

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
MARATHON OIL PERMIAN, LLC**

**CASE NO. 25947
ORDER NO. R-23223-B**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on March 26 and April 21, 2026, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Marathon Oil Permian, LLC (“Operator”) submitted an application (“Application”) to compulsory pool additional uncommitted owners of oil and gas interest under Order No. R-23223 and within the spacing unit described therein (“Unit”).
2. Subsequent to the issuance of Order No. R-23223, Operator discovered previously unidentified owners of interest in oil and gas minerals in the Unit (“Previously Unidentified Owners”).
3. Operator identified the Previously Unidentified Owners and provided evidence that notice was given to each uncommitted owner.
4. Operator requested to amend its development plan to reduce the number of wells initially dedicated to the Unit.
5. Operator will dedicate the well(s) described in R-23223-B Exhibit A (“Well(s)”) to the Unit.
6. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

7. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
8. Operator is the owner of an oil and gas working interest within the Unit.

9. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
10. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
11. Some of the Previously Unidentified Owners have not agreed to commit their interests to the Unit.
12. The pooling of uncommitted Previously Unidentified Owners will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
13. This Order affords to the Previously Unidentified Owners of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

14. The uncommitted Previously Unidentified Owners are hereby pooled in the Unit.
15. Exhibit A to Order No. R-23223 is replaced in its entirety by the attached R-23223-B Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Order No. R-23223 shall remain in full force and effect.
18. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

Albert Chang

ALBERT C. S. CHANG
DIRECTOR
AC/dm

Date: 05/22/2026


R-23223-B EXHIBIT A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25947 (Original Case No. 24150)	APPLICANT'S RESPONSE
Date	April 21,2026
Applicant	Marathon Oil Permian LLC
Designated Operator & OGRID (affiliation if applicable)	Marathon Oil Permian LLC [OGRID 372098]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF MARATHON OIL PERMIAN LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Magellan
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code (Only if NSP is requested):	N/A
Well Location Setback Rules (Only if NSP is Requested):	N/A
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	40-Acres
Orientation:	Laywdown
Description: TRS/County	S/2 of Sections 28 and 29, Township 22 South, Range 27 East, N.M.P.M., Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes. The completed interval for Magellan BS Fee 501H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.
Proximity Defining Well: if yes, description	Magellan BS Fee 501H
Applicant's Ownership in Each Tract	Exhibit B.3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

R-23223-B EXHIBIT A

Well #1:	Magellan BS Fee 501H API No. 30-015-57453 SHL: 1,008' FSL & 327' FWL (Unit M) of Section 29 BHL: 1,150' FSL & 50' FEL (Unit P) of Section 28 Orientation: Laydown Completion Target: Bone Spring formation Well Orientation: Laydown Completion Status: Standard / Proximity Well
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B.6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	See Exhibit B Paragraph 25
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.1, D.2, D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B.3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	Exhibit B.6
Cost Estimate to Drill and Complete	Exhibit B.7
Cost Estimate to Equip Well	Exhibit B.7
Cost Estimate for Production Facilities	Exhibit B.7
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2

R-23223-B EXHIBIT A

Well Orientation (with rationale)	Exhibit C.7
Target Formation	Exhibit C.3 to C.6
HSU Cross Section	Exhibit C.5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.3
Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section (including Landing Zone)	Exhibit C.5
Additional Information	
Special Provisions/Stipulations	Marathon removed the Magellan BS Fee 502H from the original pooling order.
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	3/18/2026