

Before the Oil Conservation Division Examiner Hearing May 5, 2022

Case No. 22742

Application of Marathon Oil Permian LLC to Amend Order No. R-21165, Lea County, New Mexico.



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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO REOPEN ORDER
NO. R-21165, LEA COUNTY, NEW MEXICO
FOR THE LIMITED PURPOSE OF ADDING
ADDITIONAL POOLED PARTIES**

**CASE NO. 22742
ORDER NO. R-21165
(RE-OPEN)**

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Tab A: Declaration of Jeff Broussard, Land Professional for Case No. 22742:

- Exhibit 1: Application
- Exhibit 2: List of additional parties to be pooled.
- Exhibit 3: Summary of contacts and example proposal letter.
- Exhibit 4: Notice Declaration

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

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PERMIAN LLC TO REOPEN ORDER
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**CASE NO. 22742
ORDER NO. R-21165
(RE-OPEN)**

SELF AFFIRMED DECLARATION OF JEFF BROUSSARD

Jeff Broussard, being duly sworn, deposes and states:

1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum landman.
2. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above application.
3. My area of responsibility at Marathon includes the area Lea County in New Mexico.
4. I am familiar with the application filed by Marathon in this case.
5. I am familiar with the status of the lands that are subject to this application.
6. Attached as **Exhibit 1** is the application for Case No. 22742.
7. In this case, Marathon seeks to reopen Order No. R-21165 (the "Order") for the limited purpose of adding additional pooled parties under the terms of the Order.
8. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.

9. Pursuant to the Order, Marathon is the operator of the Wolfcamp formation underlying the E/2 of Section 11 and NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

10. The Order pooled uncommitted interest owners in a 480-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 of Section 11 and NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

11. Since the entry of the Order, Marathon has identified additional unleased mineral interest owners that it seeks to pool under the Order and include under Order R-21165's terms.

12. Marathon requests that the additional parties Marathon has identified on **Exhibit 2** be included under the Order terms.

13. **Exhibit 3** is a summary of contacts with the additional parties Marathon seeks to pool, including an example of the proposal letter that was sent to the additional parties Marathon seeks to pool.

14. In my opinion, Marathon made a good faith effort to obtain voluntary joinder in the proposed wells.

15. The parties Marathon is seeking to pool were notified of this hearing.

16. **Exhibit 4** is an affidavit of notice prepared by counsel for Marathon that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper.

17. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

18. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: April 21, 2022

A handwritten signature in blue ink, appearing to read "Jeff Broussard", written over a horizontal line.

Jeff Broussard

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO REOPEN ORDER
NO. R-21165, LEA COUNTY, NEW MEXICO
FOR THE LIMITED PURPOSE OF ADDING
ADDITIONAL POOLED PARTIES**

**CASE NO. 22742
ORDER NO. R-21165
(RE-OPEN)**

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, files this application with the Oil Conservation Division (the “Division”) for the limited purpose of amending Order No. R-21165 (collectively with its amendments, the “Order”) to pool additional parties under the Order. In support of this application, Marathon states as follows:

1. Pursuant to Order No. R-21165, Marathon is the operator of the Wolfcamp formation underlying the E/2 of Section 11 and NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.
2. The Order pooled uncommitted interest owners in a 480-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 of Section 11 and NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.
3. Since the entry of the Order, Marathon has identified additional mineral interest owners that it seeks to pool under the Order and include under Order R-21165’s terms.

4. Marathon sought, but has been unable to obtain, a voluntary agreement from the additional interest owners Marathon seeks to pool in this case to participate in the drilling of the wells or to otherwise commit their interests to the wells.

5. The pooling of all interests in the Wolfcamp formation underlying the unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 5, 2022 and after notice and hearing as required by law, the Division enter its order:

- A. Amend Order No. R-21165 to include additional pooled parties under Order R-21165's terms; and
- B. Incorporate all of the provisions of Order Nos. R-21165 and its amendments.

