

NSL Initial Application

Received: 02/28/2020

S4ES7-200228-NSL000

Revised March 23, 2017

RECEIVED: 02/28/2020	REVIEWER: KMS	TYPE: NSL -8009	APP NO: pKS2006249951
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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:** Chicken Fry 22 WA Fed Com 15H**API:** 30-0XX-PENDING**Pool:** Purple Sage; Wolfcamp (Gas)**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

February 28, 2020

Date

Print or Type Name

505-848-1800

Phone Number

Signature

deana.bennett@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

February 28, 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 Chicken Fry 22 WA Fed Com 15H well located in Section 22, Township 24 South, Range 28 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 **Chicken Fry 22 WA Fed Com 15H** (the "Well") to be completed within the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220) underlying the E/2 of Section 22, Township 24 South, Range 28 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:

- Surface Hole Location: 310' from the North line and 2187' from the East line of Section 22;
- First Take Point: 100' from the North line and 1332' from the East line of Section 22;
- Last Take Point and Bottom Hole Location: 100' from the South line and 1340' from the East line of Section 22.

Marathon has included as Exhibit B a letter explaining why this application is needed. Marathon also provides a midland map of this area, attached as Exhibit C.

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. The unorthodox location will encroach towards the SE/4 of Section 15 and the NE/4 of Section 27 of Township 24 South, Range 28 East.

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

Marathon is providing notice to the working interest owners in the SE/4 of Section 15, Township 24 South, Range 28 East and the NE/4 of Section 27 of Township 24 South, Range 28 East. Marathon is also providing notice to the New Mexico State Land Office as the owner of the mineral estate with respect to the NE/4. 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, 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

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

¹ API Number	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name CHICKEN FRY 22 WA FED COM	⁶ Well Number 15H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 3006'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	22	24S	28E		310	NORTH	2187	EAST	EDDY

¹¹ 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	22	24S	28E		100	SOUTH	1340	EAST	EDDY
¹² Dedicated Acres 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

¹⁷ 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 _____

¹⁸ 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.

DECEMBER 19, 2019
Date of Survey

Signature and Seal of Professional Surveyor: *Lloyd P. Short*

Certificate Number
LLOYD P. SHORT 21653

CORNER COORDINATES NAD 83, SPCS NM EAST
A - X: 623685.59' / Y: 440506.10'
B - X: 623799.89' / Y: 435150.66'
C - X: 621117.44' / Y: 435144.26'
D - X: 621080.94' / Y: 437828.23'
E - X: 621044.41' / Y: 440514.29'

CORNER COORDINATES NAD 27, SPCS NM EAST
A - X: 682502.01' / Y: 440447.52'
B - X: 682616.19' / Y: 435092.18'
C - X: 679833.80' / Y: 435085.82'
D - X: 679897.36' / Y: 437769.74'
E - X: 679860.89' / Y: 440455.75'

SURFACE HOLE LOCATION
310' FNL 2187' FEL, SECTION 22
NAD 83, SPCS NM EAST
X: 621504.56' / Y: 440202.86'
LAT: 32.20992884N / LON: 104.07412801W
NAD 27, SPCS NM EAST
X: 580321.02' / Y: 440144.32'
LAT: 32.20980710N / LON: 104.07363612W

KICK OFF / FIRST TAKE POINT
100' FNL 1322' FEL, SECTION 22
NAD 83, SPCS NM EAST
X: 622365.33' / Y: 440410.19'
LAT: 32.21049303N / LON: 104.07134326W
NAD 27, SPCS NM EAST
X: 581181.78' / Y: 440351.63'
LAT: 32.21037125N / LON: 104.07085147W

