

# **Before the Oil Conservation Division Examiner Hearing November 16, 2018**

## ***Case Numbers 20058 and 20059***

**- *Mammoth Fed Com 26 34 1 TB 1H and Mammoth Fed Com 26 34 1 TB 10H***



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

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

**CASE NO.** \_\_\_\_\_

**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) to the extent necessary, approving the creation of a Bone Spring spacing unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Section 1, Township 26 South, Range 34 East, and W/2 W/2 Section 36, Township 25 South, Range 34 East, N.M.P.M., 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 W/2 W/2 of Section 1, Township 26 South, Range 34 East, and W/2 W/2 Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. Marathon plans to drill the **Mammoth Fed Com 26 34 1 TB 1H** well to a depth sufficient to test the Bone Spring formation. This well will be horizontally drilled.
4. This well will comply with the Division's setback requirements.

5. 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 well or to otherwise commit their interests to the well.

6. The creation of a spacing unit and 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.

7. Marathon further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 15, 2018, and after notice and hearing as required by law, the Division enter its order:

- A. To the extent necessary, approving the creation of a spacing unit;
- B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit underlying the W/2 W/2 of Section 1, Township 26 South, Range 34 East, and W/2 W/2 Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
- C. Designating Marathon as operator of this unit and the well to be drilled thereon;
- D. Authorizing Marathon to recover its costs of drilling, equipping and completing this well;
- 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 well in the event a working interest owner elects not to participate in the well.

G. Allowing a time period of one (1) year between when the well is drilled and when the well is completed under the order.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: Deana M. Bennett  
Jennifer Bradfute  
Deana M. Bennett  
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 a spacing and unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a Bone Spring spacing unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Section 1, Township 26 South, Range 34 East, and W/2 W/2 Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Mammoth Fed Com 26 34 1 TB 1H** 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, and allowing a one year period between when the well is drilled and when the well is completed. Said area is located approximately 14 miles west south west of Jal, New Mexico.

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3. Marathon plans to drill the **Mammoth Fed Com 26 34 1 TB 10H** well to a depth sufficient to test the Bone Spring formation. This well will be horizontally drilled.
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6. The creation of a spacing unit and 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.

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- C. Designating Marathon as operator of this unit and the well to be drilled thereon;
- D. Authorizing Marathon to recover its costs of drilling, equipping and completing this well;
- 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 well in the event a working interest owner elects not to participate in the well.

G. Allowing a time period of one (1) year between when the well is drilled and when the well is completed under the order.

Respectfully submitted,

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

**CASE NO. 20058**

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

**CASE NO. 20059**

**AFFIDAVIT**

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

Ryan Gyllenband, being duly sworn, deposes and states:

1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum landman.

2. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling applications.

3. The purpose of these applications is to force pool working interest owners into the horizontal spacing units described below, and in the wells to be drilled in the units.

4. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.





5. In Case No. 20058, Marathon seeks an order pooling all mineral interests in a Bone Spring spacing unit underlying the W/2 W/2 of Section 1, Township 26 South, Range 34 East, and W/2 W/2 Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Mammoth Fed Com 26 34 1 TB 1H** well, to be horizontally drilled.

6. In Case No. 20059, Marathon seeks an order pooling all mineral interests in a Bone Spring spacing unit underlying the E/2 W/2 of Section 1, Township 26 South, Range 34 East, and E/2 W/2 Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Mammoth Fed Com 26 34 1 TB 10H** well, to be horizontally drilled.

7. Plats outlining the units being pooled are attached hereto as **Exhibit A**. The parties being pooled, the nature and percent of their interests, and their last known addresses are also included as part of Exhibit A. Exhibit A includes information for the working interest owners, the overriding interest owners, and offsets.

8. There are no depth severances within the Bone Spring formation.

9. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed all parties well proposals, including an Authorization for Expenditure.

10. In my opinion, Marathon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells. A summary of my attempts to contact working interest owners is attached as **Exhibit B**.



11. Attached as **Exhibit C** are proposed C-102s for the wells. The wells will develop the WC-025 G-08 S2535340 Bone Spring pool, pool code 97088, which is an oil pool.

12. The producing interval for the wells will be orthodox and will comply with the Division's set back requirements.

13. **Exhibits D and E** are a sample proposal letter and the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

14. Marathon requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Marathon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

15. Marathon requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

16. Marathon requests that it be designated operator of the wells.

17. The attachments to this affidavit were prepared by me, or compiled from company business

18. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

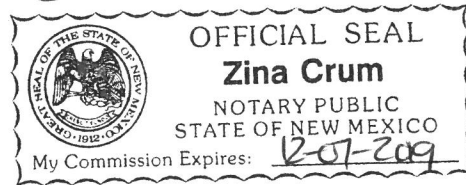
19. The granting of this application is in the interests of conservation and the prevention of waste.

  
Ryan Gyllenband

SUBSCRIBED AND SWORN to before me this 14<sup>th</sup> day of November, 2018 by Ryan Gyllenband on behalf of Marathon Oil Permian LLC.

  
\_\_\_\_\_  
Notary Public

My commission expires: 12-07-2019



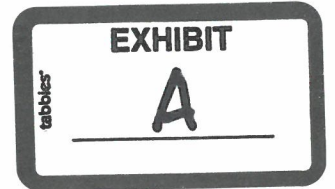
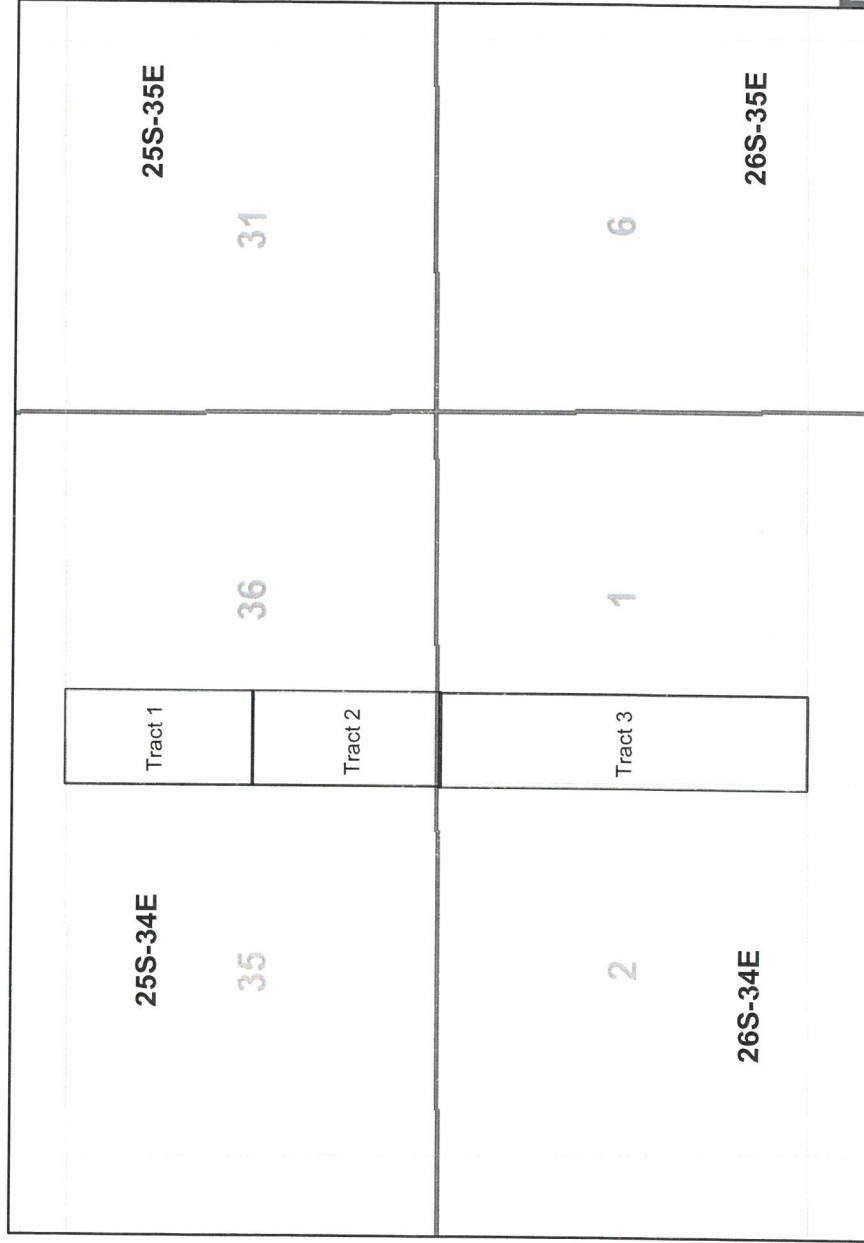




