

RECEIVED: <u>3/29/2018</u>	REVIEWER:	TYPE: <u>NSL</u>	APP NO: <u>PMAM 1808933152</u>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Marathon Oil Permian LLC OGRID Number: 372098

Well Name: El Presidente State 24 27 2 TB 6H API: 30-015-44484

Pool: Malaga, Bone Spring North Pool Pool Code: 42800

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☒ No notice required**FOR OCD ONLY**☐ Notice Complete
☐ Application
 Content
 Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Jennifer Brad Gate
 Print or Type Name

3-29-2018
 Date

505-848-1845
 Phone Number

[Signature]
 Signature

jlb@modrall.com
 e-mail Address



MODRALL SPERLING

L A W Y E R S

March 29, 2018

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

Zoë E. Lees
505.848.1859
Fax: 505.848.9710
zel@modrall.com

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its El Presidente State 24 27 2 TB 6H well located in E/2 E/2 Section 2, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Riley:

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, is seeking administrative approval of an unorthodox well location ("NSL") for the El Presidente State 24 27 2 TB 6H well (the "Well") to be completed within the Malaga, Bone Spring North Pool (Pool Code 42800) underlying the E/2 E/2 Section 2, Township 24 South, Range 27 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 has been drilled as follows:

- Surface Hole Location: 283 feet from the South line and 832 feet from the East line of Section 2;
- First Perforation Point: 330 feet from the South line and 994 feet from the East line of Section 2;
- Deviation: The lateral deviates and most non-standard perforation will be located at 4,184 feet from the South line and 237 feet from the western boundary of the project area, as shown in Exhibit A.
- Last Perforation Point and Bottom Hole Location: 331 feet from the North line and 986 feet from East line.

Marathon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Malaga, Bone Spring North Pool (Pool Code 42800). There are no special pool rules for this pool, and thus the setback requirements of 330' apply. The completed interval for the proposed well is closer than 330' from the boundary of the project area. The unorthodox location will encroach towards the W/2 of the E/2 of Section 2. Marathon is

Modrall Sperling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

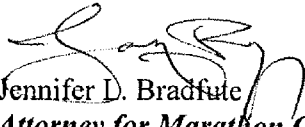
PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

the operator of this acreage and has confirmed that ownership in the entire E/2 is identical. Attached as Exhibit C is a list of the ownership in the E/2. As a result, no parties are entitled to further notice of this application and Marathon requests that an order be entered approving the non-standard locations.

Your attention to this matter is appreciated.

Sincerely,



Jennifer D. Bradfute
*Attorney for Marathon Oil
Permian LLC*

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 42800	³ Pool Name MALAGA; BONE SPRINGS, NORTH
⁴ Property Code	⁵ Property Name EL PRESIDENTE STATE 24 27 2 TB	⁶ Well Number 6H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 3135

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	T24S	R27E		283'	SOUTH	832'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A (LOT 1)	2	T24S	R27E		331'	NORTH	986'	EAST	EDDY

¹² Dedicated Acres 160.33	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p>CORNER COORDINATES NAD 83, SPCS NM EAST A - Y: 456225.55' / X: 595913.15' B - Y: 456234.85' / X: 597233.83' C - Y: 450923.92' / X: 597125.31' D - Y: 450865.14' / X: 595800.69'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 456167.03' / X: 554730.41' B - Y: 456176.31' / X: 556051.07' C - Y: 450865.49' / X: 555943.44' D - Y: 450806.73' / X: 554617.85'</p>		<p>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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
SECTION 34	SECTION 35	T-23-S	SECTION 36
SECTION 3	SECTION 2	T-24-S	SECTION 1
<p>LAST TAKE POINT/BOTTOM HOLE LOCATION 13,874 DEPTH MEASURED IN FEET NAD 83, SPCS NM EAST Y455896.78' / X596240.76' LAT:32.25321077N / LON:104.15572952W NAD 27, SPCS NM EAST Y455838.26' / X555058.00' LAT:32.25309082N / LON:104.15523301W</p> <p>FIRST TAKE POINT 9,170 DEPTH MEASURED IN FEET NAD 83, SPCS NM EAST Y451210.40' / X596137.50' LAT:32.2432893N / LON:104.1560858W NAD 27, SPCS NM EAST Y451151.96' / X554954.66' LAT:32.24020883N / LON:104.15539241W</p> <p>SURFACE HOLE LOCATION 263' FSL 832' FEL NAD 83, SPCS NM EAST Y451170.36' / X59698.68' LAT:32.24021813N / LON:104.15596747V NAD 27, SPCS NM EAST Y451111.94' / X555115.83' LAT:32.24009802N / LON:104.15507133V</p>		<p>MEASURED DEPTH 13,764'</p> <p>MEASURED DEPTH 11,494'</p> <p>MEASURED DEPTH 9,582'</p> <p>FIRST TAKE</p> <p>SHL C</p>	
SECTION 3	SECTION 2	SECTION 11	SECTION 12
SECTION 10			

