

NSL Initial Application

Received March 6, 2019

This application is only placed in file. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

RECEIVED: 03/06/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1906745390
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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:** Tiberius 33 WXY FC 20H**API:** 30-0XX-PENDING**Pool:** Purple Sage; Wolfcamp (Gas)**Pool Code:** 98220

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

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

A. Location - Spacing Unit - Simultaneous Dedication

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

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

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

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

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease 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.

Deana M. Bennett

Print or Type Name

Signature

March 6, 2019

Date

505-848-1800

Phone Number

dmb@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

March 6, 2019
February 28, 2019

Deana M. Bennett
505.848.1834
dmb@modrall.com

Gabriel Wade
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 Tiberius 33 WXY FC 20H well, located in the N/2 N/2 Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Wade:

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, is seeking administrative approval of an unorthodox well location ("NSL") for the **Tiberius 33 WXY FC 20H** well (the "Well") to be completed within the Purple Sage; Wolfcamp (Gas) (Pool Code 98220) underlying the N/2 N/2, Sections 32 and 33, 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:

- Surface Hole Location: 960' from the North Line and 720' from the East Line of Section 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;
- First Take Point: 330' from the North Line and 100' from the East line of Section 33;
- Last Take Point and Bottom Hole Location: 330' from the North Line and 100' from the West line of Section 32, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Marathon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Purple Sage; Wolfcamp (Gas) (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.

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 unorthodox location will encroach towards the NE/4 of Section 31, Township 22 South, Range 28 East and the NW/4 of Section 34, Township 22 South, Range 28 East. Marathon is providing notice to the working interest owners in the NE/4 of Section 31, Township 22 South, Range 28 East and the NW/4 of Section 34, Township 22 South, Range 28 East, as shown in Exhibit C. For information purposes, working ownership is the same for the entire E/2 of Section 31 (with the exception of the NWNE, where Marathon has 100%) and the entire W/2 of Section 34. Marathon also provides a midland map of this area, attached as Exhibit D. Marathon has confirmed that the tracts adjoining the spacing unit by a corner are more the 330' away from the unorthodox locations requested. Proof of mailing is attached hereto as Exhibit E.

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett

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



March 6, 2019

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Deana M. Bennett
505.848.1834
dmb@modrall.com

TO AFFECTED PARTIES

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Tiberius 33 WA FC 2H well, located in the S/2 S/2 Sections 32 and 33, 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 Tiberius 33 WXY FC 5H well, located in the S/2 S/2 Sections 32 and 33, 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 Tiberius 33 WA FC 7H well, located in the N/2 S/2 Sections 32 and 33, 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 Tiberius 33 WXY FC 10H well, located in the N/2 S/2 Sections 32 and 33, 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 Tiberius 33 WA FC 12H well, located in the S/2 N/2 Sections 32 and 33, 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 Tiberius 33 WXY FC 15H well, located in the S/2 N/2 Sections 32 and 33, 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 Tiberius 33 WA FC 17H well, located in the N/2 N/2 Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

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

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Tiberius 33 WXY FC 20H well, located in the N/2 N/2 Sections 32 and 33, 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 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:

Travis H. Prewett
Land Professional
Marathon Oil Company
713.296.3696 (Office)
thprewett@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 **Tiberius 33 WA FC 2H** well located in the S/2 S/2, Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____
Signature _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Tiberius 33 WXY FC 5H** well located in the S/2 S/2, Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Tiberius 33 WA FC 7H** well located in the N/2 S/2 ,Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____
Signature _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Tiberius 33 WXY FC 10H** well located in the N/2 S/2, Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Tiberius 33 WA FC 12H** well located in the S/2 N/2, Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____
Signature

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Tiberius 33 WXY FC 15H** well located in the S/2 N/2, Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Tiberius 33 WA FC 17H** well located in the N/2 N/2, Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Tiberius 33 WXY FC 20H** well located in the N/2 N/2, Sections 32 and 33, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98220		³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)					
⁴ Property Code		⁵ Property Name TIBERIUS 33 WXY FC						⁶ Well Number 20H	
⁷ OGRID No. 372098		⁸ Operator Name MARATHON OIL PERMIAN LLC						⁹ Elevation 3058'	
¹⁰ Surface Location									
UL or lot no. A	Section 33	Township 22S	Range 28E	Lot Idn	Feet from the 960	North/South line NORTH	Feet from the 720	East/West line EAST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. D	Section 32	Township 22S	Range 28E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 100	East/West line WEST	County EDDY
¹² Dedicated Acres 1280.0		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

