

NSL Initial Application

Received: 03/02/2020

Revised March 23, 2017

RECEIVED: 3/2/2020	REVIEWER: JAG	TYPE: NSL-8017	APP NO: pJAG2006330482
--------------------	---------------	----------------	------------------------

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: Shake-N-Bake 34 WXY Fed Com 2H **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 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.

Deana M. Bennett

Print or Type Name

Signature

March 2, 2020

Date

505-848-1800

Phone Number

deana.bennett@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

March 2, 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 Shake-N-Bake 34 WXY Fed Com 2H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., 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 **Shake-N-Bake 34 WXY Fed Com 2H well**, (the "Well") to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., 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: 100' from the South line and 1254' from the West line of Section 34;
- Last Take Point: 100' from the North line and 1254' from the West line of Section 27.

Marathon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Purple Sage Wolfcamp Pool (Pool Code 98220). There are special pool rules for this pool under Order No. R-14262, that 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 (1) SW/4 of Section 22 Township 22 South, Range 28 East; and (2) the NW/4 of Section 3, Township 23 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 (1) SW/4 of Section 22 Township 22 South, Range 28 East; and (2) the NW/4 of Section 3, 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,

A handwritten signature in blue ink that reads "Deana M. Bennett". The signature is written in a cursive style and is positioned above a horizontal line.

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 SHAKE-N-BAKE 34 WXY FED COM	⁶ Well Number 2H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 3041'

¹⁰ Surface Location

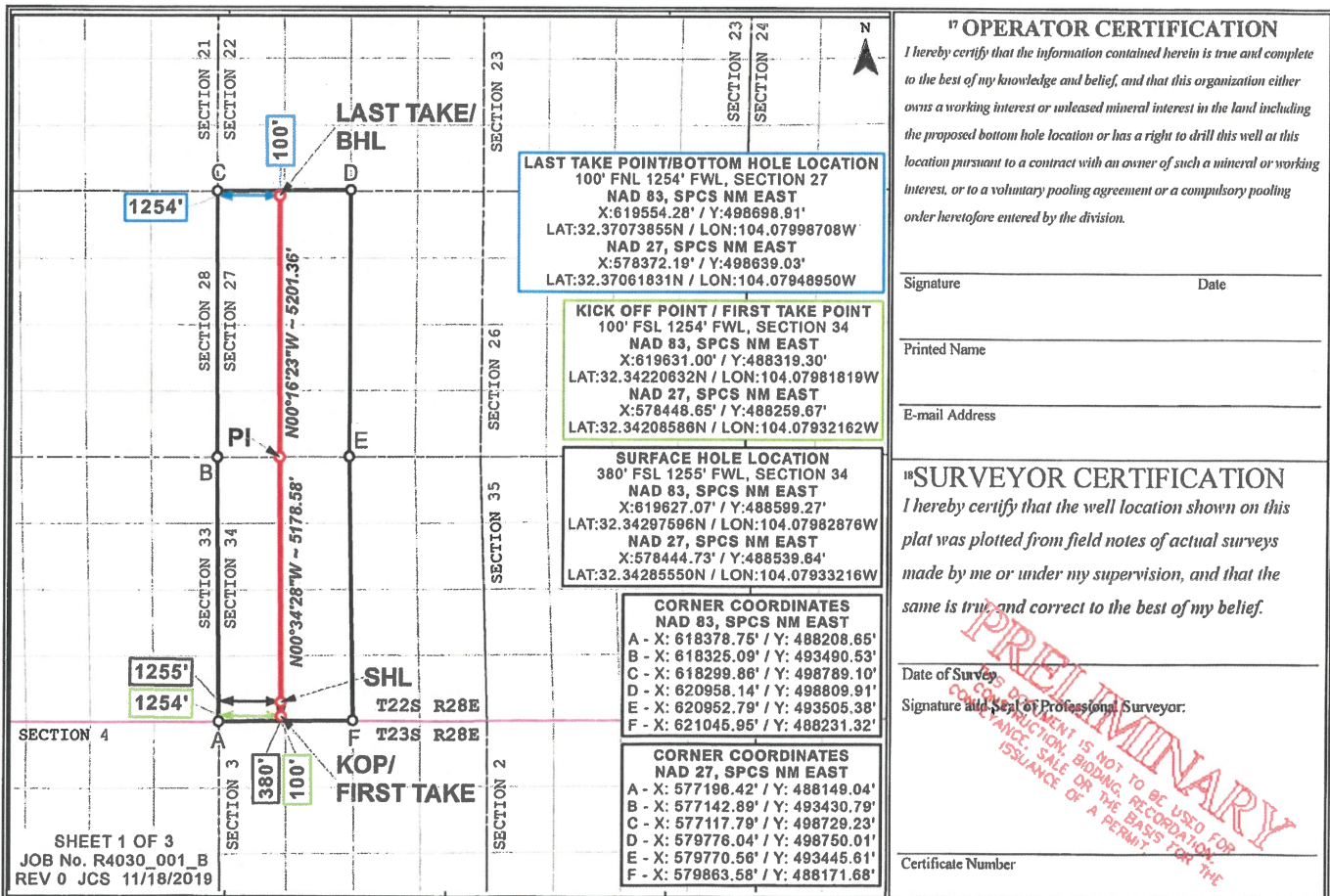
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	22S	28E		380	SOUTH	1255	WEST	EDDY

