

# NSL Initial Application

Received: 02/27/2020



February 27, 2020

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

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

**Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Valkyrie 12 WXY Federal Com 9H well, located in the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.**

Dear Director Sandoval:

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, is seeking administrative approval of an unorthodox well location ("NSL") for the **Valkyrie 12 WXY Federal Com 9H well** (the "Well") to be completed within the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220) underlying the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. A C-102 for the Well is attached as Exhibit A. This is a horizontal well that will be drilled as follows:

- First Take Point: 1254' from the South line and 100' from the West line of Section 12;
- Last Take Point and Bottom Hole Location: 1254' from the South line and 100' from the East line of Section 7.

Marathon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220). The special pool rules establish 330' foot setback requirements. 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 SW/4 of Section 8, Township 23 South, Range 29 East and towards the SE/4 of Section 11, Township 23 South, Range 28 East.

Marathon is providing notice to the working interest owners in the SW/4 of Section 8, Township 23 South, Range 29 East and to the working interest owners in the SE/4 of Section 11, Township 23 South, Range 28 East. Marathon is also providing notice to the Bureau of Land Management as the owner of the mineral estate with respect to offsetting areas. Marathon also provides a midland map of this area, attached as Exhibit C. Proof of mailing, along with a copy of the notice letter sent to affected parties, is attached hereto as Exhibit D.

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett

***Attorney for Marathon Oil  
Permian LLC***

Revised March 23, 2017

RECEIVED: 2/27/2020	REVIEWER: JAG	TYPE: NSL-8005	APP NO: pJAG2005942516
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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:** Valkyrie 12 WXY Federal Com 9H **API:** Pending  
**Pool:** Purple Sage; Wolfcamp **Pool Code:** 98220

**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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.**

Deana M. Bennett

Print or Type Name

Signature

February 27, 2020

Date

505-848-1800

Phone Number

deana.bennett@modrall.com

e-mail Address

**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 98220	<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name VALKYRIE 12 WXY FEDERAL COM	<sup>6</sup> Well Number 9H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 2993'

<sup>10</sup> Surface Location


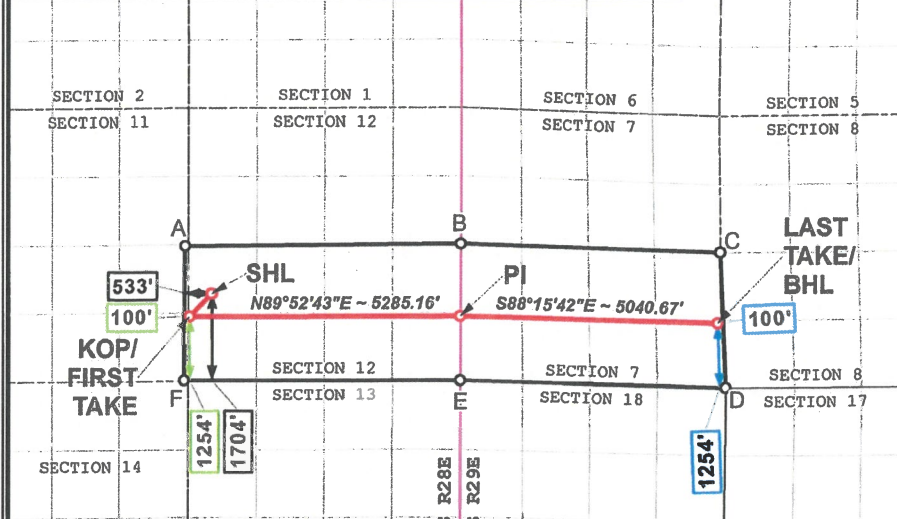
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	12	23S	28E		1704	SOUTH	533	WEST	EDDY

<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	7	23S	29E		1254	SOUTH	100	EAST	EDDY

<sup>12</sup> Dedicated Acres 634.72	<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.

