

Before the Oil Conservation Division Examiner Hearing March 21, 2019

Case Number 16412

- *Atreides 7 WA Fed Com 8H*
- *Atreides 7 WXY Fed Com 5H*
- *Atreides 7 WA Fed Com 4H*
- *Atreides 7 WXY Fed Com 2H*



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

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

CASE NO. 16412

AFFIDAVIT

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

Travis Prewett, 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 unit described below, and in the wells to be drilled in the unit.

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 this case, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Atreides 7 WXY Fed 2H, Atreides 7 WA Fed 4H, Atreides 7 WXY Fed 5H, and the Atreides 7 WA Fed 8H** wells, to be horizontally drilled.

6. In Case Number 16411, Marathon sought an order from the Division pooling all uncommitted mineral interests in a Bone Spring horizontal spacing unit underlying the S/2 N/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Atreides Federal 24-27-8 TB 4H** well, to be horizontally drilled.

7. Marathon has now decided to drill four Wolfcamp wells, rather than three Wolfcamp wells and one Bone Spring well.

EXHIBIT

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tabbles

8. Marathon dismissed Case No. 16411 and is proceeding only with Case No. 16412.
9. Counsel for Marathon sent out notice letters to parties entitled to notice and included a copy of the amended application with the notice letter.
10. It is my understanding that those notice letters went out on December 20, 2018.
11. Marathon was required to rename the wells. The renamed wells are as follows:
 - Atreides 7 WA Fed Com 8H (formerly **Atreides Federal 24-27-8 WXY 8H**);
 - Atreides 7 WXY Fed Com 5H (formerly **Atreides Federal 24-27-8 WA 5H**);
 - Atreides 7 WXY Fed Com 2H (formerly **Atreides Federal 24-27-8 WXY 2H**).
 - The new Wolfcamp well is named: Atreides 7 WA Fed Com 4H.
12. A plat outlining the units being pooled is 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.
13. Exhibit A identifies the single uncommitted working interest owner, which is Matador Resources Company (Matador).
14. Marathon originally had not proposed these wells to Matador because Marathon's title report did not identify the Matador leases as still valid.
15. For that reason, Marathon originally sent proposal letters to the unleased mineral interest owners. To find those unleased mineral interest owners, I 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 (AFEs).
16. Once I became aware of Matador's interest, I communicated with Matador, including emailing Matador the well proposals and AFEs.
17. I continued to discuss with Matador whether Matador would elect to participate in the wells, but Matador has so far declined to do so.
18. In my opinion, Marathon has made a good faith effort to obtain Matador's voluntary joinder in the proposed wells.
19. There are no overriding royalty interest owners.
20. There is no ownership difference between the Wolfcamp and the Bone Spring.
21. There are no depth severances within the Wolfcamp formation.

22. Attached as **Exhibit B** are proposed C-102s for the wells. The wells will develop the Purple Sage Wolfcamp gas pool, pool code 98220, which is a gas pool.

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

24. **Exhibits C and D** are a sample proposal letter and the Authorization for Expenditure for the proposed wells. I sent revised proposal letters after Marathon amended this application to add the fourth Wolfcamp well and I emailed this proposal letter to Matador.

25. 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.

26. Marathon requests overhead and administrative rates of \$8000.00/month for drilling a well and \$800.00/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.

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

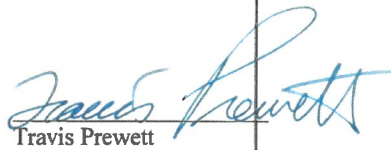
28. Marathon requests that it be designated operator of the wells.

29. Marathon requests that it be allowed a period of one (1) year between when the wells are drilled and when the first well is completed under the order.

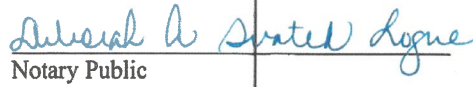
30. The attachments to this affidavit were prepared by me, or compiled from company business

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

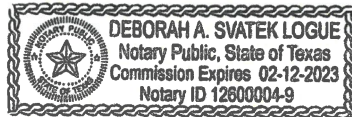
32. The granting of this application is in the interests of conservation and the prevention of waste.


Travis Prewett

SUBSCRIBED AND SWORN to before me this 19th day of March, 2019 by Travis Prewett
on behalf of Marathon Oil Permian LLC.


Notary Public

My commission expires: 02-12-2023



Lease Tract Map

Atreides 7 WA Fed Com 8H, Atreides 7 WXY Fed Com 5H, Atreides 7 WA Fed Com 4H, and the Atreides 7 WA Fed Com 2H
N2 of Sections 7 & 8, T24S-R27E, Lea County, New Mexico

- Tract 1: Federal Acreage
- Tract 2: Federal Acreage



Summary of Interests
Atreides 7 WA Fed Com 8H, Atreides 7 WXY Fed Com 5H, Atreides 7 WA Fed Com 4H, and the Atreides 7 WA Fed Com 2H
N2 of Sections 7 & 8, T24S-R27E, Lea County, New Mexico

<u>Committed Working Interest:</u> Marathon Oil Permian LLC	87.5000%	87.5%
<u>Uncommitted Working Interest:</u> Matador Resources Company	12.5%	12.5%
<u>Unleased Mineral Interest:</u>		0.00%



Deana M. Bennett

From: Nick Weeks <NWeeks@matadorresources.com>
Sent: Friday, February 1, 2019 7:01 AM
To: Prewett, Travis H. (MRO)
Subject: [External] RE: Atreides Well Proposal

Beware of links/attachments.

Travis,

To save time, I am okay on the email proposals in this case. How do you want to handle the hearing? I am circulating the proposals but don't think we will have a response back before the 2/7 hearing date. If there are other parties you are force pooling, would you prefer to drop MRC from the list of force pooled parties and proceed on the 2/7 docket or continue the hearing because of the notice issue?

Thanks,

Nicholas Weeks
Landman
Matador Resources Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
Direct: (972) 371-5481
Fax: (214) 866-4981
Email: nweeks@matadorresources.com



From: Prewett, Travis H. (MRO) [mailto:thprewett@marathonoil.com]
Sent: Thursday, January 31, 2019 3:38 PM
To: Nick Weeks <NWeeks@matadorresources.com>
Subject: Atreides Well Proposal

****EXTERNAL EMAIL****

Nick,
I am glad we spoke yesterday, our Title Opinion and Ownership Report had failed to portray Matador's CDC held the leases we had noted as expired, therefore we had not proposed these wells to you. Please see the attached letter and AFEs, if it makes no difference to you I'd prefer to save time and not mail out physical copies to you. I will follow back up with you for the JOA, wherein you have requested that the initial well be spud by March 1, 2020.

Regards,

Travis H. Prewett, CPL
Sr. Land Professional – Permian
Office: (713) 296 - 3696
Cell: (713) 305 - 0604
5555 San Felipe St., Houston, TX 77056

This transmission is strictly confidential. If you are not the intended recipient of this message, you may not disclose, print, copy or disseminate this information. If you have received this in error, please reply and notify the sender (only) and delete the message. Unauthorized interception of this e-mail is a violation of federal criminal law. This communication does not reflect an intention by the sender or the sender's client or principal to conduct a transaction or make any agreement by electronic means. Nothing contained in this message or in any attachment shall satisfy the requirements for a writing, and nothing contained herein shall constitute a contract or electronic signature under the Electronic Signatures in Global and National Commerce Act, any version of the Uniform Electronic Transactions Act or any other statute governing electronic transactions.

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 Rd., 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, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 98220	Pool Name PURPLE SAGE;WOLFCAMP (GAS)
Property Code	Property Name ATREIDES 7 WXY FED COM	Well Number 2H
OGRID No. 372098	Operator Name MARATHON OIL PERMIAN LLC	Elevation 3249'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	7	24S	27E		1384	NORTH	300	WEST	EDDY

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
H	8	24S	27E		2310	NORTH	100	EAST	EDDY

Dedicated Acres 640.00	Joint or Infill	Consolidated Code	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.

