

CASE NO. 16214: Amended Application of Marathon Oil Permian LLC for the creation of a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) creating a non-standard 480-acre, more or less, spacing and proration unit in the Bone Spring formation limited in depth from 7,300' to 9,560', comprised of the E/2 of Section 36 and the SE/4 of Section 25, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing unit. This proposed spacing unit will be the project area for the **Southern Comfort State 24-28-25 TB 6H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 11.5 miles south of Malaga, New Mexico.