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

By: Deana M. Bennett

Deana M. Bennett
Bryce H. Smith
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21165, Lea County, New Mexico for the Limited Purpose of Adding Additional Pooled Parties. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21165 to pool additional parties under Order R-21165 and its amendments. The Order pooled uncommitted interest owners in a 480-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 of Section 11 and NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

Parties to Be Pooled

Name	Approx. Acres in 480 Acre Unit	Approx. Interest in Unit
Pegasus Resources II, LLC	0.35	0.06%
TD Minerals LLC	0.9	0.15%
Fortis Minerals II, LLC	1.037037	0.17%

Exhibit 2

Summary of Contacts: Ender Wiggins

- Marathon identified certain unleased mineral interest owners.
- Marathon sent proposal letters to the unleased mineral interest owners on February 1, 2022.
- Marathon has had discussions with the unleased mineral owners, including discussions regarding the form of a lease, but has not been able to reach voluntary agreement on the form of leases.
- Marathon has since reached agreement with certain of the unleased mineral owners it identified and is not seeking to pool the interest owners with which Marathon has reached an agreement.
- If Marathon reaches agreement with any of the other unleased mineral owners, it will notify the Division.
- Marathon filed an application to force pool parties who had not entered in to an agreement.
- Marathon, through its counsel, sent notices of the force pooling application to the addresses of record at the time of the filing of the application.
- It is my understanding that Marathon's counsel submitted notice to the newspaper of general circulation in the county where the wells will be located.

Blake D. Williams
Senior Land Professional



Marathon Oil Permian LLC
990 Town and Country Blvd.
Houston, TX 77024
Telephone: 713.296.3376 Mobile: 210.241.9317
Fax: 713.513.4006
bdwilliams@marathonoil.com

February 1, 2022

VIA CERTIFIED RETURN RECEIPT MAIL

Fortis Minerals II, LLC
1111 Bagby St. Suite 2150
Houston, TX 77002

Re: Ender Wiggins 14 Fed Com 19H & 20H Well Proposals
Sections 11 & 14, T25S-R34E
Lea County, New Mexico

Dear Fortis Minerals II, LLC,

Marathon Oil Permian LLC ("Marathon") shows you with 1.037037 unleased net mineral acres in the SW/4NE/4 of Section 14, 25S-34E. As an unleased mineral owner, Marathon would like to offer you the opportunity to lease your minerals to Marathon at the below lease terms:

This offer to lease terminates April 1, 2022 and is subject to due diligence and title verification satisfactory to Marathon. Should you be agreeable to this offer to lease, please sign the lease in the presence of a notary and complete the IRS Form W-9 form included in this proposal and return to my attention at the address listed above.

Marathon proposes the drilling of the following wells located in the Section 11 and the N/2 of Section 14, 25S-34E, Lea County, New Mexico all to be drilled from the same surface pad location. Should you not elect to lease, Marathon would also like to offer you the opportunity to participate in the drilling of the wells as a working interest owner.

Well Name	FTP (Sec. 14, 25S-34E)	LTP (Sec. 11, 25S-34E)	TVD	MD	AFE Cost
Ender Wiggins 14 WA Fed Com 19H	1,254' FEL/2,540' FNL	1,254' FEL/100' FNL	12,729'	20,230'	\$ 8,492,934
Ender Wiggins 14 WXY Fed Com 20H	330' FEL/2,540' FNL	330' FEL/100' FNL	12,635'	20,135'	\$ 8,255,509

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

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

- 100%/300%/300% non-consent penalty
- \$7,500/\$750 drilling and producing rates
- Contract area of E/2 Section 11 & NE/4 Section 14, 25S-34E, covering the Bone Spring and Wolfcamp Formations

Your unleased interest is estimated to be 0.216049% W1.

If your election is to participate in the drilling and completion of the wells please sign and return a copy of this letter along with the enclosed AFE within thirty (30) days of receipt of this proposal.

