

Before the Oil Conservation Division  
Examiner Hearing July 21, 2022

Case No. 22741

*Supplemental Notice Exhibit*



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

APPLICATION OF MARATHON OIL PERMIAN  
LLC FOR A NONSTANDARD UNIT, AND  
COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 22741

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) I mailed via certified mail the attached notice letter, which included a copy of Marathon’s application in Case No. 22741, to the operators and working interest owners identified by Marathon in the offsetting acreage. *See* Notice Letter attached as Exhibit D.

2) Exhibit A is the mailing list, which shows the notice letter was delivered to the USPS for mailing on June 24, 2022.

3) Exhibit B is the certified mailing tracking information, which is automatically compiled 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 an email exchange between Marathon and Titus confirming Titus received the notice letter sent on June 24, 2022.

5) Marathon previously provided notice letters to the same notice parties via mail and email and Marathon also previously emailed the application to the notice parties on June 14, 2022.

6) 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: July 18, 2022

  
Deana M. Bennett

Exhibit B.11

OCD Examiner Hearing 7-21-22  
Case No. 22741 Supplemental Exhibit

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

PS Form 3877  
Type of Mailing: CERTIFIED MAIL  
06/24/2022

Firm Mailing Book ID: 229764

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0096 7666 79	Titus Oil & Gas Production, LLC Walt Jones 420 Throckmorton Street, Suite 1150 Fort Worth TX 76102	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
2	9314 8699 0430 0096 7666 86	Chevron Midcontinent, L.P. Scott Sabrsula 6301 Deauville Blvd. Midland TX 79706	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
3	9314 8699 0430 0096 7666 93	Chevron U.S.A. Inc. Scott Sabrsula 6301 Deauville Blvd. Midland TX 79706	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
4	9314 8699 0430 0096 7667 09	Matador Production Company David Johns 5400 LBJ Freeway, Ste 1500 Dallas TX 75240	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
5	9314 8699 0430 0096 7667 16	Devon Energy Production Company, LP Tim Prout 333 West Sheridan Ave. Oklahoma City OK 73102	\$1.36	\$3.75	\$1.85	\$0.00	81363.0213. Notice
<b>Totals:</b>			<b>\$6.80</b>	<b>\$18.75</b>	<b>\$9.25</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$34.80</b>	

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



Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID= 229764  
Generated: 7/18/2022 10:07:48 AM

USPS Article Number	Return Receipt Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300096766716	Not Applicable	2022-06-24 1:53 PM	81363.0213.	Devon Energy Production Company, LP	Tim Prout	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	2022-06-28 7:04 AM
9314869904300096766709	Not Applicable	2022-06-24 1:53 PM	81363.0213.	Matador Production Company	David Johns	Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2022-06-27 11:00 AM
9314869904300096766693	Not Applicable	2022-06-24 1:53 PM	81363.0213.	Chevron U.S.A. Inc.	Scott Sabrsula	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	2022-06-27 11:13 AM
9314869904300096766686	Not Applicable	2022-06-24 1:53 PM	81363.0213.	Chevron Midcontinent, L.P.	Scott Sabrsula	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	2022-06-27 11:14 AM
9314869904300096766679	Not Applicable	2022-06-24 1:53 PM	81363.0213.	Titus Oil & Gas Production, LLC	Walt Jones	Fort Worth	TX	76102	Undelivered	Return Receipt - Electronic, Certified Mail	



# USPS Tracking®

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## Track Another Package +

**Tracking Number:** 9314869904300096766679

Remove X

Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

**USPS Tracking Plus® Available** ✓

## In Transit, Arriving Late

July 1, 2022

Feedback

**Get Updates** ✓

**Text & Email Updates**



**Return Receipt Electronic**



**Tracking History**



**July 1, 2022**

In Transit, Arriving Late

Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

**June 27, 2022, 9:41 pm**

Departed USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER

**June 26, 2022, 12:06 pm**

Arrived at USPS Regional Destination Facility  
FORT WORTH TX DISTRIBUTION CENTER

**June 24, 2022, 9:47 pm**

Departed USPS Facility  
ALBUQUERQUE, NM 87101

**June 24, 2022, 8:48 pm**

Arrived at USPS Origin Facility  
ALBUQUERQUE, NM 87101

**June 24, 2022, 7:33 pm**

Accepted at USPS Origin Facility  
ALBUQUERQUE, NM 87102

**June 24, 2022**

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

Feedback

**USPS Tracking Plus®**



**Product Information**



See Less ^

## Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

**FAQs**

**Deana M. Bennett**

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**From:** Broussard, Jeff (MRO) <jbroussard1@marathonoil.com>  
**Sent:** Monday, July 18, 2022 12:36 PM  
**To:** Deana M. Bennett  
**Subject:** FW: [EXTERNAL] RE: Colossus Non-Standard Spacing Notice and Waiver Request

**EXTERNAL EMAIL:** Please do not click any links or open any attachments unless you trust the sender and are expecting this message and know the content is safe.

