RECEIVED:	REVIEWER:	TYPE:	APP NO:

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION



- Geological & Engir	neering Bureau –
1220 South St. Francis Drive	
ADMINISTRATIVE APP	LICATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIV REGULATIONS WHICH REQUIRE PROCESSI	/E APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND NG AT THE DIVISION LEVEL IN SANTA FE
Applicant: Marathon Oil Permian LLC	OGRID Number: <u>372098</u>
Well Name: Charlie Murphy 6 TB Federal Com 14H	API:30-025-46484
WC-025 G-08 S253534O; Bone Spring & WC-025 G-09 S263504N; Wolfcamp	Pool Code: 97088 & 98117
	I REQUIRED TO PROCESS THE TYPE OF APPLICATION ED BELOW
1) TYPE OF APPLICATION: Check those which appl A. Location – Spacing Unit – Simultaneous De NSL NSP _(PROJECT AREA)	dication
B. Check one only for [1] or [11] [1] Commingling – Storage – Measuremer DHC	□ols □olm
2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders B. Royalty, overriding royalty owners, revection and policy owners, revection and policy owners, revection and policy owners of the provection and policy owners owner. E. Notification and provection of surface owner. G. For all of the above, proof of notification of the provection of	nue owners al by SLO al by BLM Notice Complete Application Content Complete
3) CERTIFICATION: I hereby certify that the informal administrative approval is accurate and compl understand that no action will be taken on this notifications are submitted to the Division.	ete to the best of my knowledge. I also
Note: Statement must be completed by an indiv	idual with managerial and/or supervisory capacity.
Adrian Covarrubias	4/28/2020 Date
Print or Type Name	
11. 11. ·	713-296-3368 Phone Number
Signature	acovarrubias@marathonoil.com e-mail Address

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240

District II 811 S. First St., Artesia, NM 88210

District III 1000 Rio Brazos Road, Aztec, NM 87410

District IV

State of New Mexico Energy, Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-107A Revised August 1, 2011

APPLICATION TYPE
_Single Well
_Establish Pre-Approved Pools
EXISTING WELLBORE

1220 S. St. Francis Dr., Santa Fe, NM 87505	APPLICATION FOR E	OOWNHOLE COMMINGLING	X YesNo				
Marathon Oil Permian LLC	55	555 San Felipe St, Houston	, TX 77056				
Operator Charlie Murphy 6 TB Federal Cor Lease	n 14H A-06-20						
OGRID No. 372098 Property Co		25-46484 Lease Type: X	FederalStateFee				
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE				
Pool Name	WC-025 G-08 S253534O, Bone Spring		WC-025 G-09 S263504N; Wolfcamp				
Pool Code	97088		98117				
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12480' - 22647' MD		17852' - 18674' MD				
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing				
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	~9600 psi		~10100 psi				
Oil Gravity or Gas BTU (Degree API or Gas BTU)	42 API Gravity		42 API Gravity				
Producing, Shut-In or New Zone	New Zone		New Zone				
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Oil: 1938 bbl/d Rates: Water: 3229 bbl/d Gas: 3552 mscf/d	Date:	Date: Oil: 159 bbl/d Rates: Water: 314 bbl/d Gas: 215 msc/l/d				
Fixed Allocation Percentage	Oil Gas	Oil Gas	Oil Gas				
(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	93 % 94 %	% %	7 %6 %				
	ADDITION	NAL DATA					
Are all working, royalty and overriding If not, have all working, royalty and over			Yes No				
Are all produced fluids from all commi	ngled zones compatible with each of	other?	Yes_X No				
Will commingling decrease the value o	f production?		Yes No_X				
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes Yes							
NMOCD Reference Case No. applicab	e to this well:						
Attachments: C-102 for each zone to be comming Production curve for each zone for For zones with no production histor Data to support allocation method of Notification list of working, royalty Any additional statements, data or of the statements of the statements.	at least one year. (If not available, ry, estimated production rates and sor formula.	attach explanation.) upporting data. r uncommon interest cases.					
	PRE-APPRO	OVED POOLS					
If application is	to establish Pre-Approved Pools, th	ne following additional information wi	Il be required:				
List of other orders approving downhol List of all operators within the proposed Proof that all operators within the propo- Bottomhole pressure data.	l Pre-Approved Pools						

