

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



April 3, 2018

Jennifer Bradfute  
Modrall Sperling  
jlb@modrall.com

NON-STANDARD LOCATION

**Administrative Order NSL-7679**

**Marathon Oil Permian LLC. [OGRID 372098]**  
**Madera 19 Federal Com 26-35-19 WXY Well No. 006H**  
**API No. 30-025-Pending**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	351 FSL & 1428 FWL	N	19	26S	35E	Lea
Penetration Point	330 FSL & 1379 FWL	N	19	26S	35E	Lea
Final perforation (Terminus)	2312 FSL & 1372 FWL	K	18	26S	35E	Lea

**Proposed Project Area**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 SW/4 of Section 18	240	Jabalina; Wolfcamp, Southwest	96776
E/2 W/2 of Section 19			

Reference is made to your application received on February 23, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because it is too close to the western boundary of the unit.

This well's completed interval will be as close as 20 feet to the western boundary, and 331 feet from the diagonal of the northern edge, and 331 feet from the diagonal of the southern edge of the project area. Encroachments will impact the following tracts.

Section 18, T26S R35E, encroachment to the Lot 2/ Unit E, and Lot 3/ Unit L and Lot 4/ Unit M (W/2 SW/4 equivalent)

Section 19, T26S R35E, encroachment to the W/2 W/2

Section 30, T26S R35E, encroachment to the Lot 1/ Unit D

OCD understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

OCD also understands you seek this location to maximize reserves by developing the W/2 of Section 19 and the SW/4 of Section 18. The best location for the subject well is 20 feet east of the of E/2 SW/4 of Section 18 and the W/2 W/2 of Section 19.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Pursuant to Subsection B of 19.15.15.13 NMAC, OCD approves the above-described unorthodox location.

The above approvals are subject to your following all other applicable OCD rules.

Jurisdiction of this case is retained for the entry of further orders as OCD deems necessary.



**HEATHER RILEY**

**Director**

HR/mam/rbb

cc: Oil Conservation Division – Hobbs District Office  
Bureau of Land Management – Carlsbad Field Office