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

Sincerely,



Blake D. Williams
Senior Land Professional

_____ elects to participate in the drilling, completing, and equipping of the Ender Wiggins 14 WA Fed Com 19H well.

_____ elects NOT to participate in the drilling, completing, and equipping of the Ender Wiggins 14 WA Fed Com 19H well.

_____ elects to participate in the drilling, completing, and equipping of the Ender Wiggins 14 WXY Fed Com 20H well.

_____ elects NOT to participate in the drilling, completing, and equipping of the Ender Wiggins 14 WXY Fed Com 20H well.

Fortis Minerals II, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

MARATHON OIL PERMIAN LLC
 AUTHORITY FOR EXPENDITURE
 DETAIL OF ESTIMATED WELL COSTS

DATE 1/24/2022
 DRILLING & LOCATION PREPARED BY COURT NELSON
 COMPLETION PREPARED BY KRISTEN DRAIN
 FACILITIES PREPARED BY HARSHA DISSANAYAKE
 ARTIFICIAL LIFT PREPARED BY CRAIG PLANTE

Asset Team	PERMIAN		
Field	Pitchfork Ranch; Wolfcamp, South [96994]	WILDCAT	EXPLORATION
FORMATION:	WOLFCAMP A	DEVELOPMENT	RECOMPLETION
Lease/Facility	Ender Wiggins 14 WA Fed Com 19H	X EXPLOITATION	WORKOVER
Location	LEA COUNTY		
Prospect	RED HILLS		

Est TMD	<u>20,230</u>	Est Drilling Days	<u>24</u>	Est Completion Days	<u>5.5</u>
Est TVD	<u>12,729</u>				

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,500
7001250	Land Broker Fees and Services	67,500
TOTAL LOCATION COST - INTANGIBLE		168,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	25,000
7012050	Surface Casing	59,000
7012050	Intermediate Casing 1	-
7012050	Intermediate Casing 2	502,000
7012050	Production Casing	536,000
7012050	Drill Liner Hanger, Tieback Eq & Csg Accessories	-
7012550	Drilling Wellhead Equipment	65,000
7012040	Casing & Tubing Access	24,000
7290003	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		1,216,000

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	100,000
7290002	Drilling Rig - day work/footage	643,200
7019040	Directional Drilling Services	188,600
7019020	Cement and Cementing Service Surface	25,000
7019020	Cement and Cementing Service Intermediate 1	-
7019020	Cement and Cementing Service Intermediate 2	45,000
7019020	Cement and Cementing Service Production	85,000
7019140	Mud Fluids & Services	124,300
7012310	Solids Control equipment	48,240
7012020	Bits	135,000
7019010	Casing Crew and Services	45,000
7016350	Fuel (Rig)	147,400
7019140	Fuel (Mud)	72,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	16,275
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	180,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000010	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	22,650
7019350	Well Services - Well/Wellhead Services	10,000
7290003	Rental Tools and Equipment (surface rentals)	13,400
7260001	Rig Equipment and Misc.	107,200
7001110	Telecommunications Services	5,000
7001120	Consulting Services	112,560
7001400	Safety and Environmental	37,520
7330002	Rental Buildings (trailers)	13,400
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	289,660
TOTAL DRILLING - INTANGIBLE		\$2,694,405

