

RECEIVED: 08/06/18	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1823539392
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Marathon Oil Permian LLC **OGRID Number:** 372098  
**Well Name:** Dee Boot Fee 24 34 26 TB 7H **API:** 30-025-44165  
**Pool:** Red Hills Bone Spring, North **Pool Code:** 96434

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD  
 B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders  
 B. ☐ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Jennifer Bradfute

Date

Print or Type Name

Date

Phone Number

e-mail Address

Signature

8-6-2018

505-848-1845

jlb@moelrall.com



MODRALL SPERLING  
L A W Y E R S

August 6, 2018

Heather Riley  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Zoë E. Lees  
505.848.1859  
Fax: 505.848.9710  
zel@modrall.com

**Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Dee Boot Fee 24 34 26 TB 7H well, located in the E/2 E/2 Section 26, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico.**

Dear Ms. Riley:

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, is seeking administrative approval of an unorthodox well location ("NSL") for the **Dee Boot Fee 24 34 26 TB 7H** well (the "Well") to be completed within the Red Hills: Bone Spring, North Pool (Pool Code 96434) underlying the E/2 E/2, Section 26, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. A C-102 for the Well is attached as Exhibit A. This is a horizontal well that has been drilled as follows:

- Surface Hole Location: 271 feet from the North line and 1145 feet from the East line of Section 26;
- First Take Point: 330 feet from the North line and 1117 feet from the East line of Section 26;
- Deviation: The lateral deviates and most non-standard perforation will be located at 1119 feet from the East line of Section 26, as shown in Exhibit A.
- Last Take Point and Bottom Hole Location: 105 feet from the South line and 955 feet from East line of Section 26.

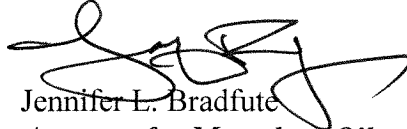
Marathon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Red Hills: Bone Spring, North Pool (Pool Code 96434). There are no special pool rules for this pool, and thus the setback requirements of 330' apply for the lateral and 100' for the First and Last Take Points. The completed interval for the proposed well is closer than 330' from the boundary of the spacing unit.

Modrall Sperling  
Roehl Harris & Sisk P.A.  
  
500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102  
  
PO Box 2168  
Albuquerque,  
New Mexico 87103-2168  
  
Tel: 505.848.1800  
www.modrall.com

The unorthodox location will encroach towards the W/2 E/2 of Section 26. Marathon is providing notice to the working interest owners in the W/2 E/2, as shown in Exhibit C. Marathon has confirmed that the tracts adjoining the spacing unit by a corner are more the 330' away from the unorthodox locations requested. Proof of mailing is attached hereto as Exhibit D.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bradfute', with a stylized flourish extending to the right.

Jennifer L. Bradfute  
*Attorney for Marathon Oil  
Permian LLC*

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 96434	<sup>3</sup> Pool Name RED HILLS: BONE SPRING, NORTH
<sup>4</sup> Property Code	<sup>5</sup> Property Name DEE BOOT FEE 24 34 26 TB	<sup>6</sup> Well Number 7H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3447'

<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
A	26	T24S	R34E		271	NORTH	1145	EAST	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
P	26	T24S	R34E		105	SOUTH	955	EAST	LEA

<sup>12</sup> Dedicated Acres 160.00	<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.

<sup>16</sup> KICK OFF POINT 7,014' MEASURED DEPTH IN FEET NAD 83, SPCS NM EAST X:819093.34' / Y:436012.14' LAT:32.19548672N / LON:103.43541790W NAD 27, SPCS NM EAST X:777908.08' / Y:435953.42' LAT:32.19536165N / LON:103.4349462W				<sup>17</sup> 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 a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature _____ Date _____  Printed Name _____  E-mail Address _____
<sup>18</sup> SURVEYOR 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.  AUGUST 01, 2018 Date of Survey Signature and Seal of Professional Surveyor:		Certificate Number LLOYD P. SHORT 21653		

2	07/31/2018	DEF
REV.	DATE	BY

NOTE: ALL DIMENSIONS IN U.S. FEET



Marathon Oil Permian LLC  
5555 San Felipe Street  
Houston, TX 77056



August 1, 2018

Mr. Leonard Lowe  
New Mexico Oil Conservation Division  
1220 South Francis Drive  
Santa Fe, NM 87505

Re: Non-Standard Location Application  
Dee Boot Fee 24 34 26 TB 7H  
Lea County, New Mexico

Dear Mr. Lowe:

Marathon Oil Permian LLC ("Marathon") spud the production hole on the Dee Boot Fee 24 34 26 7H, API# 30-025-44165 ("Dee Boot 7H") well on July 12, 2018. During the drilling of the curve of the Dee Boot 7H, Marathon experienced directional azimuth issues and without Marathon's immediate knowledge due to a directional miscalculation, the well drifted to the west toward the spacing unit boundary. At its closest point the wellbore encroached to within 204' of the spacing unit boundary before being corrected and brought back into plan.