<b>SURFACE HOLE LOCATION</b> 1704' FSL 533' FWL, SECTION 12 NAD 83, SPCS NM EAST X:629565.00' / Y:479372.00' LAT:32.31750107N / LON:104.04799652W NAD 27, SPCS NM EAST X:588382.00' / Y:479313.00' LAT:32.31740189N / LON:104.04699707W	<b>KICK OFF POINT / FIRST TAKE POINT</b> 1254' FSL 100' FWL, SECTION 12 NAD 83, SPCS NM EAST X:629128.00' / Y:478921.00' LAT:32.31629944N / LON:104.04900360W NAD 27, SPCS NM EAST X:587945.00' / Y:478862.00' LAT:32.31620026N / LON:104.04900360W		<b><sup>17</sup> OPERATOR CERTIFICATION</b> 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 _____	
<b>LAST TAKE POINT/BOTTOM HOLE LOCATION</b> 1254' FSL 100' FWL, SECTION 7 NAD 83, SPCS NM EAST X:639451.00' / Y:478780.00' LAT:32.31579971N / LON:104.01599884W NAD 27, SPCS NM EAST X:598269.00' / Y:478720.00' LAT:32.31570053N / LON:104.01499939W  <b>CORNER COORDINATES</b> NAD 83, SPCS NM EAST A - X: 629038.85' / Y: 480296.05' B - X: 634415.36' / Y: 480343.15' C - X: 639494.87' / Y: 480162.85' D - X: 639603.08' / Y: 477520.38' E - X: 634411.06' / Y: 477678.47' F - X: 629017.97' / Y: 477667.04'  <b>CORNER COORDINATES</b> NAD 27, SPCS NM EAST A - X: 587856.17' / Y: 480236.50' B - X: 593232.60' / Y: 480283.54' C - X: 598312.03' / Y: 480103.18' D - X: 598420.17' / Y: 477460.76' E - X: 593228.22' / Y: 477618.92' F - X: 587835.22' / Y: 477607.56'		<b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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.  Date of Survey _____ Signature and Seal of Professional Surveyor: _____ PRELIMINARY THIS DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, RECORDATION, OR ANY OTHER PURPOSE WITHOUT THE ISSUANCE OF A PERMIT. Certificate Number _____	

Distances/areas relative to NAD 83 Combined Scale Factor: 0.999774 Convergence: 00°08'50.61001"

EXHIBIT

A

tabbies



**Billy Moore**  
Reservoir Engineer

**Marathon Oil Permian LLC**  
5555 San Felipe Street  
Houston, TX 77056  
713.296.1883  
bsmoore@marathonoil.com

Adrienne Sandoval  
Director - NMOCD  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

Re: Non-Standard Location Application  
Valkyrie 12 WXY Federal Com 9H  
Eddy County, New Mexico

Dear Ms. Sandoval,

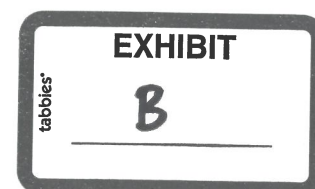
Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Valkyrie 12 WXY Federal Com 9H well, to be drilled in Purple Sage; Wolfcamp (Gas) pool (98220). Marathon plans for this well to have a first take point at 100' FWL and 1,254' FSL of Section 12, and last take point at 100' FEL and 1,254' FSL of Section 7, which is closer to the unit line than allowed under the subject field rules. Marathon requests this non-standard location because the placement conforms to the first and last take points of the other wells in the section. This spacing best fits into the spacing for the other wells in the development plan of the entire section and we believe that it will result in the greatest recovery of reserves.

Thank you for your consideration. Should you have any questions please contact me at (713) 296-1883.