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
D	27	22S	28E		100	NORTH	1254	WEST	EDDY

¹² Dedicated Acres 640.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

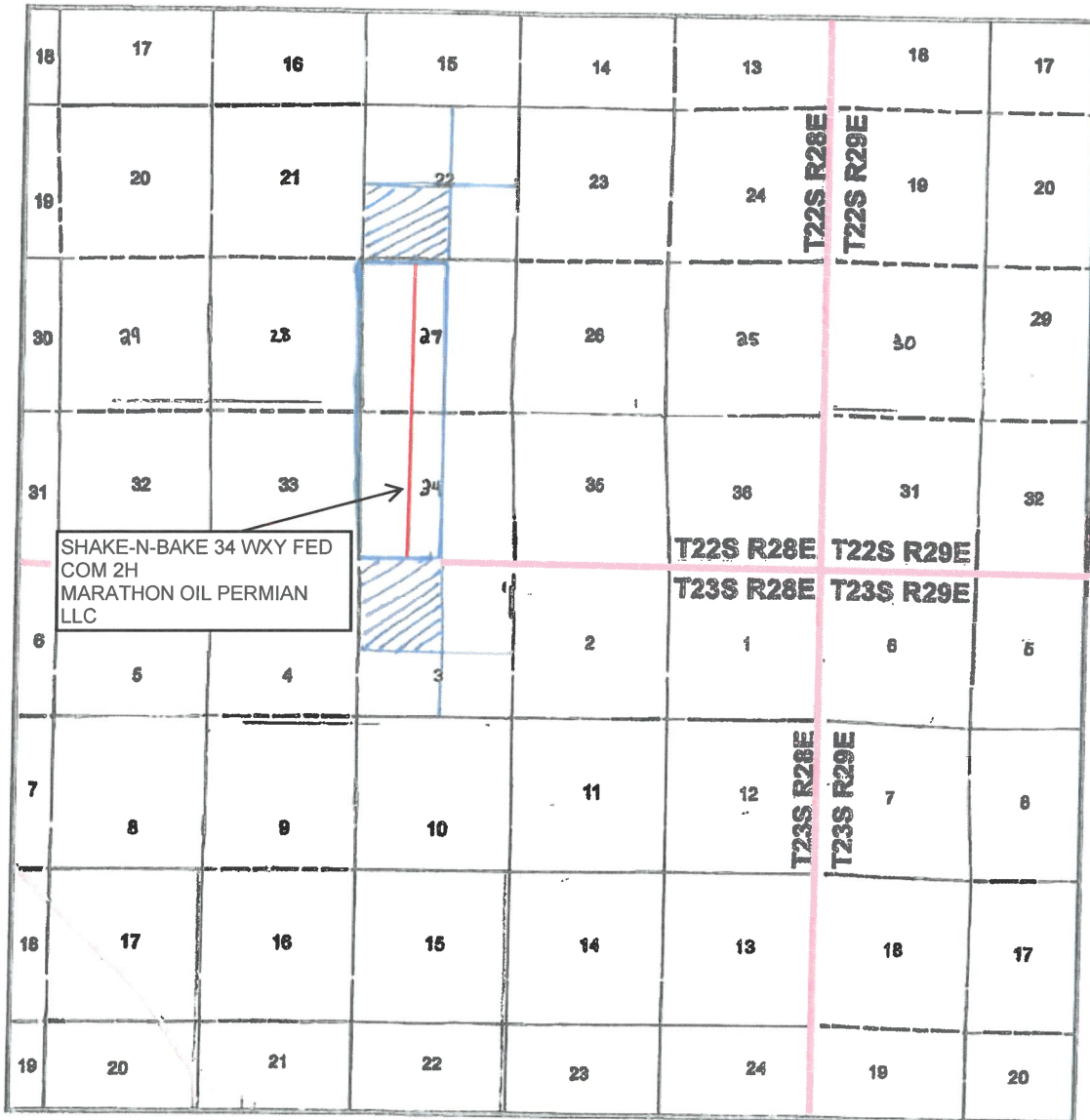
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977431 Convergence: 00°08'50.610012"

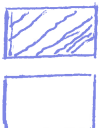


VICINITY MAP



SEC. 26 TWP. 22-S RGE. 28-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 OPERATOR: MARATHON OIL PERMIAN LLC
 DESCRIPTION: 233' FSL & 1272' FWL
 ELEVATION: 3090'
 LEASE: TROJAN HORSE 35 WB FED COM
 U.S.G.S. TOPOGRAPHIC MAP: LOVING, NM.

1" = 1 MILE



= AFFECTED TRACT

= HSU



SHEET 3 OF 3

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6800 OFFICE
 JOB No. R3971_009_G



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
Shake-N-Bake 34 WXY Fed Com 2H
Eddy County, New Mexico

Dear Ms. Sandoval,

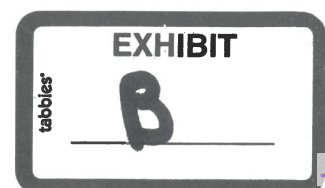
Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Shake-N-Bake 34 WXY Fed Com 2H well, to be drilled in Purple Sage; Wolfcamp (Gas) pool (98220). Marathon plans for this well to have a first take point at 100' FSL and 1,254' FWL of Section 34, and last take point at 100' FNL and 1,254' FWL of Section 27, 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.

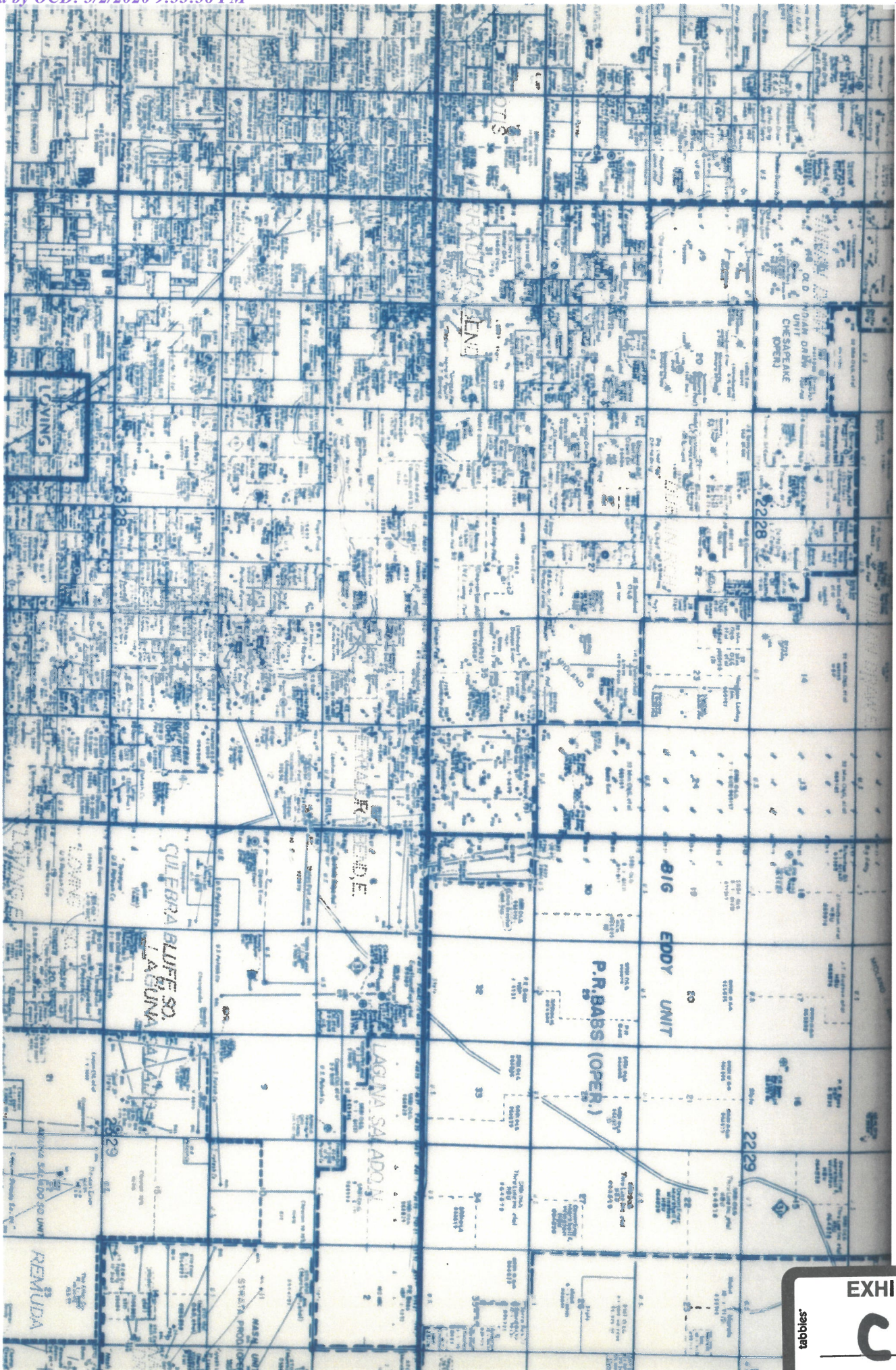
Thank you for your consideration. Should you have any questions please contact me at (713) 296-1883.

Sincerely,

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

Billy Moore
Reservoir Engineer
Permian Asset





EXHIBIT

C

scipet



MODRALL SPERLING

L A W Y E R S

March 2, 2020

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Deana M. Bennett
505.848.1834
dmb@modrall.com

TO AFFECTED PARTIES

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WXY Fed Com 1H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WXY Fed Com 2H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WXY Fed Com 3H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WD Fed Com 4H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WD Fed Com 5H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WD Fed Com 6H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

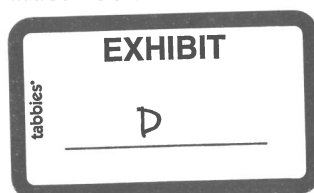
Enclosed in the notice are copies of the above referenced applications filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New

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



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.

