

# 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: 05/24/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1914857617
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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

<b>Applicant:</b> Marathon Oil Permian LLC	<b>OGRID Number:</b> 372098
<b>Well Name:</b> Neptune 8 WD Fee 8H	<b>API:</b> Pending
<b>Pool:</b> Purple Sage; Wolfcamp	<b>Pool Code:</b> 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 holders  
 B. ☐ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ 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 8H 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 8H 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 1160' 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 330' from the West line of Section 5;
- Last Take Point and Bottom Hole Location: 100' from the North Line and 330' 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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PUPLÉ SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name NEPTUNE 8 WD FEE	<sup>6</sup> Well Number 8H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3031'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	5	23S	28E		530	SOUTH	1160	WEST	EDDY

<sup>11</sup> 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
D	5	23S	28E		100	NORTH	330	WEST	EDDY

<sup>12</sup> Dedicated Acres 319.49	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

**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'

**CORNER COORDINATES NAD 27, SPCS NM EAST**  
A - X: 566738.97' / Y: 488072.41'  
B - X: 569376.69' / Y: 488111.32'  
C - X: 569308.88' / Y: 482836.62'  
D - X: 566655.81' / Y: 482814.55'

**LAST TAKE POINT/BOTTOM HOLE LOCATION**  
100' FNL 330' FWL, SECTION 5  
NAD 83, SPCS NM EAST  
X: 608249.71' / Y: 488036.73'  
LAT: 32.34149827N / LON: 104.11667253W  
NAD 27, SPCS NM EAST  
X: 567067.51' / Y: 487977.24'  
LAT: 32.34137832N / LON: 104.11617464W

**FIRST TAKE POINT**  
100' FSL 330' FWL, SECTION 5  
NAD 83, SPCS NM EAST  
X: 608169.79' / Y: 482976.67'  
LAT: 32.32758941N / LON: 104.11696438W  
NAD 27, SPCS NM EAST  
X: 566987.47' / Y: 482917.31'  
LAT: 32.32746937N / LON: 104.11646695W

**KICK OFF POINT**  
100' FSL 330' FWL, SECTION 5  
NAD 83, SPCS NM EAST  
X: 608169.79' / Y: 482976.67'  
LAT: 32.32758941N / LON: 104.11696438W  
NAD 27, SPCS NM EAST  
X: 566987.47' / Y: 482917.31'  
LAT: 32.32746937N / LON: 104.11646695W

**SURFACE HOLE LOCATION**  
530' FSL 1160' FWL, SECTION 5  
NAD 83, SPCS NM EAST  
X: 609006.80' / Y: 483413.65'  
LAT: 32.32878594N / LON: 104.11425171W  
NAD 27, SPCS NM EAST  
X: 567824.48' / Y: 483354.27'  
LAT: 32.32866588N / LON: 104.11375433W

**<sup>17</sup> 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.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**<sup>18</sup> 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 \_\_\_\_\_

Certificate Number \_\_\_\_\_

SHEET 1 OF 1  
JOB No. R3978\_002\_C  
REV 0 JCS 4/23/2019

EXHIBIT

A



**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 8H well  
Non-Standard Location Application  
Eddy County, New Mexico

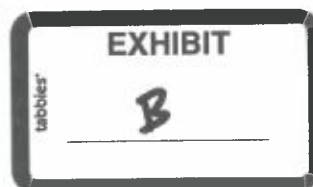
Dear Ms. Sandoval,

Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Neptune 8 WD Fee 8H 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 330' FWL of Section 5, and last take point at 100' FNL and 330' 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**

**TO AFFECTED PARTIES**

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**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](mailto: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: \_\_\_\_\_

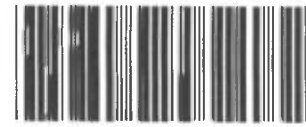
\_\_\_\_\_ hereby waives objection to the above referenced Application for an Unorthodox Location for **Neptune 8 WD Fee 8H well**, located in the W/2 of Section 5, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

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:			<u>\$0.00</u>	<u>\$17.50</u>	<u>\$8.00</u>	<u>\$0.00</u>	
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

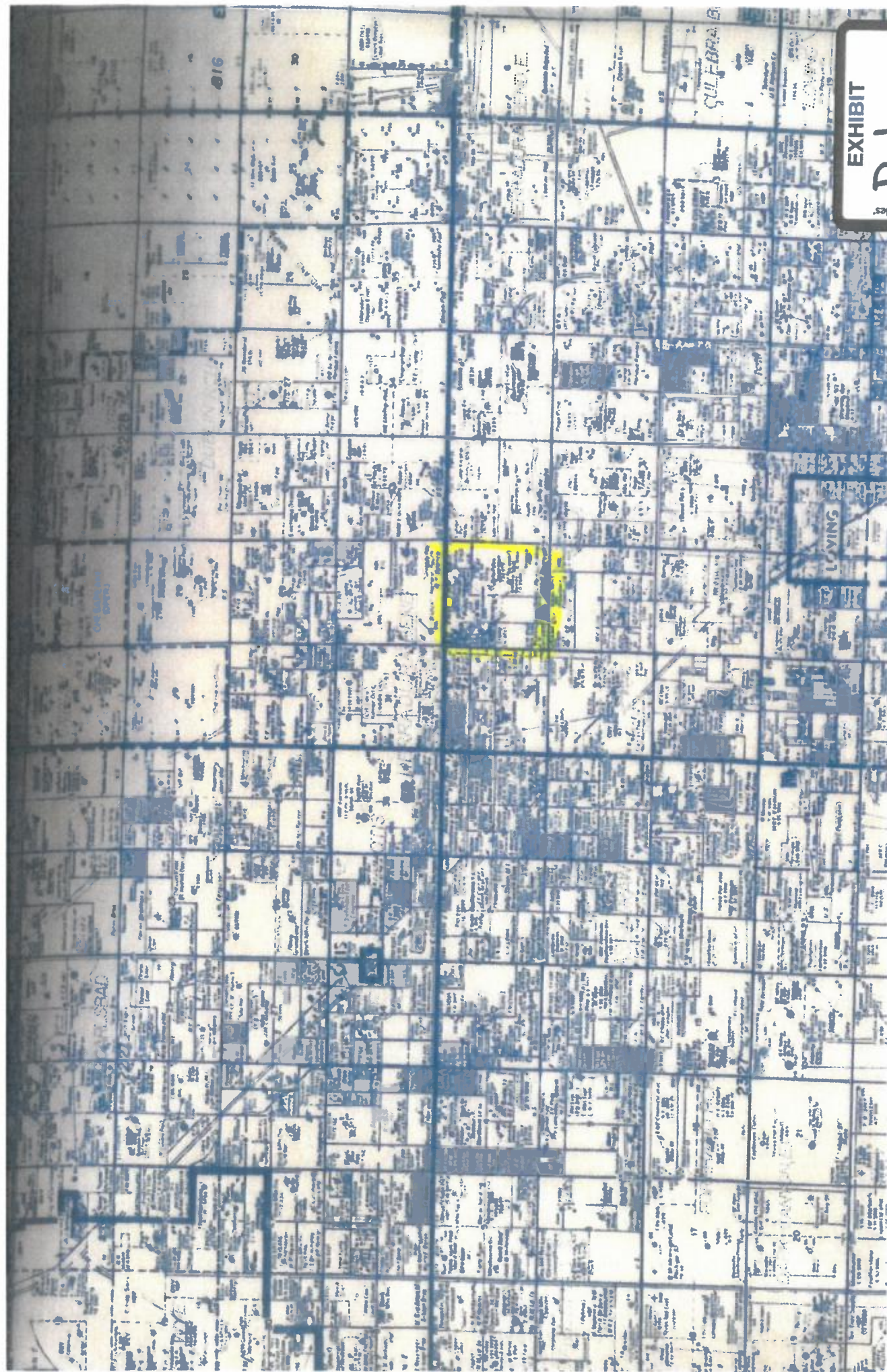
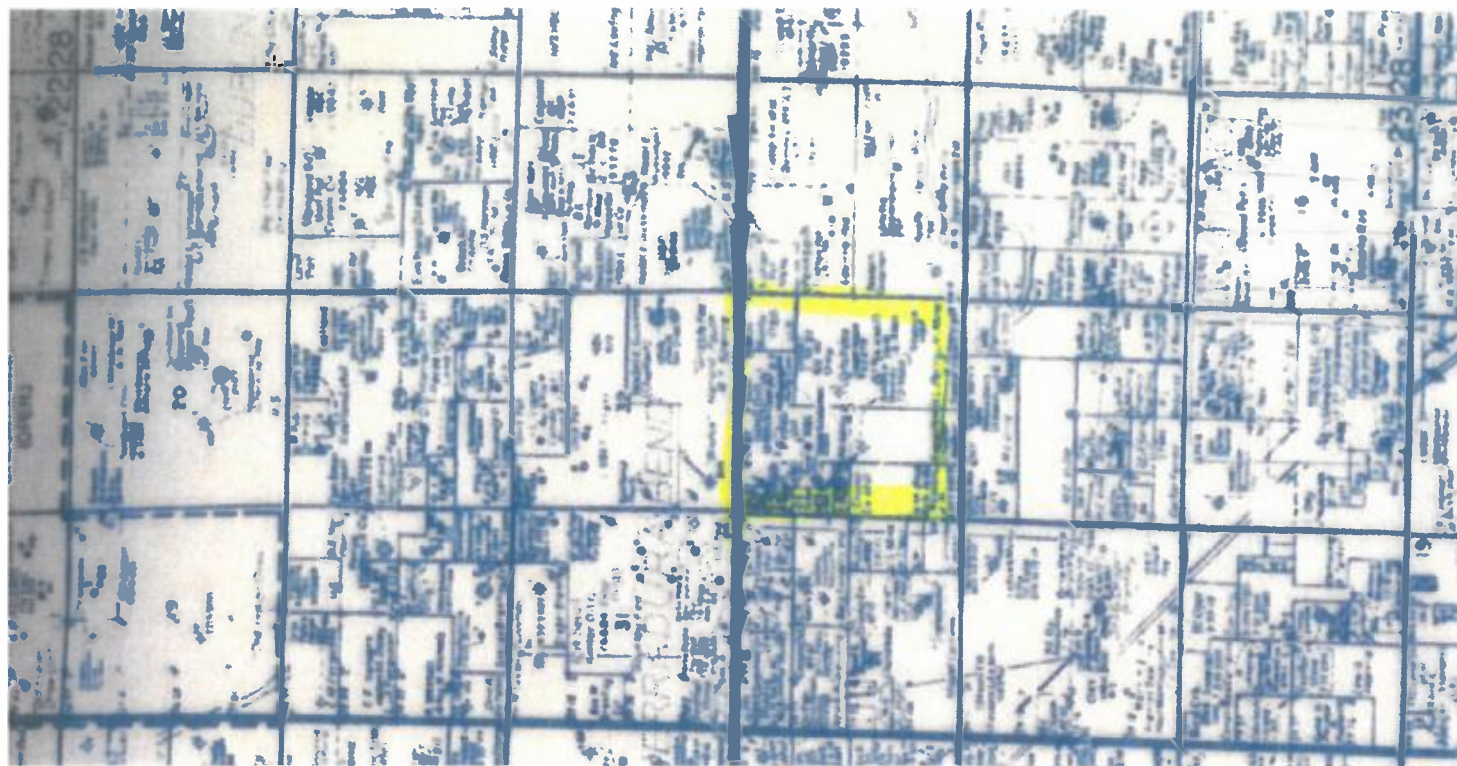


EXHIBIT  
D.1  
Labels





EXHIBIT

D.2

tabbles

## Lowe, Leonard, EMNRD

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**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](http://www.modrall.com)  
P.O. Box 2168 | Albuquerque, NM 87103-2168  
500 4<sup>th</sup> St. NW, Ste. 1000 | Albuquerque, NM 87102  
D: 505.848.1834 | O: 505.848.1800

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