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

TITLE Regulatory Professional _DATE_4/28/2020 $SIGNATURE_{_}$ TYPE OR PRINT NAME Adrian Covarrubias _TELEPHONE NO. (713 296-3368

E-MAIL ADDRESS acovarrubias@marathonoil.com

Charlie Murphy 6 TB Fed Com 14H | API 30-025-46484 A-6-26S-35E, 272 FNL & 1171 FEL

Application for Downhole Commingling

Marathon Oil Permian is submitting this application to downhole commingle the Charlie Murphy 6 TB Fed Com 14H. The pools to be commingled are WC-025 G-08 S253534O; Bone Spring (Pool Code 97088), and WC-025 G-09 S263504N; Wolfcamp (Pool Code 98117).

Attached are the following items:

C-102 Plats for each Zone

Upper Zone: WC-025 G-08 S2535340; Bone Spring Lower Zone: WC-025 G-09 S263504N; Wolfcamp

Production curves, estimated production rates, and allocation methods

The Charlie Murphy 6 TB Fed Com 14H is a new well and does not have any production history.

The Cave Lion wells are located <0.5 mile to the east of the Charlie Murphy TB 14H, and the Square Bill wells are located heel to heel with the Charlie Murphy TB 14H. Reservoir properties are interpreted to be similar between all 3 pads as they are in close proximity to each other, and target similar prospective zones.

Attached are the production curves for both Cave Lion and Square Bill and estimated production averages. These averages were used to calculate the allocation percentages for the zones.

Working Interest Owners

Letter from Land Supervisor certifies that all working interest are identical and notification is not required.

If you have any questions or comments please feel free to contact me at 713-296-3368 or by email at acovarrubias@marathonoil.com.

Adrian Covarrubias Regulatory Professional

Charlie Murphy 6 TB Fed Com 14H | API 30-025-46484 A-6-26S-35E, 272 FNL & 1171 FEL

Production and Allocation Calculations:

FTP: 12480'

LTP: 22647'

TOTAL: 22647 - 12480 = 10167'

Wolfcamp: 17852-18674 = 822'

822' / 10167' = **8% IN WOLFCAMP**; **92% IN BONESPRING**

PREDICTEVE PRODUCTION FROM CURVES:

WCU:

OIL BBL/D: 1989 x 8% = **159 bbl/d**

WATER BBL/D: 3919 x 8% = **313.52 bbl/d**

GAS MSCF/D: 2691 x 8% = **215.28 mscf/d**

TBSG_LOWER

OIL BBL/D: 2106 x 92% = **1938 bbl/d**

WATER BBL/D: 3510 x 92% = **3229 bbl/d**

GAS MSCF/D: 3861 x 92% = 3552 mscf/d

District 1

1625 N. French Dr., Hobbs. NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u>

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

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

☐ AMENDED REPORT

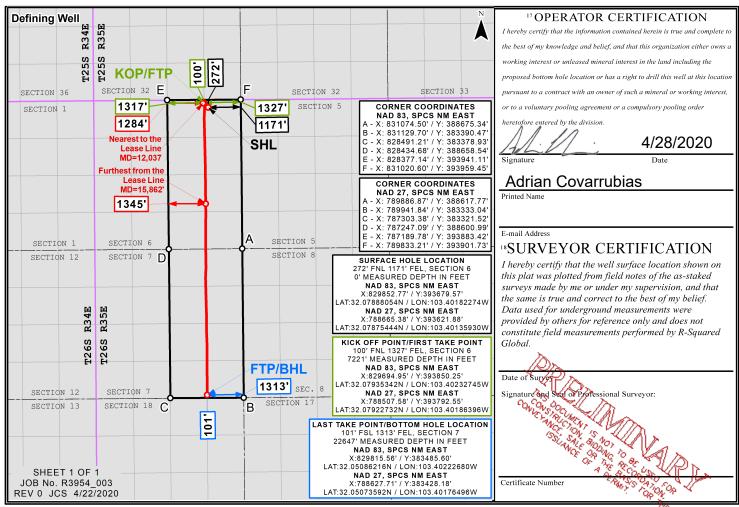
WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