In an effort to maximize recoverable reserves and prevent waste, Marathon respectfully requests administrative approval of the non-standard location for the Dee Boot 7H well.

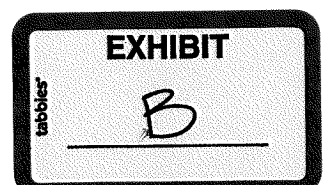
Please see attached as-drilled C102 for location and horizontal path of the referenced well.

Thank you for your consideration. Should you have any questions please contact me at 832-306-1623.

Sincerely,

A handwritten signature in black ink that reads 'Jacob Beaty'.

Jacob Beaty  
Drilling Engineer  
Permian Asset



## **EXHIBIT C**

Tap Rock Resources, LLC  
602 Park Point Drive, Suite 200  
Golden, CO 80401

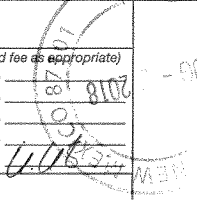
MRC Permian Company  
5400 LBJ Freeway, Suite 1500  
Dallas, Texas 75240

Centennial Resource Development, Inc.  
1001 17th Street, Suite 1800  
Denver, CO 80202

Energen Resources Corporation  
605 Richard Arrington, Jr. Blvd.  
North Birmingham, Alabama 35203

# EXHIBIT D

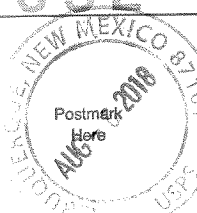
7017 2680 0000 5953 4122

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<input type="checkbox"/> Return Receipt (electronic) \$	
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<input type="checkbox"/> Adult Signature Required \$	
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Total F \$	
Sent To Tap Rock Resources, LLC	
Street 602 Park Point Drive, Suite 200	
City, St Golden, CO 80401	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

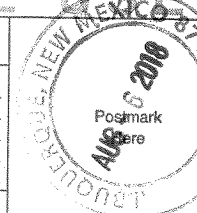
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<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total \$	
Sent To MRC Permian Company	
Street 5400 LBJ Freeway7, Suite 1500	
City Dallas, Texas 75240	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

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<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total F \$	
Sent To Centennial Resource Development, Inc.	
Street 1001 17th Street, Suite 1800	
City, St Denver, CO 80202	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

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<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total \$	
Sent To Energen Resources Corporation	
Street 605 Richard Arrington, Jr. Blvd.	
City North Birmingham, Alabama 35203	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

**From:** Jennifer L. Bradfute  
**To:** [Lowe, Leonard, EMNRD](#); [McMillan, Michael, EMNRD](#)  
**Cc:** [Kathleen Allen](#); [Zina Crum](#)  
**Subject:** Dee Boot Fee 24 34 26 TB 7H, NSL Request, Marathon Oil Permian LLC  
**Date:** Monday, August 6, 2018 5:43:21 PM  
**Attachments:** [Marathon Application for Admin Approval Dee Boot Fee.pdf](#)

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Leonard and Mike,

Please see the attached application for an NSL for Marathon. Please let me know if you need anything further related to this request.

Thanks!

Jennifer



Jennifer L. Bradfute

Modrall Sperling | [www.modrall.com](http://www.modrall.com)

P.O. Box 2168 | Albuquerque, NM 87103-2168

500 4<sup>th</sup> St. NW, Ste. 1000 | Albuquerque, NM 87102

D: 505.848.1845 | O: 505.848.1800 | F: 505.848.1891

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## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Friday, August 31, 2018 12:22 PM  
**To:** 'Jennifer L. Bradfute'  
**Cc:** Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; 'lisa@rwbyram.com'  
**Subject:** APPROVED NSL-7754\_Marathon Oil Permian, LLC\_Deer Boot Fee 24 34 26 TB Well No. 7H\_SEC 26 24S 34E  
**Attachments:** NSL-7754\_ORDER.pdf  
**Importance:** High

**Ms. Jennifer Bradfute,**

The following Administrative Order has been issued.

**ORDER: NSL-7754**  
**OPERATOR: Marathon Oil Permian, LLC**  
**POOL: Red Hills; Bone Spring, North [96434]**  
**WELL: Deer Boot Fee 24 34 26 TB Well No. 7H**  
**API NO: 30-025-44165**

The Order will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

Thank you!

**Leonard Lowe**

Engineering Bureau

**Oil Conservation Division**

**Energy Minerals and Natural Resources Department**

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>