NOTE: ALL DEMINIONS IN U.S. FEET

4 2/26/2018 WHM
REV. DATE BY

EXHIBIT

A

Form C-102
Revised August 1, 2011
Oil Conservation
Copy to appropriate
ARTESIA DISTRICT
District Office
OCT 25 2017
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-44484	² Pool Code 42800	³ Pool Name MALAGA; BONE SPRINGS, NORTH
⁴ Property Code 319759	⁵ Property Name EL PRESIDENTE STATE 24 27 2 TB	⁶ Well Number 6H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 3135

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	Count
P	2	T24S	R27E		283'	SOUTH	832'	EAST	EDDY

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Count
A (LOT 1)	2	T24S	R27E		330'	NORTH	990'	EAST	EDDY

¹² Dedicated Acres 160.33	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

CORNOR COORDINATES NAD 83, SPCS NM EAST		CORNER COORDINATES NAD 27, SPCS NM EAST	
A - Y: 45623.55' / X: 595913.15' B - Y: 456234.85' / X: 597233.93' C - Y: 45692.92' / X: 597126.31' D - Y: 45686.514' / X: 595800.69'	A - Y: 456167.03' / X: 554730.41' B - Y: 456176.31' / X: 556051.07' C - Y: 45686.49' / X: 555943.44' D - Y: 45686.72' / X: 554617.85'		
SECTION 5	SECTION 4		
SECTION 8	SECTION 9	<p>LAST TAKE POINT/BOTTOM HOLE LOCATION 330' FNL 990' FEL NAD 83, SPCS NM EAST Y: 455897.02' / X: 596236.33' LAT: 32.25321364N / LON: 104.15574378W NAD 27, SPCS NM EAST Y: 455839.30' / X: 555053.60' LAT: 32.25309369N / LON: 104.15524786W</p>	
<p>FIRST TAKE POINT 330' FSL 994' FEL NAD 83, SPCS NM EAST Y: 455210.42' / X: 596138.01' LAT: 32.24032899N / LON: 104.15608693W NAD 27, SPCS NM EAST Y: 4531132.00' / X: 554953.17' LAT: 32.24020899N / LON: 104.15539077W</p>			
SECTION 8	SECTION 9	<p>SURFACE HOLE LOCATION 283' FSL 832' FEL NAD 83, SPCS NM EAST Y: 451170.36' / X: 596298.68' LAT: 32.24028134N / LON: 104.15556747W NAD 27, SPCS NM EAST Y: 453111.94' / X: 555115.83' LAT: 32.24009802N / LON: 104.15507133W</p>	
SECTION 17	SECTION 16	<p>SECTION 3</p> <p>SECTION 10 990'</p> <p>SECTION 10 994' 832'</p> <p>SECTION 16</p>	

THIS SHOWS 1st PERM
ON LOG BOX ||||
~~EVEN THROUGH FLOORING PLAT~~

Matt S. Tate, CPL
Land Professional
Permian Basin - New Mexico



Marathon Oil Company
5555 San Felipe
Houston, TX 77056
Telephone 713.296.2164
Cell 832.904.1697
MATTHEWSTATE@marathonoil.com

DELIVERED VIA:
Overnight Delivery

March 8, 2018

Oil Conservation Division Energy Minerals and Natural Resources
Engineering Bureau
1220 South St. Francis
Santa Fe, New Mexico 87004
Attn: Lenoard Lowe

Re: **Non-Standard Location - El Presidente State 24 27 2 TB 6H**
Section 2, T24S-R27E, Eddy County, New Mexico

Dear Mr. Lowe,

Marathon Oil Permian LLC ("Marathon") spud the El Presidente State 24 27 2 TB 6H, API# 30-015-44484, ("El Presidente 6H") on January 12th, 2018. It was determined through a gyro survey that the El Presidente State #1, API# 30-015-32038, ("El Presidente #1") was directly in the wellbore path of the El Presidente 6H. Marathon intentionally deviated west of the original wellbore path while drilling the El Presidente 6H to avoid a collision with the El Presidente #1.

