Administrative Order PLC-847 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 |
|--------------|-------------------------------|-----------|------------|-------|
| 30-025-46127 | Mammoth 1 TB Federal Com #1H | W/2 W/2 | 36-25S-34E | 96661 |
| | | W/2 W/2 | 1-26S-34E | |
| | | W/2 | 36-25S-34E | 96658 |
| | | W/2 | 1-26S-34E | |
| 30-025-46128 | Mammoth 1 TB Federal Com #10H | E/2 W/2 | 36-25S-34E | 96661 |
| | | E/2 W/2 | 1-26S-34E | |
| 30-025-46130 | Mammoth 1 WA Federal Com #2H | W/2 | 36-25S-34E | 96658 |
| | | W/2 | 1-26S-34E | |
| 30-025-46133 | Mammoth 1 WA Federal Com #7H | W/2 | 36-25S-34E | 96658 |
| | | W/2 | 1-26S-34E | |

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

From: [Covarrubias, Adrian \(MRO\)](#)
To: [McClure, Dean, EMNRD](#)
Cc: [STATHEM, Terri \(MRO\)](#)
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-847
Date: Monday, August 22, 2022 11:20:53 AM
Attachments: [image001.png](#)
[BLM Submittal - Mammoth 1 TB Fed Com 1H - Add Wolfcamp - 8.22.2022.pdf](#)

Good morning Dean,

Following up with you on adding the Wolfcamp formation to the Mammoth 1 TB Federal Com 1H. Attached is the Sundry we have submitted with the BLM. Once we get this approved we will submit it to the NMOCD side as a C-103A as you mentioned.

Please let us know if you have any other questions or comments on this one.

Kind regards,

Adrian Covarrubias

Regulatory Compliance Representative | Permian Asset
Marathon Oil Company | 990 Town & Country Blvd. Houston, TX 77024
O: 713.296.3368 | M: 713.962.7591



From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, August 19, 2022 8:36 AM
To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Cc: STATHEM, Terri (MRO) <tstathem@marathonoil.com>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-847

Hello Adrian,

I can give you a call later this morning, but essentially this well will be producing from 2 pools and it seems that the paperwork for the 2nd pool has never been filed. You will need to get BLM approval for production from the second pool and then submit that approval to the OCD along with the C-102 for the new pool. I believe the appropriate submittal type should be a C-103A change of plans unless Paul directs you otherwise.

Interestingly enough it appears the BLM had been revising the formation to Wolfcamp on a few of the sundries which makes me wonder if there may be some approved BLM sundries around which were never submitted to the Division. If so, then it may be only a matter of reviewing your own files and submitting that approval from the BLM to the Division.

Dean McClure

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

From: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Sent: Friday, August 19, 2022 7:11 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Cc: STATHEM, Terri (MRO) <tstathem@marathonoil.com>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-847

Hi Dean,

Please let me know when we can give you a call, we have a few questions on this one.

Thank you,

Adrian Covarrubias

Regulatory Compliance Representative | Permian Asset
Marathon Oil Company | 990 Town & Country Blvd. Houston, TX 77024
O: 713.296.3368 | M: 713.962.7591



From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, August 19, 2022 7:45 AM
To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Subject: RE: [EXTERNAL] RE: surface commingling application PLC-847

Thank you.

What is the status of the sundry for adding the wolfcamp formation to the Mammoth 1 TB Federal Com #1H?

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

From: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>
Sent: Friday, August 19, 2022 6:21 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXTERNAL] RE: surface commingling application PLC-847

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning Dean,

Attached are the CAs' that have been submitted for State and Fed.

I have also attached an updated submittal package that includes both form C-107B with the API/BTUs and updated to include the Wolfcamp pool within the Mammoth 1 TB Federal Com 1H.

Finally, attached is the Affidavit of Publication for commingle for these wells.

Let me know if you have any other questions or comments.

Thank you,

Adrian Covarrubias

Regulatory Compliance Representative | Permian Asset

Marathon Oil Company | 990 Town & Country Blvd. Houston, TX 77024

O: 713.296.3368 | M: 713.962.7591



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

Sent: Thursday, August 18, 2022 1:45 PM

To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>

Subject: [External] RE: surface commingling application PLC-847

Beware of links/attachments.

Additionally, please provide known or estimated gravity and BTU values for the production from these pools and a filled out form C-107B.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: McClure, Dean, EMNRD

Sent: Thursday, August 18, 2022 12:34 PM

To: Covarrubias, Adrian (MRO) <acovarrubias@marathonoil.com>

Subject: surface commingling application PLC-847

Mr. Covarrubias,

I am reviewing surface commingling application PLC-847 which involves a commingling project that includes the Mammoth Tank Battery and is operated by Marathon Oil Permian, LLC (372098)

Please provide the CA packets for the following tracts of land:

| | | |
|---------------------------|----------------|-------------------|
| CA Bone Spring BLM | W/2 W/2 | 36-25S-34E |
| | W/2 W/2 | 1-26S-34E |
| CA Bone Spring BLM | E/2 W/2 | 36-25S-34E |
| | E/2 W/2 | 1-26S-34E |
| CA Wolfcamp BLM | W/2 | 36-25S-34E |
| | W/2 | 1-26S-34E |

Please provide a status update on including the Wolfcamp pool within the Mammoth 1 TB Federal Com #1H (30-025-46127).

