# Exhibit "A"

Applicant: <u>Marathon Oil Permian LLC</u>

Operator: <u>Marathon Oil Permian LLC (OGRID 372098)</u>

Spacing Unit: Horizontal Oil

Building Blocks: <u>quarter-quarter section equivalents</u>

Spacing Unit Size: <u>320</u> acres (more or less)

Orientation of Unit: North/South

### Spacing Unit Description:

W/2 of Section 18,

Township 24 South, Range 34 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Wolfcamp

Depth Severance? (Yes/No): Yes: Allocation formula agreed to

Pool: <u>Antelope Ridge; Wolfcamp (Pool code 2220)</u>

Pool Spacing Unit Size: <a href="quarter-quarter sections">quarter-quarter sections</a>
Governing Well Setbacks: <a href="Horizontal Oil Well Rules">Horizontal Oil Well Rules</a>
Pool Rules: <a href="Latest Horizontal Rules">Latest Horizontal Rules Apply</a>.

Proximity Tracts: Yes

Proximity Defining Well: Well No. 6H is to be drilled closer than 330 feet from the

Proximity Tracts and therefore defines the Horizontal Spacing Unit.

Monthly charge for supervision: While drilling: \$7000 While producing: \$700 As the charge for risk, 200 percent of reasonable well costs.

#### **There are 3 Proposed Wells:**

#### Ned Pepper 18 WA Federal Com 2H, API No. Pending

SHL: 723 feet from the South line and 611 feet from the West line, (Unit M) of Section 18, Township 24 South, Range 34 East, NMPM. BHL: 100 feet from the North line and 660 feet from the West line, (Unit D) of Section 18, Township 24 South, Range 34 East, NMPM.

Completion Target: Wolfcamp A at approx 17,123 feet TVD

Well Orientation: South to North

Completion Location expected to be: standard

# Ned Pepper 18 WXY Federal Com 6H, API No. Pending

SHL: 724 feet from the South line and 641 feet from the West line, (Unit M) of Section 18, Township 24 South, Range 34 East, NMPM. BHL: 100 feet from the North line and 1320 feet from the West line,

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(Unit C) of Section 18, Township 24 South, Range 34 East, NMPM.

Completion Target: Wolfcamp Y at approximately 17,638 feet TVD

Well Orientation: South to North

Completion Location expected to be: standard

### Ned Pepper 18 WA Federal Com 9H, API No. Pending

SHL: 645 feet from the South line and 2424 feet from the West line, (Unit N) of Section 18, Township 24 South, Range 34 East, NMPM. BHL: 100 feet from the North line and 2302 feet from the West line, (Unit C) of Section 18, Township 24 South, Range 34 East, NMPM.

Completion Target: Wolfcamp A at approximately 17,123 feet TVD

Well Orientation: South to North

Completion Location expected to be: standard