NSL

PROTEST

Garcia, John A, EMNRD

From:	Garcia, John A, EMNRD
Sent:	Wednesday, March 18, 2020 3:44 PM
То:	'Deana M. Bennett'
Cc:	'Kaitlyn A. Luck'; Simmons, Kurt, EMNRD; Lowe, Leonard, EMNRD; Cox, Scott, EMNRD
Subject:	Protest of Marathon NSL Applications - Shake-N-Bake
Attachments:	Shake N Bake Protest.pdf

Deana,

Applicant	OGRID	WELL NAME	POOL
Marathon Oll Permian, LLC	372098	Shake-N-Bake 34 WXY Fed Com 1H	Purple Sage; Wolfcamp
Marathon Oll Permian, LLC	372098	Shake-N-Bake 34 WXY Fed Com 2H	Purple Sage; Wolfcamp
Marathon Oll Permian, LLC	372098	Shake-N-Bake 34 WXY Fed Com 3H	Purple Sage; Wolfcamp
Marathon Oll Permian, LLC	372098	Shake-N-Bake 34 WD Fed Com 4H	Purple Sage; Wolfcamp
Marathon Oll Permian, LLC	372098	Shake-N-Bake 34 WD Fed Com 5H	Purple Sage; Wolfcamp
Marathon Oll Permian, LLC	372098	Shake-N-Bake 34 WD Fed Com 6H	Purple Sage; Wolfcamp

The OCD was notified that **MRC Permian Company** and **Matador Production Company** have protested your applications for approval of a Non Standard Location of the above subject wells. This party have been identified as an affected person for their specific locations.

Therefore, you are being notified that if **Marathon Oil Permian**, **LLC** wishes for these applications to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party.

The NSL application will be retained by OCD, but suspended from further administrative review.

Please contact the OCD once a decision regarding this application is determined within the next 30 days

03/18/20, Noticed date 04/17/20, 30 day ends

Protestant contact information:

Kaitlyn Luck E-mail: <u>kaluck@hollandhart.com</u>

Thank you,

John Garcia

Petroleum Specialist Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 505-476-3441



Garcia, John A, EMNRD

From:	Kaitlyn A. Luck <kaluck@hollandhart.com></kaluck@hollandhart.com>
Sent:	Wednesday, March 18, 2020 10:32 AM
То:	Engineer, OCD, EMNRD; Lowe, Leonard, EMNRD
Cc:	Adam Rankin; Michael Feldewert; 'Deana M. Bennett'
Subject:	[EXT] Protest of Marathon Oil Permian's NSL Applications for the Shake-N-Bake 34 WXY Fed Com #
	1H-#3H wells & Shake-N-Bake 34 WD Fed Com #4H-#6H wells, Sections 27 & 34, T22S, R28E, Eddy
	County, NM
Attachments:	Protested NSL Applications - Marathon's Shake-N-Bake wells.pdf

OCD:

Please be advised that *MRC Permian Company* and *Matador Production Company* protest the following administrative applications filed by **Marathon Oil Permian LLC** for approval of unorthodox well locations:

- Shake-N-Bake 34 WXY Fed Com #1H, #2H, #3H wells, Sections 27 & 34, T22S, R28E, NMPM, Eddy County, NM
- Shake-N-Bake 34 WD Fed Com #4H, #5H, #6H wells, Sections 27 & 34, T22S, R28E, NMPM, Eddy County, NM

Copies of the NSL applications and notice letters are attached. If you have any questions, please let us know. We appreciate your time.

Thanks,

Kaitlyn

Kaitlyn A. Luck Associate, Holland & Hart LLP 110 N. Guadalupe Street, Suite 1, Santa Fe, New Mexico 87501 T 505.954.7286 F 505.819.5579

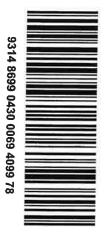




CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail.

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

MAR 0 5 2020



RETURN RECEIPT (ELECTRONIC)

նուներերուներըներություններին

Total Postage: \$7.65

Foran Oil Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Reference Number: 81363.203 SnB

*

MODRALL SPERLING

MAR 0 5 2020

March 2, 2020

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

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.

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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

Deana M. Bennett 505.848.1834 dmb@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

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Dated:

Signature

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Dated:

RECEIVED:	REVIEWER:	TYPE:	APP NO:
]	- Geologica 220 South St. Fran	ABOVE THIS TABLE FOR OCD DIVISION USE OIL CONSERVATION & Engineering Bure nois Drive, Santa Fe,	N DIVISION eau – NM 87505
THIS CHECKLIS	TIS MANDATORY FOR ALL A	DMINISTRATIVE APPLICATIONS F IRE PROCESSING AT THE DIVISION	OR EXCEPTIONS TO DIVISION RULES AND
Dicant: Marathon Oil Perm Name: Shake-N-Bake 3	ian LLC 4 WD Fed Com 6H		OGRID Number: 372098 API: Pending
OI: Purple Sage; Wolfcamp			Pool Code: <u>98220</u>
SUBMIT ACCURATE AN		RMATION REQUIRED TO INDICATED BELOW	O PROCESS THE TYPE OF APPLICATION
NSL B. Check one onl	cing Unit – Simultar NSP _{(PROJE} ly for [1] or [11]	neous Dedication ct area) NSP(PRORA	
	Disposal – Pressure	Increase – Enhanced	OLM d Oil Recovery PPR <u>FOR OCD ONLY</u>
B. Royalty, ove C. Application D. Notification E. Notification F. Surface own	ators or lease holde erriding royalty own requires published and/or concurren and/or concurren ner e above, proof of n	ers hers, revenue owners I notice t approval by SLO t approval by BLM	Notice Complete Application Content Complete
CERTIFICATION: I her	reby certify that the	e information submitte	ed with this application for est of my knowledge. I also
administrative appro	action will be take	n on this application u	until the required information and

Deana M. Bennett

Print or Type Name

4 Brit

March 2, 2020 Date

505-848-1800

Phone Number

deana.bennett@modrall.com e-mail Address



LAWYERS

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 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.