TOTAL DRILLING COST	<u>\$3,910,405</u>
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MARATHON OIL PERMIAN LLC		DATE	1/24/2022
AUTHORITY FOR EXPENDITURE			
DETAIL OF ESTIMATED WELL COSTS			
Asset Team	PERMIAN		
Field	Pitchfork Ranch; Wolfcamp. South [96994]		
FORMATION:	WOLFCAMP A		
Lease/Facility	Ender Wiggins 14 WA Fed Com 19H		
COMPLETION - TANGIBLE			
GL CODE	DESCRIPTION	ESTIMATED COST	
7012580	Tubing	-	
7012040	Tubing Accessories (nipple, wireline entry)	-	
7012550	Wellhead Equip	15,000	
7012560	Packers - Completion Equipment	-	
TOTAL COMPLETION - TANGIBLE		15,000	
COMPLETION - INTANGIBLE			
7001270	Location and Access (dress location after rig move, set anchors)	7,000	
7290002	Drilling Rig During Completion	-	
7019140	Mud Fluids & Services	-	
7019030	Coiled Tubing Services (3 runs)	75,200	
7019240	Snubbing Services	-	
7019270	Pulling/Swab Units	-	
7016350	Fuel (from drlg)	-	
7019010	Casing Crew and Services	-	
7019020	Cement and Cementing Services	-	
7019080	Well Testing Services (flow hand & equip)	351,600	
7390002	Fracturing Services	2,008,279	
7019330	Perforating	112,000	
7019360	Wireline Services	-	
7001460	Water Hauling & Disposal (frac fluids)	255,000	
7016180	Freight - Truck (haul pipe; drlg & compl)	-	
7290003	BOP Rental & Testing	-	
7290003	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-	
7290003	CT Downhole Rental Equipment (ie. Bit, BHA)	19,000	
7290003	Contract Labor - general	-	
7000030	Telecommunications Services	25,000	
7001110	Safety and Environmental	-	
7001400	Consulting Services	25,000	
7001120	Zipper Manifold	132,000	
7019300	Frack Stack Rentals	80,000	
7016180	Freight (Transportation Services)	4,800	
7260001	Equipment Rental (w/o operator, frac tanks, lightplants)	154,500	
7330002	Rental Buildings (trailers)	-	
7000030	Contract Labor - Pumping (pump-down pumps)	10,000	
7011010	8% Contingency & Taxes	-	
TOTAL COMPLETION - INTANGIBLE		\$3,259,379	
TOTAL COMPLETION COST		\$3,274,379	
SURFACE EQUIPMENT - TANGIBLE			
7012350	Misc. Piping, Fittings & Valves	17,993	
7006640	Company Labor & Burden	-	
7000030	Contract Labor - General	62,005	
7001110	Telecommunication equip (Telemetry)	-	
7012410	Line Pipe & Accessories	-	
7012270	Miscellaneous Materials (containment system)	35,847	
7008060	SCADA	-	
7016180	Freight - truck	-	
7001190	Contract Engineering	7,264	
7012290	Metering and Instrumentation	5,823	
7012290	I&E Materials	105,326	
7012200	Gas Treating	-	
7012200	Dehydration	-	
7012010	Compressor	-	
7012350	Power	-	
7012610	Vapor Recovery Unit	-	
7012440	Separator & other pressure vessels	336,771	
7012500	Tanks	235,346	
7012100	Heater Treater	-	
7012640	Flare & Accessories	23,293	
7000010	Electrical Labor	10,482	
7000010	Mechanical Labor	-	
7012480	Rod Pumping unit & Pad	-	
7012180	Pumping Unit Engine	-	
7012350	Electrical Power (electrical cooperative construction costs)	-	
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,150	
TOTAL SURFACE EQUIPMENT COST		\$ 840,150	

MARATHON OIL PERMIAN LLC
 AUTHORITY FOR EXPENDITURE
 DETAIL OF ESTIMATED WELL COSTS

DATE 1/24/2022

Asset Team PERMIAN
 Field Pitchfork Ranch; Wolfcamp, South [96994]
 FORMATION: WOLFCAMP A
 Lease/Facility Ender Wiggins 14 WA Fed Com 19H