Infill Well KICK OFF POINT 330' FNL 100' FEL, SECTION 33 NAD 83, SPCS NM EAST X: 618226.00' / Y: 493160.86' LAT: 32.35552346N / LON: -104.08433110W NAD 27, SPCS NM EAST X: 577043.79' / Y: 493100.93' LAT: 32.35540317N / LON: -104.08383389W		SURFACE HOLE LOCATION 960' FNL 720' FEL, SECTION 33 NAD 83, SPCS NM EAST X: 617607.74' / Y: 492531.50' LAT: 32.35379795N / LON: -104.08633802W NAD 27, SPCS NM EAST X: 576425.52' / Y: 492471.80' LAT: 32.35367767N / LON: -104.08584081W		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 order heretofore entered by the division.	
LAST TAKE POINT/BOTTOM HOLE LOCATION 330' FNL 100' FWL, SECTION 32 NAD 83, SPCS NM EAST X: 607985.44' / Y: 493092.05' LAT: 32.35539597N / LON: -104.11749523W NAD 27, SPCS NM EAST X: 566803.38' / Y: 493032.44' LAT: 32.35527614N / LON: -104.11690685W		FIRST TAKE POINT 330' FNL 100' FEL, SECTION 33 NAD 83, SPCS NM EAST X: 618226.00' / Y: 493160.86' LAT: 32.35552346N / LON: -104.08433110W NAD 27, SPCS NM EAST X: 577043.79' / Y: 493100.93' LAT: 32.35540317N / LON: -104.08383389W		Signature _____ Date _____ Printed Name _____ E-mail Address _____	
18 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.		Date of Survey _____ Signature and Seal of Professional Surveyor: _____ PRELIMINARY THIS PLAT IS NOT TO BE USED FOR CONVEYANCE, SALE OR THE BASIS FOR THE ISSUANCE OF A PLAT.		Certificate Number _____	
CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 607883.07' / Y: 493420.58' B - X: 618325.10' / Y: 493490.53' C - X: 618378.75' / Y: 488208.65' D - X: 607921.17' / Y: 488131.89'		CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 566701.00' / Y: 493360.96' B - X: 577142.90' / Y: 493430.79' C - X: 577196.42' / Y: 488149.04' D - X: 566738.97' / Y: 488072.41'		SHEET 1 OF 3 JOB No. R3957_011D REV 0 JCS 2/7/2019	

EXHIBIT

A



Yuri Rodionov
Reservoir Engineer

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, TX 77056
713.296.3497
yrodionov@marathonoil.com

March 6, 2019

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

Re: Non-Standard Location Application
Tiberius 33 WXY FC 20H
Eddy County, New Mexico

Dear Mr. Wade:

Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Tiberius 33 WXY FC 20H well, to be drilled in Purple Sage; Wolfcamp (Gas) pool (98220). Marathon plans for this well to have a first take point at 100' FEL and 330' FNL Section 33, and last take point at 100' FWL and 330' FNL Section 32, 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) 296-34-97.

Sincerely,

A handwritten signature in black ink, appearing to read 'Yuri Rodionov'.

Yuri Rodionov
Reservoir Engineer
Permian Asset



EXHIBIT C

SE/4 Section 31

Kilmar Oil Co.
824 South Avenue C
Kermit, TX 79745

American Energy Resources, LLC
511 Leavel Dr
Carlsbad, NM 88220

JKM Energy, LLC
26 E. Compress Rd.
Artesia, NM 88210

OXY USA WTP, LP
6 Desta Dr., #6000
Midland, TX 79705

SW/4 Section 34

Devon Energy Production Company, LP
333 W. Sheridan Ave
Oklahoma City, OK 73102

Hamman Oil & Refining
PO Box 13028
Houston, TX 77219

Plantation Operating, LLC
2203 Timberloch Pl., Suite 229
Woodlands, TX 77380

James A. Davidson
PO Box 494
Midland, TX 79702

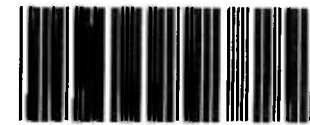


EXHIBIT

D

Leslie Morse
 Modrall Sperling Law Firm
 P.O. Box 2168
 500 4th St., NW, Suite 1000
 Albuquerque NM 87103-2168