				OPERATOR CERTIFICATION <i>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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature _____ Date _____ Print Name _____ E-mail Address _____	
SURVEYORS CERTIFICATION <i>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.</i> December 4, 2018 Date of Survey _____ Signature and Seal of Professional Surveyor:					
JCS No.: WTC52915 Draft: M.P. JAMES E. TOMPKINS 14729 Certificate Number _____					

EXHIBIT

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

Form C-102
Revised August 1, 2011
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 98220	Pool Name PURPLE SAGE;WOLFCAMP (GAS)
Property Code	Property Name ATREIDES 7 WXY FED COM	Well Number 5H
OGRID No. 372098	Operator Name MARATHON OIL PERMIAN LLC	Elevation 3249'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	7	24S	27E		1324	NORTH	300	WEST	EDDY

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
H	8	24S	27E		990	NORTH	100	EAST	EDDY

Dedicated Acres 640.00	Joint or Infill	Consolidated Code	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>FWTP/KOP: 990' FNL 100' FWL</p> <p>SHL 1324'</p>				<p>NE CORNER NMSP-E (NAD 83) N.(Y): = 450775.4' E.(X): = 570845.6' LAT.: = 32.2390583° N LON.: = 104.2377778° W</p> <p>NE/NW CORNER NMSP-E (NAD 83) N.(Y): = 450745.7' E.(X): = 570072.8' LAT.: = 32.2391667° N LON.: = 104.2208333° W</p> <p>NE CORNER NMSP-E (NAD 83) N.(Y): = 450775.4' E.(X): = 581299.7' LAT.: = 32.2391914° N LON.: = 104.2040814° W</p>				<p>OPERATOR CERTIFICATION 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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>			
<p>SW CORNER NMSP-E (NAD 83) N.(Y): = 445415.0' E.(X): = 570824.5' LAT.: = 32.2244861° N LON.: = 104.2380556° W</p> <p>SE/SW CORNER NMSP-E (NAD 83) N.(Y): = 445425.2' E.(X): = 570065.3' LAT.: = 32.2245000° N LON.: = 104.2211111° W</p> <p>SE CORNER NMSP-E (NAD 83) N.(Y): = 445426.7' E.(X): = 581312.0' LAT.: = 32.2244883° N LON.: = 104.2040624° W</p>				<p>Signature _____ Date _____</p> <p>Print Name _____</p> <p>E-mail Address _____</p>							
<p>SHL: 1324' FNL, 300' FWL NAD 83, NMSP-E, N.(Y): = 449393.4', E.(X): = 571135.8' LAT.: = 32.2354219° N, LON.: = 104.2369599° W NAD 27, NMSP-E, N.(Y): = 449335.4', E.(X): = 529953.1' LAT.: = 32.2353029° N, LON.: = 104.2364605° W</p> <p>FWTP/KOP: 990' FNL, 100' FWL NAD 83, NMSP-E, N.(Y): = 449726.3', E.(X): = 570938.1' LAT.: = 32.2363373° N, LON.: = 104.2375976° W NAD 27, NMSP-E, N.(Y): = 449668.2', E.(X): = 529755.7' LAT.: = 32.2362184° N, LON.: = 104.2370982° W</p>				<p>SURVEYORS CERTIFICATION 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>December 4, 2018 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: _____</p>							
<p>SW CORNER NMSP-E (NAD 83) N.(Y): = 445415.0' E.(X): = 570824.5' LAT.: = 32.2244861° N LON.: = 104.2380556° W</p> <p>SE/SW CORNER NMSP-E (NAD 83) N.(Y): = 445425.2' E.(X): = 570065.3' LAT.: = 32.2245000° N LON.: = 104.2211111° W</p> <p>SE CORNER NMSP-E (NAD 83) N.(Y): = 445426.7' E.(X): = 581312.0' LAT.: = 32.2244883° N LON.: = 104.2040624° W</p>				<p>James E. Tompkins 14729 REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO</p> <p>PRELIMINARY</p> <p>Job No.: WTC52915 Draft: M.P. JAMES E. TOMPKINS 14729 Certificate Number</p>							

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Form C-102
Revised August 1, 2011
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 98220	Pool Name PURPLE SAGE;WOLFCAMP (GAS)
Property Code	Property Name ATREIDES 7 WA FED COM		Well Number 8H
OGRID No. 372098	Operator Name MARATHON OIL PERMIAN LLC		Elevation 3249'

Surface Location

UL or lot no. D	Section 7	Township 24S	Range 27E	Lot Idn	Feet from the 1300	North/South line NORTH	Feet from the 300	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot no. A	Section 8	Township 24S	Range 27E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 100	East/West line EAST	County EDDY
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Dedicated Acres 640.00	Joint or Infill	Consolidated Code	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>NW CORNER NMSP-E (NAD 83) N.(Y): = 450715.8' E.(X): = 570845.6' LAT.: = 32.2390583° N LON.: = 104.2377778° W NMSP-E (NAD 27) N.(Y): = 450857.7' E.(X): = 529663.2' LAT.: = 32.2389386° N LON.: = 104.2373943° W</p>				<p>NE/NW CORNER NMSP-E (NAD 83) N.(Y): = 450745.7' E.(X): = 576072.8' LAT.: = 32.2391667° N LON.: = 104.2208333° W NMSP-E (NAD 27) N.(Y): = 450887.5' E.(X): = 534890.3' LAT.: = 32.2390067° N LON.: = 104.2204883° W</p>				<p>NE CORNER NMSP-E (NAD 83) N.(Y): = 450775.4' E.(X): = 581299.7' LAT.: = 32.2391914° N LON.: = 104.2040814° W NMSP-E (NAD 27) N.(Y): = 450717.2' E.(X): = 540117.1' LAT.: = 32.2390720° N LON.: = 104.2035833° W</p>			
<p>FTP/KOP: 330' FNL, 100' FWL NAD 83, NMSP-E, N.(Y): = 450388.3', E.(X): = 570943.1' LAT.: = 32.2381516° N, LON.: = 104.2375793° W NAD 27, NMSP-E, N.(Y): = 450328.3', E.(X): = 529760.7' LAT.: = 32.2380326° N, LON.: = 104.2370799° W</p>				<p>LTP/BHL: 330' FNL, 100' FEL NAD 83, NMSP-E, N.(Y): = 450443.5', E.(X): = 581195.7' LAT.: = 32.2382794° N, LON.: = 104.2044192° W NAD 27, NMSP-E, N.(Y): = 450385.3', E.(X): = 540013.1' LAT.: = 32.2381600° N, LON.: = 104.2039211° W</p>				<p>LTP/BHL: 330' FNL, 100' FEL</p>			
<p>SHL: 1294' FSL, 300' FWL NAD 83, NMSP-E, N.(Y): = 449423.5', E.(X): = 571135.8' LAT.: = 32.2355044° N, LON.: = 104.2369588° W NAD 27, NMSP-E, N.(Y): = 449365.4', E.(X): = 529953.4' LAT.: = 32.2353855° N, LON.: = 104.2364595° W</p>											
<p>SW CORNER NMSP-E (NAD 83) N.(Y): = 445415.0' E.(X): = 570824.5' LAT.: = 32.2244861° N LON.: = 104.2380556° W NMSP-E (NAD 27) N.(Y): = 445357.0' E.(X): = 529642.0' LAT.: = 32.2243672° N LON.: = 104.2374781° W</p>				<p>SE/SW CORNER NMSP-E (NAD 83) N.(Y): = 445425.2' E.(X): = 576065.3' LAT.: = 32.2245000° N LON.: = 104.2211111° W NMSP-E (NAD 27) N.(Y): = 445367.2' E.(X): = 534882.7' LAT.: = 32.2243812° N LON.: = 104.2205310° W</p>				<p>SE CORNER NMSP-E (NAD 83) N.(Y): = 445426.7' E.(X): = 581312.0' LAT.: = 32.2244883° N LON.: = 104.2040624° W NMSP-E (NAD 27) N.(Y): = 445368.6' E.(X): = 540129.4' LAT.: = 32.2243688° N LON.: = 104.2035646° W</p>			

OPERATOR CERTIFICATION
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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.


Signature _____ Date _____

Print Name _____

E-mail Address _____

SURVEYORS CERTIFICATION
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.

December 4, 2018
Date of Survey

Signature and Seal of Professional Surveyor: 

PRELIMINARY

Job No.: WTC52915 Draft: M.P.
JAMES E. TOMPKINS 14729
Certificate Number _____

Travis Prewett
Senior Land Professional
THPrewett@marathonoil.com



Marathon Oil Permian, LLC
5555 San Felipe St.
Houston, Texas 77056
Telephone: (713) 296 - 3696

November 29, 2018

VIA CERTIFIED RETURN RECEIPT MAIL

Foundation Minerals, LLC
P.O. Box 50820
Midland, TX 79710

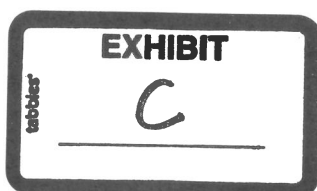
Re: REVISED Atreides 7 Fed 2H, 4H, 5H and 8H Well Proposals
N/2 of Section 7 & 8, 24S-27E
Eddy County, New Mexico

Dear Working Interest Owner:

Marathon Oil Permian LLC ("MRO") proposes the drilling of the following four (4) wells being planned to produce from the NW of Section 7, T24S-R27E, Eddy County, New Mexico.

- Atreides 7 WA Fed 8H with a proposed First Take Point of ~330' FWL and ~330' FNL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~330' FNL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~8,871' TVD) with an estimated treated lateral length of 9,817'. The total estimated drilling and completion cost is \$10,115,587.00 as shown in the attached AFE.
- Atreides 7 WXY Fed 5H with a proposed First Take Point of ~330' FWL and ~990' FNL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~990' FNL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~9,006' TVD) with an estimated treated lateral length of 9,820'. The total estimated drilling and completion cost is \$10,115,587.00 as shown in the attached AFE.
- Atreides 7 WA Fed 4H with a proposed First Take Point of ~330' FWL and ~1,640' FNL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~1,640' FNL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~8,728' TVD) with an estimated treated lateral length of 9,822'. The total estimated drilling and completion cost is \$10,115,587.00 as shown in the attached AFE.
- Atreides 7 WXY Fed 2H with a proposed First Take Point of ~330' FWL and ~2,310' FNL of Section 7, T24S-R27E and a proposed bottom hole location of ~330' FEL and ~2,310' FNL of Section 8, T24S-R27E. The well will have a targeted interval located in the Wolfcamp Formation (~8,871' TVD) with an estimated treated lateral length of 9,825'. The total estimated drilling and completion cost is \$10,115,587.00 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 if you are interested in participating, 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
- \$8,000/\$800 drilling and producing rates
- Contract area of Section 7 & 8, T24S-R27E, Eddy County, New Mexico, covering all depths.