ARTIFICIAL LIFT

<u>7000030</u>	<u>Contract Labor</u>	<u>2,000</u>
<u>7001120</u>	<u>Consultant</u>	<u>3,000</u>
<u>7008230</u>	<u>Time Writing/Overhead</u>	<u>1,000</u>
<u>7012180</u>	<u>Artificial Lift Equipment</u>	<u>200,000</u>
<u>7012350</u>	<u>Materials & Supplies</u>	<u>2,000</u>
<u>7012550</u>	<u>Production Tree</u>	<u>5,000</u>
<u>7012580</u>	<u>Tubing</u>	<u>50,000</u>
<u>7016190</u>	<u>Freight</u>	<u>5,000</u>
<u>7018150</u>	<u>Rentals</u>	<u>6,000</u>
<u>7019130</u>	<u>Kill Fluid</u>	<u>2,000</u>
<u>7019220</u>	<u>Well Services & Rig</u>	<u>24,000</u>

TOTAL ARTIFICIAL LIFT	<u>300,000</u>
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TOTAL ARTIFICIAL LIFT COST	<u>\$ 300,000</u>
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SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	<u>\$ 168,000</u>
TOTAL DRILLING COST	<u>\$ 3,910,405</u>
TOTAL COMPLETIONS COST	<u>\$ 3,274,379</u>
TOTAL SURFACE EQUIPMENT COST	<u>\$ 840,150</u>
TOTAL ARTIFICIAL LIFT COST	<u>\$ 300,000</u>

GRAND TOTAL COST	<u>\$8,492,934</u>
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Participant's Approval

Name of
 Company: _____
 Signature: _____
 Title: _____ Date: _____

MARATHON OIL PERMIAN LLC
 AUTHORITY FOR EXPENDITURE
 DETAIL OF ESTIMATED WELL COSTS

DATE 1/24/2022
 DRILLING & LOCATION PREPARED BY COURT NELSON
 COMPLETION PREPARED BY KRISTEN DRAIN
 FACILITIES PREPARED BY HARSHA DISSANA
 ARTIFICIAL LIFT PREPARED BY CRAIG PLANTE

Asset Team	PERMIAN		
Field	Pitchfork Ranch; Wolfcamp, South [96994]	WILDCAT	EXPLORATION
FORMATION:	WOLFCAMP XY	DEVELOPMENT	RECOMPLETION
Lease/Facility	Ender Wiggins 14 WXY Fed Com 20H	X EXPLOITATION	WORKOVER
Location	LEA COUNTY		
Prospect	RED HILLS		
Est TMD	20,135	Est Drilling Days	24
Est TVD	12,635	Est Completion Days	5.5

LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	100,500
7001250	Land Broker Fees and Services	67,500
TOTAL LOCATION COST - INTANGIBLE		168,000

DRILLING COST - TANGIBLE

7001270	Conductor Pipe	25,000
7012050	Surface Casing	59,000
7012050	Intermediate Casing 1	-
7012050	Intermediate Casing 2	502,000
7012050	Production Casing	536,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	-
7012550	Drilling Wellhead Equipment	65,000
7012040	Casing & Tubing Access	24,000
7290003	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		1,216,000

DRILLING COST - INTANGIBLE

7290002	Drilling Rig Mob/Demob	100,000
7290002	Drilling Rig - day work/footage	643,200
7019040	Directional Drilling Services	188,600
7019020	Cement and Cementing Service Surface	25,000
7019020	Cement and Cementing Service Intermediate 1	-
7019020	Cement and Cementing Service Intermediate 2	45,000
7019020	Cement and Cementing Service Production	85,000
7019140	Mud Fluids & Services	124,300
7012310	Solids Control equipment	48,240
7012020	Bits	135,000
7019010	Casing Crew and Services	45,000
7016350	Fuel (Rig)	147,400
7019140	Fuel (Mud)	72,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	16,275
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	180,000
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000010	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	22,650
7019350	Well Services - Well/Wellhead Services	10,000
7290003	Rental Tools and Equipment (surface rentals)	13,400
7260001	Rig Equipment and Misc.	107,200
7001110	Telecommunications Services	5,000
7001120	Consulting Services	112,560
7001400	Safety and Environmental	37,520
7330002	Rental Buildings (trailers)	13,400
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	289,660
TOTAL DRILLING - INTANGIBLE		\$2,694,405