Should you have any questions or need further details please do not hesitate to contact me at (713) 296-2164 or matthewstate@marathonoil.com.

Sincerely,

A handwritten signature in black ink, appearing to be 'MT' with a stylized flourish.

Matt S. Tate, CPL
Land Professional



Interest Owner	Address	Interest
Marathon Oil Permian LLC	5555 San Felipe Street Houston, TX 77056	0.74500000
Mizel Resources, a Trust	4350 S Monaco Street, 5th Floor Denver, CO 80237	0.03000000
J. Cleo Thompson & James Cleo Thompson, Jr., L.P.	325 N Saint Paul St., Suite 4300 Dallas, TX 75201	0.10000000
Yosemite Creek Oil & Gas LLLP	4350 S Monaco Street, 5th Floor Denver, CO 80237	0.12500000
Westall Oil & Gas, LLC	P.O. Box 4 Loco Hills, NM 88255	0.00000000
State of New Mexico (Lease V- 6377)		0.00000000
	Total	1.00000000



McMillan, Michael, EMNRD

From: Jennifer L. Bradfute <jlb@modrall.com>
Sent: Thursday, March 29, 2018 1:58 PM
To: McMillan, Michael, EMNRD; Lowe, Leonard, EMNRD
Subject: FW: NSL - Marathon / El Presidente
Attachments: NSL Application - Marathon - El Presidente 6H (03-29-18) (W3170670x7A92D).pdf

Mike and Leonard,

Please see the attached NSL application being filed by Marathon for the El Presidente 6H well.

Thanks!

Jennifer

This e-mail may be a confidential attorney-client communication. If you received it in error, please delete it without forwarding it to others and notify the sender of the error.

McMillan, Michael, EMNRD

From: Jennifer L. Bradfute <jlb@modrall.com>
Sent: Monday, April 9, 2018 10:05 AM
To: McMillan, Michael, EMNRD
Subject: RE: Marathon El Presidente SNL application

Mike,

Marathon's surveyor confirmed that the first non-standard location is 323' FWL & 731' FSL and the last non-standard location is 329' FWL & 441' FNL.

Thanks!
Jennifer



Jennifer L. Bradfute
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1845 | O: 505.848.1800 | F: 505.848.1891

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Monday, April 09, 2018 9:55 AM
To: Jennifer L. Bradfute
Subject: Marathon El Presidente SNL application

Jennifer:
can you provide the footage calls for the Non-Standard portion of the project area for the Marathon El Presidente SNL

Thanks

Mike

Michael McMillan
1220 South St. Francis
Santa Fe, New Mexico
505-476-3448
Michael.mcmillan@state.nm.us

This e-mail may be a confidential attorney-client communication. If you received it in error, please delete it without forwarding it to others and notify the sender of the error.

Section : 02-24S-27E

Type: Normal

Total Acres: 641.44

County: Eddy (15)

D (4) State ¹ State ² (15) 40.39	C (3) State ¹ State ² (15) 40.37	B (2) State ¹ State ² (15) 40.35	A (1) State ¹ State ² (15) 40.33
E (E) State ¹ State ² (15) 40	F (F) State ¹ State ² (15) 40	G (G) State ¹ State ² (15) 40	H (H) State ¹ State ² (15) 40
L (L) State ¹ State ² (15) 40	K (K) State ¹ State ² (15) 40	J (J) State ¹ State ² (15) 40	I (I) State ¹ State ² (15) 40
M (M) State ¹ State ² (15) 40	N (N) State ¹ State ² (15) 40	O (O) State ¹ State ² (15) 40	P (P) State ¹ State ² (15) 40