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-five (35) 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:

- 3 year lease term
- \$2000 bonus consideration per net mineral acre
- Delivering a 80% NRI, proportionately reduced

This term assignment offer terminates February 1, 2019 and is subject to due diligence and title verification satisfactory to Marathon.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Travis Prewett", with a long horizontal flourish extending to the right.

Travis Prewett
Marathon Oil Company
Land Professional – Permian Asset

<<< WELL ELECTIONS FOLLOW >>>

Drilling and Completing in N/2 of Section 7 and 8, T24S-R27E, Eddy County, New Mexico.

Initial Elections Below

Atreides 7 WA Fed 8H

_____ 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.

Atreides 7 WXY Fed 5H

_____ 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.

Atreides 7 WA Fed 4H

_____ 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.

Atreides 7 WXY Fed 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.

Foundation Minerals, LLC

By: _____

Print Name: _____

Title: _____

Date: _____

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

DATE 11/27/2018
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY SCOTT KING
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team	PERMIAN			
Field	PURPLE SAGE	FORMATION: WOLFCAMP XY	WILDCAT	EXPLORATION
Lease/Facility	ATREIDES 7 WXY FED 2H		DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY		X EXPLOITATION	WORKOVER
Prospect	MALAGA			

Est Total Depth	18,994	Est Drilling Days	22.7	Est Completion Days	11
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	39,750
TOTAL LOCATION COST - INTANGIBLE		77,250

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	126,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		590,000

DRILLING COST - INTANGIBLE

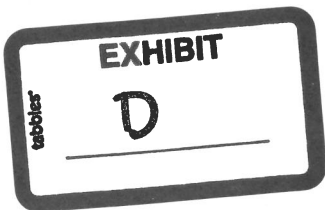
7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	590,850
7019040	Directional Drilling Services	201,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	60,000
7019140	Mud Fluids & Services	66,600
7012310	Solids Control equipment	41,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	70,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	19,000
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
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	21,363
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	90,900
7018150	Rig Equipment and Misc.	11,363
7001110	Telecommunications Services	5,000
7001120	Consulting Services	106,808
7001400	Safety and Environmental	36,360
7018120	Rental Buildings (trailers)	18,180
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	171,985
TOTAL DRILLING - INTANGIBLE		\$2,038,907

TOTAL DRILLING COST

\$2,628,907

COMPLETION - TANGIBLE

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



Asset Team PERMIAN
Field FORMATION: WOLFCAMP.XY
Lease/Facility ATREIDES 7 WXY FED 2H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
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)	360,000
7019320	Fracturing Services	3,750,000
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	285,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
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	60,000
7001110	Telecommunications Services	120,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	250,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	160,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	431,200
TOTAL COMPLETION - INTANGIBLE		\$6,391,200

TOTAL COMPLETION COST \$6,406,200

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	85,795
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	74,150
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	27,950
7012270	Miscellaneous Materials (containment system)	43,230
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	29,115
7012290	Metering and Instrumentation	237,080
7012290	I&E Materials	-
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	67,350
7012500	Tanks	193,450
7012100	Heater Treater	17,560
7012640	Flare & Accessories	11,645
7000010	Electrical Labor	29,115
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,290
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$839,730

TOTAL SURFACE EQUIPMENT COST \$ 839,730

ARTIFICIAL LIFT

7012580	Tubing	50,000
7012040	Tubing Accessories (nipple, wireline entry)	5,000
7012550	Wellhead Equip	5,000
7012560	Packers - Completion Equipment	5,000
7006640	Company Labor	6,000
7012180	Gas Lift Equipment	23,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	42,500
7012270	Materials & Supplies-Tangible	25,000
7012550	Surface Wellhead Equipment	3,000
7012390	Pig Launchers/Receivers & Rel Equip	-
7011010	Contingency & Taxes	5,000
TOTAL ARTIFICIAL LIFT		169,500

TOTAL ARTIFICIAL LIFT COST \$ 169,500

SUMMARY OF ESTIMATED DRILLING WELL COSTS

	TOTAL COST
TOTAL LOCATION COST	\$ 71,250
TOTAL DRILLING COST	\$ 2,628,907
TOTAL COMPLETIONS COST	\$ 6,406,200
TOTAL SURFACE EQUIPMENT COST	\$ 839,730
TOTAL ARTIFICIAL LIFT COST	\$ 169,500
GRAND TOTAL COST	\$10,115,587

Participant's Approval

Name of
Company: _____
Signature: _____
Title: _____ Date: _____

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

DATE 11/27/2018
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY SCOTT KING
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team	PERMIAN			
Field	PURPLE SAGE	FORMATION: WOLFCAMP A	WILDCAT	EXPLORATION
Lease/Facility	ATREIDES 7 WA FED 4H		DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY		X EXPLOITATION	WORKOVER
Prospect	MALAGA			

Est Total Depth	<u>18,805</u>	Est Drilling Days	<u>22.7</u>	Est Completion Days	<u>11</u>
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		71,250

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	126,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		590,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	590,850
7019040	Directional Drilling Services	201,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	60,000
7019140	Mud Fluids & Services	66,600
7012310	Solids Control equipment	41,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	70,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging+geosteering	19,000
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
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	21,363
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	90,900
7018150	Rig Equipment and Misc.	11,363
7001110	Telecommunications Services	5,000
7001120	Consulting Services	106,808
7001400	Safety and Environmental	36,360
7018120	Rental Buildings (trailers)	18,180
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	171,985
TOTAL DRILLING - INTANGIBLE		\$2,038,907

TOTAL DRILLING COST

\$2,628,907

COMPLETION - TANGIBLE

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

Asset Team PERMIAN
Field FORMATION: WOLFCAMP A
Lease/Facility ATREIDES 7 WA FED 4H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
7019240	Snubbing Services	-
7019270	Pulling/Swab Units	-
7016350	Fuel (from drig)	-
7019010	Casing Crew and Services	-
7019020	Cement and Cementing Services	-
7019080	Well Testing Services (flow hand & equip)	360,000
7019320	Fracturing Services	3,750,000
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	285,000
7016180	Freight - Truck (haul pipe; drig & compl)	20,000
7018150	BOP Rental & Testing	-
7018150	Rental Tools and Equipment (incl drig; lightplant,hydra-walk)	-
7018150	CT Downhole Rental Equipment (ie. Bit, BHA)	-
7000030	Contract Labor - general	60,000
7001110	Telecommunications Services	120,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	250,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	160,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	431,200
TOTAL COMPLETION - INTANGIBLE		\$6,391,200

TOTAL COMPLETION COST \$6,406,200

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	85,795
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	74,150
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	27,950
7012270	Miscellaneous Materials (containment system)	43,230
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	29,115
7012290	Metering and Instrumentation	237,080
7012290	I&E Materials	-
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	67,350
7012500	Tanks	193,450
7012100	Heater Treater	17,560
7012640	Flare & Accessories	11,645
7000010	Electrical Labor	29,115
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,290
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$839,730

TOTAL SURFACE EQUIPMENT COST \$ 839,730

ARTIFICIAL LIFT

7012580	Tubing	50,000
7012040	Tubing Accessories (nipple, wireline entry)	5,000
7012550	Wellhead Equip	5,000
7012560	Packers - Completion Equipment	5,000
7006640	Company Labor	6,000
7012180	Gas Lift Equipment	23,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	42,500
7012270	Materials & Supplies-Tangible	25,000
7012550	Surface Wellhead Equipment	3,000
7012390	Pig Launchers/Receivers & Rel Equip	-
7011010	Contingency & Taxes	5,000
TOTAL ARTIFICIAL LIFT		169,500

TOTAL ARTIFICIAL LIFT COST \$ 169,500

SUMMARY OF ESTIMATED DRILLING WELL COSTS

	TOTAL COST
TOTAL LOCATION COST	\$ 71,250
TOTAL DRILLING COST	\$ 2,628,907
TOTAL COMPLETIONS COST	\$ 6,406,200
TOTAL SURFACE EQUIPMENT COST	\$ 839,730
TOTAL ARTIFICIAL LIFT COST	\$ 169,500
GRAND TOTAL COST	\$10,115,587

Participant's Approval

Name of
Company: _____
Signature: _____
Title: _____ Date: _____

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

DATE 11/27/2018
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY SCOTT KING
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team	PERMIAN			
Field	PURPLE SAGE	FORMATION: WOLFCAMP XY	WILDCAT	EXPLORATION
Lease/Facility	ATREIDES 7 WXY FED SH		DEVELOPMENT	RECOMPLETION
Location	EDDY COUNTY		X EXPLOITATION	WORKOVER
Prospect	MALAGA			

Est Total Depth	19,082	Est Drilling Days	22.7	Est Completion Days	11
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		71,250