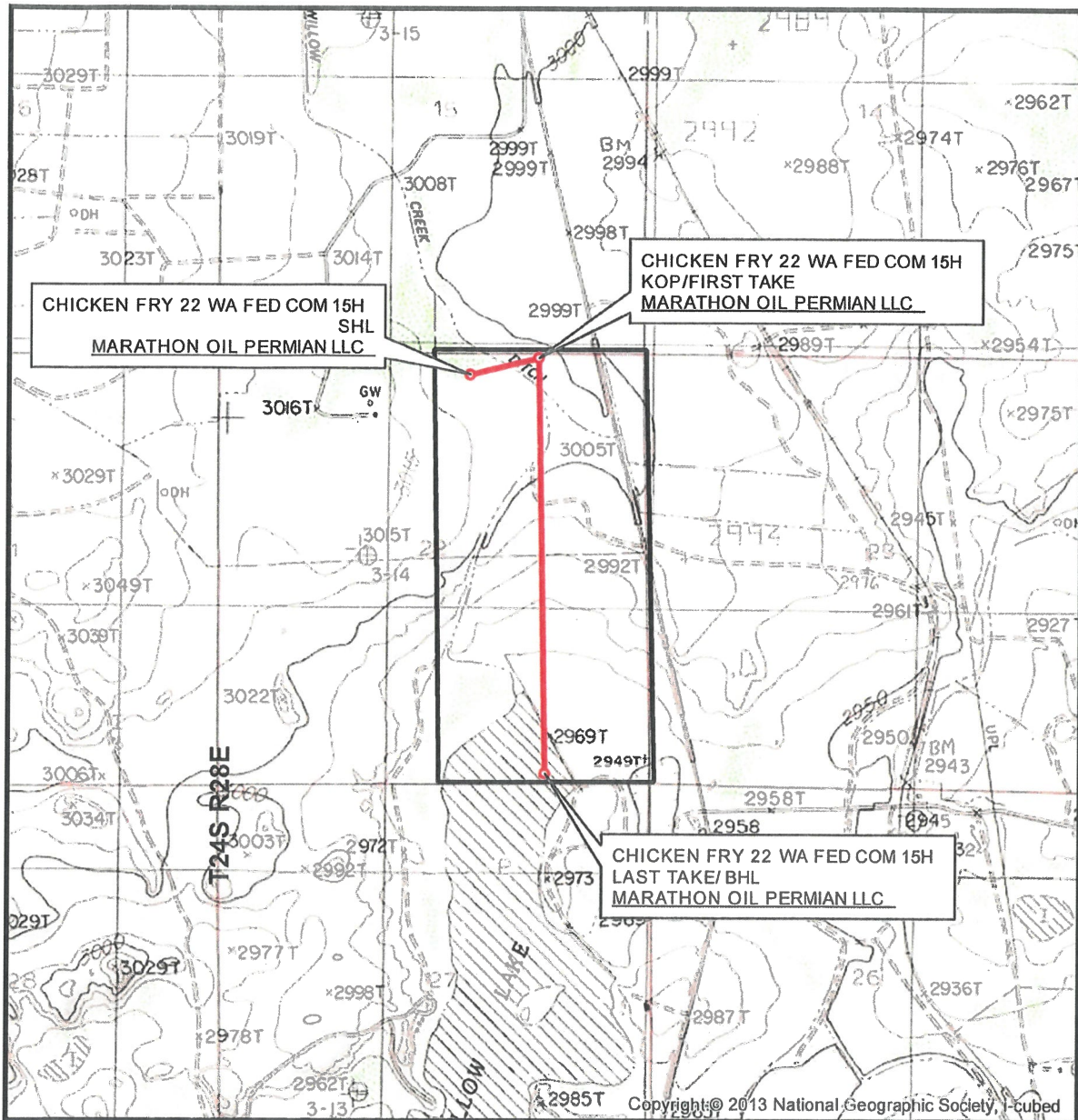
LAST TAKE POINT/BOTTOM HOLE LOCATION
100' FSL 1340' FEL, SECTION 22
NAD 83, SPCS NM EAST
X: 622457.51' / Y: 435247.46'
LAT: 32.19630063N / LON: 104.07108592W
NAD 27, SPCS NM EAST
X: 581273.85' / Y: 435188.99'
LAT: 32.19617867N / LON: 104.07059458W

Distances/areas relative to NAD 83 Combined Scale Factor: 0.999916576 Convergence: 00°08'21.54479"

EXHIBIT

A

LOCATION VERIFICATION MAP



SEC. 22 TWP. 24-S RGE. 28-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 OPERATOR: MARATHON OIL PERMIAN LLC
 DESCRIPTION: 310' FNL & 2187' FEL
 ELEVATION: 3006'
 LEASE: CHICKEN FRY 22 FED COM
 U.S.G.S. TOPOGRAPHIC MAP: MALAGA, NM.

