

**Before the Oil Conservation Division
Examiner Hearing June 14, 2018
Continued from May 17, 2018**

Case No. 16088 & 16089

*Catapult Fee 23-26-1 TB 6H, Catapult Fee Com 23-26-1 WA 5H, Catapult Fee
Com 23-26-1 WXY 3H, and Catapult Fee Com 23-26-1 WXY 10H wells*



MarathonOil

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

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

CASE NO. 16088

**APPLICATION OF MARATHON OIL PERMIAN
LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16089

AFFIDAVIT OF RYAN GYLLENBAND

I, Ryan Gyllenband, make the following declaration based upon my own personal knowledge:

1. I am over eighteen (18) years of age and am otherwise competent to make this Declaration.
2. I currently work as the landman for Marathon Oil Company ("Marathon"), and I have previously testified before the Division and my credentials were accepted and made part of the record.
3. I am familiar with Marathon's operations in Southeastern, New Mexico. In connection with executing this affidavit, I have review company business records that are maintained in Marathon's normal course of business which relate to Marathon's applications in Case Nos. 16088 and 16089.
4. Marathon proposes to drill the Catapult Fee 23-26-1 WA 5H well at least ten feet off of the center line within the E/2 of Section 6, Township 23 South, Range 26 East, NMPM,



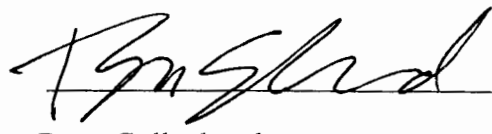
Eddy County, New Mexico. A new draft C-102 form has been completed for the well and is attached hereto as **Exhibit A**. This change was made at the request of the Division.

5. In addition, Marathon has changed the surface locations for the Catapult Fee 23-26-1 TB 6H, Catapult Fee Com 23-26-1 WA 5H, Catapult Fee Com 23-26-1 WXY 3H, and Catapult Fee Com 23-26-1 WXY 10H wells to be located in Unit 0 of Section 36. Amended applications were filed with the Division on May 16, 2018 in Case Nos. 16088 and 16089 which reflect this change.

6. Changing the surface location for the Catapult Fee 23-26-1 TB 6H, Catapult Fee Com 23-26-1 WA 5H, Catapult Fee Com 23-26-1 WXY 3H, and Catapult Fee Com 23-26-1 WXY 10H wells did not result in any changes to the cost estimates provided in Marathon's AFEs provided to working interest owners on February 16, 2018.

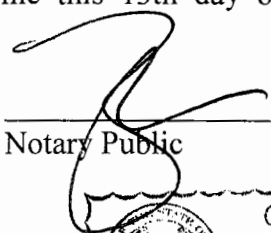
7. Marathon has also received confirmation from Raymond Podany at the New Mexico Oil Conservation Division that the Catapult Fee 23-26-1TB 6H well will develop the Cass Draw Bone Spring Pool (Pool Code 10380). A copy of an e-mail confirming this information is attached hereto as **Exhibit B**.

8. I declare under the penalty of perjury that the foregoing is true and correct.



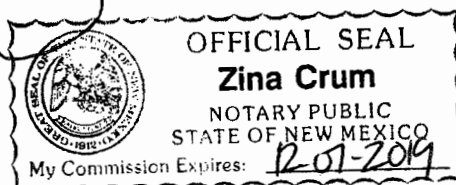
Ryan Gyllenband

SUBSCRIBED AND SWORN to before me this 13th day of June, 2018 by Ryan Gyllenband.



Notary Public

My commission expires: 12-07-2019



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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 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 PLAT

¹ API Number	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name CATAPULT FEE 23-26-1 WA	⁶ Well Number 5H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 3217'

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
O	36	T22S	R26E		337	SOUTH	1417	EAST	EDDY

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
N	1	T23S	R26E		330	SOUTH	1349	EAST	EDDY

¹² Dedicated Acres 320.36	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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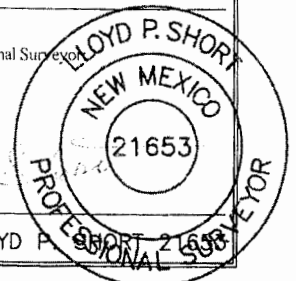
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p>SECTION 35 SECTION 36 T-22-S</p> <p>SECTION 2 SECTION 1 T-23-S</p> <p>SURFACE HOLE LOCATION 337' FNL 1417' FEL, SECTION 36 NAD 83, SPCS NM EAST X:569465.11' / Y:488179.22' LAT:32.34204313N / LON:104.24225590W NAD 27, SPCS NM EAST X:528283.43' / Y:488120.20' LAT:32.34192495N / LON:104.24175344W</p> <p>FIRST TAKE POINT 330' FNL 1338' FEL, SECTION 1 NAD 83, SPCS NM EAST X:569543.96' / Y:487512.20' LAT:32.34020940N / LON:104.24200241W NAD 27, SPCS NM EAST X:528362.27' / Y:487453.19' LAT:32.34009121N / LON:104.24150002W</p> <p>LAST TAKE POINT/BOTTOM HOLE LOCATION 330' FSL 1349' FEL, SECTION 1 NAD 83, SPCS NM EAST X:569533.83' / Y:482872.78' LAT:32.32745633N / LON:104.24204801W NAD 27, SPCS NM EAST X:528352.05' / Y:482813.90' LAT:32.32733807N / LON:104.24154597W</p> <p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 568227.81' / Y: 487840.96' B - X: 570881.56' / Y: 487843.47' C - X: 570883.00' / Y: 482551.56' D - X: 568203.23' / Y: 482533.94'</p> <p>SECTION 2 SECTION 1</p> <p>SECTION 11 SECTION 12</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 527046.14' / Y: 487781.95' B - X: 529699.85' / Y: 487784.43' C - X: 529701.19' / Y: 482492.66' D - X: 527021.46' / Y: 482475.08'</p>			<p>1417'</p> <p>1338'</p> <p>1349'</p> <p>330'</p> <p>330'</p> <p>330'</p> <p>SHL</p> <p>FIRST TAKE</p> <p>LAST TAKE/BHL</p> <p>R-26-E</p> <p>R-27-E</p>			<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 31, 2018</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p>		
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EXHIBIT