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 WD Fed Com 6H 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 2,178' from the West line of Section 34;
- <u>Last Take Point</u>: 100' from the North line and 2,178' 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 Sulte 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,

Deena M Bennett

Deana M. Bennett Attorney for Marathon Oil Permian LLC

District.1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-07020 District.11 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District.11 1000 Rio Bhzzos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District.1V 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 LC	DCATIO	N AND ACR	EAGE DEDIC	ATION PLA	Т		
1 A	Pl Number	ſ		² Pool Code			³ Pool Nai		- C	
				98220		PURPLE	E SAGE; WO	LFCAM	P (GA	AS)
⁴ Property C	Code				⁵ Property I				6 V	Vell Number
				SHAKE	E-N-BAKE 34	WD FED CC	M			6H
7 OGRID I					⁸ Operator l				5	Elevation
37209	8			MARA	THON OIL	PERMIAN LL	C			3038'
					Surface I	Location				
UL or lot no,	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
M	34	228	28E		180	SOUTH	1254	WEST		EDDY
			" Bo	ttom Ho	le Location If	Different From	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
C	27	22S	28E		100	NORTH	2178	WEST	[]	EDDY
12 Dedicated Acres	¹³ Joint or	r Infill	¹⁴ Consolidation	Code 15 Or	rder No.					
640.0										

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.

CO-SECTION 21 CO-SECTION 22 -0- -0- SECTION 22 SECTION 22 SECTION 23	LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FNL 2176' FWL, SECTION 27 NAD 83, SPCS NM EAST	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
2178 480 LAST TAKE/ BHL BHL BCLION 21 BCLION 2	X:620476.25' / Y:498706.15' LAT:32.37075238N / LON:104.07689427W NAD 27, SPCS NM EAST X:578296.16' / Y:498646.26' LAT:32.37083209N / LON:104.07649679W KICK OFF POINT / FIRST TAKE POINT 100' FSL 2176' FWL, SECTION 34 NAD 83, SPCS NM EAST X:620555.00' / Y:468327.15' LAT:32.34222188N / LON:104.07682822W	order heretafore entered by the division. Signature Date Printed Name Date
B PI S S S S S S S S S S S S S S S S S S	NAD 27, SPCS NM EAST X:579372.84' / Y:489267.51' LAT:32.34210136N / LON:104.07632975W SURFACE HOLE LOCATION 180' FSL 1254' FWL, SECTION 34 NAD 23, SPCS NM EAST X:619628.59' / Y:488399.29' LAT:32.34242621N / LON:104.07882214W NAD 27, SPCS NM EAST X:578447.24' / Y:488339.66'	E-meil Address "SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this</i> <i>plat was plotted from field notes of actual surveys</i>
No No<	LAT:32.34230576N / LON:104.07932555W CORNER COORDINATES NAD 63, SPCS NM EAST A - X: 618376.75' / Y: 488208.65' B - X: 618326.09' / Y: 498789.10' C - X: 618299.86' / Y: 498789.10' D - X: 620952.78' / Y: 498506.38' F - X: 621045.95' / Y: 488231.32'	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 its Senter professional Surveyor:
SHEET 1 OF 3 JOB No. R4030_002_C REV 0 JCS 11/18/2019	CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 577196.42' / Y: 488149.04' B - X: 577142.69' / Y: 488149.04' C - X: 577117.79' / Y: 498729.23' D - X: 579776.04' / Y: 498750.01' E - X: 579770.66' / Y: 498465.61' F - X: 579863.58' / Y: 488171.68'	Certificate Number

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



VICINITY MAP

19	20	21	22	23	24	19	20	
16	17	16	15	14	13	18	17	
7	8	9	10	_ 11	12 SE21	1238 R29E	8	
6 6	SARATHON OIL F	PERMIAN LLC	"	2	f	723S R29E	6	
lcc	32 HAKE-N-BAKE 3 DM 6H		->>	36	and a second	31 T22S R29E	and the second se	
30	29	28	94	26	25	30	29	
19	20	21		23	7225 R28E	19 19	20	
18	17	16	15	14	18	18 18	17	

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.

= AFFECTED TRACT



Prepared by: R-Squared Global, LLC 1308 LDUEVILLE Averue, Morroe, LA 71304 318-323-400 Office JOB No. R3971_608_0

SHEET 3 OF 3

1"=1 MILE





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 WD Fed Com 6H 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 WD Fed Com 6H 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 2,178' FWL of Section 34, and last take point at 100' FNL and 2,178' 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,

Billy S. Worth

Billy Moore Reservoir Engineer Permian Asset



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D TEN KA	A. I.	mater**			

March 2, 2020

LAWYERS

MODRALL SPERLING

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

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.

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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

EXHIBIT

Deana M. Bennett 505.848.1834 dmb@modrall.com

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

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Sincerely,

Deana M. Bennett Attorney for Marathon Oil Permian LLC

WAIVER

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Dated:

Signature

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Dated:_____

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Dated:

Signature

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Dated:

Signature

3877	
Form	
S	

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

Type of Mailing: CERTIFIED MAIL 03/02/2020

Firm Mailing Book ID: 185719

- 1	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Contents
	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
	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
	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
	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
	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
	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
	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
	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
	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
	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
	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
	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
	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
	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

Page 1 2020 Walz CertifiedPro.net

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	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	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	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	<u>\$0.00</u>	
					Grand	Grand Total:	S122.40	
List Number of Pieces Listed by Sender	f Pieces Total Number of Pieces ler Received at Post Office	Pieces Postmaster: Office Name of receiving employee	Dated:			з		

16

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD DIVISI	ON USE ONLY	
	- Geologi	CO OIL CONSERVA ical & Engineering I rancis Drive, Santa	Bureau -	
	ADMINIST	RATIVE APPLICATIO	N CHECKLIST	
THIS C	HECKLIST IS MANDATORY FOR A	ALL ADMINISTRATIVE APPLICATION EQUIRE PROCESSING AT THE DI	ONS FOR EXCEPTIONS TO D	ivision rules and
pplicant: Marathon	Oil Permian LLC		OGRID	Number: <u>372098</u>
ell Name: Shake-N	I-Bake 34 WD Fed Com 5H		API: Pendi	ng
Purple Sage; Wolfd			Pool Co	de: 98220
) TYPE OF APPLI	CATION: Check those	• INDICATED BELOV • which apply for [A]	T	
A. Location	– Spacing Unit – Simu ISL 🛛 NSP 🛙			
[1] Com	tion – Disposal – Press	PLC LIPC LIOL	nced Oil Recovery	FOR OCD ONLY
A. Offset B. Royal C. Applic D. Notific E. Notific F. Surfac G. For all	REQUIRED TO: Check operators or lease ho by, overriding royalty of cation requires publish cation and/or concur cation and/or concur ce owner of the above, proof	olders owners, revenue owr ned notice rent approval by SLC rent approval by BLN) A	 Notice Complete Application Content Complete
CERTIFICATION administrative understand th notifications a	tice required I: I hereby certify tha approval is accurate at no action will be to re submitted to the D	e and complete to th aken on this applicat	e best of my know ion until the require	ledge. I also ed information and

Deana M. Bennett

÷

Print or Type Name

ll BNR

505-848-1800

March 2, 2020 Date

Phone Number

deana.bennett@modrall.com e-mail Address



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 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.