PS Form 3877
 Type of Mailing: CERTIFIED
 03/06/2019



Firm Mailing Book ID: 162130

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
1	9314 8699 0430 0056 5871 77	Kilmar Oil Co. 824 South Avenue C Kermit TX 79745	\$1.90	\$3.50	\$1.60	81363-0166	\$0.00 Notice
2	9314 8699 0430 0056 5871 84	American Energy Resources, LLC 511 Leavel Drive Carlsbad NM 88220	\$1.90	\$3.50	\$1.60	81363-0166	\$0.00 Notice
3	9314 8699 0430 0056 5871 91	JKM Energy, LLC 26 E. Compress Rd. Artesia NM 88210	\$1.90	\$3.50	\$1.60	81363-0166	\$0.00 Notice
4	9314 8699 0430 0056 5872 07	OXY USA WTP, LP 6 Desta Drive, #6000 Midland TX 79705	\$1.90	\$3.50	\$1.60	81363-0166	\$0.00 Notice
5	9314 8699 0430 0056 5872 14	Devon Energy Production Company, LP 333 W. Sheridan Ave. Oklahoma City OK 73102	\$1.90	\$3.50	\$1.60	81363-0166	\$0.00 Notice
6	9314 8699 0430 0056 5872 21	Hamman Oil & Refining P.O. Box 13028 Houston TX 77219	\$1.90	\$3.50	\$1.60	81363-0166	\$0.00 Notice
7	9314 8699 0430 0056 5872 38	Plantation Operating, LLC 2203 Timberloch Pl., Suite 229 Woodlands TX 77380	\$1.90	\$3.50	\$1.60	81363-0166	\$0.00 Notice
8	9314 8699 0430 0056 5872 45	James A. Davidson P.O. Box 494 Midland TX 79702	\$1.90	\$3.50	\$1.60	81363-0166	\$0.00 Notice
Totals:			\$15.20	\$28.00	\$12.80		\$0.00
Grand Total:							\$56.00

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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Lowe, Leonard, EMNRD

From: Leslie Morse <LESLIEM@modrall.com>
Sent: Wednesday, March 6, 2019 3:05 PM
To: Lowe, Leonard, EMNRD
Cc: Deana M. Bennett
Subject: [EXT] NSL Applications - Tiberius
Attachments: NSL Application - Tiberius 33 WXY FC 5H (W3378111x7A92D).PDF; NSL Application - Tiberius 33 WA FC 2H (W3378113x7A92D).PDF; NSL Application - Tiberius 33 WA FC 7H (W3378116x7A92D).PDF; NSL Application - Tiberius 33 WA FC 17H (W3378121x7A92D).PDF; NSL Application - Tiberius 33 WXY FC 10H (W3378123x7A92D).PDF; NSL Application - Tiberius 33 WXY FC 15H (W3378128x7A92D).PDF; NSL Application - Tiberius 33 WA FC 12H (W3378180x7A92D).PDF; NSL Application - Tiberius 33 WXY FC 20H (W3378134x7A92D).PDF

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Mr. Lowe, attached are NSL Applications for the following:

Tiberius 33 WXY FC 5H
Tiberius 33 WA FC 2H
Tiberius 33 WA FC 7H
Tiberius 33 WA FC 17H
Tiberius 33 WXY FC 10H
Tiberius 33 WXY FC 15H
Tiberius 33 WA FC 12H
Tiberius 33 WXY FC 20H

Please let Deana Bennett know if you have any questions regarding the attached applications.

Thank you,
Leslie



Leslie Morse

Legal Administrative Assistant to
Arthur D. Melendres and Zoe E. Lees
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
O: 505.848.1800 | F: 505.848.9710

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.