Sincerely,



Deana M. Bennett

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

WAIVER

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Shake-N-Bake 34 WXY Fed Com 1H** well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____
Signature _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Shake-N-Bake 34 WXY Fed Com 2H** well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Shake-N-Bake 34 WXY Fed Com 3H** well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____
Signature _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Shake-N-Bake 34 WD Fed Com 4H** well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____
Signature _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Shake-N-Bake 34 WD Fed Com 5H** well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Shake-N-Bake 34 WD Fed Com 6H** well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____
Signature

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
03/02/2020

Firm Mailing Book ID: 185719

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0069 4099 54	RKC, Inc. 7500 Arapahoe Road, Ste. 380 Centennial CO 80112	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
2	9314 8699 0430 0069 4099 61	Matador E&P Co., Inc. One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
3	9314 8699 0430 0069 4099 78	Foran Oil Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
4	9314 8699 0430 0069 4099 85	Nadel & Gussman, LLC 3300 1st Place Tower 15 E. 5th St. Tulsa OK 74103	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
5	9314 8699 0430 0069 4099 92	The Eastland Oil Company PO Box 3488 Midland TX 79702	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
6	9314 8699 0430 0069 4100 04	BHP Billiton BPX Energy Inc., Div. of Interest PO Box 696505 San Antonio TX 78269	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
7	9314 8699 0430 0069 4100 11	Ridge Runner Operating, LLC 1004 N. Big Spring Street Midland TX 79701	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
8	9314 8699 0430 0069 4100 28	Grainne, LLC PO Box 2206 Midland TX 79702	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
9	9314 8699 0430 0069 4100 35	Novo Oil & Gas Northern Delaware, LLC 105 N. Hudson Avenue, Ste 500 Oklahoma City OK 73102	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
10	9314 8699 0430 0069 4100 42	Marathon Oil Permian, LLC 5555 San Felipe Street Houston TX 77056	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
11	9314 8699 0430 0069 4100 59	CBR Oil Properties, LLC PO Box 1518 Roswell NM 88202	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
12	9314 8699 0430 0069 4100 66	Crump Energy Partners II, LLC 4000 North Big Spring, Ste 310 Midland TX 79705	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
13	9314 8699 0430 0069 4100 73	Crown Oil Partners V, LP 4000 North Big Spring, Ste 310 Midland TX 79705	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
14	9314 8699 0430 0069 4100 80	Nadel and Gussman Delaware, LLC 15 East Fifth Street, Ste 3300 Tulsa OK 74103	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB 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
03/02/2020

Firm Mailing Book ID: 185719

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0069 4100 97	Chevron USA, Inc. 1400 Smith St. Houston TX 77002	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
16	9314 8699 0430 0069 4101 03	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
Totals:			\$38.40	\$56.80	\$27.20	\$0.00	
			Grand Total:				\$122.40

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

OFFSETTING OWNERSHIP INFORMATION (SHAKE-N-BAKE NSLS)

SW/4 of Section 22, Township 22South, Range 28 East

RKC, Inc.
7500 Arapahoe Road, Ste. 380
Centennial, CO 80112

Matador E&P Co, Inc.
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Foran Oil Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Nadel & Gussman, LLC
3300 1st Place Tower
15 E 5th St
Tulsa, Oklahoma 74103

The Eastland Oil Company
PO Box 3488
Midland, TX 79702

BHP Billiton
BPX Energy Inc.
Division of Interest
PO Box 696505
San Antonio, TX 78269-6505

Ridge Runner Operating, LLC.
1004 N. Big Spring Street
Midland, Tx 79701

Grainne, LLC
P.O. Box 2206
Midland, Texas 79702

NW/4 of Section 3, Township 23 South, Range 28 East

Novo Oil & Gas Northern Delaware, LLC
105 N. Hudson Avenue, Ste 500
Oklahoma City, OK 73102

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

CBR Oil Properties, LLC
P.O. Box 1518
Roswell, NM 88202

Crump Energy Partners II, LLC
4000 North Big Spring, STE 310
Midland, TX 79705

Crown Oil Partners V, LP
4000 North Big Spring, STE 310
Midland, TX 79706"

Nadel and Gussman Delaware, LLC
15 East Fifth Street, STE 3300
Tulsa, OK 74103

Chevron USA, INC
1400 Smith St.
Houston, TX 77002

BLM
301 Dinosaur Trail
Santa Fe, NM 87508