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 WD Fed Com 5H 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:

- <u>First Take Point</u>: 100' from the South line and 1,254' from the West line of Section 34;
- <u>Last Take Point</u>: 100' from the North line and 1,254' 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,

Decona M. Bennett

Deana M. Bennett Attorney for Marathon Oil Permian LLC

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesin, 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

11000. (303) 410 34001		W	/ELL LO	CATION	I AND ACR	EAGE DEDIC.	ATION PLA	Τ				
1 A	Pl Number			² Pool Code			³ Pool Nan					
				98220		PURPLE	SAGE; WO	LFCAM	1P (GA	S)		
* Property C	ode				⁵ Property N				• v	Vell Number		
	SHAKE-N-BAKE 34 WD FED COM					5H						
⁷ OGRID N	la.				Operator N	" Operator Name * Elevation						
37209				MARA	THON OIL F	OIL PERMIAN LLC 3038'						
					Surface L	ocation						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/	East/West line Count			
M	34	228	28E		180	SOUTH	1225	WES	ST	EDDY		
LI	" 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/	East/West line Count			
D	27	228	28E		100	NORTH	1254	WES	WEST EDDY			
12 Dedicated Acres	¹³ Joint or	r Infill ¹⁴ C	Consolidation C	ode ¹⁵ Ord	ier No.							
640.0												

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.

G P I I I I I I I I I I I I I I I I I I	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 buttom 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
LAST TAKE/ 1254' LAST TAKE/ BHL 100' FNL 1254' FWL. NAD 83, SPCS N X:019556.28' / Y:4 LAT:32.37073855N / LON NAD 27, SPCS N Y:57877 319 / Y:4	M HOLE LOCATION SECTION 27 Interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. N: 104.07998708W NM EAST
N i6 N X:578372.19 / Y 4 O I I I I O I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I I	N:104.07948950W Signature Date FIRST TAKE POINT Printed Name Printed Name V:408319.30' Printed Name Printed Name
B PI X:578448.65'/ LAT:32.34208586N / L	25 NM EAST Y:488259.67' E-mail Address
80 L SurfAce Hold 80 1 180' FSL 1225' FU 80 1 5 80 1 5 80 1 5 80 1 5 80 1 5 80 1 5 80 1 5 80 1 1 80 1 1 80 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1 10 1 1	WL, SECTION 34 25 NM EAST 17:468399.04' LON:104.07891604W 25 NM EAST 17:468399.04' LON:104.07991604W LON:104.07941945W LON:104.07941945W
SHL SHL CORNER 1225' T22S R28E C-X: 61837/ C-X: 61832/ C-X: 61829/ D-X: 62095/ E-X: 62095/ E-X: 62095/	COORDINATES SPCS NM EAST 5.75' /Y: 482208.65' 5.09' /Y: 493490.53' 9.86' /Y: 498789.10' 8.14' /Y: 498789.10' Signature Hub Sat & Professional Surveyor:
The second sec	5.95' / Y: 488231.32' COORDINATES SPCS NM EAST 6.42' / Y: 488149.04' 2.89' / Y: 498730.04' 2.89' / Y: 498750.01' 0.56' / Y: 493450.61' Certificate Number

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



VICINITY MAP

-	The second second	TANK DEL COMA CANADANCE						
18	17	16	15	14	13	16	17	7
18	20	21	2	23	24	T225 R29E	20	
90	29	23	27	28	25	3 0	29	
81	SHAKE-N-BAKE	33 34 WD FED) 34	36	36 T225 R28F	31 T228 R29E	312	
8	COM 5H MARATHON OI LLC 5			2	T238 R28E	T238 R29E	6	
,	8	9	10	- 11	12 12 SECA	1238 R29E	8	
6	17	18	15	14	13	18	17	
	20	21	22	23	24	10	20	

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



PREPARED BY: R-QUARED GLOBALLLC 1309 LOUISVILE AVENUE, MONROE, LA 71201 318-225-600 OFROE JOB No. R3071_600_0



= HSU

= AFFECTED TRACT

Marathon Oil

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 WD Fed Com 5H 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 WD Fed Com 5H 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,

Billy S. Moth

Billy Moore Reservoir Engineer Permian Asset



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REMUD	sure and a second secon	ADON			* 	tables	EXHIBIT
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Modrall Sperling

March 2, 2020

LAWYERS

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

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.

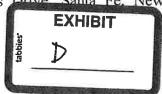
Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WD Fed Com 4H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

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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 <u>Drive Santa Fe. New</u>



Deana M. Bennett 505.848.1834 dmb@modrall.com

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

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Dated: _____

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Dated:

TED MAIL

Firm Mailing Book ID: 185719

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Contents
	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
5	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
6	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
\$	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
9	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
٢	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
œ	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
6	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
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Page 1 2020 Walz CertifiedPro.net

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL 03/02/2020

Firm Mailing Book ID: 185719

	la B	Яц			
Reference Contents	81363.203 SnB Notice	81363.203 SnB Notice			
Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$122.40	
RR Fee	\$1.70	\$1.70	\$27.20	Grand Total:	
Service Fee RR Fee	\$3.55	\$3.55	\$56.80	Grand	
Postage	\$2.40	\$2.40	\$38.40		
			Totals:		ä
					pated:
Name, Street, City, State, Zip	Chevron USA, Inc. 1400 Smith St. Houston TX 77002	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508			Postmaster: Name of receiving employ
USPS Article Number	9314 8699 0430 0069 4100 97 Chevron USA, Inc. 1400 Smith St. Houston TX 77002	9314 8699 0430 0069 4101 03			Total Number of Pieces Received at Post Office
Line USPS	15 9314 {	16 9314 8			List Number of Pieces Listed by Sender

16

Page 2 2020 Walz CertifiedPro.net

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8

RECEIVED:	REVIEWER:	TYPE:	APP NO:
		ABOVE THIS TABLE FOR OCD DIVISION L	N USE ONLY
	- Geologic	O OIL CONSERVATIO al & Engineering Bu ancis Drive, Santa Fe	ureau –
	ADMINISTR	ATIVE APPLICATION	I CHECKLIST
THIS C	HECKLIST IS MANDATORY FOR ALL REGULATIONS WHICH REG	ADMINISTRATIVE APPLICATION	NS FOR EXCEPTIONS TO DIVISION RULES AND ISION LEVEL IN SANTA FE
pplicant: Marathon	Dil Permian LLC		OGRID Number: 372098
	-Bake 34 WD Fed Com 4H		API: Pending
OOI: Purple Sage; Wolfc	аптр		Pool Code: 98220
	CATION: Check those v - Spacing Unit – Simulto SL	aneous Dedication	
[1] Comr [II] Injec: 2) NOTIFICATION A. Offset B. Royalt C. Applic D. Notific E. Notific F. Surfac	ne only for [1] or [1] ningling – Storage – Me DHC CTB PL tion – Disposal – Pressur WFX PMX SW REQUIRED TO: Check the operators or lease hold y, overriding royalty ow ation requires publishe ation and/or concurre ation and/or concurre of the above, proof of	C PC OLS re Increase – Enhance VD IPI EOR hose which apply. Jers vners, revenue owners d notice nt approval by SLO nt approval by BLM	PPR FOR OCD ONLY Notice Complete
 CERTIFICATION administrative understand the 	approval is accurate a	ind complete to the b en on this application	itted with this application for best of my knowledge. I also n until the required information and