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	126,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		590,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	590,850
7019040	Directional Drilling Services	201,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	60,000
7019140	Mud Fluids & Services	66,600
7012310	Solids Control equipment	41,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	70,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging/geosteering	19,000
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
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	21,363
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	90,900
7018150	Rig Equipment and Misc.	11,363
7001110	Telecommunications Services	5,000
7001120	Consulting Services	106,808
7001400	Safety and Environmental	36,360
7018120	Rental Buildings (trailers)	18,180
7019310	Coring (sidewalks & analysis)	-
7011010	7% Contingency & Taxes	171,985
TOTAL DRILLING - INTANGIBLE		\$2,038,907

TOTAL DRILLING COST	\$2,628,907
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COMPLETION - TANGIBLE

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

Asset Team PERMIAN
Field FORMATION: WOLFCAMP XY
Lease/Facility ATREIDES 7 WKY FED 5H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig Durling Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
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)	360,000
7019320	Fracturing Services	3,750,000
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	285,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
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	60,000
7001110	Telecommunications Services	120,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	250,000
7019300	Frack Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	160,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	431,200
TOTAL COMPLETION - INTANGIBLE		\$6,391,200
TOTAL COMPLETION COST		\$6,406,200

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	85,795
7006640	Company Labor & Burden	-
7000030	Contract Labor - General	74,150
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	27,950
7012270	Miscellaneous Materials (containment system)	43,230
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	29,115
7012290	Metering and Instrumentation	237,080
7012290	I&E Materials	-
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	67,350
7012500	Tanks	193,450
7012100	Heater Treater	17,560
7012640	Flare & Accessories	11,645
7000010	Electrical Labor	29,115
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumeling Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,290
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$839,730
TOTAL SURFACE EQUIPMENT COST		\$ 839,730

ARTIFICIAL LIFT

7012580	Tubing	50,000
7012040	Tubing Accessories (nipple, wireline entry)	5,000
7012550	Wellhead Equip	5,000
7012560	Packers - Completion Equipment	5,000
7006640	Company Labor	6,000
7012180	Gas Lift Equipment	23,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	42,500
7012270	Materials & Supplies-Tangible	25,000
7012550	Surface Wellhead Equipment	3,000
7012390	Pig Launchers/Receivers & Rel Equip	-
7011010	Contingency & Taxes	5,000
TOTAL ARTIFICIAL LIFT		169,500
TOTAL ARTIFICIAL LIFT COST		\$ 169,500

SUMMARY OF ESTIMATED DRILLING WELL COSTS

	TOTAL COST
TOTAL LOCATION COST	\$ 71,250
TOTAL DRILLING COST	\$ 2,628,907
TOTAL COMPLETIONS COST	\$ 6,406,200
TOTAL SURFACE EQUIPMENT COST	\$ 839,730
TOTAL ARTIFICIAL LIFT COST	\$ 169,500
GRAND TOTAL COST	\$10,115,587

Participant's Approval

Name of
Company: _____
Signature: _____
Title: _____ Date: _____

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

DATE 11/27/2018
DRILLING & LOCATION PREPARED BY MATTHEW RUGAARD
COMPLETION PREPARED BY JOSH SHANNON
FACILITIES PREPARED BY SCOTT KING
ARTIFICIAL LIFT PREPARED BY BILLY MOORE

Asset Team	PERMIAN				
Field	PURPLE SAGE	FORMATION: WOLFCAMP A	WILDCAT	EXPLORATION	
Lease/Facility	ATREIDES 7 WA FED BH		DEVELOPMENT	RECOMPLETION	
Location	EDDY COUNTY		X EXPLOITATION	WORKOVER	
Prospect	MALAGA				

Est Total Depth	18,991	Est Drilling Days	22.7	Est Completion Days	11
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LOCATION COST - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access	37,500
7001250	Land Broker Fees and Services	33,750
TOTAL LOCATION COST - INTANGIBLE		71,250

DRILLING COST - TANGIBLE

7012050	Conductor Pipe	28,000
7012050	Surface Casing	16,000
7012050	Intermediate Casing 1	55,000
7012050	Intermediate Casing 2	231,000
7012050	Production Casing	126,000
7012050	Drig Liner Hanger, Tieback Eq & Csg Accessories	55,000
7012550	Drilling Wellhead Equipment	50,000
7012040	Casing & Tubing Access	24,000
7012270	Miscellaneous MRO Materials	5,000
TOTAL DRILLING - TANGIBLE		590,000

DRILLING COST - INTANGIBLE

7019200	Drilling Rig Mob/Demob	32,500
7019220	Drilling Rig - day work/footage	590,850
7019040	Directional Drilling Services	201,000
7019020	Cement and Cementing Service Surface	15,000
7019020	Cement and Cementing Service Intermediate 1	25,000
7019020	Cement and Cementing Service Intermediate 2	40,000
7019020	Cement and Cementing Service Production	60,000
7019140	Mud Fluids & Services	66,600
7012310	Solids Control equipment	41,000
7012020	Bits	70,000
7019010	Casing Crew and Services	30,000
7016350	Fuel (Rig)	70,000
7019140	Fuel (Mud)	18,000
7001460	Water (non potable)	25,000
7012350	Water (potable)	5,000
7019000	Well Logging Services	-
7019150	Mud Logging/geosteering	19,000
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
7001160	Contract Services - Disposal/Non-Hazardous Waste	80,000
7001440	Vacuum Trucks	10,000
7000030	Contract Labor - general	30,000
7000030	Contract Labor - Operations	3,000
7001200	Contract Services - Facilities	10,000
7019300	Well Services - Well Control Services	21,363
7019350	Well Services - Well/Wellhead Services	10,000
7018150	Rental Tools and Equipment (surface rentals)	90,900
7018150	Rig Equipment and Misc.	11,363
7001110	Telecommunications Services	5,000
7001120	Consulting Services	106,808
7001400	Safety and Environmental	36,360
7018120	Rental Buildings (trailers)	18,180
7019310	Coring (sidewalls & analysis)	-
7011010	7% Contingency & Taxes	171,985
TOTAL DRILLING - INTANGIBLE		\$2,038,907

TOTAL DRILLING COST

\$2,628,907

COMPLETION - TANGIBLE

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

Asset Team PERMIAN
Field FORMATION: WOLFCAMP A
Lease/Facility ATREIDES 7 WA FED 8H

COMPLETION - INTANGIBLE

GL CODE	DESCRIPTION	ESTIMATED COST
7001270	Location and Access (dress location after rig move, set anchors)	10,000
7019220	Drilling Rig During Completion	-
7019140	Mud Fluids & Services	-
7019030	Coiled Tubing Services (3 runs)	350,000
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)	360,000
7019320	Fracturing Services	3,750,000
7019330	Perforating	300,000
7019360	Wireline Services	15,000
7001460	Water Hauling & Disposal (frac fluids)	285,000
7016180	Freight - Truck (haul pipe; drlg & compl)	20,000
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	60,000
7001110	Telecommunications Services	120,000
7001400	Safety and Environmental	-
7001120	Consulting Services	100,000
7018150	Zipper Manifold	250,000
7019300	Frac Stack Rentals	85,000
7016190	Freight (Transportation Services)	-
7018150	Equipment Rental (w/o operator, frac tanks, lightplants)	160,000
7018120	Rental Buildings (trailers)	35,000
7000030	Contract Labor - Pumping (pump-down pumps)	60,000
7011010	8% Contingency & Taxes	431,200
TOTAL COMPLETION - INTANGIBLE		\$5,391,200

TOTAL COMPLETION COST \$6,406,200

SURFACE EQUIPMENT - TANGIBLE

7012350	Misc. Piping, Fittings & Valves	85,795
7005640	Company Labor & Burden	-
7000030	Contract Labor - General	74,150
7001110	Telecommunication equip (Telemetry)	-
7012410	Line Pipe & Accessories	27,950
7012270	Miscellaneous Materials (containment system)	43,230
7008060	SCADA	-
7016180	Freight - truck	-
7001190	Contract Engineering	29,115
7012290	Metering and Instrumentation	237,080
7012290	I&E Materials	-
7012200	Gas Treating	-
7012200	Dehydration	-
7012010	Compressor	-
7012350	Power	-
7012610	Vapor Recovery Unit	-
7012440	Separator & other pressure vessels	67,350
7012500	Tanks	193,450
7012100	Heater Treater	17,560
7012640	Flare & Accessories	11,645
7000010	Electrical Labor	29,115
7000010	Mechanical Labor	-
7012480	Rod Pumping unit & Pad	-
7012180	Pumping Unit Engine	-
7012350	Electrical Power (electrical cooperative construction costs)	23,290
TOTAL SURFACE EQUIPMENT - TANGIBLE		\$839,730

TOTAL SURFACE EQUIPMENT COST \$ 839,730

ARTIFICIAL LIFT

7012580	Tubing	50,000
7012040	Tubing Accessories (nipple, wireline entry)	5,000
7012550	Wellhead Equip	5,000
7012560	Packers - Completion Equipment	5,000
7006640	Company Labor	6,000
7012180	Gas Lift Equipment	23,000
7012480	Rod Pumping, Sucker Rods & Rod Pump	-
7012140	Elect Sub Pumps (ESP)	-
7019350	Well Services-Well/Wellhead Services	42,500
7012270	Materials & Supplies-Tangible	25,000
7012550	Surface Wellhead Equipment	3,000
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TOTAL ARTIFICIAL LIFT COST	\$ 169,500
GRAND TOTAL COST	\$10,115,587

Participant's Approval

Name of
Company: _____
Signature: _____
Title: _____ Date: _____

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

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

CASE NO. 16412

AFFIDAVIT

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

Matt Baker, being duly sworn, deposes and states:

1. I am over the age of 18, I am a geologist 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 geologist.

2. **Exhibit A** is a structure map of the top of Wolfcamp. The proposed project area is identified by black-dashed boxes. The proposed horizontal locations are identified by a blue line, and the proposed wells are numbered 1-4.

3. Exhibit A identifies Wolfcamp wells in the vicinity of the proposed wells, and has a line of cross-section running from A to A'.

4. Exhibit A shows that the structure dips to the east.

5. **Exhibit B** is a stratigraphic cross section hung on the top of the Wolfcamp.

6. The well logs on the cross-section give a representative sample of the Wolfcamp formation in the area. The target zone for the wells are the Wolfcamp Y Sand and Wolfcamp A,



identified by the words “Producing Zone” and the shaded area across the cross section, along with a red arrow. Those zones are relatively continuous across the well unit.

7. **Exhibit C** is a Gross Interval Isochore of the Wolfcamp to Wolfcamp B. This exhibit shows that the formation is near uniform thickness across the proposed well unit.

8. 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.

9. The preferred well orientation in this area is either north-south or east-west.

Regional present-day stress maps suggest SH_{max} is roughly northeast-southwest (or 45° from true north) in this area. Both well orientations should produce similar results.

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

Matt Baker
Matt Baker

SUBSCRIBED AND SWORN to before me this 19th day of March, 2019 by Matt Baker,
on behalf of Marathon Oil Permian LLC.

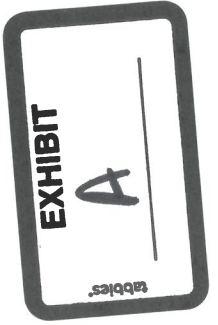
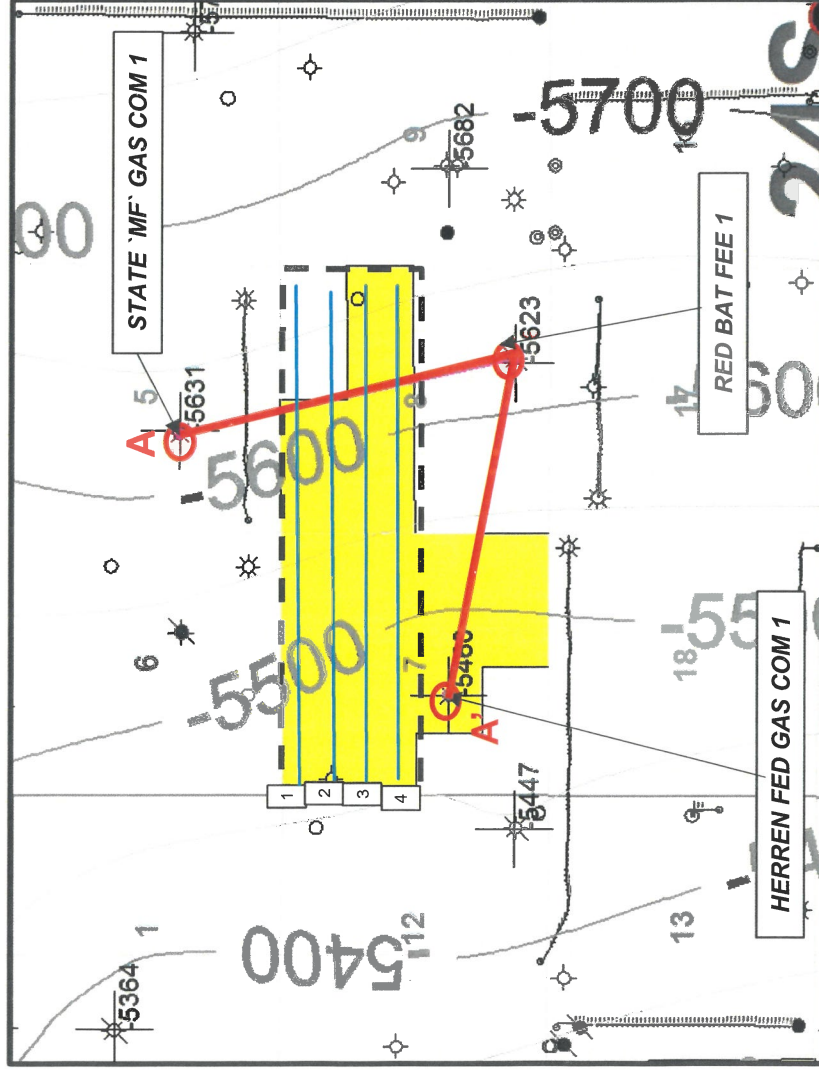
Cindy Daniels
Notary Public

My commission expires: 4/26/22



Atreides Fed Com WA 8H, WXY 5H, WA 4H and WXY 2H

Structure Map – Top of Wolfcamp (SSTVD)



Atreides Fed Com WA 8H, WXY 5H, WA 4H and WXY 2H

Stratigraphic Cross Section (Top Wolfcamp Datum)

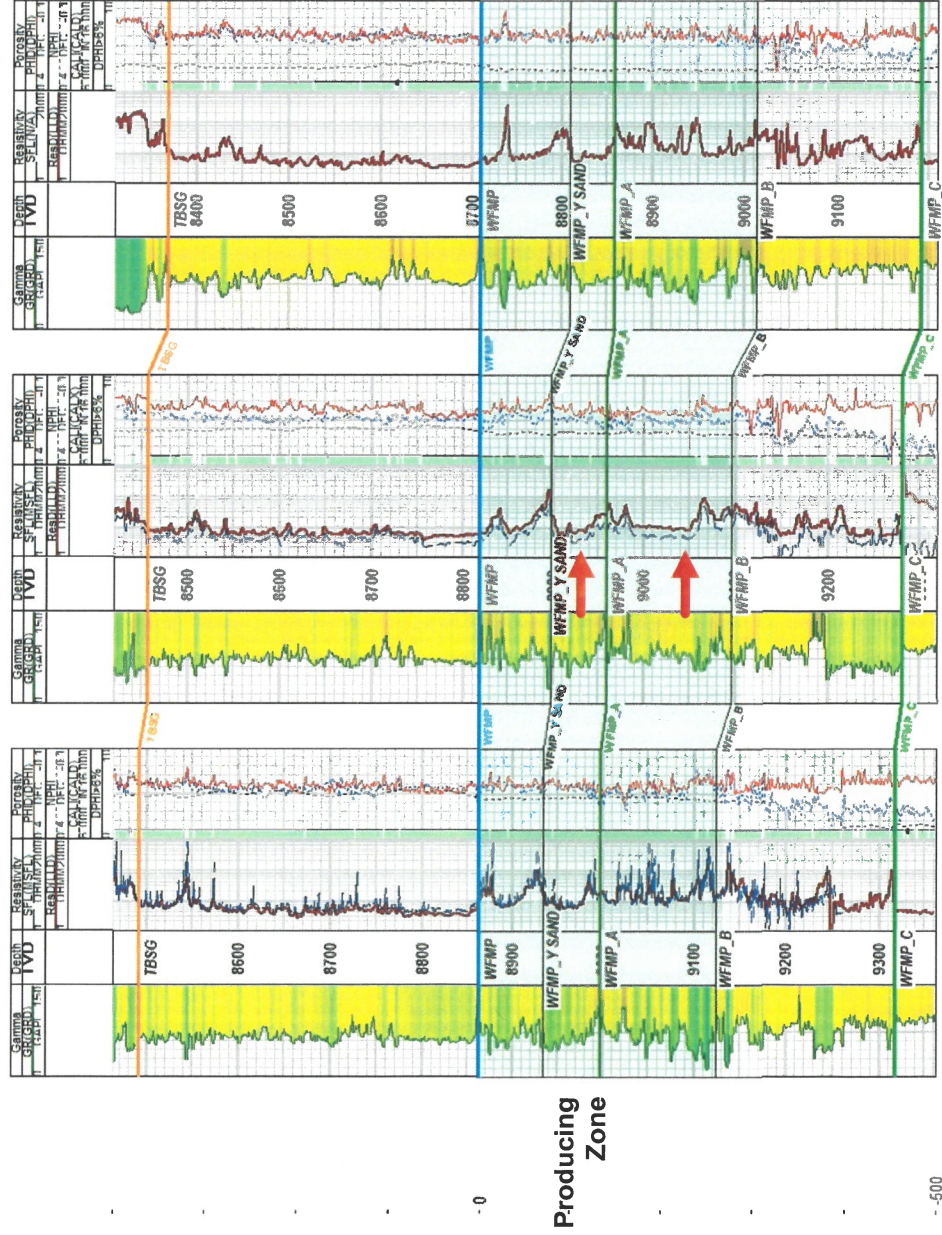
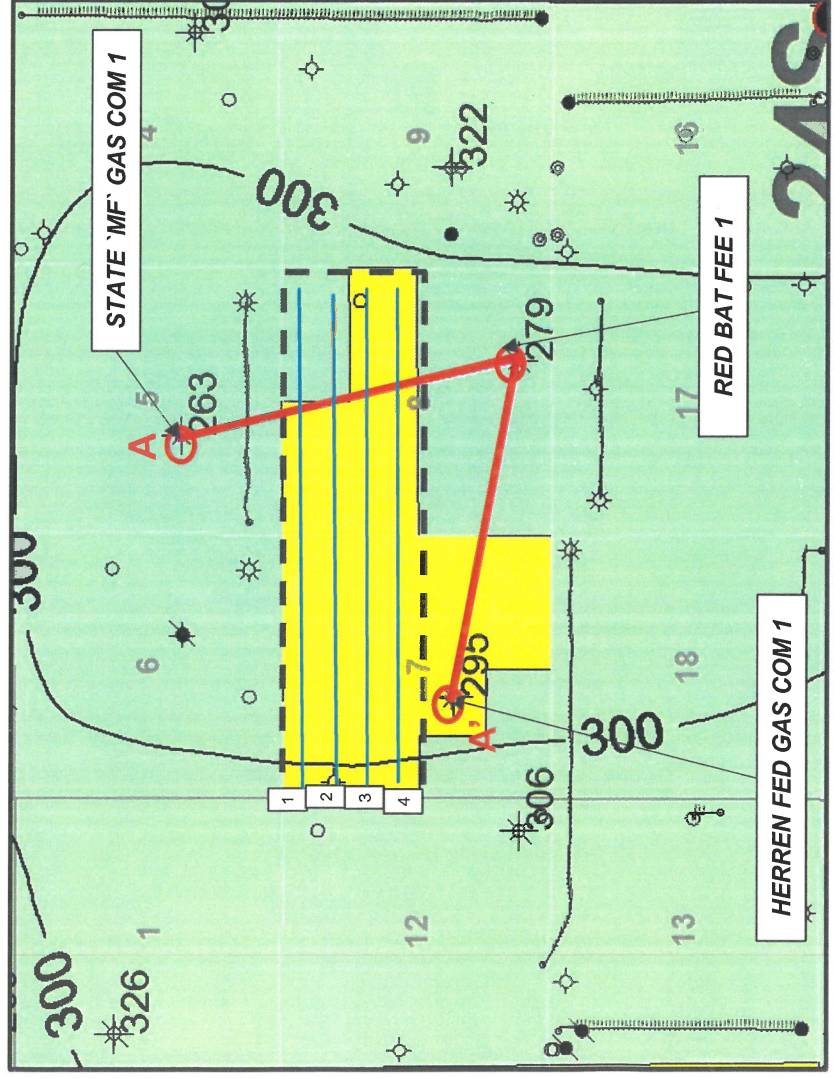