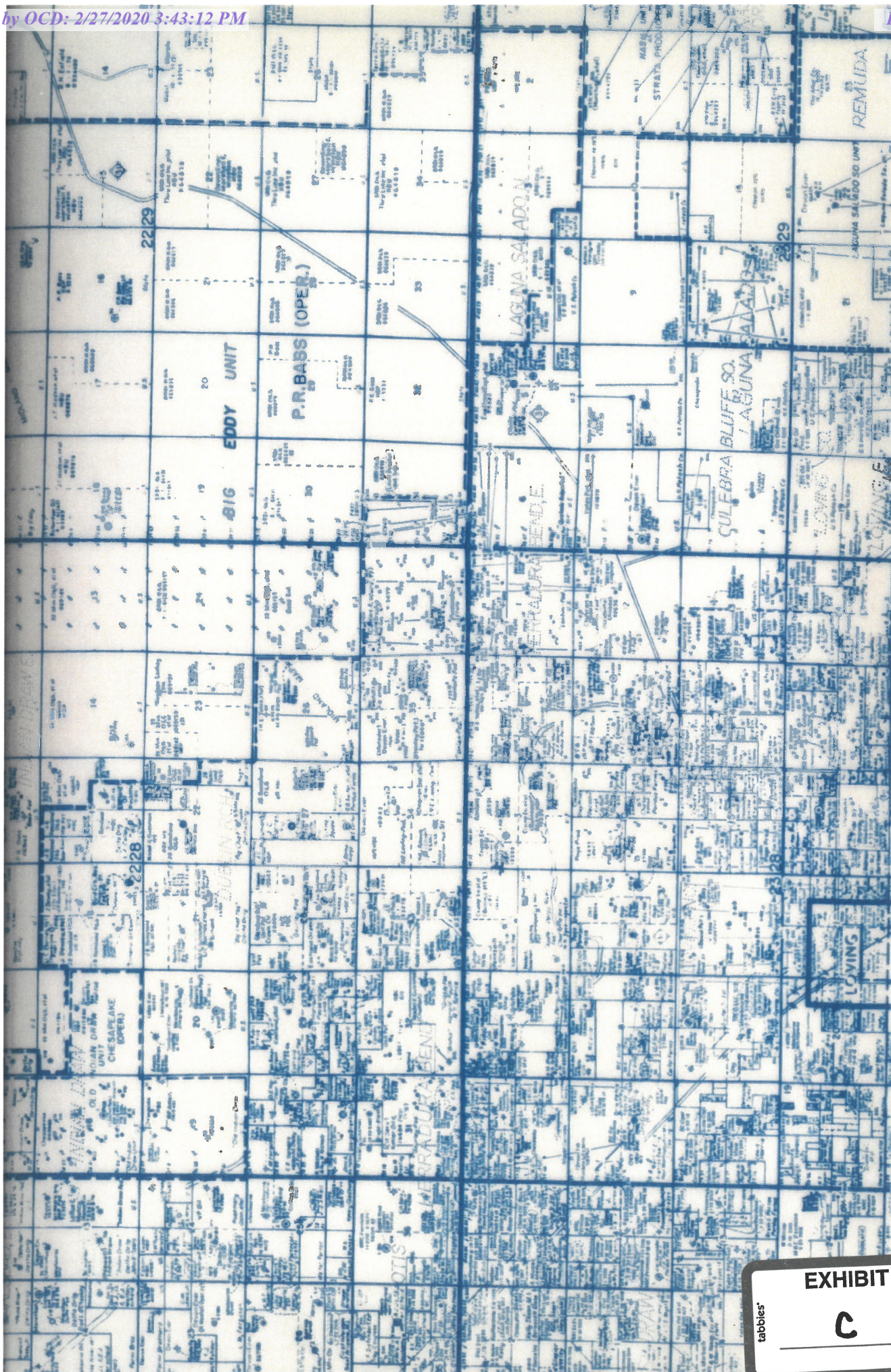
Sincerely,

A handwritten signature in blue ink that reads 'Billy S. Moore'.