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

Deana M. Bennett

Print or Type Name

lean YBmt

March 2, 2020
Date

505-848-1800

Phone Number

deana.bennett@modrall.com e-mail Address



March 2, 2020

Deana M. Bennett 505.848.1834 dmb@modrail.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 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.

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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.

X

Sincerely,

Decna M. Bennett

Deana M. Bennett Attorney for Marathon Oil Permian LLC

District.1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-67020 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztee, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. S. 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 14	API Number	r		² Pool Cod	e		³ Pool Na			
				98220)	PURPLE	E SAGE; WO	LFCA	MP (GA	AS)
⁴ Property (Code				⁵ Property I	Name			61	Vell Number
				SHAKE	E-N-BAKE 34	4 WD FED CC	M			4H
⁷ OGRID I	⁷ OGRID No. ⁸ Operator Name ⁹ Elevation								'Elevation	
37209	8			MARA	ARATHON OIL PERMIAN LLC 3038'					3038'
	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		180	SOUTH	1195	WE	ST	EDDY
			" Bo	ttom Ho	le Location If	Different Fron	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet fram the	Enst	/West line	County
D	27	228	28E		100	NORTH	330	WE	ST	EDDY
12 Dedicated Acres	13 Joint on	r Infill	¹⁴ Consolidation	Code 15 O	rder No.					
640.0										

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.

SECTION 21		TAKE/	SECTION	SECTION 23 SECTION 23 SECTION 24	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 because ways.
330 ¹	/ ~ 5199.35'			LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FNL 330' FWL, SECTION 27 NAD 83, SPCS NM EAST X:618630.30' / Y:498681.88' LAT:32.37072465N / LON:104.08287980W NAD 27, SPCS NM EAST X:577446.22' / Y:498631.81' LAT:32.37060444N / LON:104.08248221W	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.
SECTION	M.62.91.000			KICK OFF POINT / FIRST TAKE POINT 100' FSL 330' FWL, SECTION 34 NAD 83, SPC6 NM EAST X:618706.99' / Y:408311.44' LAT:32.34219071N / LON:104.08281017W % X:577524.66' / Y:488251.83'	Printed Name E-mail Address
	51W - 5181.21	E		LAT:32.34207030N / LON:104.08231348W SURFACE HOLE LOCATION 180' FSL 1196' FWL, SECTION 34 NAD 83, SPCS NM EAST X:619670.59' / Y:486398.79' LAT:32.34242522N / LON:104.08001318W NAD 27, SPCS NM EAST X:578388.24' / Y:486338.16' LAT:32.34230476N / LON:104.07951659W U	*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
FIRST TAKE 1195' T225 R28E 330'	N00:34:25-W	SHL	SE	Diff CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 618376.76' /Y: 488208.65' B - X: 618326.09' /Y: 488208.65' B - X: 618225.09' /Y: 498769.10' D - X: 62095.86' /Y: 498769.10' D - X: 620952.69' /Y: 498769.53' E - X: 620952.79' /Y: 498505.38'	same is truct and correct to the best of my belief. Date of Survey, Signature and Survey,
SHEET 1 OF 3 JOB №. R4030_002_A REV 0 JCS 11/18/2019	100		SECTION 3	E - X: 521045.95 / Y: 485331.32 CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 577196.42' / Y: 488149.04' B - X: 577142.89' / Y: 488149.04' C - X: 5771742.89' / Y: 498729.23' D - X: 579776.04' / Y: 498750.01' E - X: 579770.56' / Y: 493445.61' F - X: 579863.58' / Y: 488171.68'	Certificate Number

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

VICINITY MAP

18	17	16	15	14	13	18	17]
19	20	21	3	23	24 SZZL	T22S R29E	20	
30	38	23	27	28	92	30	29	
31	32 SHAKE-N-BAK COM 4H		34	35	36 T22S R26E			
6	MARATHON O			2	T23S R28E	T23S R29E	Ë	
7	8	9	10	er) 11	12 K238	1235 R29E	8	
16	17	16	15	14	13	18	17	
19	20	21	22	23	24	19	20	

SEC. 28 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.



= AFFECTED TRACT

= HSU

1 " = 1 MILE



PREPARED BY: R-QUARED GLOBAL, LLC 1308 LOUGNLE AVENUE, MONROE, LA 71201 318-3254000 OFFICE JOB No. R3871_000_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 Shake-N-Bake 34 WD Fed Com 4H 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 WD Fed Com 4H 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 330' FWL of Section 34, and last take point at 100' FNL and 330' 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,

Billy S. Moth

Billy Moore Reservoir Engineer Permian Asset



				CHE SAFEAR	
		N. HI		Management and Andrew A	
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		R.BASS (OPER.)		₩. #	
Num	And the second s			tabbles	алана С

Modrall Sperling

March 2, 2020

LAWYERS

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

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.

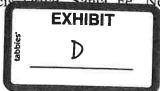
Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WD Fed Com 4H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

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



Deana M. Bennett 505.848.1834 dmb@modrall.com

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

1

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

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Dated:_____

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Dated: _____

3877	
Form	
PS	

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

Type of Mailing: CERTIFIED MAIL 03/02/2020

Firm Mailing Book ID: 185719

Reference Contents	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice
Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RR Fee	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70
Service Fee	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55
Postage	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40
Name, Street, City, State, Zip	RKC, Inc. 7500 Arapahoe Road, Ste. 380 Centennial CO 80112	Matador E&P Co., Inc. One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Foran Oil Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Nadel & Gussman, LLC 3300 1st Place Tower 15 E. 5th St. Tulsa OK 74103	The Eastland Oil Company PO Box 3488 Midland TX 79702	BHP Billiton BPX Energy Inc., Div. of Interest PO Box 696505 San Antonio TX 78269	Ridge Runner Operating, LLC 1004 N. Big Spring Street Midland TX 79701	Grainne, LLC PO Box 2206 Midland TX 79702	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 PO 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 79705	Nadel and Gussman Delaware, LLC 15 East Fifth Street, Ste 3300 Tulsa OK 74103
USPS Article Number	9314 8699 0430 0069 4099 54	9314 8699 0430 0069 4099 61	9314 8699 0430 0069 4099 78	9314 8699 0430 0069 4099 85	9314 8699 0430 0069 4099 92	9314 8699 0430 0069 4100 04	9314 8699 0430 0069 4100 11	9314 8699 0430 0069 4100 28	9314 8699 0430 0069 4100 35	9314 8699 0430 0069 4100 42	9314 8699 0430 0069 4100 59	9314 8699 0430 0069 4100 66	9314 8699 0430 0069 4100 73	9314 8699 0430 0069 4100 80
Line	-	2	m	4	S	ę	Ζ	8	6	10	11	12	13	14