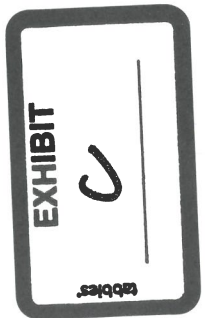
EXHIBIT
B

Atreides Fed Com WA 8H, WXY 5H, WA 4H and WXY 2H

Gross Interval Isochore – Wolfcamp to Wolfcamp B



- 1 Atreides 7 WA Fed Com 8H
- 2 Atreides 7 WXY Fed Com 5H
- 3 Atreides 7 WA Fed Com 4H
- 4 Atreides 7 WXY Fed Com 2H



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

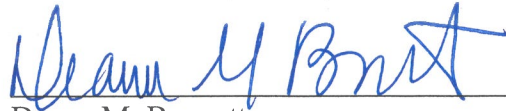
AMENDED APPLICATION OF MARATHON OIL PERMIAN LLC FOR
COMPUSLORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 16412

AFFIDAVIT

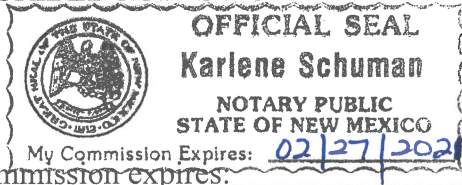
STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

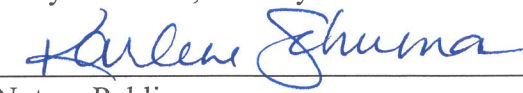
Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was sent under a notice letter and that proof of receipt is attached hereto.



Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 19th day of March, 2019 by Deana M. Bennett.





Notary Public

My commission expires: _____



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

PS Form 3877

Type of Mailing: CERTIFIED
12/20/2018

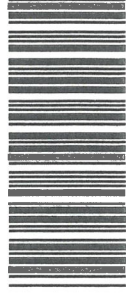
Firm Mailing Book ID: 157906

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
1	9314 8699 0430 0054 2403 33	Mewbourne Oil Company PO BOX 7698 Tyler TX 75711	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
2	9314 8699 0430 0054 2403 40	Bureau of Land Management 620 E Greene St. Carlsbad NM 88220	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
3	9314 8699 0430 0054 2403 57	Foundation Minerals, LLC, Mavros Minerals, LLC & Oak Valley Mineral and Land, LP PO BOX 50820 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
4	9314 8699 0430 0054 2403 64	COG Operating, LLC 2208 W Main St. Artesia NM 88210	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
5	9314 8699 0430 0054 2403 71	Concho Oil and Gas 600 W. Illinois Avenue Midland TX 79701	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
6	9314 8699 0430 0054 2403 88	Devon Energy 333 West Sheridan Ave. Oklahoma City OK 73102	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
7	9314 8699 0430 0054 2403 95	Edgar D. Smith 5353 David Ct. Apt A Gurnee IL 60031	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
8	9314 8699 0430 0054 2404 01	Alisa Ogden P.O. Box 94 Loving NM 88256	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
9	9314 8699 0430 0054 2404 18	James E. Reed c/o Jodie R. Darden, et al. 901 Madison San Angelo TX 76901	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
10	9314 8699 0430 0054 2404 25	Patricia A. Magby 3PO Box 157 Carlsbad NM 88221	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
11	9314 8699 0430 0054 2404 32	Russell L. Smith 3410 NW 9th Terrace Cape Coral FL 33993	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
12	9314 8699 0430 0054 2404 49	Ross Duncan Properties LLC P.O. Box 647 Artesia NM 88211	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
13	9314 8699 0430 0054 2404 56	Bentling Revocable Trust u/a/d 8-8-2003 by Susan Ogden Bentling, Trustee 1900 Richard Jones Rd #P-3 Nashville TN 37215	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
14	9314 8699 0430 0054 2404 63	Smith Family Trust by Harlen & Elizabeth F. Smith P.O. Box 333 Socorro NM 87801	\$1.42	\$3.45	\$1.50	81363-0175	\$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
12/20/2018



Firm Mailing Book ID: 157906

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
15	9314 8699 0430 0054 2404 70	Earl Ray (dec'd) & Mary Lynn Forehand 112 East Cherry Lane Carlsbad NM 88220	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
16	9314 8699 0430 0054 2404 87	Ann Forehand Langlinais 1303 N. Canal #15 Carlsbad NM 88220	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
17	9314 8699 0430 0054 2404 94	Karen Ogden Cortese Rt. 1, Box 136 Sumner NM 88119	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
18	9314 8699 0430 0054 2405 00	JL Wall Family Living Trust 1725 CR 11 Clovis NM 88101	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
19	9314 8699 0430 0054 2405 17	Craig William Ogden 159 Ogden Rd Loving NM 88256	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
20	9314 8699 0430 0054 2405 24	Escondido Oil & Gas P.O. Box 51390 Midland TX 79710	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
21	9314 8699 0430 0054 2405 31	Mary Ellen Paul Meece 111 Dove Ln Meadowlakes TX 78654	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
22	9314 8699 0430 0054 2405 48	Sharon Meece 5315 Musket Ridge Austin TX 78759	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
23	9314 8699 0430 0054 2405 55	James Davis & Barbara Davis 889 Black River Village Carlsbad NM 88220	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
24	9314 8699 0430 0054 2405 62	Marshall & Winston, Inc. 6 Desta Dr. #3100 Midland TX 79705	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
25	9314 8699 0430 0054 2405 79	Apache Corporation 2000 Post Oak Blvd. Suite 100 Houston TX 77056	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
26	9314 8699 0430 0054 2405 86	ConocoPhillips Company P.O. Box 2197 Houston TX 77252	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
27	9314 8699 0430 0054 2405 93	MRC Permian Company 5400 LBJ Freeway Dallas TX 75240	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
28	9314 8699 0430 0054 2406 09	Mewbourne Oil Company & Mewbourne Energy Partners 15-A, LP Box 7968 Tyler TX 75711	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
29	9314 8699 0430 0054 2406 16	EOG Resources P.O. Box 4362 Houston TX 77210	\$1.42	\$3.45	\$1.50	81363-0175	\$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
12/20/2018



Firm Mailing Book ID: 157906

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
30	9314 8699 0430 0054 2406 23	State of New Mexico P.O. Box 1148 Santa Fe NM 87504	\$1.42	\$3.45	\$1.50	81363-0175	\$0.00 Notice
Totals:			\$42.60	\$103.50	\$45.00		\$0.00
			Grand Total:				\$191.10