Deana,

See below – hope this helps.

Jeff Broussard  
Marathon Oil  
O: 713-296-3159  
C: 409-351-2656

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**From:** Walt Jones <wjones@titusoil.com>  
**Sent:** Monday, July 18, 2022 1:34 PM  
**To:** Broussard, Jeff (MRO) <jbroussard1@marathonoil.com>  
**Subject:** Re: [EXTERNAL] RE: Colossus Non-Standard Spacing Notice and Waiver Request

Jeff,

We received it a couple of weeks ago. Hope you're doing well!

Thanks,  
Walt

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**From:** Broussard, Jeff (MRO) <jbroussard1@marathonoil.com>  
**Sent:** Monday, July 18, 2022 1:24:26 PM  
**To:** Walt Jones <wjones@titusoil.com>  
**Subject:** RE: [EXTERNAL] RE: Colossus Non-Standard Spacing Notice and Waiver Request

Walt,

It appears that our outside counsel attempted to mail Titus a correction letter and application for the same non-standard pooling case we had previously been discussing, and that their certified mail tracker shows that it was never delivered. I believe something similar happened on one of the previous mailers, but you had actually received the packet.

Could you confirm whether you actually received the latest application? I've attached a copy of what was sent for your reference. This is just a formality so that our counsel can accurately relay the information in her exhibits.





MODRALL SPERLING

L A W Y E R S

June 24, 2022

Deana M. Bennett  
505.848.1834  
[Deana.Bennett@modrall.com](mailto:Deana.Bennett@modrall.com)

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC FOR A  
NONSTANDARD UNIT, AND COMPULSORY POOLING, LEA  
COUNTY, NEW MEXICO.**

**CASE NO. 22741**

**TO: AFFECTED PARTIES**

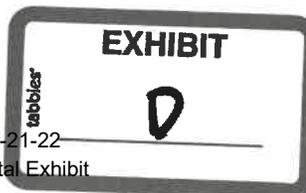
This letter is to advise you that Marathon Oil Permian LLC ("Marathon") has filed the enclosed application seeking, in relevant part, approval of a non-standard 640-acre Bone Spring horizontal spacing unit.

In Case No. 22741, Marathon is seeking an order from the Division approving a non-standard spacing unit and pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Colossus 18-19 TB Federal Com 2H** and the **Colossus 18-19 TB Federal Com 3H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

Marathon previously provided you notice of Marathon's application by certified mail and by email. I inadvertently omitted the application from the notice letter, and, as such, am re-mailing the notice letter to you that was previously mailed and emailed, along with the application and tract map. Apart from providing these additional documents, there is no change to the information previously provided.

Marathon is providing this notice pursuant to Rule 19.15.16.15(B)(5) NMAC and Rule 19.15.15.11(B)(3) NMAC, which require notice to affected persons in all tracts that adjoin the non-standard spacing unit. Pursuant to Rule 19.15.15.11(B)(3), if you have an objection to the proposed non-standard spacing unit, you must file an objection in writing within 20-days from the date of this letter.

Modrall Spierling  
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](http://www.modrall.com)



OCD Examiner Hearing 7-21-22  
Case No. 22741 Supplemental Exhibit

Page 2

For your information, the Division has continued this case to July 21, 2022 beginning at 8:15 a.m. to allow time for Marathon to complete notice for the non-standard unit only. 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>. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. 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 the scheduled hearing before the Division, 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.

If you have any questions about this matter, please contact Jeff Broussard at 713-296-3159 or [jbroussard1@marathonoil.com](mailto:jbroussard1@marathonoil.com).

Sincerely,



Deana M. Bennett

*Attorney for Applicant*



Marathon Oil Permian LLC  
990 Town and Country Blvd.  
Houston, TX 77024  
Telephone: 713.296.3159 Mobile: 409.351.2656  
Fax: 713.513.4006  
jbroussard1@marathonoil.com

May 25, 2022

VIA CERTIFIED RETURN RECEIPT MAIL

Re: **Waiver of Notice for and Waiver of Protest of Colossus Unit Non-Standard Spacing Application**  
**Township 26 South, Range 35 East**  
Section 18 & 19: E/2  
Lea County, New Mexico  
640.00 acres

To Whom It May Concern:

Marathon Oil Permian LLC ("MOP"), as Operator, respectfully requests your waiver of notice and protest for our Colossus Fed Com non-standard horizontal spacing unit ("Colossus Unit").