Page 1 2020 Walz CertiliedPro.net

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	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	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			\$2.40	\$3.55	\$1.70	00.0\$	81363.203 SnB Notice
			Totals:	\$38.40	\$56.80	\$27.20	\$0.00	
					Grand	Grand Total:	\$122.40	
List Number of Pieces Listed by Sender	f Pieces Total Number of Pieces er Received at Post Office	teces Postmaster: office Name of receiving employee	Dated:					

16

RECEIVED:	REVIEWER:	TYPE:	APP NO:					
	- Geologic	ABOVE THIS TABLE FOR OCD DIVISION O OIL CONSERVATIOn all & Engineering Bu ancis Drive, Santa F	ION DIVISION					
THIS	CHECKLIST IS MANDATORY FOR ALL	ATIVE APPLICATION	INS FOR EXCEPTIONS TO DIVISION RULES AND					
pplicant: Marathor	REGULATIONS WHICH REC	QUIRE PROCESSING AT THE DIVI	ISION LEVEL IN SANTA FE OGRID Number: 372098					
ell Name: Shake-	N-Bake 34 WXY Fed Com 3H		API: Pending					
OOI: Purple Sage; Wolf			Pool Code: <u>98220</u>					
B. Check o [1] Com	n – Spacing Unit – Simulto NSL Dime only for [1] or [11] DHC DHC CTB PL Ction – Disposal – Pressu	easurement						
2) NOTIFICATION A. 🔳 Offset B. 🔲 Roya	WFX PMX SV NREQUIRED TO: Check f t operators or lease hold lty, overriding royalty ov cation requires publishe	VD []IPI []EOR those which apply. ders vners, revenue owne	FOR OCD ONLY					
E. 📄 Notifi F. 🔲 Surfa G.🔳 For al	cation and/or concurre cation and/or concurre ce owner II of the above, proof of ptice required	ent approval by BLM	Complete					
administrative	e approval is accurate a	and complete to the	nitted with this application for e best of my knowledge. I also on 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

 \sim SNIX

March 2, 2020

505-848-1800

Phone Number

deana.bennett@modrall.com e-moil Address



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 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.

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 3H 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:

- <u>First Take Point</u>: 100' from the South line and 2,178' from the West line of Section 34;
- <u>Last Take Point</u>: 100' from the North line and 2,178' 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,

Reena M. Bennett

Deana M. Bennett Attorney for Marathon Oil Permian LLC

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District 11 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District 111 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District 1V 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

EXHIBIT

	WELL LOCATION AND ACREAGE DEDICATION PLAT											
1 A	PI Numbe	ŕ		² Pool Code	e	³ Pool Name						
				98220		PURPLE	E SAGE; WO	LFCA	MР (GA	AS)		
⁴ Property C	Code				⁵ Property 1					Vell Number		
			1	SHAKE-	N-BAKE 34	WXY FED C	ОМ			3H		
							⁹ Elevation					
37209	8		MARATHON OIL PERMIAN LLC						LC 3041'			
	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	228	28E		380	SOUTH	1285	WE	ST	EDDY		
			" Bo	ttom Ho	le Location If	Different Fron	n Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County		
C	27	228	28E		100	NORTH	2178	WE	ST	EDDY		
12 Dedicated Acres	13 Joint o	r Infill ¹⁴ C	onsolidation	Code 15 Or	rder No.							
640.0												

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.

233	24	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete
ZZ	SECTION	to the best of my knowledge and belief, and that this organization either
SECTION SECTION SECTION	CELL	owns a worlding interest or unleased mineral interest in the land including
	8 8	the proposed bottom hole location or has a right to drill this well at this
	LAST TAKE POINT/BOTTOM HOLE LOCATION	location pursuant to a contract with an owner of such a mineral or working
	100' FNL 2178' FWL, SECTION 27 NAD 83, SPCS NM EAST	interest, or to a voluntary pooling agreement or a compulsory pooling
2178'	X:620478.25' / Y:498706.15' LAT:32.37075238N / LON:104.07699427W	order heretofore entered by the division.
	/ NAD 27, SPCS NM EAST X:579298.16' / Y:498646.26'	
87 87 87 87 87 87 87 87 87 87 87 87 87 8	LAT:32.37063209N / LON:104.07649679W	Signature Date
	KICK OFF POINT / FIRST TAKE POINT	
6'24"W 27	NAD 83, SPCS NM EAST	Printed Name
SECT SECT SECT SECT SECT SECT SECT SECT	X:620555.00' / Y:488327.15' LAT:32,34222186N / LON:104.07682622W	
SECTION	NAD 27, SPCS NM EAST X:579372.64' / Y:488267.51'	E-mail Address
ВР	LAT:32.34210136N / LON:104.07632875W	2
	SURFACE HOLE LOCATION 380' FSL 1285' FWL, SECTION 34	SURVEYOR CERTIFICATION
2 10	NAD 83, SPCS NM EAST X:619657.07' / Y:488599.53'	I hereby certify that the well location shown on this
5175.95	LAT:32.34297646N / LON:104.07973162W	plat was plotted from field notes of actual surveys
ION 33 ION 34 - 5176.9	NAD 27, SPCS NM EAST X:576474.73' / Y:488539.89'	
A A A A A A A A A A A A A A A A A A A	LAT:32.34285601N / LON:104.07923502W	made by me or under my supervision, and that the
	CORNER COORDINATES NAD 83, SPCS NM EAST	same is true and correct to the best of my belief.
SHL KOP/	A - X: 618378.75' / Y: 488208.65' B - X: 618325.09' / Y: 493490.53'	1Pm
1285' FIRST TAKE	C - X: 618299.86' / Y: 498789.10'	Date of Survey
2178' 489' T225 R2	D - X: 620956.14' / Y: 496809.91' E - X: 620952.79' / Y: 493505.38'	Signature alle San St Professional Surveyor.
SECTION 4 A F T235 R2		ASC MALLS
	CORNER COORDINATES NAD 27, SPCS NM EAST	Studie English
	A - X; 577196.42' / Y: 488149.04' B - X: 577142.89' / Y: 493430.79'	a higher and A
SHEET 1 OF 3	C - X: 577117.79' / Y: 498729.23' D - X: 579776.04' / Y: 498750.01'	CERCE SOLUTION
SHEET 1 OF 3 JOB No. R4030_001_C	E - X: 579770.58' / Y: 493445.61' F - X: 579863.58' / Y: 488171.68'	Certificate Number
REV 0 JCS 11/18/2019	P - A: 0/ 9005.00 / 1: 4681/1.08	. 8.,