Billy Moore  
Reservoir Engineer  
Permian Asset







C

## habits:





MODRALL SPERLING

L A W Y E R S

February 27, 2020

**VIA CERTIFIED MAIL**

**RETURN RECEIPT REQUESTED**

**TO AFFECTED PARTIES**

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Valkyrie 12 WA Federal Com 7H well, located in the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.**

**Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Valkyrie 12 WXY Federal Com 9H well, located in the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.**

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**Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Valkyrie 12 WD Federal Com 8H well, located in the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.**

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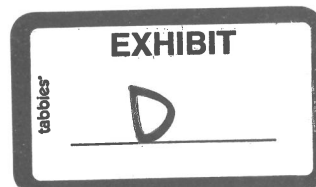
**Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Valkyrie 12 WD Federal Com 12H well, located in the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.**

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





Ladies and Gentlemen:

Enclosed in the notice are copies of the above referenced applications filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application may be administratively approved by the Division.

If you have any questions concerning this application, please contact:

Jeffrey Broussard  
Land Professional  
Marathon Oil Permian LLC  
713.296.3159 (Office)  
[jbroussard1@marathonoil.com](mailto:jbroussard1@marathonoil.com)

If you have no objection to this application, please sign the waiver as indicated below and return the original. Your assistance and cooperation in this matter are appreciated.

Sincerely,



Deana M. Bennett  
***Attorney for Marathon Oil  
Permian LLC***

**WAIVER**

\_\_\_\_\_ hereby waives objection to the above referenced Application for an Unorthodox Location for **Valkyrie 12 WA Federal Com 7H well**, located in the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: \_\_\_\_\_  
Signature \_\_\_\_\_

\_\_\_\_\_ hereby waives objection to the above referenced Application for an Unorthodox Location for **Valkyrie 12 WXY Federal Com 9H well**, located in the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: \_\_\_\_\_

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Signature \_\_\_\_\_

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Dated: \_\_\_\_\_  
Signature \_\_\_\_\_

\_\_\_\_\_ hereby waives objection to the above referenced Application for an Unorthodox Location for **Valkyrie 12 WD Federal Com 12H well**, located in the S/2 of Section 12, Township 23 South, Range 28 East, and Section 7 of Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: \_\_\_\_\_



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
02/27/2020

Firm Mailing Book ID: 185479

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0069 3043 03	Chevron USA, Inc. 6301 Deauville Blvd Midland TX 79706	\$2.40	\$3.55	\$1.70	\$0.00	81363-205Val NSL Notice
2	9314 8699 0430 0069 3043 10	Occidental Permian Limited Partnership 5 Greenway Plaza, Suite 110 Houston TX 77046	\$2.40	\$3.55	\$1.70	\$0.00	81363-205Val NSL Notice
3	9314 8699 0430 0069 3043 27	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$2.40	\$3.55	\$1.70	\$0.00	81363-205Val NSL Notice
4	9314 8699 0430 0069 3043 34	Novo Oil & Gas Northern Delaware LLC 1001 West Wilshire Boulevard, Suite 206 Oklahoma City OK 73116	\$2.40	\$3.55	\$1.70	\$0.00	81363-205Val NSL Notice
5	9314 8699 0430 0069 3043 41	BTA Oil Producers LLC 104 South Pecos Midland TX 79701	\$2.40	\$3.55	\$1.70	\$0.00	81363-205Val NSL Notice
6	9314 8699 0430 0069 3043 58	OXY Y-1 Co. 5 Greenway Plaza, Suite 110 Houston TX 77046	\$2.40	\$3.55	\$1.70	\$0.00	81363-205Val NSL Notice
<b>Totals:</b>			<b>\$14.40</b>	<b>\$21.30</b>	<b>\$10.20</b>	<b>\$0.00</b>	
			<b>Grand Total:</b>		<b>\$45.90</b>		

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated: