

State of New Mexico
Energy, Minerals and Natural Resources Department

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Heather Riley, Division Director
Oil Conservation Division



August 29, 2018

Ms. Jennifer Bradfute
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NON-STANDARD LOCATION

Administrative Order NSL-7754

Marathon Oil Permian LLC [OGRID 372098]
Dee Boot Fee 24 34 26 TB Well No. 7H
API No. 30-025-44165

Proposed Location

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	271 FNL & 1145 FEL	A	26	24S	34E	Lea
First Take Point	330 FNL & 1117 FEL	A	26	24S	34E	Lea
Last Take Point/ Terminus	105 FSL & 955 FEL	P	26	24S	34E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 E2 of Section 26	160	Red Hills; Bone Spring, North	96434

Reference is made to your application received on August 6, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 203 feet to the western edge of the horizontal spacing unit. Encroachments will impact the following tract.

Section 26, encroachment to the W2 E2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

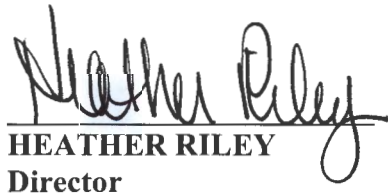
The Division understands you request this approval due to complications during the drilling of this well resulting in an unorthodox location underlying the horizontal spacing unit within the E2 E2 of Section 26.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

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

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



HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Hobbs District Office