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

VICINITY MAP

18	17	16	15	14	13	18	17	
19	20	21	3	23	24 SCZL	122S R29E	20	
30	30	28	97	28	25	30	29	
= C	32 HAKE-N-BAKE 3 OM 3H		->	35		31 T228 R29E		
6 6	ARATHON OIL F	PERMIAN LLC		2	11238 R28E	T23S R29E	6	\bigcirc
7	8	9	10	. 11	12 SEAL	123S R29E	ß	
18	17	18	18	14	13	18	17	
19	20	21	22	23	24	19	20	

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



PRAARED BY: R-SQUARED GLOBAL, LLC 1900 LDUISVELE AVERUE, MONROF, LA 71291 316-322-8400 OFFICE JOB No. R3971_898_C



= HSU

= AFFECTED TRACT



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 3H 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 3H 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 2,178' FWL of Section 34, and last take point at 100' FNL and 2,178' 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,

Billy S. Worth

Billy Moore Reservoir Engineer Permian Asset



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Modrall Sperling

March 2, 2020

LAWYERS

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Deana M. Bennett 505.848.1834 dmb@rnodrall.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.

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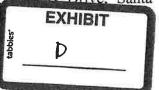
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Ladies and Gentlemen:

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.

Sincelely, Deana M. Bennett

Attorney for Marathon Oil Permian LLC

<u>WAIVER</u>

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Dated:

Signature

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Dated: _____

Reference Contents	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice
Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RR Fee	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70
Service Fee RR Fee	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55
Postage	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40
Name, Street, City, State, Zip	RKC, Inc. 7500 Arapahoe Road, Ste. 380 Centennial CO 80112	Matador E&P Co., Inc. One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Foran Oil Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Nadel & Gussman, LLC 3300 1st Place Tower 15 E. 5th St. Tulsa OK 74103	The Eastland Oil Company PO Box 3488 Midland TY 70707	BHP Billiton BPX Energy Inc., Div. of Interest PO Box 696505 San Antonio TX 78269	Ridge Runner Operating, LLC 1004 N. Big Spring Street Midland TX 79701	Grainne, LLC PO Box 2206 Midland TX 79702	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 PO 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 79705	Nadel and Gussman Delaware, LLC 15 East Fifth Street, Ste 3300 Tulsa OK 74103
USPS Article Number	9314 8699 0430 0069 4099 54	9314 8699 0430 0069 4099 61	9314 8699 0430 0069 4099 78	9314 8699 0430 0069 4099 85	9314 8699 0430 0069 4099 92	9314 8699 0430 0069 4100 04	9314 8699 0430 0069 4100 11	9314 8699 0430 0069 4100 28	9314 8699 0430 0069 4100 35	9314 8699 0430 0069 4100 42	9314 8699 0430 0069 4100 59	9314 8699 0430 0069 4100 66	9314 8699 0430 0069 4100 73	9314 8699 0430 0069 4100 80
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Firm Mailing Book ID: 185719

Page 1 2020 Walz CertifiedPro.net

Type of Mailing: CERTIFIED MAIL 03/02/2020

PS Form 3877

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

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Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A.	500 Fourth Street, Suite 1000	rque NM 87102
Karlene Schuman Modrall Sperling]	500 Fourth Street,	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	Service Fee RR Fee	Rest.Del.Fee	Keference Contents
S	9314 8699 0430 0069 4100 97 Chevron USA, Inc. 1400 Smith St. Houston TX 77002	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	12
					Gran	Grand Total:	\$122.40	
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RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geologia	ABOVE THIS TABLE FOR OCD DIVISI CO OIL CONSERVAI Cal & Engineering I ancis Drive, Santa	ION DIVISION Bureau –	
		ATIVE APPLICATIO		- Citita
THIS CHEC	KLIST IS MANDATORY FOR AL	L ADMINISTRATIVE APPLICATION QUIRE PROCESSING AT THE DI	ONS FOR EXCEPTIONS TO DIVIS	ion rules and
Applicant: Marathon Oil Po	ermian LLC			mber: <u>372098</u>
Well Name: Shake-N-Bak	e 34 WXY Fed Com 2H		API: Pending	
Pool: Purple Sage; Wolfcamp			Pool Code	98220
		ORMATION REQUIRE		PE OF APPLICATION
A. Location – Sp NSL B. Check one c [1] Comming DH	NSP _{(PR} only for [1] or [11] gling – Storage – Me C CCTB PL a – Disposal – Pressu	aneous Dedication DJECT AREA) DNSP(F easurement C DPC DLS re Increase - Enhance	ced Oil Recovery	FOR OCD ONLY
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understand that n	proval is accurate c	and complete to the en on this application	best of my knowled	ge. I also
Note: St	atement must be complet	ed by an individual with mo	nagerial and/or supervisory	capacity.
Deana M. Bennett			March 2, 2020 Date	
Print or Type Name				

plean GBnit

505-848-1800

Phone Number

deana.bennett@modrall.com e-mail Address



March 2, 2020

Deana M. Bennett 505.848.1834 dmb@modrail.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:

- <u>First Take Point</u>: 100' from the South line and 1254' from the West line of Section 34;
- <u>Last Take Point</u>: 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,

Deena M. Bennett

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 <u>District III</u> 811 S. First SL, Artesin, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 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

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EXHIBIT

AMENDED REPORT

		V	WELL LO	CATIO	N AND ACRI	EAGE DEDICA	ATION PLAT	Г		
'A	Pl Number			² Pool Code			³ Pool Nam			
				98220		PURPLE	SAGE; WOI	LFCAMP (GA	AS)	
⁴ Property C	ode				⁵ Property N			61	Vell Number	
			S	HAKE-	N-BAKE 34	WXY FED CO	M		2H	
7 OGRID	10.				Operator Name					
37209				MARA	THON OIL F	PERMIAN LLO	С		3041'	
					" Surface L	ocation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
M	34	228	28E		380	SOUTH	1255	WEST	EDDY	
			" Bo	ttom Hol	le 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	13 Joint or	r Infill 14	Consolidation	Code 15 Or	rder No.					
640.0										

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.