Please confirm that notification of this application was provided to the correct addresses for the persons listed below. Alternatively provide the affidavit of publication.

| | | | |
|------------------|--|------------------------------------|-----------------|
| 5/28/2022 | LJA Charitable Investments, LLC | 9314 8699 0430 0094 7468 26 | Returned |
| 6/16/2022 | Cayuga Royalties, LLC | 9314 8699 0430 0094 7468 88 | Returned |
| 5/27/2022 | EMG Oil Properties, Inc. | 9314 8699 0430 0094 7469 01 | Returned |

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-847

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.

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.

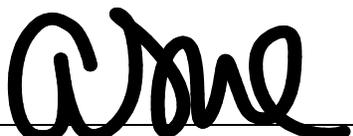
No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order 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 commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling 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.

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**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 8/29/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-847
Operator: Marathon Oil Permian, LLC (372098)
Central Tank Battery: Mammoth Tank Battery
Central Tank Battery Location: UL N, Section 1, Township 26 South, Range 34 East
Gas Title Transfer Meter Location: UL N, Section 1, Township 26 South, Range 34 East

Pools

| Pool Name | Pool Code |
|--------------------------|-----------|
| HARDIN TANK; WOLFCAMP | 96658 |
| HARDIN TANK; BONE SPRING | 96661 |

Leases as defined in 19.15.12.7(C) NMAC

| Lease | UL or Q/Q | S-T-R |
|-------------|-----------|------------|
| AO 40960014 | D E F | 36-25S-34E |
| VB 18150001 | C K L M N | 36-25S-34E |
| NMNM 113970 | W/2 | 1-26S-34E |

Wells

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|--------------|-------------------------------|-----------|------------|-------|
| 30-025-46127 | Mammoth 1 TB Federal Com #1H | W/2 W/2 | 36-25S-34E | 96661 |
| | | W/2 W/2 | 1-26S-34E | |
| | | W/2 | 36-25S-34E | 96658 |
| | | W/2 | 1-26S-34E | |
| 30-025-46128 | Mammoth 1 TB Federal Com #10H | E/2 W/2 | 36-25S-34E | 96661 |
| | | E/2 W/2 | 1-26S-34E | |
| 30-025-46130 | Mammoth 1 WA Federal Com #2H | W/2 | 36-25S-34E | 96658 |
| | | W/2 | 1-26S-34E | |
| 30-025-46133 | Mammoth 1 WA Federal Com #7H | W/2 | 36-25S-34E | 96658 |
| | | W/2 | 1-26S-34E | |

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-847**
Operator: **Marathon Oil Permian, LLC (372098)**

Pooled Areas

| Pooled Area | UL or Q/Q | S-T-R | Acres | Pooled Area ID |
|--------------------|-----------|------------|-------|----------------|
| CA Bone Spring BLM | W/2 W/2 | 36-25S-34E | 320 | A |
| | W/2 W/2 | 1-26S-34E | | |
| CA Bone Spring BLM | E/2 W/2 | 36-25S-34E | 320 | B |
| | E/2 W/2 | 1-26S-34E | | |
| CA Wolfcamp BLM | W/2 | 36-25S-34E | 640 | C |
| | W/2 | 1-26S-34E | | |

Leases Comprising Pooled Areas

| Lease | UL or Q/Q | S-T-R | Acres | Pooled Area ID |
|-------------|-----------|------------|-------|----------------|
| AO 40960014 | W/2 NW/4 | 36-25S-34E | 80 | A |
| VB 18150001 | W/2 SW/4 | 36-25S-34E | 80 | A |
| NMNM 113970 | W/2 W/2 | 1-26S-34E | 160 | A |
| AO 40960014 | SE/4 NW/4 | 36-25S-34E | 40 | B |
| VB 18150001 | C K N | 36-25S-34E | 120 | B |
| NMNM 113970 | E/2 W/2 | 1-26S-34E | 160 | B |
| AO 40960014 | D E F | 36-25S-34E | 120 | C |
| VB 18150001 | C K L M N | 36-25S-34E | 200 | C |
| NMNM 113970 | W/2 | 1-26S-34E | 320 | C |

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

District IV
 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 102352

CONDITIONS

| | |
|--|---|
| Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024 | OGRID: 372098 |
| | Action Number: 102352 |
| | Action Type: [C-107] Surface Commingle or Off-Lease (C-107B) |

CONDITIONS

| Created By | Condition | Condition 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. | 8/29/2022 |