TOTAL DRILLING COST

\$3,910,405

MARATHON OIL PERMIAN LLC		DATE	1/24/2022
AUTHORITY FOR EXPENDITURE			
DETAIL OF ESTIMATED WELL COSTS			
Asset Team	PERMIAN		
Field	Pitchfork Ranch; Wolfcamp, South [96994]		
FORMATION:	WOLFCAMP XY		
Lease/Facility	Ender Wiggins 14 WXY Fed Com 20H		
COMPLETION - TANGIBLE			
GL CODE	DESCRIPTION	ESTIMATED COST	
7012580	Tubing	-	
7012040	Tubing Accessories (nipple, wireline entry)	-	
7012550	Wellhead Equip	15,000	
7012560	Packers - Completion Equipment	-	
TOTAL COMPLETION - TANGIBLE		15,000	
COMPLETION - INTANGIBLE			
7001270	Location and Access (dress location after rig move, set anchors)	7,000	
7290002	Drilling Rig During Completion	-	
7019140	Mud Fluids & Services	-	
7019030	Coiled Tubing Services (3 runs)	75,200	
7019240	Snubbing Services	-	
7019270	Pulling/Swab Units	-	
7016350	Fuel (from drlg)	-	
7019010	Casing Crew and Services	-	
7019020	Cement and Cementing Services	-	
7019080	Well Testing Services (flow hand & equip)	348,750	
7390002	Fracturing Services	1,790,704	
7019330	Perforating	111,500	
7019360	Wireline Services	-	
7001460	Water Hauling & Disposal (frac fluids)	255,000	
7016180	Freight - Truck (haul pipe; drlg & compl)	-	
7290003	BDP Rental & Testing	-	
7290003	Rental Tools and Equipment (incl drlg; lightplant, hydra-walk)	-	
7290003	CT Downhole Rental Equipment (ie. Bit, BHA)	19,000	
7290003	Contract Labor - general	-	
7000030	Telecommunications Services	25,000	
7001110	Safety and Environmental	-	
7001400	Consulting Services	25,000	
7001120	Zipper Manifold	122,500	
7019300	Frack Stack Rentals	80,000	
7016180	Freight (Transportation Services)	4,800	
7260001	Equipment Rental (w/o operator, frac tanks, lightplants)	147,500	
7330002	Rental Buildings (trailers)	-	
7000030	Contract Labor - Pumping (pump-down pumps)	10,000	
7011010	8% Contingency & Taxes	-	
TOTAL COMPLETION - INTANGIBLE		\$3,021,954	
TOTAL COMPLETION COST		\$3,036,954	
SURFACE EQUIPMENT - TANGIBLE			
7012350	Misc. Piping, Fittings & Valves	17,993	
7006640	Company Labor & Burden	-	
7000030	Contract Labor - General	62,005	
7001110	Telecommunication equip (Telemetry)	-	
7012410	Line Pipe & Accessories	-	
7012270	Miscellaneous Materials (containment system)	35,847	
7008060	SCADA	-	
7016180	Freight - truck	-	
7001190	Contract Engineering	7,264	
7012290	Metering and Instrumentation	5,823	
7012290	I&E Materials	105,326	
7012200	Gas Treating	-	
7012200	Dehydration	-	
7012010	Compressor	-	
7012350	Power	-	
7012610	Vapor Recovery Unit	-	
7012440	Separator & other pressure vessels	336,771	
7012500	Tanks	235,346	
7012100	Heater Treater	-	
7012640	Flare & Accessories	23,293	
7000010	Electrical Labor	10,482	
7000010	Mechanical Labor	-	
7012480	Rod Pumping unit & Pad	-	
7012180	Pumping Unit Engine	-	
7012350	Electrical Power (electrical cooperative construction costs)	-	
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$840,150	
TOTAL SURFACE EQUIPMENT COST		\$ 840,150	