12 INOT EDGE	SECTION 22		AST TA		SECTION 23	LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FNL 1254' FWL, SECTION 27 NAD 83, SPCS NM EAST X:619554.26' / Y:496808.01'	** 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 iocation or has a right to utili 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.
SECHION 28	SECTION 27	N00*16'23"W ~ 5201.36'			SECTION 261 1	LAT:32.370738556 / / LON:104.07988708W NAD 27, SPCS NM EAST X:578372.19' / Y:498639.03' LAT:32.37061831N / LON:104.07948950W KICK OFF POINT / FIRST TAKE POINT 100' FSL 1254' FWL, SECTION 34 NAD 63, SPCS NM EAST X:619631.00' / Y:488319.30' LAT:32.3420632N / LON:104.07981819W NAD 27, SPCS NM EAST X:578448.65' / Y:488259.67' LAT:32.34205586N / LON:104.07982162W	Signature Date Printed Name E-mail Address
B SECTION 33	SECTION 34	34'28"W ~ 5178.58" N	E		SECTION 35	SURFACE HOLE LOCATION 380' FSL 1255' FWL, SECTION 34 NAD 83, SPCS NM EAST X:619627.07' / Y:486599.27' LAT:32.34297596N / LON:104.07962876W NAD 27, SPCS NM EAST X:578444.73' / Y:486539.64' LAT:32.34285550N / LON:104.07933216W CORNER COORDINATES NAD 83, SPCS NM EAST	"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.
SECTION 4 SHEET 1 OF 3 JOB NO. R4030_001_B REV 0 JCS 11/18/2018	SECTI		A	R28E R28E TAKE	5	A - X: 618376.75' / Y: 488208.65' B - X: 618325.09' / Y: 498490.53' C - X: 618296.86' / Y: 498789.10' D - X: 620958.14' / Y: 498609.91' E - X: 620952.79' / Y: 498505.38' F - X: 621045.95' / Y: 498503.32' CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 577146.42' / Y: 488149.04' B - X: 577146.42' / Y: 498729.23' D - X: 577716.04' / Y: 498750.01' E - X: 579776.05' / Y: 49845.61' F - X: 579863.58' / Y: 488171.68'	Date of Survey Signature like Sister Professione Surveyor.

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

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81	SHAKE-N-BAKE	33 34 WXY FED	-> 34	36	³⁶ T22S R28E	31 T22S R29E	82	
8	COM 2H MARATHON OII LLC 5			2	T23S R28E	T23S R29E	5 5	
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18	17	16	15	14	13	18	17	
9	20	21	22	23	24	19	20	

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



PREFARED BY: R-SQUARED GLOBALLLC 1309 LOUISVILLE AVENUE, MONROE, LA 71201 310-323-5500 OFRCE JOB No. RHT1_600_C



= HSU

= AFFECTED TRACT



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

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

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Billy S. Moth

Billy Moore Reservoir Engineer Permian Asset



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March 2, 2020

LAWYERS

MODRALL SPERLING

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

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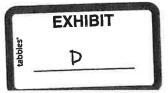
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Ladies and Gentlemen:

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Deana M. Bennett 505.848.1834 dmb@modrall.com

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.

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Deana M. Bennett^{*l*} Attorney for Marathon Oil Permian LLC

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Dated:

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Type of Mailing: CERTIFIED MAIL 03/02/2020

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

Firm Mailing Book ID: 185719

			8											
Reference Contents	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice
Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RR Fee	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70
Service Fee	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55
Postage	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40
Name, Street, City, State, Zip	RKC, Inc. 7500 Arapahoe Road, Ste. 380 Centennial CO 80112	Matador E&P Co., Inc. One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Foran Oil Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Nadel & Gussman, LLC 3300 1st Place Tower 15 E. 5th St. Tulsa OK 74103	The Eastland Oil Company PO Box 3488 Midland TX 79702	BHP Billiton BPX Energy Inc., Div. of Interest PO Box 696505 San Antonio TX 78269	Ridge Runner Operating, LLC 1004 N. Big Spring Street Midland TX 79701	Grainne, LLC PO Box 2206 Midland TX 79702	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 Propertics, LLC PO 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 79705	Nadel and Gussman Delaware, LLC 15 East Fifth Street, Ste 3300 Tulsa OK 74103
USPS Article Number	9314 8699 0430 0069 4099 54	9314 8699 0430 0069 4099 61	9314 8699 0430 0069 4099 78	9314 8699 0430 0069 4099 85	9314 8699 0430 0069 4099 92	9314 8699 0430 0069 4100 04	9314 8699 0430 0069 4100 11	9314 8699 0430 0069 4100 28	9314 8699 0430 0069 4100 35	9314 8699 0430 0069 4100 42	9314 8699 0430 0069 4100 59	9314 8699 0430 0069 4100 66	9314 8699 0430 0069 4100 73	9314 8699 0430 0069 4100 80
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Form
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Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

Type of Mailing: CERTIFIED MAIL 03/02/2020

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RR Fee	\$1.70	\$1.70		\$27.20	Grand Total:	
Service Fee RR Fee	\$3.55	\$3.55	5	\$56.80	Granc	
Postage	\$2.40	\$2.40		\$38.40		
				Totals:		÷p
						Dated:
Name, Street, City, State, Zip	Chevron USA, Inc. 1400 Smith St.	9314 8699 0430 0069 4101 03 Bureau of Land Management 301 Dinosaur Trail	Santa Fe NM 87508			ces Postmaster: ice Name of receiving employee
USPS Article Number	9314 8699 0430 0069 4100 97 Chevron USA, Inc. 1400 Smith St.	8699 0430 0069 4101 03	a			Total Number of Pieces Received at Post Office
Line USPS	15 9314	16 9314				List Number of Pieces Listed by Sender

16

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD DR		
		al & Engineering		
	1220 South St. Fra	ncis Drive, Santo	a Fe, NM 87505	
			DN CHECKLIST TIONS FOR EXCEPTIONS TO DIVISION RUL	
	REGULATIONS WHICH REQ	UIRE PROCESSING AT THE I	DIVISION LEVEL IN SANTA FE	ES AND
plicant: Marathon O			OGRID Numbe	1: <u>372098</u>
	Bake 34 WXY Fed Com 1H		API: Pending	
Purple Sage; Wolfca	mp		Pool Code: _9822	0
	ATION: Check those w			
A. Location -	Spacing Unit – Simulta			
[l] Comm □[e only for [1] or [11] ingling – Storage – Mer DHC DCTB DPLC on – Disposal – Pressure	C □PC □OI		
	WFX PMX SW		DR PPR	R OCD ONLY
	REQUIRED TO: Check the perators or lease holds	,		ice Complete
B. 🗍 Royalty	, overriding royalty own tion requires published	ners, revenue owr		plication Intent
	tion and/or concurrention and/or concurrent			nplete
		notification or pub	lication is attached, and/c	r,
administrative o understand that	pproval is accurate ar	nd complete to th in on this applicat	mitted with this application e best of my knowledge. I a ion until the required inform	also
Note	: Statement must be completed	d by an individual with n	nanagerial and/or supervisory capac	ity.
			March 2, 2020	

Deana M. Bennett

Print or Type Name

Un MBmith

Date

505-848-1800

Phone Number

deana.bennett@modrall.com e-mail Address



LAWYERS

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 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.