A

3	05/31/2018	DEF
REV.	DATE	BY



Jennifer L. Bradfute

From: Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>
Sent: Thursday, May 24, 2018 2:12 PM
To: McMillan, Michael, EMNRD; Jennifer L. Bradfute
Subject: RE: Marathon Catapult Fee 23 26 1 Tb Well No. 6H Case 16088

It appears that original BHL stated 23 -28 which is Culebra Bluff. Subsequent change of location did not pick up error. Pool is closer to Cass Draw Bone Spring 10380 than the Carlsbad Bone Spring South which is in section 19 of 23-26. Sorry for this oversight.

From: McMillan, Michael, EMNRD
Sent: Thursday, May 24, 2018 1:49 PM
To: Jennifer L. Bradfute <jlb@modrall.com>
Cc: Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>
Subject: Marathon Catapult Fee 23 26 1 Tb Well No. 6H Case 16088

Jennifer:

Can you verify the pool for the Catapult Fee 23 26 1 TB Well No. 6H, API 30-015-44689?

Your application states Carlsbad; Bone Spring, South.

OCD internal data base shows it in the Culebra Bluff; Bone Spring, South Pool (Pool code 15011).

I included Ray Podany-Artesia District geologist in the e-mail.

Thanks

Mike

Michael McMillan
1220 South St. Francis
Santa Fe, New Mexico
505-476-3448
Michael.mcmillan@state.nm.us



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

APPLICATION OF MARATHON OIL PERMIAN LLC
FOR A NON-STANDARD SPACING AND PRORATION
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APPLICATION OF MARATHON OIL PERMIAN
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AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Jennifer L. Bradfute, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter and that proof of receipt is attached hereto.



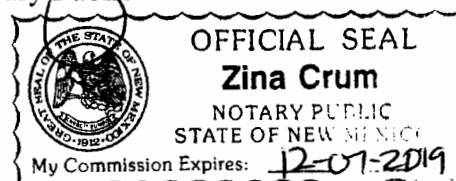
Jennifer L. Bradfute

SUBSCRIBED AND SWORN to before me this 13th day of June, 2018 by Jennifer L. Bradfute.



Notary Public

My commission expires: 12-07-2019



Jennifer L. Bradfute

From: Jennifer L. Bradfute
Sent: Wednesday, May 30, 2018 2:40 PM
To: 'freymanj@archildrens.org'
Cc: Tate, Matthew S. (MRO)
Subject: Oil and Gas Develoment: Marathon Catapult Fee Wells
Attachments: Amended Application (05-16-18) (W3197102x7A92D).PDF; Amended Application (05-16-18) (W3197097x7A92D).PDF

Rachel,

Arkansas Children's Hospital owns oil and gas interests that may be compulsory pooled under the attached applications. I tried mailing a copy of these applications to the Hospital last week, but also wanted to send this information via e-mail.

These applications have been continued to the June 14, 2018 docket of the New Mexico Oil Conservation Division and the hearing will start at 8:15 a.m. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a pooled 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 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.

Please let me know if you have any questions.

Thank you,
Jennifer



Jennifer L. Bradfute
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1845 | O: 505.848.1800 | F: 505.848.1891

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

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Arkansas Children's Hospital
1 Children's Way
Little Rock, AR 72202
Catapult /JLB 81363-0145



9590 9402 3705 7335 0208 85

2. Article Number (Transfer from service label)

7017 2400 0000 5766 9266

PS Form 3871, July 2015 PSN 7530-02-000-9053

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A. Signature

X *James [Signature]* ☐ Agent ☐ Addressee

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C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
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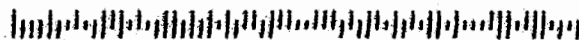
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Jennifer L. Bradtke
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P.O. Box 2168
Albuquerque, NM 87103

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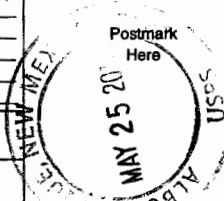
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Arkansas Children's Hospital
1 Children's Way
Little Rock, AR 72202
Catapult /JLB 81363-0145

City, state, ZIP+4®



PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions