

NSL Initial Application

Received: 05/24/19

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

| | | | |
|--------------------|---------------|-----------|------------------------|
| RECEIVED: 03/24/19 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL1914857198 |
|--------------------|---------------|-----------|------------------------|

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:** Neptune 8 WD Fee 2H**API:** Pending**Pool:** Purple Sage; Wolfcamp**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

May 24, 2019

Date

505-848-1800

Phone Number

deana.bennett@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

May 24, 2019

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 Neptune 8 WD Fee 2H well, located in the W/2 of Section 5, Township 23 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 **Neptune 8 WD Fee 2H well** (the "Well") to be completed within the Purple Sage; Wolfcamp (Gas) (Pool Code 98220) underlying the W/2 of Section 5, Township 23 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: 530' from the South Line and 1220' from the West Line of Section 5, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;
- First Take Point: 100' from the South Line and 2172' from the West line of Section 5;
- Last Take Point and Bottom Hole Location: 100' from the North Line and 2157' from the West line of Section 5, Township 23 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 (1) the SW/4 of Section 32, Township 22 South, Range 28 East, and (2) the NW/4 of Section 8, Township 23 South, Range 28 East. Marathon is providing notice to the working interest owners in the SW/4 of Section 32, Township 22 South, Range 28 East, and the NW/4 of Section 8, Township 23 South, Range 28 East, as shown in Exhibit C. 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*

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 PUPLE SAGE; WOLFCAMP (GAS) | | | | | |
| ⁴ Property Code | | ⁵ Property Name NEPTUNE 8 WD FEE | | | | | | ⁶ Well Number 2H | |
| ⁷ OGRID No. 372098 | | ⁸ Operator Name MARATHON OIL PERMIAN LLC | | | | | | ⁹ Elevation 3031' | |
| ¹⁰ Surface Location | | | | | | | | | |
| UL or lot no. M | Section 5 | Township 23S | Range 28E | Lot Idn | Feet from the 530 | North/South line SOUTH | Feet from the 1220 | East/West line WEST | County EDDY |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. C | Section 5 | Township 23S | Range 28E | Lot Idn | Feet from the 100 | North/South line NORTH | Feet from the 2157 | East/West line WEST | County EDDY |
| ¹² Dedicated Acres 319.49 | | 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.

| | | | |
|--|--|---|--|
| <p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 607921.17' / Y: 488131.89' B - X: 610558.92' / Y: 488170.84' C - X: 610491.24' / Y: 482896.00' D - X: 607838.13' / Y: 482873.90'</p> | | <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 566738.97' / Y: 488072.41' B - X: 569376.69' / Y: 488111.32' C - X: 569308.68' / Y: 482836.62' D - X: 566655.81' / Y: 482814.55'</p> | |
| <p>LAST TAKE/ BHL 100' FNL 2157' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 610077.50' / Y: 488063.72' LAT: 32.34156218N / LON: 104.11075401W NAD 27, SPCS NM EAST X: 568895.28' / Y: 488004.21' LAT: 32.34144213N / LON: 104.11025633W</p> | | | |
| <p>FIRST TAKE POINT 100' FSL 2172' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 610012.43' / Y: 482992.02' LAT: 32.32762123N / LON: 104.11099880W NAD 27, SPCS NM EAST X: 568830.08' / Y: 482932.64' LAT: 32.32750111N / LON: 104.11050158W</p> | | | |
| <p>KICK OFF POINT 100' FSL 2172' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 610012.43' / Y: 482992.02' LAT: 32.32762123N / LON: 104.11099880W NAD 27, SPCS NM EAST X: 568830.08' / Y: 482932.64' LAT: 32.32750111N / LON: 104.11050158W</p> | | | |
| <p>SURFACE HOLE LOCATION 530' FSL 1220' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 609066.81' / Y: 483414.15' LAT: 32.32878698N / LON: 104.11405741W NAD 27, SPCS NM EAST X: 567884.49' / Y: 483354.77' LAT: 32.32866691N / LON: 104.11356004W</p> | | | |
| <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> | | | |
| <p>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.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p> | | | |





Billy Moore
Reservoir Engineer

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, TX 77056
713.296.1883
bsmoore@marathonoil.com

May 22, 2019

Adrienne Sandoval
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87505

Re: Neptune 8 WD Fee 2H well
Non-Standard Location Application
Eddy County, New Mexico

Dear Ms. Sandoval,

Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Neptune 8 WD Fee 2H 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 2178' FWL of Section 5, and last take point at 100' FNL and 2178' FWL of Section 5, 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. Moore 5/23/19

Billy Moore
Reservoir Engineer
Permian Asset





MODRALL SPERLING

L A W Y E R S

May 24, 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 Neptune 8 WXY Fee 1H well, located in the W/2 of Section 5, Township 23 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 Neptune 8 WA Fee 3H well, located in the W/2 of Section 5, Township 23 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 Neptune 8 WXY Fee 5H well, located in the W/2 of Section 5, Township 23 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 Neptune 8 WA Fee 7H well, located in the W/2 of Section 5, Township 23 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 Neptune 8 WD Fee 2H well, located in the W/2 of Section 5, Township 23 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 Neptune 8 WD Fee 4H well, located in the W/2 of Section 5, Township 23 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 Neptune 8 WD Fee 8H well, located in the W/2 of Section 5, Township 23 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



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:

Jeffrey Broussard
Land Professional
Marathon Oil Company
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 **Neptune 8 WXY Fee 1H well**, located in the W/2 of Section 5, Township 23 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 **Neptune 8 WA Fee 3H well**, located in the W/2 of Section 5, Township 23 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 **Neptune 8 WXY Fee 5H well**, located in the W/2 of Section 5, Township 23 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 **Neptune 8 WA Fee 7H well**, located in the W/2 of Section 5, Township 23 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 **Neptune 8 WD Fee**

2H well, located in the W/2 of Section 5, Township 23 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 **Neptune 8 WD Fee 4H well**, located in the W/2 of Section 5, Township 23 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 **Neptune 8 WD Fee 8H well**, located in the W/2 of Section 5, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

Dated: _____

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**
 05/24/2019



Firm Mailing Book ID: 167876

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|--------------|-----------------------------|---|---------|-------------|--------|--------------|----------------------|
| 1 | 9314 8699 0430 0059 5467 20 | Oxy USA WTP, LTD 5 Greenway Plaza, Suite 110 Houston TX 77046 | \$0.00 | \$3.50 | \$1.60 | \$0.00 | 81363-0192 Notice |
| 2 | 9314 8699 0430 0059 5467 37 | Chester J. Stubben 1275 Rock Ave., #HH5 North Plainsfield NJ 70600 | \$0.00 | \$3.50 | \$1.60 | \$0.00 | 81363-0192 Notice |
| 3 | 9314 8699 0430 0059 5467 44 | Alan D. Tuck Jr. and Evelyn Tuck 2370 North Euclid Upland CA 91786 | \$0.00 | \$3.50 | \$1.60 | \$0.00 | 81363-0192 Notice |
| 4 | 9314 8699 0430 0059 5467 51 | J Cleo Thompson & James Cleo Thompson, Jr. LP 325 North St. Paul Ste 4300 Dallas TX 75201 | \$0.00 | \$3.50 | \$1.60 | \$0.00 | 81363-0192 Notice |
| 5 | 9314 8699 0430 0059 5467 68 | Sisbro Oil & Gas, LLC 4350 South Monaco Street, 5th Floor Denver CO 80237 | \$0.00 | \$3.50 | \$1.60 | \$0.00 | 81363-0192 Notice |
| Totals: | | | \$0.00 | \$17.50 | \$8.00 | \$0.00 | |
| Grand Total: | | | | | | \$25.50 | |

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

5

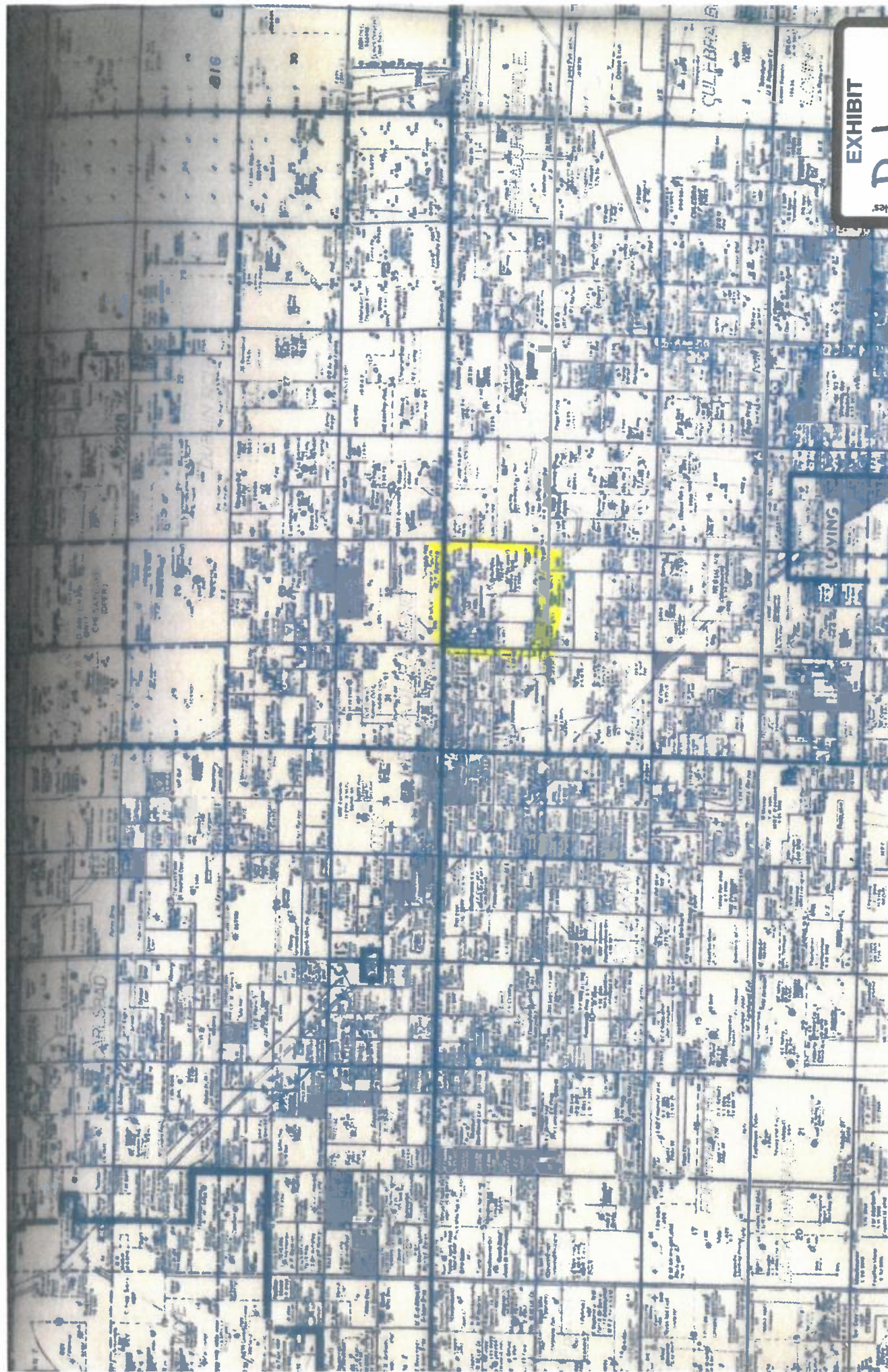
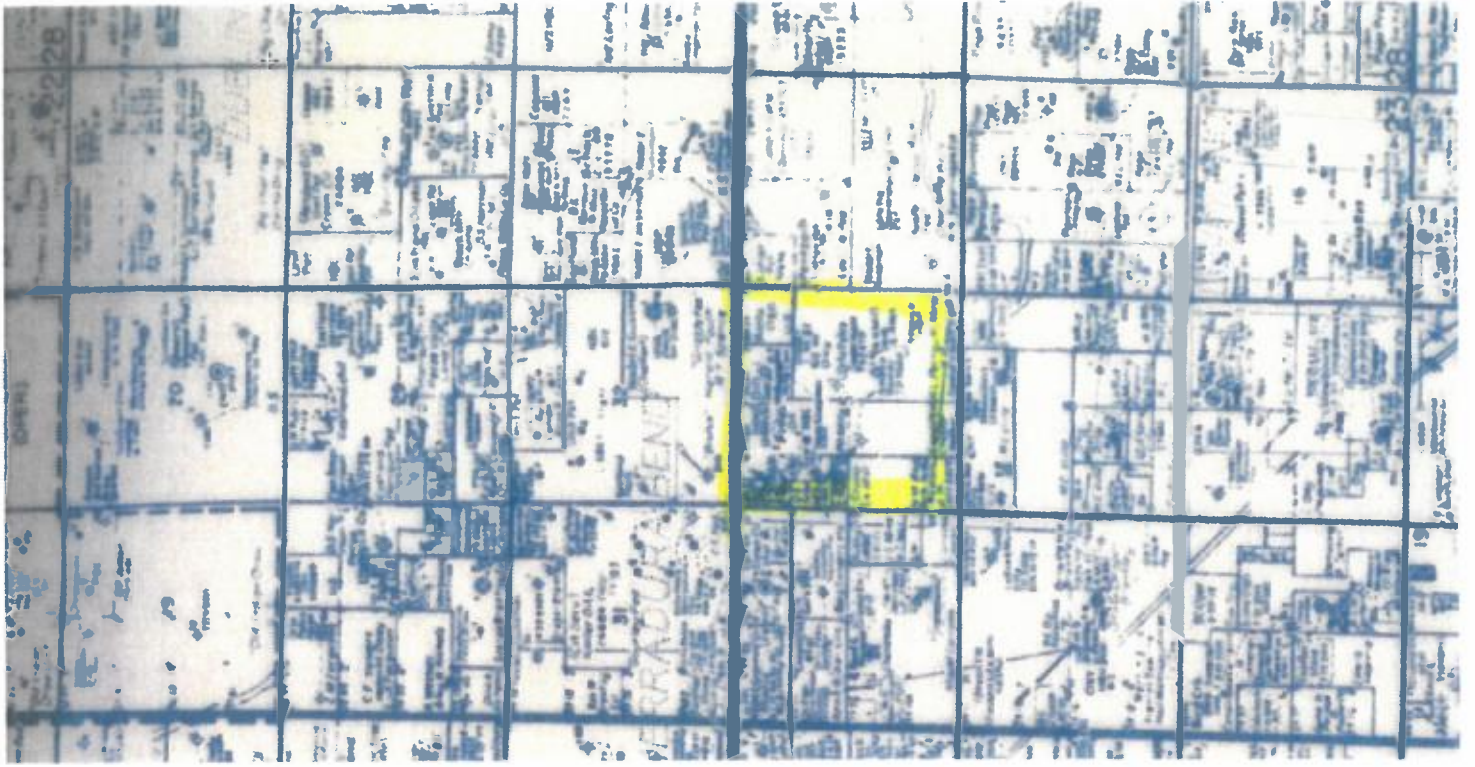


EXHIBIT
D.1
tabbles



EXHIBIT

D.2

tabbles

Lowe, Leonard, EMNRD

From: Deana M. Bennett <dmb@modrall.com>
Sent: Friday, May 24, 2019 2:17 PM
To: Lowe, Leonard, EMNRD
Cc: Karlene S. Schuman
Subject: [EXT] Marathon Neptune NSL applications
Attachments: NSL_XXXX_Marathon_Neptune 8 WXY Fee Well No. 1H_ (W3435815x7A92D).PDF;
NSL_XXXX_Marathon_Neptune 8 WD Fee Well No. 2H_ (W3435823x7A92D).PDF;
NSL_XXXX_Marathon_Neptune 8 WA Fee Well No. 3H_ (W3435822x7A92D).PDF;
NSL_XXXX_Marathon_Neptune 8 WD Fee Well No. 4H_ (W3435809x7A92D).PDF;
NSL_XXXX_Marathon_Neptune 8 WXY Fee Well No. 5H_ (Yx7A92D).PDF;
NSL_XXXX_Marathon_Neptune 8 WA Fee Well No. 7H_ (W3435818x7A92D).PDF;
NSL_XXXX_Marathon_Neptune 8 WD Fee Well No. 8H_ (W3435811x7A92D).PDF

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Leonard,

Attached please find NSL applications for Marathon Neptune wells.

The wells are:

Marathon_Neptune 8 WXY Fee Well No. 1H_
Marathon_Neptune 8 WD Fee Well No. 2H_
Marathon_Neptune 8 WA Fee Well No. 3H_
Marathon_Neptune 8 WD Fee Well No. 4H_
Marathon_Neptune 8 WXY Fee Well No. 5H_
Marathon_Neptune 8 WA Fee Well No. 7H_
Marathon_Neptune 8 WD Fee Well No. 8H_

Please let me know if you have questions. Also, please let me know if you would like me to send hard copies in the mail.

Thanks tons.

Deana



Deana M. Bennett
Lawyer
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1834 | O: 505.848.1800

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