Lease Tract Map  
Mammoth Fed Com 26 34 1 TB 1H

W/2 W/2 of Section 36, 25S-34E, and W/2 W/2 of Section 1, 26S-34E – 320 acres

- Tract 1: State Acreage
- Tract 2: State Acreage
- Tract 3: Fed Acreage





**Summary of Interests**  
**Mammoth Fed Com 26 34 1 TB 1H**  
**W/2 W/2 of Section 36, 25S-34E, and W/2 W/2 of Section 1, 26S-34E – 320 acres**

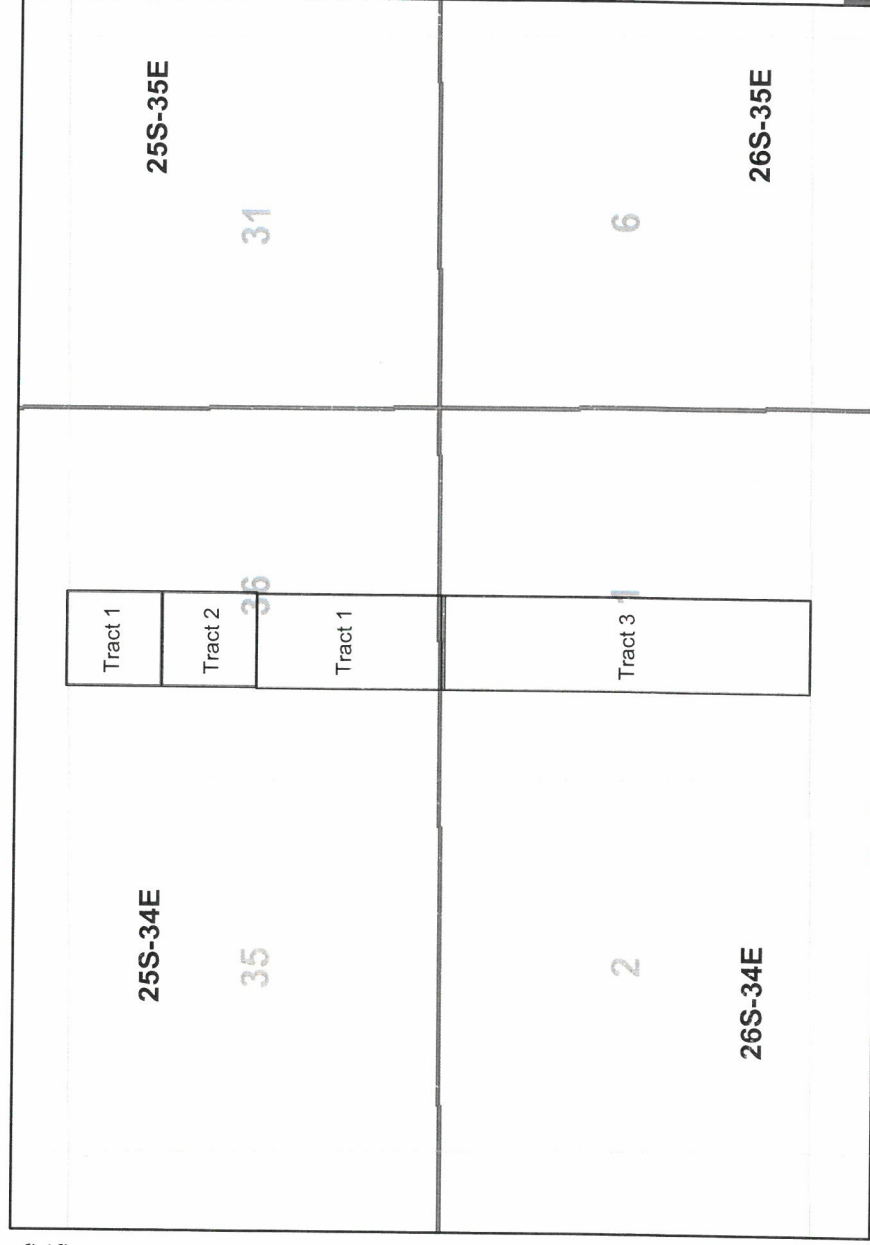
<u>Committed Working Interest:</u> Marathon Oil Permian LLC OXY USA Inc.	62.5000000% 12.5000000%	75.0000000%
<u>Uncommitted Working Interest:</u> EOG Resources, Inc.	25.0000000%	25.0000000%

**Lease Tract Map**

**Mammoth Fed Com 26 34 1 TB 10H**

**E/2 W/2 of Section 36, 25S-34E, and E/2 W/2 of Section 1, 26S-34E – 320 acres**

- Tract 1: State Acreage
- Tract 2: State Acreage
- Tract 3: Fed Acreage



Summary of Interests  
Mammoth Fed Com 26 34 1 TB 10H  
E/2 W/2 of Section 36, 25S-34E, and E/2 W/2 of Section 1, 26S-34E – 320 acres

<u>Committed Working Interest:</u> Marathon Oil Permian LLC OXY USA Inc.	50.000000% 12.500000%	62.500000%
<u>Uncommitted Working Interest:</u> EOG Resources, Inc.	37.500000%	37.500000%

Force Pooled Owners				
Owner Name	Address 1	City	State	Zip
EOG Resources, Inc.	5509 Champions Drive	Midland	TX	79706

### ORRIs

Owner Name	Address 1	City	State	Zip	Type
OXY USA Inc.	5 E Greenway Plaza #110	Houston	TX	77046	ORRI
Post Oak Crown IV, LLC	34 S. Wynden Dr., Suite 300	Houston	TX	77056	ORRI
Post Oak Crown IV-B, LLC	34 S. Wynden Dr., Suite 300	Houston	TX	77056	ORRI
Crown Oil Partners, LP	P.O. Box 50820	Midland	TX	79710	ORRI
Crown Ventures III, LLC	P.O. Box 50820	Midland	TX	79710	ORRI
Crown Oil Partners IV Employee Holdings, LLC	P.O. Box 50820	Midland	TX	79710	ORRI
CEP Minerals LLC	P.O. Box 50820	Midland	TX	79710	ORRI
Oak Valley Mineral and Land LP	P.O. Box 50820	Midland	TX	79710	ORRI
Good News Minerals LLC	P.O. Box 50820	Midland	TX	79710	ORRI
Mavros Minerals II LLC	P.O. Box 50820	Midland	TX	79710	ORRI
Mike Moylett	P.O. Box 50820	Midland	TX	79710	ORRI
Collins & Jones Investments, LLC	508 W. Wall Street, Suite 1200	Midland	TX	79701	ORRI
LMC Energy	550 W Texas Ave., Suite 945	Midland	TX	79701	ORRI
Gerard G. Vavrek	1521 2nd Ave. NO 1604	Seattle	WA	98101	ORRI
Jesse A. Faught, Jr.	P.O. Box 52603	Midland	TX	79710	ORRI
H. Jason Wacker, Hillcrest Petroleum LLC	5601 Hillcrest	Midland	TX	79707	ORRI
David M. Cromwell	2008 Country Club Drive	Midland	TX	79701	ORRI
Zunis Energy, LLC	15 E 5th Street, Suite 3300	Tulsa	OK	74103	ORRI
James F. Adelson, Trustee of the Jame F. Adelson Revocable Trust	15 E 5th Street, Suite 3300	Tulsa	OK	74103	ORRI
Kaleb Smith	2501 Lubbock Ave.	Fort Worth	TX	76109	ORRI
Deane Durham	3603 Trinity Meadows Pl.	Midland	TX	79707	ORRI
Oscura Resources Inc.	P.O. Box 2292	Roswell	NM	88202	ORRI
Branex Resources, Inc.	P.O. Box 2990	Ruidoso	NM	88355	ORRI
EMG Oil Properties, Inc.	1000 W. Fourth Street	Roswell	NM	88201	ORRI
Tierra Royalties, LLC	2929 Allen Parkway, Suite 200	Houston	TX	77019	ORRI
C. Fred Luthy, Jr., Registered Agent for Pennies from Heaven, LLC	P.O. Box 830308	Dallas	TX	75283	ORRI
Cyrene L. Inman, Successor Trustee of the Cyrene L. Inman Trust	P.O. Box 830308	Dallas	TX	75283	ORRI

### Offsets

Owner Name	Address 1	City	State	Zip	Type
Devon Energy Production Co. LP	333 W Sheridan Ave.	Oklahoma City	OK	73102	Lessee of Record
Devon Energy Operating Co. LP	20 N Broadway #1500	Oklahoma City	OK	72102	Lessee of Record
EOG M Resources, Inc.	5509 Champions Drive	Midland	TX	79706	Lessee of Record
EOG A Resources, Inc.	5509 Champions Drive	Midland	TX	79706	Lessee of Record



EOG Y Resources, Inc.	5509 Champions Drive	Midland	TX	79706	Lessee of Record
Chevron USA Inc.	6301 Deauville	Midland	TX	79706	Lessee of Record



## Summary of Attempted Contacts

- Marathon sent well proposal letters on September 5, 2018.
- Marathon then contacted parties to see if they would participate in the well and/or execute a joint operating agreement.
- Marathon conducted updated record searches and internet searches for contact information for parties it seeks to pool.
- Marathon continued to attempt to contact the parties who had not executed an agreement.
- Marathon filed an application to force pool parties who had not entered in to an agreement.
- Marathon sent notices of the force pooling application to the addresses of record.
- Marathon also published notice in a newspaper of general circulation in the county where the well will be located.