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:



Transaction Report Details - CertifiedPro.net

Firm Mail Book ID= 157906

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Certified Mail Article Number	Date Created	Name 1	Name 2	Address	City	State	Zip	Certified Mailing Status	Service Options	Mail Delivery Date
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9314869904300054240616	2018-12-20 2:03 PM	EOG Resources		P.O. Box 4362	Houston	TX	77210	Delivered	Return Receipt - Electronic	01-03-2019
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9314869904300054240562	2018-12-20 2:03 PM	Marshall & Winston, Inc.		6 Destia Dr. #3100	Midland	TX	79705	Delivered	Return Receipt - Electronic	12-27-2018
9314869904300054240555	2018-12-20 2:03 PM	James Davis & Barbara Davis		889 Black River Village	Carlsbad	NM	88220	Delivered	Return Receipt - Electronic	12-24-2018
9314869904300054240548	2018-12-20 2:03 PM	Sharon Meece		5315 Muskiet Ridge	Austin	TX	78759	Delivered	Return Receipt - Electronic	12-24-2018
9314869904300054240531	2018-12-20 2:03 PM	Mary Ellen Paul Meece		111 Dove Ln	Meadowlakes	TX	78654	Delivered	Return Receipt - Electronic	12-24-2018
9314869904300054240524	2018-12-20 2:03 PM	Escondido Oil & Gas		P.O. Box 51390	Midland	TX	79710	Delivered	Return Receipt - Electronic	12-24-2018
9314869904300054240517	2018-12-20 2:03 PM	Craig William Ogden		159 Ogden Rd.	Loving	NM	88256	Delivered	Return Receipt - Electronic	12-24-2018
9314869904300054240500	2018-12-20 2:03 PM	JL Wall Family Living Trust		1725 CR 11	Clovis	NM	88101	Delivered	Return Receipt - Electronic	12-24-2018
9314869904300054240494	2018-12-20 2:03 PM	Karen Ogden Cortese		Rt. 1, Box 136	Sumner	NM	88119	Delivered	Return Receipt - Electronic	01-02-2019
9314869904300054240487	2018-12-20 2:03 PM	Ann Forehand Langlais		1303 N. Canal #15	Carlsbad	NM	88220	Lost	Return Receipt - Electronic	
9314869904300054240470	2018-12-20 2:03 PM	Earl Ray (dec'd) & Mary Lynn Forehand		112 East Cherry Lane	Carlsbad	NM	88220	To be Returned	Return Receipt - Electronic	
9314869904300054240463	2018-12-20 2:03 PM	Smith Family Trust by Harlen	& Elizabeth F. Smith	P.O. Box 333	Socorro	NM	87801	Delivered	Return Receipt - Electronic	12-31-2018
9314869904300054240456	2018-12-20 2:03 PM	Bentling Revocable Trust u/a/d 8-8-2003	by Susan Ogden Bentling, Trustee	1900 Richard Jones Rd #P-3	Nashville	TN	37215	Delivered	Return Receipt - Electronic	12-29-2018
9314869904300054240449	2018-12-20 2:03 PM	Ross Duncan Properties LLC		P.O. Box 647	Artesia	NM	88211	Delivered	Return Receipt - Electronic	12-26-2018
9314869904300054240432	2018-12-20 2:03 PM	Russell L. Smith		3410 NW 9th Terrace	Cape Coral	FL	33993	To be Returned	Return Receipt - Electronic	
9314869904300054240425	2018-12-20 2:03 PM	Patricia A. Magby		3PO Box 157	Carlsbad	NM	88221	Delivered	Return Receipt - Electronic	12-27-2018
9314869904300054240418	2018-12-20 2:03 PM	James E. Reed	c/o Jodie R. Darden, et al.	901 Madison	San Angelo	TX	76901	To be Returned	Return Receipt - Electronic	
9314869904300054240401	2018-12-20 2:03 PM	Alisa Ogden		P.O. Box 94	Loving	NM	88256	Delivered	Return Receipt - Electronic	12-28-2018
9314869904300054240395	2018-12-20 2:03 PM	Edgar D. Smith		5353 David Ct. Apt A	Gurnee	IL	60031	To be Returned	Return Receipt - Electronic	
9314869904300054240388	2018-12-20 2:03 PM	Devon Energy		333 West Sheridan Ave.	Okahoma City	OK	73102	Delivered	Return Receipt - Electronic	01-02-2019
9314869904300054240371	2018-12-20 2:03 PM	Concho Oil and Gas		600 W. Illinois Avenue	Midland	TX	79701	Delivered	Return Receipt - Electronic	12-26-2018
9314869904300054240364	2018-12-20 2:03 PM	COG Operating, LLC		2208 W Main St.	Artesia	NM	88210	Delivered	Return Receipt - Electronic	12-26-2018
9314869904300054240357	2018-12-20 2:03 PM	Foundation Minerals, LLC, Mavros Minerals, LLC &	Oak Valley Mineral and Land, LP	PO BOX 50820	Midland	TX	79710	Delivered	Return Receipt - Electronic	12-26-2018
9314869904300054240340	2018-12-20 2:03 PM	Bureau of Land Management		620 E Greene St.	Carlsbad	NM	88220	Delivered	Return Receipt - Electronic	01-09-2019
9314869904300054240333	2018-12-20 2:03 PM	Mewbourne Oil Company		PO BOX 7698	Tyler	TX	75711	Delivered	Return Receipt - Electronic	12-27-2018

Transaction Details

Recipient:
Earl Ray (dec'd) & Mary Lynn Forehand
112 East Cherry Lane
Carlsbad, NM 88220

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

Transaction created by: Karlenes
User ID: 20660
Firm Mailing Book ID: 157906
Batch ID: 152968

Certified Mail Article Number: 9314869904300054240470
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #: 81363-0175
Postage: \$1.42
Fees: \$4.95
Status: To be Returned
Custom Field 1: 81363-0175
Custom Field 2: Atreides

Transaction History

Event Description	Event Date	Details
Mailbook Generated	12-20-2018 02:05 PM	[WALZ] - Firm Mailing Book 157906 generated by Karlenes
USPS® Certified Mail	12-20-2018 05:10 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	12-20-2018 09:18 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2018 09:42 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-22-2018 06:07 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK,TX
USPS® Certified Mail	12-22-2018 08:48 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK,TX
USPS® Certified Mail	12-22-2018 11:25 PM	[USPS] - DEPART USPS FACILITY at LUBBOCK,TX
USPS® Certified Mail	12-24-2018 06:14 AM	[USPS] - ARRIVAL AT UNIT at CARLSBAD,NM
USPS® Certified Mail	12-24-2018 03:54 PM	[USPS] - NO AUTHORIZED RECIPIENT AVAILABLE at CARLSBAD,NM
USPS® Certified Mail	12-29-2018 05:45 AM	[USPS] - REMINDER TO SCHEDULE REDELIVERY at CARLSBAD,NM
USPS® Certified Mail	01-08-2019 03:50 AM	[USPS] - PACKAGE RETURN NOTICE GENERATED at CARLSBAD,NM
USPS® Certified Mail	01-09-2019 11:35 AM	[USPS] - UNCLAIMEDBEING RETURNED TO SENDER at CARLSBAD,NM
USPS® Certified Mail	01-12-2019 12:08 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at OKLAHOMA CITY,OK
USPS® Certified Mail	01-12-2019 11:15 PM	[USPS] - DEPART USPS FACILITY at OKLAHOMA CITY,OK
USPS® Certified Mail	01-14-2019 02:06 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-15-2019 01:46 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM

Transaction Details

Recipient:
Ann Forehand Langlinalis
1303 N. Canal #15
Carlsbad, NM 88220

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

Transaction created by: Karlenes
User ID: 20660
Firm Mailing Book ID: 157906
Batch ID: 152968

Certified Mail Article Number: 9314869904300054240487
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #: 81363-0175
Postage: \$1.42
Fees: \$4.95
Status: Lost
Custom Field 1: 81363-0175
Custom Field 2: Atreides

Transaction History

Event Description	Event Date	Details
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USPS® Certified Mail	12-20-2018 05:10 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	12-20-2018 09:18 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2018 09:42 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-22-2018 06:07 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK,TX
USPS® Certified Mail	12-22-2018 08:48 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK,TX
USPS® Certified Mail	12-22-2018 11:25 PM	[USPS] - DEPART USPS FACILITY at LUBBOCK,TX
USPS® Certified Mail	12-24-2018 06:14 AM	[USPS] - ARRIVAL AT UNIT at CARLSBAD,NM

Transaction Details

Recipient: Russell L. Smith 3410 NW 9th Terrace Cape Coral, FL 33993	Certified Mail Article Number: 9314869904300054240432 Return Receipt Article Number:
Sender: Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque, NM 87102	Service Options: Return Receipt - Electronic Mail Service: Certified Reference #: 81363-0175 Postage: \$1.42 Fees: \$4.95 Status: To be Returned Custom Field 1: 81363-0175 Custom Field 2: Atreides
Transaction created by: Karlenes User ID: 20660 Firm Mailing Book ID: 157906 Batch ID: 152968	

Transaction History

Event Description	Event Date	Details
Mailbook Generated	12-20-2018 02:05 PM	[WALZ] - Firm Mailing Book 157906 generated by Karlenes
USPS® Certified Mail	12-20-2018 05:10 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	12-20-2018 09:18 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2018 09:42 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2018 11:27 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-22-2018 03:28 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at FORT MYERS,FL
USPS® Certified Mail	12-22-2018 09:03 PM	[USPS] - DEPART USPS FACILITY at FORT MYERS,FL
USPS® Certified Mail	01-01-2019 10:07 AM	[USPS] - ARRIVAL AT UNIT at CAPE CORAL,FL
USPS® Certified Mail	01-02-2019 10:52 AM	[USPS] - SORTINGPROCESSING COMPLETE at CAPE CORAL,FL
USPS® Certified Mail	01-02-2019 11:02 AM	[USPS] - OUT FOR DELIVERY at CAPE CORAL,FL
USPS® Certified Mail	01-03-2019 01:02 AM	[USPS] - AWAITING DELIVERY SCAN at CAPE CORAL,FL
USPS® Certified Mail	01-04-2019 03:07 PM	[USPS] - NO AUTHORIZED RECIPIENT AVAILABLE at CAPE CORAL,FL
USPS® Certified Mail	01-10-2019 04:03 AM	[USPS] - REMINDER TO SCHEDULE REDELIVERY at CAPE CORAL,FL
USPS® Certified Mail	01-19-2019 03:20 AM	[USPS] - PACKAGE RETURN NOTICE GENERATED at CAPE CORAL,FL
USPS® Certified Mail	02-05-2019 03:25 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at TAMPA,FL
USPS® Certified Mail	02-06-2019 12:15 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at TAMPA,FL

Transaction Details

Recipient: James E. Reed c/o Jodie R. Darden, et al. 901 Madison San Angelo, TX 76901	Certified Mail Article Number: 9314869904300054240418 Return Receipt Article Number:
Sender: Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque, NM 87102	Service Options: Return Receipt - Electronic Mail Service: Certified Reference #: 81363-0175 Postage: \$1.42 Fees: \$4.95 Status: To be Returned Custom Field 1: 81363-0175 Custom Field 2: Atreides
Transaction created by: Karlenes User ID: 20660 Firm Mailing Book ID: 157906 Batch ID: 152968	

Transaction History

Event Description	Event Date	Details
Mailbook Generated	12-20-2018 02:05 PM	[WALZ] - Firm Mailing Book 157906 generated by Karlenes
USPS® Certified Mail	12-20-2018 05:10 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	12-20-2018 09:18 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2018 09:42 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-22-2018 06:07 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK,TX
USPS® Certified Mail	12-22-2018 11:25 PM	[USPS] - DEPART USPS FACILITY at LUBBOCK,TX
USPS® Certified Mail	12-23-2018 12:07 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at ABILENE,TX
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USPS® Certified Mail	12-24-2018 06:30 AM	[USPS] - ARRIVAL AT UNIT at SAN ANGELO,TX
USPS® Certified Mail	12-24-2018 08:26 AM	[USPS] - INSUFFICIENT ADDRESS at SAN ANGELO,TX
USPS® Certified Mail	01-09-2019 08:24 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at OKLAHOMA CITY,OK
USPS® Certified Mail	01-09-2019 08:52 PM	[USPS] - DEPART USPS FACILITY at OKLAHOMA CITY,OK
USPS® Certified Mail	01-11-2019 01:01 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-12-2019 12:30 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-14-2019 05:08 AM	[USPS] - ARRIVAL AT UNIT at ALBUQUERQUE,NM

Transaction Details

Recipient: Edgar D. Smith 5353 David Ct. Apt A Gurnee, IL 60031	Certified Mail Article Number: 9314869904300054240395 Return Receipt Article Number:
Sender: Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque, NM 87102	Service Options: Return Receipt - Electronic Mail Service: Certified Reference #: 81363-0175 Postage: \$1.42 Fees: \$4.95 Status: To be Returned Custom Field 1: 81363-0175 Custom Field 2: Atreides
Transaction created by: Karlenes User ID: 20660 Firm Mailing Book ID: 157906 Batch ID: 152968	

Transaction History

Event Description	Event Date	Details
Mailbook Generated	12-20-2018 02:05 PM	[WALZ] - Firm Mailing Book 157906 generated by Karlenes
USPS® Certified Mail	12-20-2018 05:10 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	12-20-2018 09:18 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-20-2018 09:42 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
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USPS® Certified Mail	12-24-2018 08:22 AM	[USPS] - FORWARD EXPIRED at GURNEE,IL
USPS® Certified Mail	12-28-2018 03:32 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at PALATINE,IL
USPS® Certified Mail	12-29-2018 07:44 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at CAROL STREAM,IL
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USPS® Certified Mail	12-31-2018 08:47 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
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USPS® Certified Mail	01-09-2019 10:52 AM	[USPS] - MOVED, LEFT NO ADDRESS at GURNEE,IL
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USPS® Certified Mail	01-19-2019 03:47 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-22-2019 02:06 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-22-2019 05:13 AM	[USPS] - ARRIVAL AT UNIT at ALBUQUERQUE,NM

CARLSBAD
CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

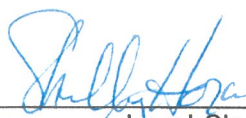
Ad No.
0001272265

MODRALL SPERLING
PO BOX 2168

ALBUQUERQUE NM 87103


I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

12/26/18



Legal Clerk

Subscribed and sworn before me this
26th of December 2018.

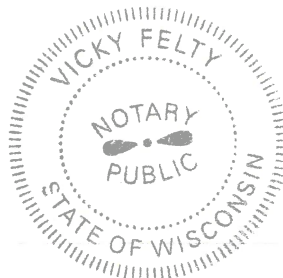


State of WI, County of Brown
NOTARY PUBLIC

9-19-21

My Commission Expires

CASE No. 16412 Notice to all affected parties, as devisees of Mewbourne Oil Company; Mewbourne A, LP; Bureau of Land Management; Foundation Minerals, LLC & Oak Valley Mineral and Land, LP; Concho Oil and Gas; Devon Energy; Edgar D. Smith E. Reed c/o Jodie R. Darden, et al.; Patricia A. Mag Ross Duncan Properties LLC; Benting Revocable by Susan Ogden Benting, Trustee; Smith Family Trust abeth F. Smith; Earl Ray (dec'd) & Mary Lynn Fore Langlinais; Karen Ogden Cortese; JL Wall Family; William Ogden; Escondido Oil & Gas; Mary Ellen F Meece; James Davis & Barbara Davis; Marshall & Corporation; ConocoPhillips Company; MRC Perm Resources; and the State of New Mexico of Marathon LLC's application for compulsory pooling, Eddy Co The State of New Mexico, through its Oil Conservation gives notice that the Division will conduct a public hearing on January 10, 2019, to consider this application. Applicant from the Division: pooling all uncommitted mineral Wolfcamp horizontal spacing unit underlying the N/2 8, Township 24 South, Range 27 East, NMPM, Eddy Co. This spacing unit will be dedicated to the Atreides Atreides 7 WA Fed 4H; **Atreides 7 WXY Fed 5H, and Fed 8H** wells, to be horizontally drilled. The producing wells will be orthodox. Also to be considered will be the and completing said wells, the allocation of these costs actual operating costs and charges for supervision, deduction as operator of the wells, and a 200% charge for drilling said wells, and allowing a one year period between wells are drilled and when the first well is completed. Located approximately Nine (9) miles West of Malaga, New December 26, 2018



CASE No. 16412: Notice to all affected parties, as well as the heirs and devisees of Mewbourne Oil Company; Mewbourne Energy Partners 15-A, LP; Bureau of Land Management; Foundation Minerals, LLC; Mavros Minerals, LLC & Oak Valley Mineral and Land, LP; COG Operating, LLC; Concho Oil and Gas; Devon Energy; Edgar D. Smith; Alisa Ogden; James E. Reed c/o Jodie R. Darden, et al.; Patricia A. Magby; Russell L. Smith; Ross Duncan Properties LLC; Benting Revocable Trust u/a/d 8-8-2003 by Susan Ogden Benting, Trustee; Smith Family Trust by Harlen & Elizabeth F. Smith; Earl Ray (dec'd) & Mary Lynn Forehand; Ann Forehand Langlinais; Karen Ogden Cortese; JL Wall Family Living Trust; Craig William Ogden; Escondido Oil & Gas; Mary Ellen Paul Meece; Sharon Meece; James Davis & Barbara Davis; Marshall & Winston, Inc.; Apache Corporation; ConocoPhillips Company; MRC Permian Company; EOG Resources; and the State of New Mexico of Marathon Oil Permian LLC's application for compulsory pooling, Eddy 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 January 10, 2019, to consider this application. Applicant seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Sections 7 and 8, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Atreides 7 WXY Fed 2H, Atreides 7 WA Fed 4H, Atreides 7 WXY Fed 5H, and the Atreides 7 WA Fed 8H wells, to be horizontally drilled. 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 first well is completed. Said area is located approximately Nine (9) miles West of Malaga, New Mexico.
December 26, 2018