MARATHON OIL PERMIAN LLC
 AUTHORITY FOR EXPENDITURE
 DETAIL OF ESTIMATED WELL COSTS

DATE 1/24/2022

Asset Team PERMIAN
 Field Pitchfork Ranch; Wolfcamp, South [96994]
 FORMATION: WOLFCAMP XY
 Lease/Facility Ender Wiggins 14 WXY Fed Com 20H

ARTIFICIAL LIFT

7000030	Contract Labor	2,000
7001120	Consultant	3,000
7008230	Time Writing/Overhead	1,000
7012180	Artificial Lift Equipment	200,000
7012350	Materials & Supplies	2,000
7012550	Production Tree	5,000
7012580	Tubing	50,000
7016190	Freight	5,000
7018150	Rentals	6,000
7019130	Kill Fluid	2,000
7019220	Well Services & Rig	24,000

TOTAL ARTIFICIAL LIFT 300,000

TOTAL ARTIFICIAL LIFT COST \$ 300,000

SUMMARY OF ESTIMATED DRILLING WELL COSTS

TOTAL COST

TOTAL LOCATION COST	\$ 168,000
TOTAL DRILLING COST	\$ 3,910,405
TOTAL COMPLETIONS COST	\$ 3,036,954
TOTAL SURFACE EQUIPMENT COST	\$ 840,150
TOTAL ARTIFICIAL LIFT COST	\$ 300,000

GRAND TOTAL COST \$8,255,509

Participant's Approval

Name of
 Company: _____
 Signature: _____
 Title: _____ Date: _____

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO REOPEN ORDER
NO. R-21165, LEA COUNTY, NEW MEXICO
FOR THE LIMITED PURPOSE OF ADDING
ADDITIONAL POOLED PARTIES**

**CASE NO. 22742
ORDER NO. R-21165
(RE-OPEN)**

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, declares as follows:

- 1) The above-referenced Application was provided under a notice letter, dated April 15, 2022, and attached hereto, as Exhibit D.
- 2) Exhibit A is the mailing list, which shows the notice letter was delivered to the USPS for mailing on April 15, 2022.
- 3) Exhibit B is the certified mailing tracking information, which is automatically complied by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.
- 4) Exhibit C is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the May 5, 2022 hearing was published on April 22, 2022.
- 5) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: May 2, 2022

/s/Deana M. Bennett
Deana M. Bennett

Exhibit 4

Released to Imaging: 5/4/2022 8:41:18 AM

Received by OCD: 5/4/2022 7:40:05 AM

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

PS Form 3877
Type of Mailing: CERTIFIED MAIL
04/15/2022

Firm Mailing Book ID: 226151

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0094 3289 16	Pegasus Resources II, LLC P.O. Box 470698 Fort Worth TX 76147	\$1.36	\$3.75	\$1.85	\$0.00	81363-0151 EW Notice
2	9314 8699 0430 0094 3289 23	TD Minerals LLC 8111 Westchester Dr., Suite 900 Dallas TX 75225	\$1.36	\$3.75	\$1.85	\$0.00	81363-0151 EW Notice
3	9314 8699 0430 0094 3289 30	Duard B. Thomas, as Personal Representative of the Estate of Warren J. Bates P.O. Box 1357 Ada OK 74820	\$1.36	\$3.75	\$1.85	\$0.00	81363-0151 EW Notice
4	9314 8699 0430 0094 3289 47	Fortis Minerals II, LLC 1111 Bagby St. Suite 2150 Houston TX 77002	\$1.36	\$3.75	\$1.85	\$0.00	81363-0151 EW Notice
5	9314 8699 0430 0094 3289 54	Del Rey Holdings, LLC P.O. Box 470981 Fort Worth TX 76147	\$1.36	\$3.75	\$1.85	\$0.00	81363-0151 EW Notice
Totals:			\$6.80	\$18.75	\$9.25	\$0.00	
			Grand Total:			\$34.80	