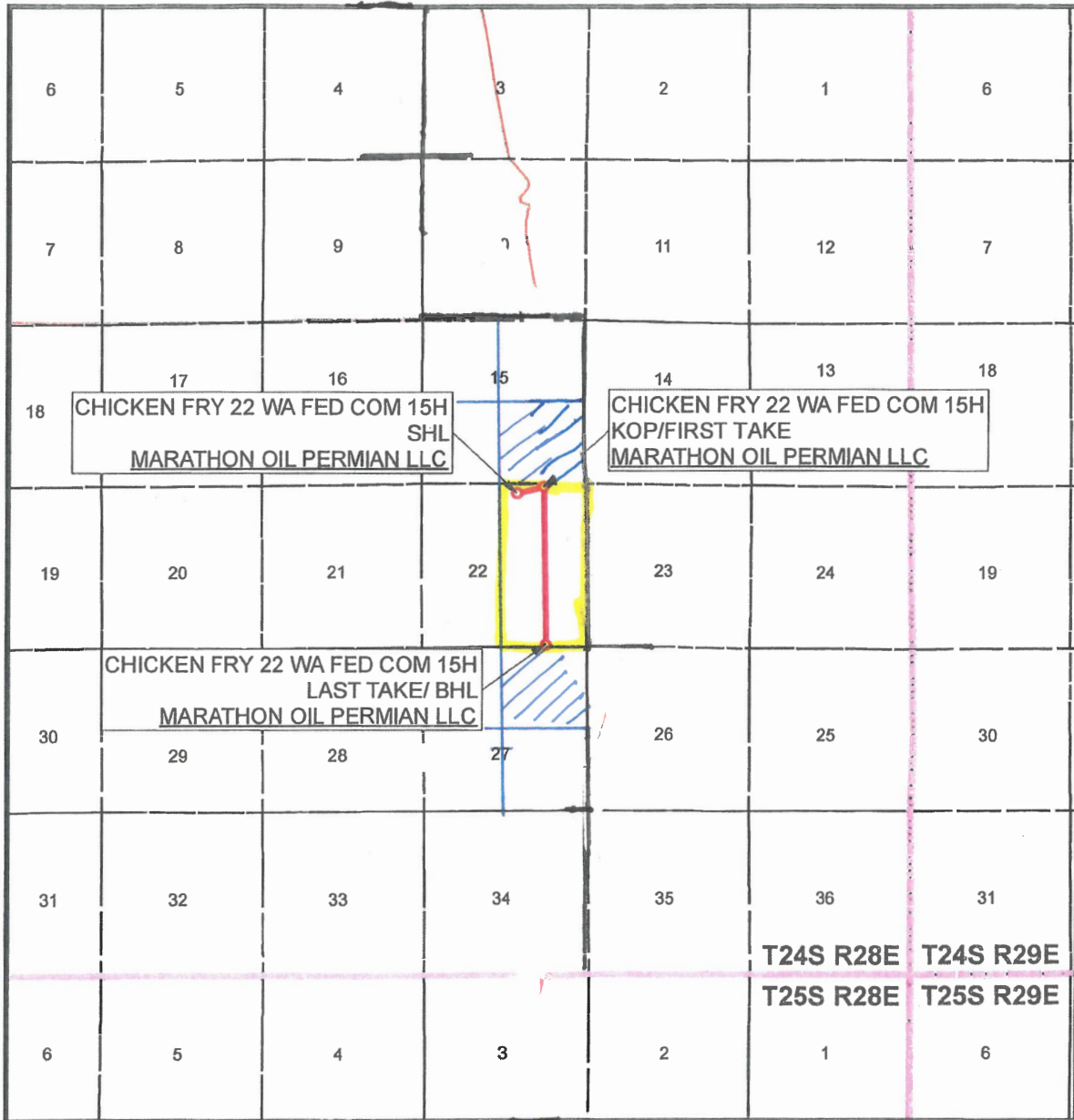
1" = 2,000'
 CONTOUR INTERVAL = 10'



SHEET 2 OF 3

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6900 OFFICE
 JOB No. R3781_012_C

VICINITY MAP



SEC. 22 TWP. 24-S RGE. 28-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 OPERATOR: MARATHON OIL PERMIAN LLC
 DESCRIPTION: 310' FNL & 2187' FEL
 ELEVATION: 3006'
 LEASE: CHICKEN FRY 22 FED COM
 U.S.G.S. TOPOGRAPHIC MAP: MALAGA, NM.

1" = 1 MILE

= Affected tracts

• H54



SHEET 3 OF 3

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6900 OFFICE
 JOB No. R3781_012_C



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
Chicken Fry 22 WA Fed Com 15H
Eddy County, New Mexico

Dear Ms. Sandoval,

Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Chicken Fry 22 WA Fed Com 15H well, to be drilled in Purple Sage; Wolfcamp (Gas) pool (98220). Marathon plans for this well to have a first take point at 100' FNL and 1,320' FEL of Section 22, and last take point at 100' FSL and 1,320' FEL of Section 22, 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.

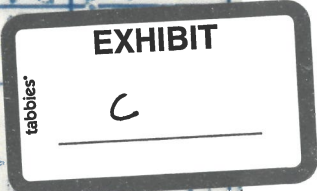
Thank you for your consideration. Should you have any questions please contact me at (713) 296-1883.

Sincerely,

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

Billy Moore
Reservoir Engineer
Permian Asset







MODRALL SPERLING

L A W Y E R S

February 28, 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 Chicken Fry 22 WA Fed Com 15H well located in Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location Chicken Fry 22 WXY Fed Com 12H well located in Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

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.