JOB No. R3762 008

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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 97088	<sup>3</sup> Pool Name WC-025 G-08 S2535340; BONE SPRING
<sup>4</sup> Property Code	<sup>5</sup> Property Name MAMMOTH FED COM 26-34-1 TB	<sup>6</sup> Well Number 10H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3281'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	1	26S	34E		448	SOUTH	1569	WEST	LEA

<sup>11</sup> 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
C	36	25S	34E		100	NORTH	2311	WEST	LEA

<sup>12</sup> Dedicated Acres 320.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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>SECTION 26</p> <p>SECTION 35</p> <p>LAST TAKE POINT/BHL</p> <p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 821719.36' / Y: 399176.25' B - X: 823039.79' / Y: 399183.78' C - X: 823132.38' / Y: 388627.40' D - X: 821812.29' / Y: 388620.42'</p> <p>T-25-S SECTION 35</p> <p>T-26-S SECTION 2</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 780532.33' / Y: 399118.48' B - X: 781852.74' / Y: 399126.00' C - X: 781944.85' / Y: 388569.90' D - X: 780624.77' / Y: 388562.93'</p> <p>SECTION 2</p> <p>SECTION 11</p> <p>SHL</p> <p>249'</p> <p>1569'</p> <p>2310'</p> <p>448'</p> <p>100'</p> <p>PI</p> <p>N 00°27'55" W 5,179.96'</p> <p>N 00°32'24" W 5,176.69'</p>			<p>SECTION 25</p> <p>SECTION 30</p> <p>SECTION 36</p> <p>SECTION 31</p> <p>LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FNL 2311' FWL, SECTION 36 NAD 83, SPCS NM EAST X:822710.71' / Y:399081.90' LAT:32.09389691N / LON:103.42473238W NAD 27, SPCS NM EAST X:781523.66' / Y:399024.13' LAT:32.09377115N / LON:103.42426726W</p> <p>KICK OFF POINT 100' FSL 2310' FWL, SECTION 1 NAD 83, SPCS NM EAST X:822801.55' / Y:388725.65' LAT:32.06542938N / LON:103.42472075W NAD 27, SPCS NM EAST X:781614.02 / Y:388668.15 LAT:32.06530347N / LON:103.42425729W</p> <p>SECTION 36</p> <p>SECTION 31</p> <p>T-25-S</p> <p>T-26-S</p> <p>FIRST TAKE POINT 100' FSL 2310' FWL, SECTION 1 NAD 83, SPCS NM EAST X:822801.55' / Y:388725.65' LAT:32.06542938N / LON:103.42472075W NAD 27, SPCS NM EAST X:781614.02 / Y:388668.15 LAT:32.06530347N / LON:103.42425729W</p> <p>SECTION 1</p> <p>SECTION 6</p> <p>T-25-S</p> <p>T-26-S</p> <p>SURFACE HOLE LOCATION 448' FNL 1569' FWL, SECTION 1 NAD 83, SPCS NM EAST X:822056.74' / Y:389069.75' LAT:32.06639239N / LON:103.42711552W NAD 27, SPCS NM EAST X:780869.24' / Y:389012.25' LAT:32.06626652N / LON:103.42665193W</p> <p>SECTION 12</p> <p>SECTION 7</p> <p>R-34-E</p> <p>R-35-E</p>			<p><sup>17</sup> 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><sup>18</sup> 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>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>		
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3	10/31/2018	ANC
REV.	DATE	BY







Ryan Gyllenband  
Land Professional



**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

September 5, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

EOG Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

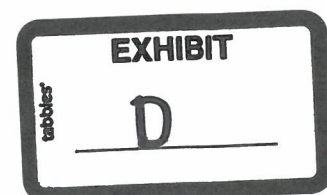
Re: Mammoth Federal 1H, 2H, 7H, 10H & 11H Well Proposals  
Section 1, T26S-R34E & Section 36, T25S-R34E  
Lea County, New Mexico

Dear EOG Resources, Inc.:

Marathon Oil Permian LLC ("MRO") proposes the drilling of the following wells located in Section 1, T26S-34E, and Section 36, T25S-34E, Lea County, New Mexico to be drilled from the same pad location.

- Mammoth Federal Com 26 34 1 TB 1H with a proposed first take point located 330' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 330' FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Bone Spring Formation (~12,495' TVD) with an estimated treated lateral length of 10,249'. The total estimated drilling and completion cost is \$10,428,194 as shown in the attached AFE.
- Mammoth Federal Com 26 34 1 WA 2H with a proposed first take point located 330' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 330' FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Wolfcamp Formation (~12,738' TVD) with an estimated treated lateral length of 10,249'. The total estimated drilling and completion cost is \$10,432,434 as shown in the attached AFE.
- Mammoth Federal Com 26 34 1 WXY 7H with a proposed first take point located 1,320' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 1,320' FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Wolfcamp Formation (~12,616' TVD) with an estimated treated lateral length of 10,251'. The total estimated drilling and completion cost is \$10,429,254 as shown in the attached AFE.
- Mammoth Federal Com 26 34 1 TB 10H with a proposed first take point located 2,310' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 2,310' FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Wolfcamp Formation (~12,495' TVD) with an estimated treated lateral length of 10,253'. The total estimated drilling and completion cost is \$10,427,134 as shown in the attached AFE.
- Mammoth Federal Com 26 34 1 WA 11H with a proposed first take point located 2,310' FWL and 100' FSL of Section 1, T26S-R34E and a proposed last take point located 2,310' FWL and 100' FNL of Section 36, T25S-R34E. The well will have a targeted interval located in the Wolfcamp Formation (~12,616' TVD) with an estimated treated lateral length of 10,253'. The total estimated drilling and completion cost is \$10,429,254 as shown in the attached AFE.

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns encountered. The AFEs represent an estimate of the costs that will be incurred to drill and complete the wells, but those electing to participate in the wells are responsible for their proportionate share of the actual costs incurred.



MRO proposes drilling the well under the terms of the 1989 AAPL JOA and a form of this JOA will be sent to you following this proposal. The JOA will have these general provisions:

- 100%/300%/300% non-consent penalty
- \$7,000/\$700 drilling and producing rates
- Contract area of W/2 of Section 1, 26S-34E and W/2 of Section 36, 25S-34E covering all depths

Our title records show that you own 31.25% WI in the proposed unit.

If your election is to participate in the drilling and completion of the wells please sign and return a copy of this letter along with the enclosed AFE within thirty (30) days of receipt of this proposal.

If you do not wish to participate, Marathon proposes to acquire your interest via term assignment at the following terms:

This term assignment offer terminates October 15, 2018 and is subject to due diligence and title verification satisfactory to Marathon.

Should you have any questions regarding this or other matters, please don't hesitate to contact me at the above listed numbers.

Sincerely,

Ryan Gyllenband

**Mammoth Federal 1H, 2H, 7H, 10H, & 11H**

Mammoth Federal Com 26 34 1 TB 1H

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the aforementioned well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.

Mammoth Federal Com 26 34 1 WA 2H

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the aforementioned well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.

Mammoth Federal Com 26 34 1 WXY 7H

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the aforementioned well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.

Mammoth Federal Com 26 34 1 TB 10H

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the aforementioned well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.

Mammoth Federal Com 26 34 1 WA 11H

\_\_\_\_\_ elects to participate in the drilling, completing, and equipping of the aforementioned well.

\_\_\_\_\_ elects NOT to participate in the drilling, completing, and equipping of the aforementioned well.