	¹ API Number ² Pool Code 30-025-46484 97088		³ Pool Name WC-025 G-08 S253534O; BONE SPRING		
⁴ Property Code 326318			Property Name RPHY 6 TB FED COM 6 Well Number 14H		
⁷ OGRID No. 372098		- 1	oerator Name OIL PERMIAN LLC	⁹ Elevation 3270'	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	6	26S	35E		272	NORTH	1171	EAST	LEA
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
P	7	26S	35E		101	SOUTH	1313	EAST	LEA
12 Dedicated Acres	13 Joint or	Infill 14 C	onsolidation (Code 15 Or	der No.		-	-	
640.0									

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



District 1

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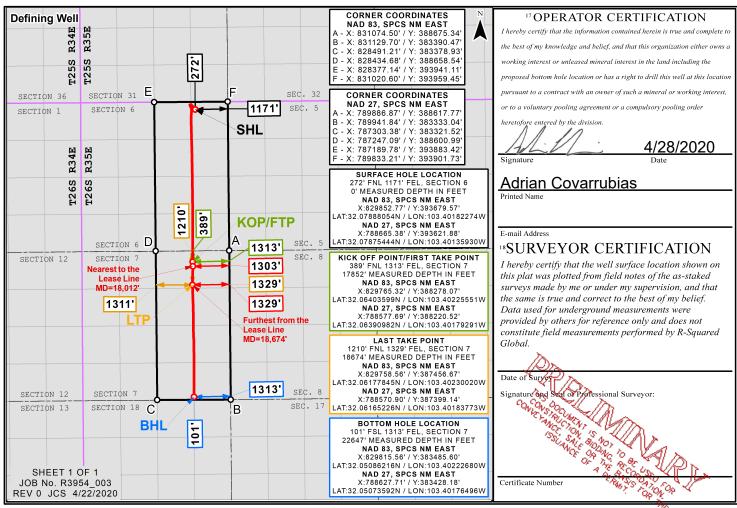
WELL LOCATION AND ACREAGE DEDICATION AS-DRILLED PLAT

¹ API Numbe	¹ API Number ² Pool Code		³ Pool Name		
30-025-464	484	98117	WC-025 G-09 S263504N; WOLFCAMP		
⁴ Property Code 326318			Property Name RPHY 6 TB FED COM 6 Well Number 14H		
⁷ OGRID No. 372098			perator Name OIL PERMIAN LLC	⁹ Elevation 3270'	

¹⁰ Surface Location

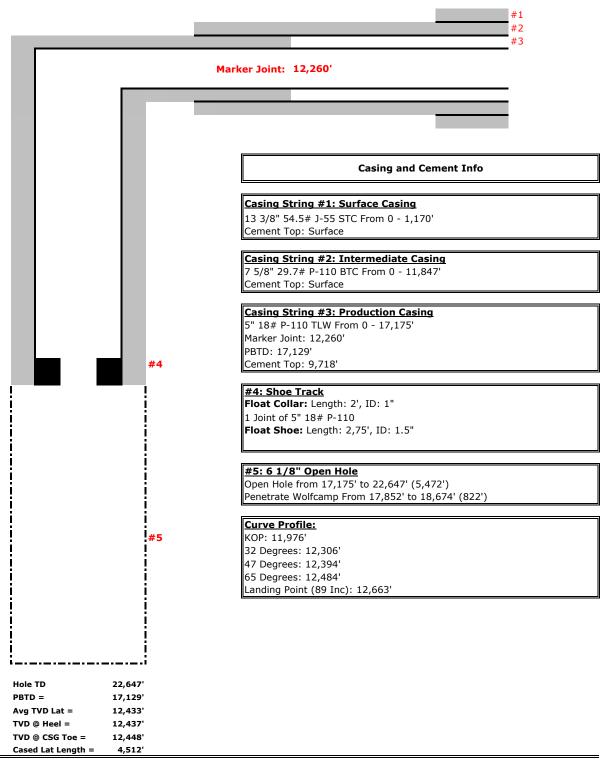
	Surface Education								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	6	26S	35E		272	NORTH	1171	EAST	LEA
11	Bottom Hole Location If Different From Surface								
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	7	26S	35E		101	SOUTH	1313	EAST	LEA
12 Dedicated Acres	13 Joint or	Infill 14 C	onsolidation (Code 15 Or	der No.		-		
640.0									