The Colossus Unit is located in Lea County, New Mexico as captioned above. MOP is obtaining approval of the non-standard spacing unit with the New Mexico Oil and Gas Division ("NMOCD"). The NMOCD advises MOP obtain waivers pursuant to Rule 19.15.16.15(B)(5) NMAC and Rule 19.15.15.11(B)(3) NMAC, which require notice to affected persons in all tracts that adjoin the non-standard spacing unit. A copy of MOP's application is included with this letter.

The horizontal well rules require a well to be set back from the outer boundary of the spacing unit by at least 330' to protect correlative rights from draining offset acreage. Marathon is proposing to drill their proposed Colossus 18-19 TB Federal Com 2H and 3H wells within this non-standard spacing unit, neither of which will encroach on the 330' setback on any offsetting tracts.

Given that our Colossus spacing unit presents no drainage threat, we ask that you sign in the space indicated below and return this letter to the undersigned whether through electronic mail or through the mail. As time is of the essence in drilling and completion of these wells, we appreciate your quick response. Pursuant to Rule 19.15.15.11(B)(3), if you have an objection to the proposed non-standard spacing unit, you must file an objection in writing within 20-days from the date of this letter.

If you have any questions, please contact the undersigned at (713) 296-3159 or jbroussard1@marathonoil.com. I look forward to hearing from you.

Respectfully,

Jeff Broussard  
Land Professional

**WAIVER OF NOTICE AND OBJECTION**

Pursuant to NMAC 19.15.15.11 B(3)-(4), the undersigned hereby waives its right to notice and waives objection to Marathon Oil Permian LLC's application to form the Colossus Fed Com non-standard spacing unit.

Should Marathon Oil Permian LLC ever drill wells in the Colossus Unit that are closer than 330' to the western or eastern unit boundaries, Marathon Oil Permian LLC's will be required to comply with the NSL permitting process required by the NMOCD, which includes notice to offset parties.

**AGREED AND ACCEPTED:**

Company Name: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Once you have signed this form, please email it to Jeff Broussard at [jbroussard1@marathonoil.com](mailto:jbroussard1@marathonoil.com) or send it via mail to:

Marathon Oil Permian LLC  
Attn: Jeff Broussard  
990 Town and Country Blvd.  
Houston, TX 77024

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

**APPLICATION OF MARATHON  
OIL PERMIAN LLC FOR A NON-STANDARD UNIT,  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 22741

**APPLICATION**

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, non-standard spacing unit.
3. Marathon seeks approval of a 640-acre non-standard spacing unit to match the corresponding proposed Communitization Agreement for this acreage and also to match Marathon's proposed Wolfcamp unit, set forth in Case No. 22332, which will be standard.

4. Marathon plans to drill the **Colossus 18-19 TB Federal Com 2H** and the **Colossus 18-19 TB Federal Com 3H** wells to a depth sufficient to test the Bone Spring formation. These wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

5. The first take point of the **Colossus 18-19 TB Federal Com 2H** well will be 2,310 feet from the East line, 100 feet from the North line of Section 18, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

6. The last take point of the **Colossus 18-19 TB Federal Com 2H** well will be 2,310 feet from the East line, 100 feet from the South line of Section 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

7. The first take point of the **Colossus 18-19 TB Federal Com 3H** well will be 594 feet from the East line, 100 feet from the North line of Section 18, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

8. The last take point of the **Colossus 18-19 TB Federal Com 3H** well will be 594 feet from the East line, 100 feet from the South line of Section 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

9. Marathon seeks to minimize surface disturbance by consolidating facilities and commingling production from the wells in the proposed non-standard spacing unit.

10. Approval of this application will allow Marathon to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See, e.g.*, Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

11. To allow the wells to be dedicated to the acreage subject to the desired Communitization Agreement, Marathon requires approval of this corresponding non-standard spacing unit in the Bone Spring formation. Approval of this non-standard Bone Spring unit will make the Bone Spring unit correspond to the Wolfcamp unit, allowing Marathon greater efficiencies.

12. Marathon sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

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

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

- A. Approving a non-standard 640-acre Bone Spring spacing unit;
- B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;
- C. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Marathon to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

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

Respectfully submitted,

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. \_\_\_\_\_ : Application of Marathon Oil Permian LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Colossus 18-19 TB Federal Com 2H** and the **Colossus 18-19 TB Federal Com 3H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