**EOG Resources, Inc.**

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

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

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

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





MARATHON OIL PERMIAN LLC  
AUTHORITY FOR EXPENDITURE  
DETAIL OF ESTIMATED WELL COSTS

DATE 6/27/2018  
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD  
COMPLETION PREPARED BY JOSH SHANNON  
FACILITIES PREPARED BY MATT HENSCHEN  
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team	PERMIAN			
Field	WC-025 G-08 S2535	FORMATION: 3 BONE SPRINGS	WILDCAT	EXPLORATION
Lease/Facility	MAMMOTH FEDERAL COM 26 34 1 TB 1H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	RED HILLS			

Est Total Depth	23,053	Est Drilling Days	28.8	Est Completion Days	11
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	30,000
7001250	Land Broker Fees and Services	30,000
TOTAL LOCATION COST - INTANGIBLE		60,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	
7012050	Surface Casing	28,000
7012050	Intermediate Casing 1	17,000
7012050	Intermediate Casing 2	147,000
7012050	Production Casing	-
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	347,000
7012550	Drilling Wellhead Equipment	10,000
7012040	Casing & Tubing Access	50,000
7012270	Miscellaneous MRO Materials	24,000
		5,000
TOTAL DRILLING - TANGIBLE		628,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	27,000
7019220	Drilling Rig - day work/footage	648,000
7019040	Directional Drilling Services	252,500
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	140,000
7019140	Mud Fluids & Services	73,000
7012310	Solids Control equipment	52,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	89,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	25,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7018150	Rental Tools and Equipment (surface rentals)	115,200
7018150	Rig Equipment and Misc.	14,400
7001110	Telecommunications Services	5,000
7001120	Consulting Services	135,360
7001400	Safety and Environmental	46,080
7018120	Rental Buildings (trailers)	23,040
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	165,239
TOTAL DRILLING - INTANGIBLE		\$2,158,819

TOTAL DRILLING COST

\$2,786,819

COMPLETION - TANGIBLE

7012580	Tubing	75,000
7012040	Tubing Accessories (nipple, wireline entry)	15,000
7012550	Wellhead Equip	20,000
7012560	Packers - Completion Equipment	60,000
TOTAL COMPLETION - TANGIBLE		\$170,000

MARATHON OIL PERMIAN LLC  
AUTHORITY FOR EXPENDITURE  
DETAIL OF ESTIMATED WELL COSTS

DATE 6/27/2018

Asset Team	PERMIAN	
Field	WC-025 G-08 S2535	FORMATION: 3 BONE SPRINGS
Lease/Facility	MAMMOTH FEDERAL COM 26 34 1 TB 1H	

COMPLETION - INTANGIBLE

EXHIBIT

E



GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	20,000
7019220	Drilling Rig During Completion	80,000
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	240,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	195,000
7019320	Fracturing Services	3,850,000
7019330	Perforating	300,000
7019360	Wireline Services	10,000
7001460	Water Hauling & Disposal (frac fluids)	600,000
7016180	Freight - Truck (haul pipe; drlg & compl)	15,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	50,000
7001110	Telecommunications Services	130,000
7001400	Safety and Environmental	-
7001120	Consulting Services	60,000
7018150	Zipper Manifold	165,000
7019300	Frack Stack Rentals	70,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental ( w/o operator, frac tanks, lightplants)	140,000
7018120	Rental Buildings (trailers)	60,000
7000030	Contract Labor - Pumping (pump-down pumps)	120,000
7011010	8% Contingency & Taxes	426,800
TOTAL COMPLETION - INTANGIBLE		\$6,531,800
TOTAL COMPLETION COST		\$6,701,800
SURFACE EQUIPMENT - TANGIBLE		
7012350	Misc. Piping, Fittings & Valves	85,794
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	67,540
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,786
7012270	Miscellaneous Materials (containment system)	43,227
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	-
7012290	Metering and Instrumentation	29,116
7012290	I&E Materials	235,914
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	-
7012500	Tanks	85,919
7012100	Heater Treater	144,894
7012640	Flare & Accessories	17,330
7000010	Electrical Labor	11,646
7000010	Mechanical Labor	29,116
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,293
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$800,575
TOTAL SURFACE EQUIPMENT COST		\$ 800,575
ARTIFICIAL LIFT		
7006640	Company Labor	2,500
7012180	Gas Lift Equipment	38,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	20,000
7012270	Materials & Supplies-Tangible	13,000
7012550	Surface Wellhead Equipment	5,500
7012390	Pig Launchers/Receivers & Rel Equip	-
7011010	8% Contingency & Taxes	-
TOTAL ARTIFICIAL LIFT		79,000
TOTAL ARTIFICIAL LIFT COST		\$ 79,000
SUMMARY OF ESTIMATED DRILLING WELL COSTS		
TOTAL LOCATION COST		\$ 60,000
TOTAL DRILLING COST		\$ 2,786,819
TOTAL COMPLETIONS COST		\$ 6,701,800
TOTAL SURFACE EQUIPMENT COST		\$ 800,575
TOTAL ARTIFICIAL LIFT COST		\$ 79,000
GRAND TOTAL COST		\$10,428,194

MARATHON OIL PERMIAN LLC  
AUTHORITY FOR EXPENDITURE  
DETAIL OF ESTIMATED WELL COSTS

DATE 6/27/2018  
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD  
COMPLETION PREPARED BY JOSH SHANNON  
FACILITIES PREPARED BY MATT HENSCHEN  
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team	PERMIAN			
Field	WC-025 G-08 S2535	FORMATION: 3 BONE SPRINGS	WILDCAT	EXPLORATION
Lease/Facility	MAMMOTH FEDERAL COM 26 34 1 TB 10H		DEVELOPMENT	RECOMPLETION
Location	LEA COUNTY		X EXPLOITATION	WORKOVER
Prospect	RED HILLS			

Est Total Depth	23,024	Est Drilling Days	28.8	Est Completion Days	11
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	
7001250	Land Broker Fees and Services	30,000
		30,000
TOTAL LOCATION COST - INTANGIBLE		60,000

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	
7012050	Surface Casing	28,000
7012050	Intermediate Casing 1	17,000
7012050	Intermediate Casing 2	147,000
7012050	Production Casing	-
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	346,000
7012550	Drilling Wellhead Equipment	10,000
7012040	Casing & Tubing Access	50,000
7012270	Miscellaneous MRO Materials	24,000
		5,000
TOTAL DRILLING - TANGIBLE		627,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	27,000
7019220	Drilling Rig - day work/footage	648,000
7019040	Directional Drilling Services	252,500
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	-
7019020	Cement and Cementing Service Production	140,000
7019140	Mud Fluids & Services	73,000
7012310	Solids Control equipment	52,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	89,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	25,000
7019250	Stabilizers, Hole Openers, Underreamers (DH rentals)	15,000
7019110	Casing inspection/cleaning	15,000
7019110	Drill pipe/collar inspection services	10,000
7016180	Freight - truck	25,000
7001460	Water hauling and disposal (includes soil farming)	60,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7018150	Rental Tools and Equipment (surface rentals)	115,200
7018150	Rig Equipment and Misc.	14,400
7001110	Telecommunications Services	5,000
7001120	Consulting Services	135,360
7001400	Safety and Environmental	46,080
7018120	Rental Buildings (trailers)	23,040
7019310	Coring (sidewalls & analysis)	-
7011010	8% Contingency & Taxes	165,179
TOTAL DRILLING - INTANGIBLE		\$2,158,759

TOTAL DRILLING COST

\$2,785,759

COMPLETION - TANGIBLE

7012580	Tubing	75,000
7012040	Tubing Accessories (nipple, wireline entry)	15,000
7012550	Wellhead Equip	20,000
7012560	Packers - Completion Equipment	60,000
TOTAL COMPLETION - TANGIBLE		\$170,000

MARATHON OIL PERMIAN LLC  
AUTHORITY FOR EXPENDITURE  
DETAIL OF ESTIMATED WELL COSTS

DATE 6/27/2018

Asset Team	PERMIAN	
Field	WC-025 G-08 S2535	FORMATION: 3 BONE SPRINGS
Lease/Facility	MAMMOTH FEDERAL COM 26 34 1 TB 10H	

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	20,000
7019220	Drilling Rig During Completion	80,000
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	240,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drlg)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	-
7019320	Fracturing Services	195,000
7019330	Perforating	3,850,000
7019360	Wireline Services	300,000
7001460	Water Hauling & Disposal (frac fluids)	10,000
7016180	Freight - Truck (haul pipe; drlg & compl)	600,000
7018150	BOP Rental & Testing	15,000
7018150	Rental Tools and Equipment ( incl drlg; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	-
7001110	Telecommunications Services	50,000
7001400	Safety and Environmental	130,000
7001120	Consulting Services	-
7018150	Zipper Manifold	60,000
7019300	Frack Stack Rentals	165,000
7016190	Freight (Transportation Services)	70,000
7018150	Equipment Rental ( w/o operator, frac tanks, lightplants)	-
7018120	Rental Buildings (trailers)	140,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	120,000
		426,800
TOTAL COMPLETION - INTANGIBLE		\$6,531,800
TOTAL COMPLETION COST		\$6,701,800
SURFACE EQUIPMENT - TANGIBLE		
7012350	Misc. Piping, Fittings & Valves	85,794
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	67,540
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	26,786
7012270	Miscellaneous Materials (containment system)	43,227
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	29,116
7012290	Metering and Instrumentation	235,914
7012290	I&E Materials	-
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	85,919
7012500	Tanks	144,894
7012100	Heater Treater	17,330
7012640	Flare & Accessories	11,646
7000010	Electrical Labor	29,116
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,293
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$800,575
TOTAL SURFACE EQUIPMENT COST		\$ 800,575
ARTIFICIAL LIFT		
7006640	Company Labor	2,500
7012180	Gas Lift Equipment	38,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	20,000
7012270	Materials & Supplies-Tangible	13,000
7012550	Surface Wellhead Equipment	5,500
7012390	Pig Launchers/Receivers & Rel Equip	-
7011010	8% Contingency & Taxes	-
TOTAL ARTIFICIAL LIFT		79,000
TOTAL ARTIFICIAL LIFT COST		\$ 79,000
SUMMARY OF ESTIMATED DRILLING WELL COSTS		TOTAL COST
TOTAL LOCATION COST		\$ 60,000
TOTAL DRILLING COST		\$ 2,785,759
TOTAL COMPLETIONS COST		\$ 6,701,800
TOTAL SURFACE EQUIPMENT COST		\$ 800,575
TOTAL ARTIFICIAL LIFT COST		\$ 79,000
GRAND TOTAL COST		\$10,427,134









5. **Exhibit B** is a stratigraphic cross section hung on the top of the Wolfcamp. The well logs on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone for the well is the Third Bone Spring, identified by the words “Producing Zone” and the shaded area across the cross section, along with a red arrow. That zone is continuous across the well unit.

6. **Exhibit C** is a Gross Sand Isochore of the Third Bone Spring. The Third Bone Spring thickness is relatively uniform across the proposed well unit.

7. I conclude from the maps that:

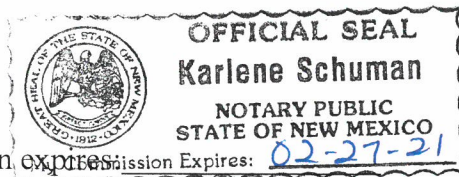
- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter quarter section in the unit will contribute more or less equally to production.

8. The preferred well orientation in this area is north to south. This is because the maximum horizontal stress orientation is more or less east to west.

9. The granting of this application is in the interests of conservation and the prevention of waste.

Ethan Perry  
Ethan Perry

SUBSCRIBED AND SWORN to before me this 14<sup>th</sup> day of November, 2018 by Ethan Perry, on behalf of Marathon Oil Permian LLC.



Karlene Schuman  
Notary Public

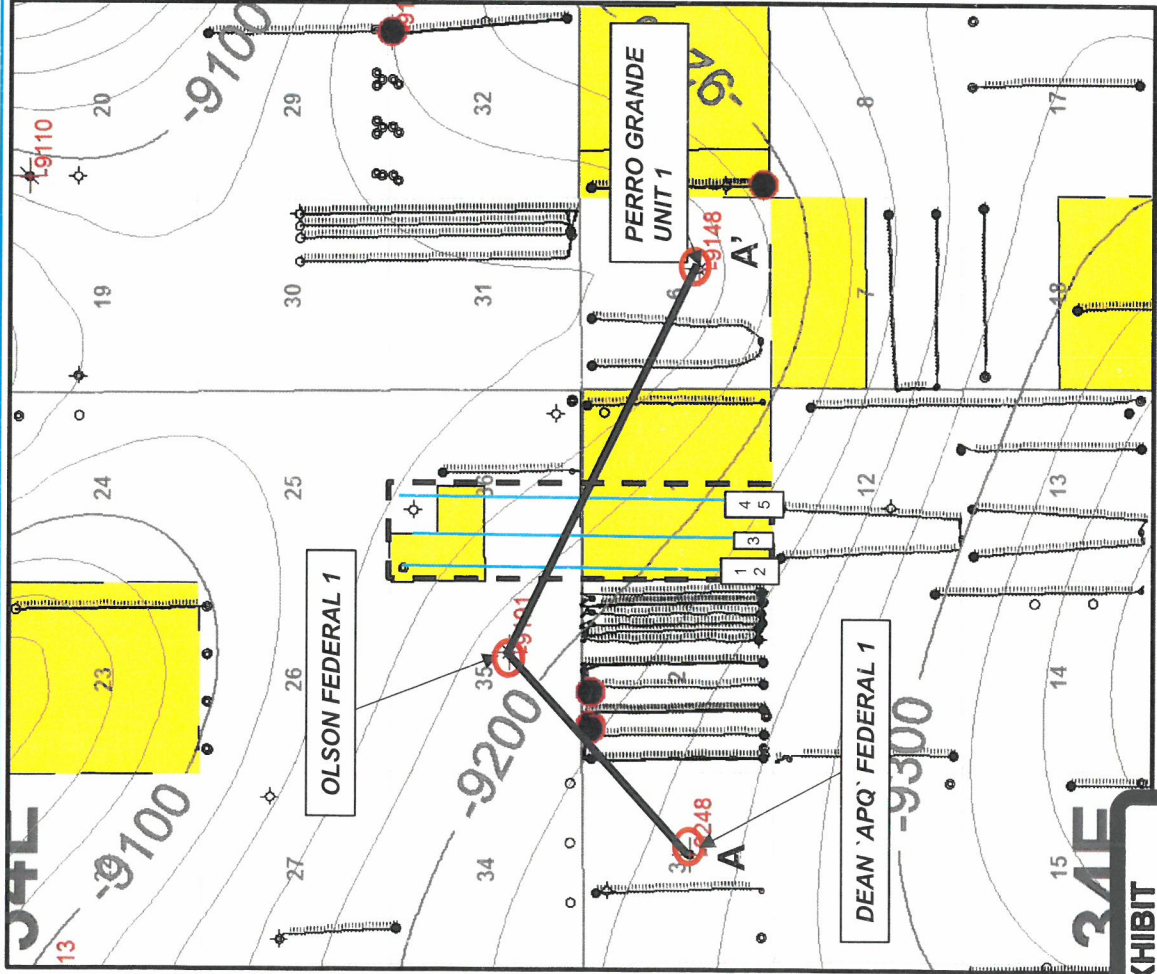
My commission expires:





# Mammoth Federal Com 26 34 1 TB 1H, WA 2H, WXY 7H, TB 10H and WA 11H

## Structure Map – Top of Wolfcamp (SSTVD)



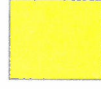
### Map Legend



MRO – Horizontal Location



Offsetting TB Producers

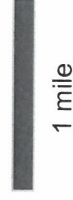


MRO Acreage



Project Area

C.I. = 50'



1 mile

EXHIBIT

A

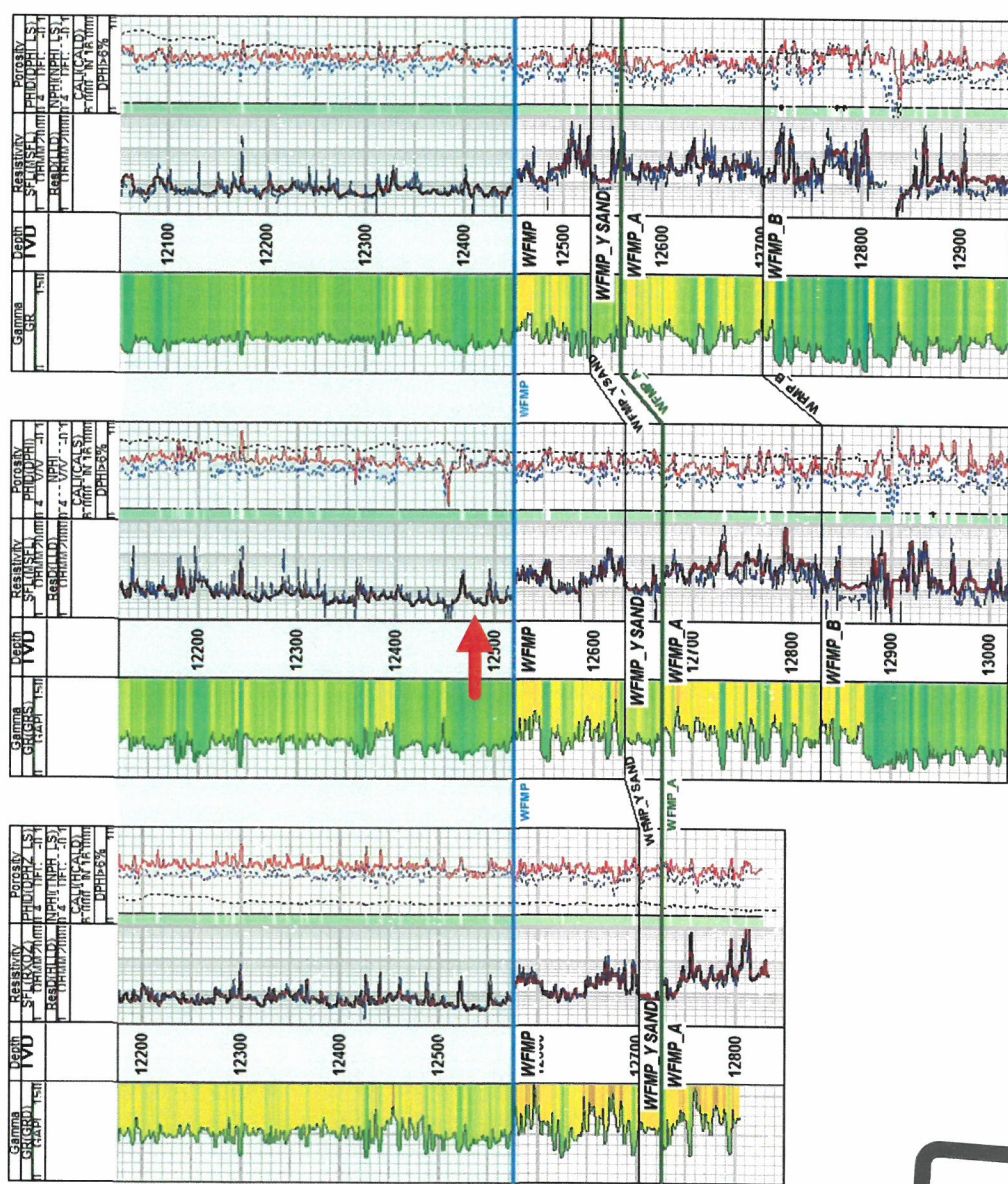
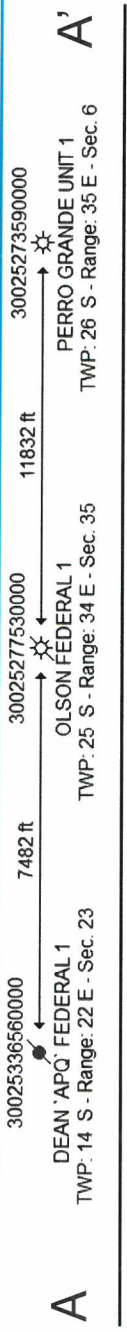






Mammoth Federal Com 26 34 1 TB 1H, WA 2H, WXY 7H, TB 10H and  
WA 11H

Stratigraphic Cross Section (Top Wolfcamp Datum)



Producing  
Zone









# Mammoth Federal Com 26 34 1 TB 1H, WA 2H, WXY 7H, TB 10H and WA 11H

Gross Sand Isochore – Third Bone Spring

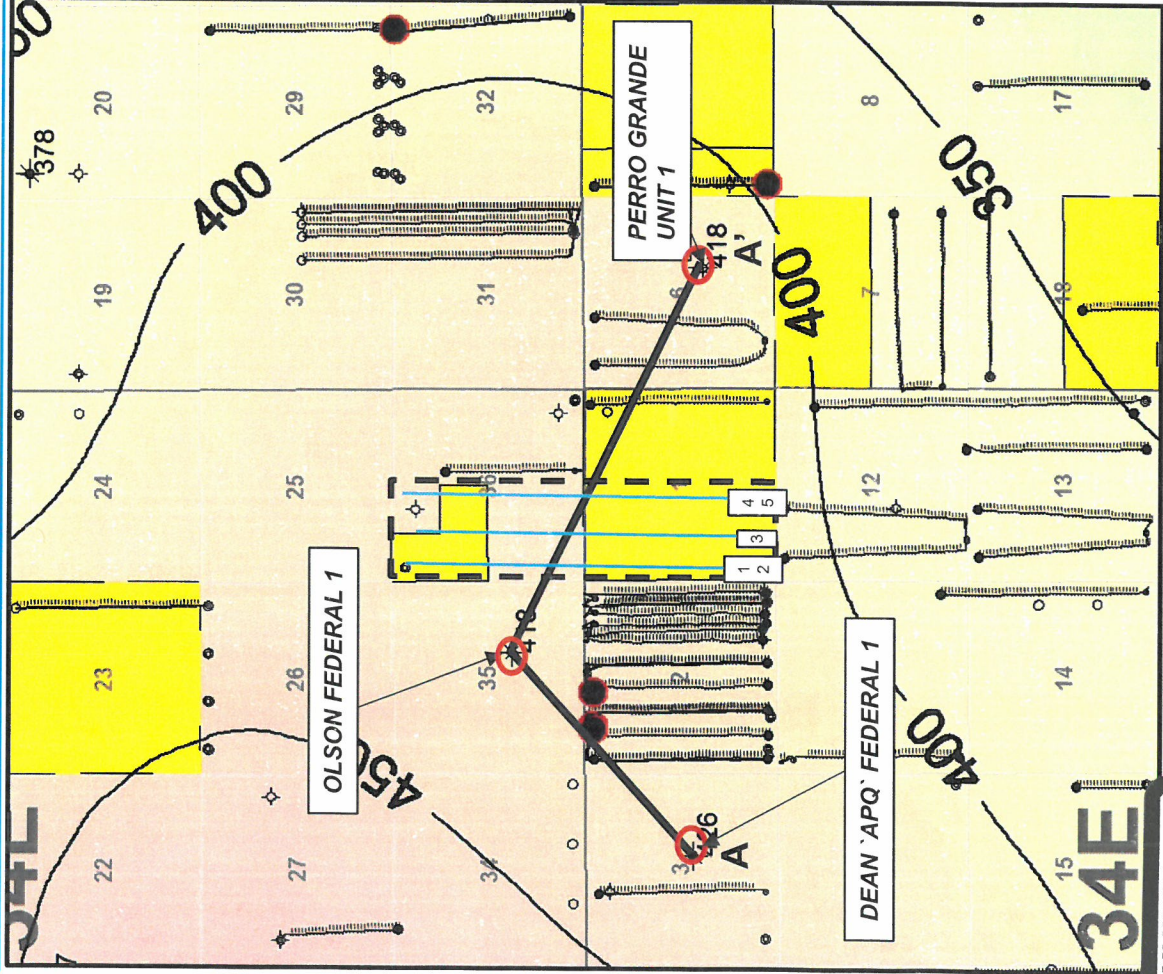


EXHIBIT  
C







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

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

**CASE NO. 20058**

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

**CASE NO. 20059**

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

**CASE NO. 20060**

**AFFIDAVIT**

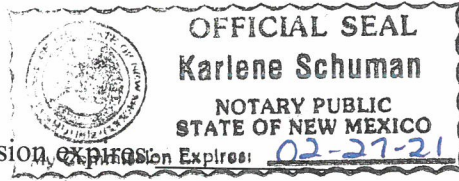
STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF BERNALILLO        )

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 a notice letter and that proof of receipt is attached hereto. The Applicant exercised reasonable diligence in locating address information to notify affected parties of this application.