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 1H 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:

- <u>First Take Point</u>: 100' from the South line and 330' from the West line of Section 34;
- <u>Last Take Point</u>: 100' from the North line and 330' 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 & Slsk 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,

Keena M. Bennest

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 J1 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

riiutie, (203) 4 10-3400 i	ша. (202) 170	1	VELL LOC	CATION	AND ACR	EAGE DEDIC/	ATION PLA'	Г		
¹ AP1 Number				² Pool Code		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)				
			98220		PURPLE					
⁴ Property C	ode		SI	HAKE-N	⁵ Property N I-BAKE 34	anne WXY FED CC	M	6.	Well Number 1 H	
⁷ OGRID No. 372098 M.				MARAT	" Operator N "HON OIL F	ermian LL	C		⁹ Elevation 3041 ¹	
					Surface I	ocation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line Co		
M	34	228	28E		380	SOUTH	1225	WEST	EDDY	
			" Bott	om 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		
D	27	22S	28E					EDDY		
¹² Dedicated Acres 640.0	¹³ Joint o	r Infill ¹⁴	Consolidation Co	ode ¹⁵ Ord	er 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.

		AKE POINT/BOTTOM HOLE LOCATION	POPERATOR 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 batiom 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 the proposed bation of the such as a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working
330' 82 82 82 82 82		NAD 83, SPCS NM EAST X:618630.30' / Y:498691.68' 32.37072465N / LON:104.08297990W NAD 27, SPCS NM EAST X:577448.22' / Y:498631.81' 32.37060444N / LON:104.08248221W KICK OFF POINT / FIRST TAKE POINT	interest, or to a voluntary pooling ogreement or a compulsory pooling order heretofore entered by the division. Signature Date
PI PI	ECTION 27 SECTION 26	100' FSL 330' FWL, SECTION 34 NAD 63, SPC3 NM EAST X:618705.99' / Y:488311.44' AT:32.34219071N / LON:104.08281017W NAD 27, SPC5 NM EAST X:577524.66' / Y:489251.83' AT:32.34207030N / LON:104.08231348W	Printed Name E-mail Address
~ 8181.21	ECT	SURFACE HOLE LOCATION 380' FSL 1225' FWL, SECTION 34 NAD 83, SPCS NM EAST X:619597.07' / Y:488599.02' AT:32.34297545N / LON:104.07992580W NAD 27, SPCS NM EAST X:576414.73' / Y:486539.38' AT:32.34285500N / LON:104.07942930W	*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
1225' SHL	T22S R28E	CORNER COORDINATES NAD 83, SPC5 NM EAST A - X: 618376.75' / Y: 488208.65' B - X: 618325.09' / Y: 4984205.35' C - X: 618299.86' / Y: 498789.10' D - X: 620958.14' / Y: 498509.91' E - X: 620952.79' / Y: 498505.38' F - X: 621045.95' / Y: 488221.32'	Same is true and correct to the best of my belief. Date of Survey. Signature fild Sector Professional Surveyor.
KOP/ FIRST TAKE SHEET 1 OF 3 JOB No. R4030_001_A REV 0 JCS 11/18/2019	PERCENT	F - X: 621048,85 / Y: 468241.82 CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 577188.42 / Y: 488149.04' B - X: 577142.88' / Y: 489430.79' C - X: 577117.76' / Y: 498729.23' D - X: 57976.04' / Y: 498750.01' E - X: 57970.56' / Y: 498455.61' F - X: 579863.56' / Y: 488171.68'	Certificate Number
Distances/areas relative to NAD 83 Combined	d Scale Factor: 0.99977431	Convergence: 00°08'50.610012"	

VICINITY MAP

18	17	16	15	14	13	18	17	
				19		R Grow in press in a		
16	20	21	*	23	24 SCCL	122S R29E	20	
30	29	28	27	26	92	30	28	
31	COM 1H	38 E 34 WXY FED	> 34	35	38 T22S R28E	31 T228 R29E	32	
6	MARATHON O	IL PERMIAN		2	1723S R28E	723S R29E	ŝ	
7	8	9	10	. 11	123 25 123 2 123	1235 R29E	8	
18	17	16	15	14	13	18	17	
19	20	21	22	23	24	19	20	

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



PREPARED BY: R-BOUARED GLOBAL, LLC 1368 LDUISVELE AVENUE, MORROE, LA 71201 316-322-600 OFFICE JOB No. R3971_000_C





= HSU



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 1H 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 1H 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 330' FWL of Section 34, and last take point at 100' FNL and 330' 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,

Billy S. Woll

Billy Moore Reservoir Engineer Permian Asset



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			EXHIBIT
REMULA		_ tables	С

Modrall Sperling

March 2, 2020

LAWYERS

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

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.

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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

EXHIBIT

Deana M. Bennett 505.848.1834 dmb@modrall.com

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, in UBmtA 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

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Dated: _____

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Dated: _____

Signature

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Dated:

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ll Harris & Sisk P.A. te 1000 12
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Harri 1000
arlene Schuman lodrall Sperling Roehl 00 Fourth Street, Suite lbuquerque NM 87102
ling F treet, NM 8
Karlene Schuman Modrall Sperling 600 Fourth Street Ulbuquerque NM
arlene odrall 0 Fou buqu
ASSAK

PS Form 3877

Type of Mailing: CERTIFIED MAIL 03/02/2020

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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	e RR Fee	Rest.Del.Fee	Contents
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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

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

PS Form 3877

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			Totals:		Dated:
Name, Street, City, State, Zip	Chevron USA, Inc. 1400 Smith St. Houston TX 77002	9314 8699 0430 0069 4101 03 Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508		. (1)	es Postmaster: e Name of receiving employee
USPS Article Number	9314 8699 0430 0069 4100 97 Chevron USA, Inc. 1400 Smith St. Houston TX 77002	699 0430 0069 4101 03 1			Total Number of Pieces Received at Post Office
Line USPS	15 93148	16 93148			List Number of Pieces Listed by Sender

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