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



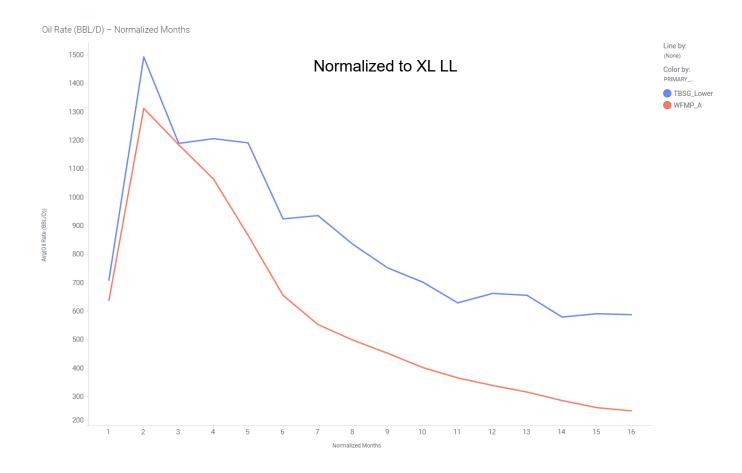
Charlie Murphy 14H Wellbore Diagram

Third Bone Springs API#: 30-025-46484 WBS #: DD.19.01090.C1 Rig Released 4/26/2020



Public Data Oil Rates per Bench (Monthly)

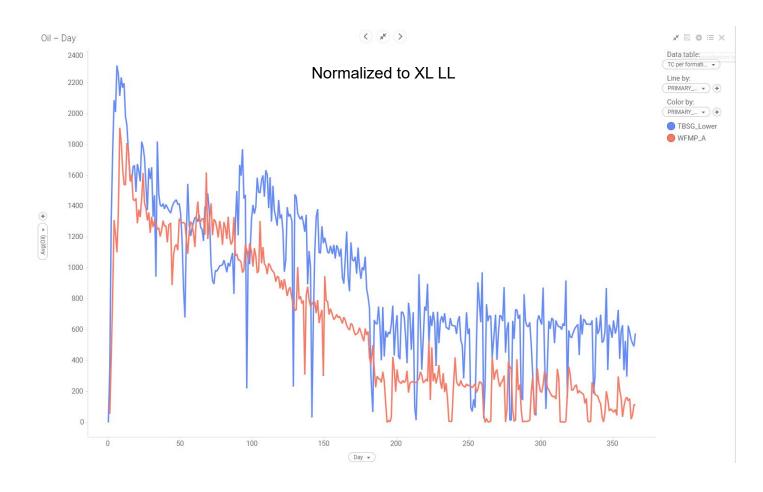
Cave Lion and Square Bill Averages





Internal Data Oil Rates per Bench (Daily)

Cave Lion and Square Bill Averages

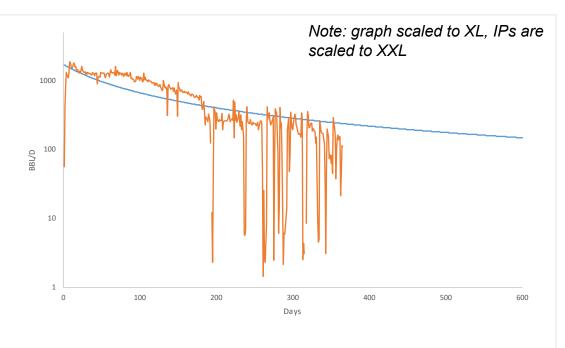




Oil Type Curve

Based on Cave Lion and Square Bill Averages

WCU

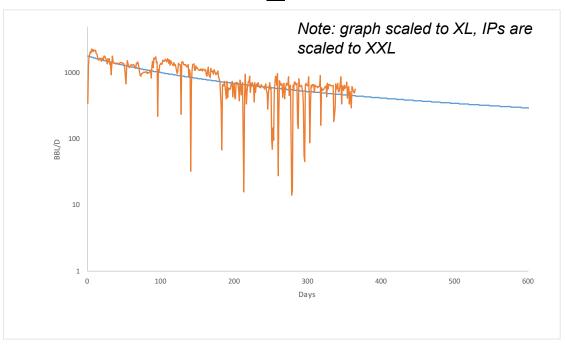


Oil bbl/d: 1989

Water bbl/d: 3919

Gas mscf/d: 2691

TBSG_Lower



Oil bbl/d: 2106

Water bbl/d: 3510

Gas mscf/d: 3861



Ryan Gyllenband

Land Supervisor



Marathon Oil Permian LLC

5555 San Felipe Street Houston, TX 77056 Telephone: 713.296.2453 Mobile: 281.684.7389 Fax: 713.513.4006 mrgyllenband@marathonoil.com