  
Jennifer L. Bradfute

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





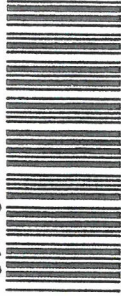
My commission Expires: 02-27-21

Karlene Schuman  
Notary Public

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

PS Form 3877

Type of Mailing: CERTIFIED  
10/26/2018



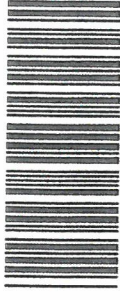
Firm Mailing Book ID: 154388

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
1	9314 8699 0430 0052 2215 63	EOG Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
2	9314 8699 0430 0052 2215 70	OXY USA Inc. 5 E Greenway Plaza #110 Houston TX 77046	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
3	9314 8699 0430 0052 2215 87	Post Oak Crown IV, LLC 34 S. Wynden Dr., Suite 300 Houston TX 77056	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
4	9314 8699 0430 0052 2215 94	Post Oak Crown IV-B, LLC 34 S. Wynden Dr., Suite 300 Houston TX 77056	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
5	9314 8699 0430 0052 2216 00	Crown Oil Partners, LP P.O. Box 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
6	9314 8699 0430 0052 2216 17	Crown Ventures III, LLC P.O. Box 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
7	9314 8699 0430 0052 2216 24	Crown Oil Partners IV Employee Holdings, LLC P.O. Box 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
8	9314 8699 0430 0052 2216 31	CEP Minerals LLC P.O. Box 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
9	9314 8699 0430 0052 2216 48	Oak Valley Mineral and Land LP P.O. Box 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
10	9314 8699 0430 0052 2216 55	Good News Minerals LLC P.O. Box 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
11	9314 8699 0430 0052 2216 62	Mavros Minerals II LLC P.O. Box 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
12	9314 8699 0430 0052 2216 79	Mike Moylett P.O. Box 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
13	9314 8699 0430 0052 2216 86	Collins & Jones Investments, LLC 508 W. Wall Street, Suite 1200 Midland TX 79701	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
14	9314 8699 0430 0052 2216 93	LMC Energy 550 W Texas Ave., Suite 945 Midland TX 79701	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
15	9314 8699 0430 0052 2217 09	Gerard G. Vavrek 1521 2nd Ave. NO 1604 Seattle WA 98101	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice

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

PS Form 3877

Type of Mailing: CERTIFIED  
10/26/2018



Firm Mailing Book ID: 154388

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
16	9314 8699 0430 0052 2217 16	Jesse A. Faught, Jr. P.O. Box 52603 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
17	9314 8699 0430 0052 2217 23	H. Jason Wacker, Hillcrest Petroleum LLC 5601 Hillcrest Midland TX 79707	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
18	9314 8699 0430 0052 2217 30	David M. Cromwell 2008 Country Club Drive Midland TX 79701	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
19	9314 8699 0430 0052 2217 47	Zunis Energy, LLC 15 E 5th Street, Suite 3300 Tulsa OK 74103	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
20	9314 8699 0430 0052 2217 54	James F. Adelson, Trustee of the Jame F. Adelson Revocable Trust 15 E 5th Street, Suite 3300 Tulsa OK 74103	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
21	9314 8699 0430 0052 2217 61	Kaleb Smith 2501 Lubbock Ave. Fort Worth TX 76109	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
22	9314 8699 0430 0052 2217 78	Deane Durham 3603 Trinity Meadows Pl. Midland TX 79707	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
23	9314 8699 0430 0052 2217 85	Oscura Resources Inc. P.O. Box 2292 Roswell NM 88202	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
24	9314 8699 0430 0052 2217 92	Branex Resources, Inc. P.O. Box 2990 Ruidoso NM 88355	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
25	9314 8699 0430 0052 2218 08	EMG Oil Properties, Inc. 1000 W. Fourth Street Roswell NM 88201	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
26	9314 8699 0430 0052 2218 15	Tierra Royalties, LLC 2929 Allen Parkway, Suite 200 Houston TX 77019	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
27	9314 8699 0430 0052 2218 22	C. Fred Luthy, Jr., Registered Agent for Pennies from Heaven, LLC P.O. Box 830308 Dallas TX 75283	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
28	9314 8699 0430 0052 2218 39	Cyrene L. Inman, Successor Trustee of the Cyrene L. Inman Trust P.O. Box 830308 Dallas TX 75283	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
29	9314 8699 0430 0052 2218 46	Devon Energy Production Co. LP 333 W Sheridan Ave. Oklahoma City OK 73102	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice



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

PS Form 3877

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Firm Mailing Book ID: 154388

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
30	9314 8699 0430 0052 2218 53	Devon Energy Operating Co. LP 20 N Broadway #1500 Oklahoma City OK 72102	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
31	9314 8699 0430 0052 2218 60	EOG M Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
32	9314 8699 0430 0052 2218 77	EOG A Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
33	9314 8699 0430 0052 2218 84	EOG Y Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
34	9314 8699 0430 0052 2218 91	Chevron USA Inc. 6301 Deauville Midland TX 79706	\$1.42	\$3.45	\$1.50	81363-0178	\$0.00 Notice
Totals:			\$48.28	\$117.30	\$51.00		\$0.00
			Grand Total:				\$216.58

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated:

Transaction Report Details - Certified Proprint  
Firm Mail Book ID: 154388  
Generated: 11/13/2018 3:41 PM

Certified Mail Article Number	Date Created	Name 1	Name 2	Address	City	State	Zip	Certified Mailing Status	Service Options	Batch ID	Mail Delivery Date
931486990430005221891	2018-10-26 10:02 AM	Chevron USA Inc.		6301 Deauville	Midland	TX	79706	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221884	2018-10-26 10:02 AM	EOG Y Resources, Inc.		5509 Champions Drive	Midland	TX	79706	Delivered	Return Receipt - Electronic	148856	10-30-2018
931486990430005221877	2018-10-26 10:02 AM	EOG A Resources, Inc.		5509 Champions Drive	Midland	TX	79706	Delivered	Return Receipt - Electronic	148856	10-30-2018
931486990430005221860	2018-10-26 10:02 AM	EOG M Resources, Inc.		5509 Champions Drive	Midland	TX	79706	Delivered	Return Receipt - Electronic	148856	10-30-2018
931486990430005221853	2018-10-26 10:02 AM	Devon Energy Operating Co. LP		20 N Broadway #1500	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	148856	11-02-2018
931486990430005221846	2018-10-26 10:02 AM	Devon Energy Production Co. LP		333 W Sheridan Ave.	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	148856	10-30-2018
931486990430005221839	2018-10-26 10:02 AM	Cyrene L. Inman, Successor Trustee of the	Cyrene L. Inman Trust	P.O. Box 830308	Dallas	TX	75283	Delivered	Return Receipt - Electronic	148856	10-30-2018
931486990430005221822	2018-10-26 10:02 AM	C. Fred Luthy, Jr., Registered Agent for	Pennies from Heaven, LLC	P.O. Box 830308	Dallas	TX	75283	Delivered	Return Receipt - Electronic	148856	10-30-2018
931486990430005221815	2018-10-26 10:02 AM	Tierra Royalties, LLC		2929 Allen Parkway, Suite 200	Houston	TX	77019	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221808	2018-10-26 10:02 AM	EMG Oil Properties, Inc.		1000 W. Fourth Street	Roswell	NM	88201	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221792	2018-10-26 10:02 AM	Branex Resources, Inc.		P.O. Box 2990	Ruidoso	NM	88355	Delivered	Return Receipt - Electronic	148856	11-05-2018
931486990430005221785	2018-10-26 10:02 AM	Oscura Resources Inc.		P.O. Box 2292	Roswell	NM	88202	Delivered	Return Receipt - Electronic	148856	10-30-2018
931486990430005221778	2018-10-26 10:02 AM	Deane Durham		3603 Trinity Meadows Pl.	Midland	TX	79707	Delivered	Return Receipt - Electronic	148856	11-02-2018
931486990430005221761	2018-10-26 10:02 AM	Kaleb Smith		2501 Lubbock Ave.	Fort Worth	TX	76109	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221754	2018-10-26 10:02 AM	James F. Addison, Trustee of the Jame F.	Addison Revocable Trust	15 E 5th Street, Suite 3300	Tulsa	OK	74103	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221747	2018-10-26 10:02 AM	Zunif Energy, LLC		15 E 5th Street, Suite 3300	Tulsa	OK	74103	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221730	2018-10-26 10:02 AM	David M. Cromwell		2008 Country Club Drive	Midland	TX	79701	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221723	2018-10-26 10:02 AM	H. Jason Wacker, Hillcrest Petroleum LLC		5601 Hillcrest	Midland	TX	79707	Delivered	Return Receipt - Electronic	148856	11-07-2018
931486990430005221716	2018-10-26 10:02 AM	Jesse A. Faught, Jr.		P.O. Box 52603	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221709	2018-10-26 10:02 AM	Gerard G. Vavrek		1521 2nd Ave. NO 1604	Seattle	WA	98101	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221693	2018-10-26 10:02 AM	LMC Energy		550 W Texas Ave., Suite 945	Midland	TX	79701	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221686	2018-10-26 10:02 AM	Collins & Jones Investments, LLC		508 W. Wall Street, Suite 1200	Midland	TX	79701	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221679	2018-10-26 10:02 AM	Mike Moylett		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221662	2018-10-26 10:02 AM	Mavros Minerals II LLC		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221655	2018-10-26 10:02 AM	Good News Minerals LLC		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221648	2018-10-26 10:02 AM	Oak Valley Mineral and Land LP		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221631	2018-10-26 10:02 AM	CEP Minerals LLC		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221624	2018-10-26 10:02 AM	Crown Oil Partners IV Employee Holdings, LLC		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221617	2018-10-26 10:02 AM	Crown Ventures III, LLC		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221600	2018-10-26 10:02 AM	Crown Oil Partners, LP		P.O. Box 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	148856	10-31-2018
931486990430005221594	2018-10-26 10:02 AM	Post Oak Crown IV-B, LLC		34 S. Wynden Dr., Suite 300	Houston	TX	77056	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221587	2018-10-26 10:02 AM	Post Oak Crown IV, LLC		34 S. Wynden Dr., Suite 300	Houston	TX	77056	Delivered	Return Receipt - Electronic	148856	10-29-2018
931486990430005221570	2018-10-26 10:02 AM	OXY USA Inc.		5 E Greenway Plaza #110	Houston	TX	77046	Delivered	Return Receipt - Electronic	148856	11-01-2018
931486990430005221563	2018-10-26 10:02 AM	EOG Resources, Inc.		5509 Champions Drive	Midland	TX	79706	Delivered	Return Receipt - Electronic	148856	10-30-2018

# Affidavit of Publication


STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

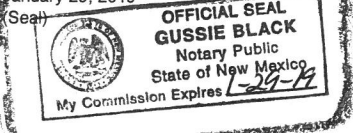
Beginning with the issue dated  
November 02, 2018  
and ending with the issue dated  
November 02, 2018.

  
Publisher

Sworn and subscribed to before me this  
2nd day of November 2018.

  
Business Manager

My commission expires  
January 29, 2019



This newspaper is duly qualified to publish  
legal notices or advertisements within the  
meaning of Section 3, Chapter 167, Laws of  
1937 and payment of fees for said

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DO  
MC  
P. (C  
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LEGAL NOTICE

LEGAL NOTICE  
NOVEMBER 2, 2018

CASE No. 20058: Notice to all affected parties, as well as the heirs and devisees of EOG RESOURCES, INC., OXY USA INC., POST OAK CROWN IV, LLC, POST OAK CROWN IV-B, LLC, CROWN OIL PARTNERS, LP, CROWN VENTURES III, LLC, CROWN OIL PARTNERS IV EMPLOYEE HOLDINGS, LLC, CEP MINERALS LLC, OAK VALLEY MINERAL AND LAND LP, GOOD NEWS MINERALS LLC, MAVROS MINERALS II LLC, MIKE MOYLETT, COLLINS & JONES INVESTMENTS, LLC, LMC ENERGY, GERALD G. VAVREK, JESSE A FAUGHT, JR., H. JASON WACKER, HILLCREST PETROLEUM LLC, DAVID M. CROMWELL, ZUNIS ENERGY LLC, JAMES F. ADELSON, TRUSTEE OF THE JAMES F. ADELSON REVOCABLE TRUST, KALEB SMITH, DEANE DURHAM, OSCURA RESOURCES INC., BRANEX RESOURCES, INC., EMG OIL PROPERTIES, INC., TIERRA ROYALTIES, LLC, C. FRED LUTHY, JR., REGISTERED AGENT FOR PENNIES FROM HEAVEN, LLC, CYRENE L. INMAN, SUCCESSOR TRUSTEE OF THE CYRENE L. INMAN TRUST, DEVON ENERGY PRODUCTION CO. LP, DEVON ENERGY OPERATING CO. LP, EOG M. RESOURCES, INC., EOG A RESOURCES, INC., EOG Y RESOURCES, INC., CHEVRON USA INC., of Marathon Oil Permian LLC's applications for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on November 15, 2018. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a Wolfcamp spacing unit; and (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the Mammoth Fed Com 26 34 1 TB 1H well. 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, and allowing a one year period between when the well is drilled and when the well is completed. Said areas are located approximately 14 miles west southwest of Jal, New Mexico.

CASE No. 20059: Notice to all affected parties, as well as the heirs and devisees of EOG RESOURCES, INC., OXY USA INC., POST OAK CROWN IV, LLC, POST OAK CROWN IV-B, LLC, CROWN OIL PARTNERS, LP, CROWN VENTURES III, LLC, CROWN OIL PARTNERS IV EMPLOYEE HOLDINGS, LLC, CEP MINERALS LLC, OAK VALLEY MINERAL AND LAND LP, GOOD NEWS MINERALS LLC, MAVROS MINERALS II LLC, MIKE MOYLETT, COLLINS & JONES INVESTMENTS, LLC, LMC ENERGY, GERALD G. VAVREK, JESSE A FAUGHT, JR., H. JASON WACKER, HILLCREST PETROLEUM LLC, DAVID M. CROMWELL, ZUNIS ENERGY LLC, JAMES F. ADELSON, TRUSTEE OF THE JAMES F. ADELSON REVOCABLE TRUST, KALEB SMITH, DEANE DURHAM, OSCURA RESOURCES INC., BRANEX RESOURCES, INC., EMG OIL PROPERTIES, INC., TIERRA ROYALTIES, LLC, C. FRED LUTHY, JR., REGISTERED AGENT FOR PENNIES FROM HEAVEN, LLC, CYRENE L. INMAN, SUCCESSOR TRUSTEE OF THE CYRENE L. INMAN TRUST, DEVON ENERGY PRODUCTION CO. LP, DEVON ENERGY OPERATING CO. LP, EOG M. RESOURCES, INC., EOG A RESOURCES, INC., EOG Y RESOURCES, INC., CHEVRON USA INC., of Marathon Oil Permian LLC's applications for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on November 15, 2018. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a Bone Spring spacing unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 W/2 of Section 1, Township 26 South, Range 34 East, and E/2 W/2 Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the Mammoth Fed Com 26 34 1 TB 10H 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, and allowing a one year period between when the well is drilled and when the well is completed. Said areas are located approximately 14 miles west southwest of Jal, New Mexico.

CASE No. 20060: Notice to all affected parties, as well as the heirs and devisees of EOG RESOURCES, INC., OXY USA INC., POST OAK CROWN IV, LLC, POST OAK CROWN IV-B, LLC, CROWN OIL PARTNERS, LP, CROWN VENTURES III, LLC, CROWN OIL PARTNERS IV EMPLOYEE HOLDINGS, LLC, CEP MINERALS LLC, OAK VALLEY MINERAL AND LAND LP, GOOD NEWS MINERALS LLC, MAVROS MINERALS II LLC, MIKE MOYLETT, COLLINS & JONES INVESTMENTS, LLC, LMC ENERGY, GERALD G. VAVREK, JESSE A FAUGHT, JR., H. JASON WACKER, HILLCREST PETROLEUM LLC, DAVID M. CROMWELL, ZUNIS ENERGY LLC, JAMES F. ADELSON, TRUSTEE OF THE JAMES F. ADELSON REVOCABLE TRUST, KALEB SMITH, DEANE DURHAM, OSCURA RESOURCES INC., BRANEX RESOURCES, INC., EMG OIL PROPERTIES, INC., TIERRA ROYALTIES, LLC, C. FRED LUTHY, JR., REGISTERED AGENT FOR PENNIES FROM HEAVEN, LLC, CYRENE L. INMAN, SUCCESSOR TRUSTEE OF THE CYRENE L. INMAN TRUST, DEVON ENERGY PRODUCTION CO. LP, DEVON ENERGY OPERATING CO. LP, EOG M. RESOURCES, INC., EOG A RESOURCES, INC., EOG Y RESOURCES, INC., CHEVRON USA INC., of Marathon Oil Permian LLC's applications for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on November 15, 2018. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a Wolfcamp spacing unit; and (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the Mammoth Fed Com 26 34 1 WXY 7H, Mammoth Fed Com 234 1 WA 2H, and Mammoth Fed Com 26 34 1 WA 11H wells. The producing area for these wells will be orthodox. 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 wells, and allowing a one year period between when the wells are drilled and when the wells are completed. Said areas are located approximately 14 miles west southwest of Jal, New Mexico.

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