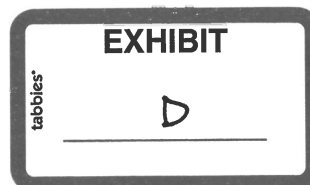
If you have any questions concerning this application, please contact:

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

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.

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



Sincerely,



Deana M. Bennett

*Attorney for Marathon Oil
Permian LLC*

WAIVER

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Chicken Fry 22 WA Fed Com 15H well** located in the E/2 Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dated: _____
Signature _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Chicken Fry 22 WXY Fed Com 12H well** located in the E/2 Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dated: _____

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
02/28/2020

Firm Mailing Book ID: 185569

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0069 3433 95	OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
2	9314 8699 0430 0069 3434 01	Mewbourne Development Corporation PO Box 7698 Tyler TX 75711	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
3	9314 8699 0430 0069 3434 18	Mid-Continent Energy Inc. 3400 Mid-Continent Tower 401 South Boston Tulsa OK 74103	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
4	9314 8699 0430 0069 3434 25	CWM 2000-B, Ltd. PO Box 7698 Tyler TX 75711	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
5	9314 8699 0430 0069 3434 32	3MG Corporation PO Box 7698 Tyler TX 75711	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
6	9314 8699 0430 0069 3434 49	Mewbourne Oil Company PO Box 7698 Tyler TX 75711	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
7	9314 8699 0430 0069 3434 56	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
8	9314 8699 0430 0069 3434 63	State of New Mexico Land Office 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
9	9314 8699 0430 0069 3434 70	KEITH B MASTERS D/B/A MASTERS ENERGY LLC 7500 RIALTO BLVD BLDG 2 #280 AUSTIN TX 78735	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
10	9314 8699 0430 0069 3434 87	DINERO OPERATING COMPANY PO DRAWER 10505 MIDLAND TX 79702	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
11	9314 8699 0430 0069 3434 94	AGS OIL AND GAS HOLDINGS 10 INVERNESS DRIVE E STE 155 ENGLEWOOD CO 80112	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
12	9314 8699 0430 0069 3435 00	S K WARREN RESOURCES L L C PO BOX 470372 TULSA OK 74147	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
13	9314 8699 0430 0069 3435 17	KAISER-FRANCIS OIL COMPANY 6733 S YALE PO BOX 21468 TULSA OK 74121	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
14	9314 8699 0430 0069 3435 24	J & L RESOURCES INC 3126 SOUTH BOULEVARD SUITE 345 EDMOND OK 73013	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF 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 MAIL
02/28/2020

Firm Mailing Book ID: 185569

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0069 3435 31	SIEB RESOURCES INC PO BOX 1107 RICHMOND TX 77406	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
16	9314 8699 0430 0069 3435 48	Broughton Petroleum Inc. Attn: Lois Krennek P.O. Box 1389 Sealy TX 77474	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
17	9314 8699 0430 0069 3435 55	CXA Oil & Gas Holdings, LP Attn: Neil Morgan 6000 Legacy Dr. Plano TX 75024	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
18	9314 8699 0430 0069 3435 62	Foran Oil Company 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
19	9314 8699 0430 0069 3435 79	Hochstim Marital Trust 3717 Maplewood Ave. Dallas TX 75025	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
20	9314 8699 0430 0069 3435 86	J.M. Beique 5216 Treemont Midland TX 79701	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
21	9314 8699 0430 0069 3435 93	MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
22	9314 8699 0430 0069 3436 09	Ralph Carrigan Trustee 3000 One Shell Plaza Houston TX 77002	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
23	9314 8699 0430 0069 3436 16	Roy E. Guinnup 2812-A Wayside Ave. Fort Worth TX 76110	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
24	9314 8699 0430 0069 3436 23	Roy G. Barton, whose wife is Claudia Barton 1919 N. Turner St. Hobbs NM 88240	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
25	9314 8699 0430 0069 3436 30	S. K. Warren Resources LLC P.O. Box 470372 Tulsa OK 74147	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
26	9314 8699 0430 0069 3436 47	Sandra Richards Adams 23203 Verona View Ln. Katy TX 77493	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
27	9314 8699 0430 0069 3436 54	WPX Energy Permian, LLC Attn: Kim Dent P.O. Box 3102 MO37 Tulsa OK 74101	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF Notice
28	9314 8699 0430 0069 3436 61	KCK Energy, LLC 5600 Fenway Midland TX Midland TX 79707	\$1.60	\$3.55	\$1.70	\$0.00	81363.210 CF 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 MAIL
02/28/2020

Firm Mailing Book ID: 185569

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
Totals:			\$44.80	\$99.40	\$47.60	\$0.00	
			Grand Total:				\$191.80

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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