



Approved

NSL

Order

Approved: 06/18/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



June 18, 2019

Ms. Deana M. Bennett
dmb@modrall.com

NON-STANDARD LOCATION

Administrative Order NSL-7892

Marathon Oil Permian, LLC. [OGRID 372098]
Neptune 8 WD Fee Well No. 2H
API No. 30-015-PENDING

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	730 FSL & 1160 FWL	M	5	23S	28E	Eddy
First Take Point	100 FSL & 330 FWL	N	5	23S	28E	Eddy
Last Take Point/ Terminus	100 FNL & 330 FWL	C	5	23S	28E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Section 5	319.49	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on May 24, 2019.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the northern and southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 8, encroachment to the NW4
Section 32, T22S R28E encroachment to the SW4

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.

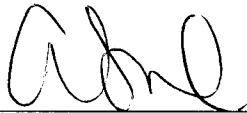
Division understands you seek this unorthodox location to fit the spacing for other wells in the development plan of the entire section and thereby preventing waste within the Wolfcamp formation underlying the Section 5.

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office