April 15, 2020

Mr. Dean McClure Petroleum Specialist New Mexico Energy, Minerals and Natural Resources Department 1220 South Francis Drive Santa Fe, NM 87505

Re: Marathon Oil Permian LLC - Downhole Commingling Application

Charlie Murphy 6 TB Federal Com 14H Well (API# 30-025-46484)

Sections 6 & 7, T26S-R35E Lea County, New Mexico

Mr. McClure,

Marathon Oil Permian LLC ("Marathon") has filed the attached application with the New Mexico Oil Conservation Division ("Division") for administrative approval to downhole commingle production from the WC-025 G-08 S253534O; Bone Spring Pool Code 97088 with the WC-025 G-09 S263504N; Wolfcamp Pool Code 98117 in the Charlie Murphy 6 TB Federal Com 14H Well (API# 30-025-46484) located in Sections 6 & 7, T26S-R35E, Lea County, New Mexico. This letter serves as notice that all interest owners are identical between both pools in the well and therefore no notice is required.

Should you have any questions please do not hesitate to contact me at 713-296-2453 or by email at mrgyllenband@marathonoil.com.

Sincerely,

Ryan Gyllenband Land Supervisor

Lea County, New Mexico

Sin Glid

Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMNM013647

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use the abandoned we	6. If Indian, Allottee	6. If Indian, Allottee or Tribe Name			
SUBMIT IN	7. If Unit or CA/Agr	eement, Name and/or No.			
1. Type of Well			8. Well Name and No	o. PHY 6 TB FED COM 14H	
	9. API Well No.				
MARATHON OIL PERMIAN L	30-025-46484				
3a. Address 5555 SAN FELIPE ST HOUSTON, TX 77056	10. Field and Pool or WC025 G08 S	Exploratory Area 2535340; BONE			
4. Location of Well (Footage, Sec., T	C., R., M., or Survey Description)		11. County or Parish	, State	
Sec 6 T26S R35E Mer NMP N	NENE 272FNL 1171FEL		LEA COUNTY	, NM	
12. CHECK THE AI	PPROPRIATE BOX(ES) TO INI	DICATE NATURE O	F NOTICE, REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION		TYPE OF	ACTION		
☑ Notice of Intent	☐ Acidize ☐] Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing ☐	Hydraulic Fracturing	□ Reclamation	■ Well Integrity	
☐ Subsequent Report	☐ Casing Repair ☐	New Construction	☐ Recomplete	⊠ Other	
☐ Final Abandonment Notice	☐ Change Plans ☐	Plug and Abandon	☐ Temporarily Abandon		
	☐ Convert to Injection ☐	Plug Back	■ Water Disposal		
determined that the site is ready for f Marathon is submitting the att the Charlie Murphy 6 TB Fed WC-025 G-08 S253534O, Bo WC-025 G-09 S263504N; Wo	ached permit application to the O Com 14H from the following pools ne Spring	CD requesting to downs:	nhole commingle		
14. I hereby certify that the foregoing is	Electronic Submission #513161 v	rerified by the BLM Wel ERMIAN LLC, sent to t			
Name (Printed/Typed) ADRIAN (COVARRUBIAS	Title REGUL	Title REGULATORY PROFESSIONAL		
G: ATT A STA		5 . 04/00/00	200		
Signature (Electronic S	THIS SPACE FOR FED	Date 04/28/20			
Approved By		Title		Date	
Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conduct the conductive conductive the applicant to conduct the conductive the applicant to conduct the applicant	uitable title to those rights in the subject le				
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a crime for statements or representations as to any ma		willfully to make to any department of	or agency of the United	