List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
5			

Exhibit A

Page 20 of 24

Transaction Report Details - CertifiedPro.net											
Firm Mail Book ID= 276151											
Generated: 5/2/2022 8:11:14 AM											
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date	
9314869904300094328954	2022-04-15 10:31 AM	81363-0151 EW	Del Rey Holdings, LLC		Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	2022-04-19 9:14 AM	
9314869904300094328947	2022-04-15 10:31 AM	81363-0151 EW	Fortis Minerals II, LLC		Houston	TX	77002	Delivered	Return Receipt - Electronic, Certified Mail	2022-04-19 12:00 PM	
9314869904300094328930	2022-04-15 10:31 AM	81363-0151 EW	Duard B. Thomas, as Personal Representative of the	Estate of Warren J. Bates	Ada	OK	74820	To be Returned	Return Receipt - Electronic, Certified Mail		
9314869904300094328923	2022-04-15 10:31 AM	81363-0151 EW	TD Minerals LLC		Dallas	TX	75225	Delivered	Return Receipt - Electronic, Certified Mail	2022-04-18 12:29 PM	
9314869904300094328916	2022-04-15 10:31 AM	81363-0151 EW	Pegasus Resources II, LLC		Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	2022-04-19 9:13 AM	

Exhibit B

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).

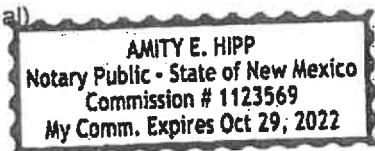
Beginning with the issue dated
April 22, 2022
and ending with the issue dated
April 22, 2022.


Publisher

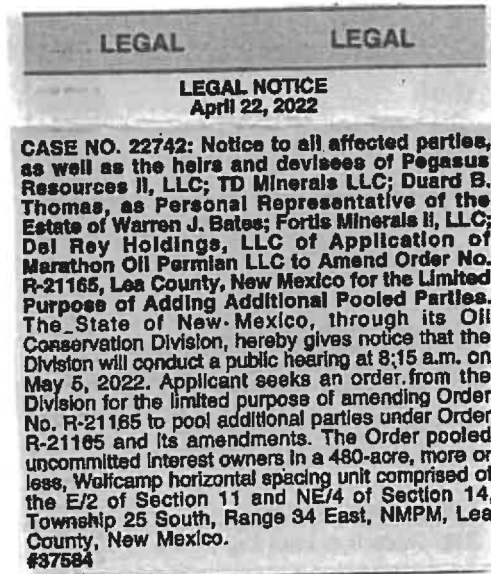
Sworn and subscribed to before me this
22nd day of April 2022.


Circulation Clerk

My commission expires
October 29, 2022
(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



01104570

00266014

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

Exhibit C

5/5/22 OCD Examiner Hearing

No. 22742

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April 15, 2022

Deana M. Bennett
505.848.1834
Deana.Bennett@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC TO
REOPEN ORDER NO. R-21165, LEA COUNTY, NEW MEXICO
FOR THE LIMITED PURPOSE OF ADING ADDITIONAL
POOLED PARTIES.**

CASE NO. 22742

TO: AFFECTED PARTIES

This letter is to advise you that Marathon Oil Permian LLC ("Marathon") has filed the above-listed application.

In Case No. 22742, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-21165 to pool additional parties under Order R-21165 and its amendments. The Order pooled uncommitted interest owners in a 480-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 of Section 11 and NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on May 5, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

Exhibit D

5/5/22 OCD Examiner Hearing
No. 22742

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Page 2

Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in black ink that reads "Deana M. Bennett". The signature is written in a cursive, flowing style.

Deana M. Bennett

Attorney for Applicant