

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: pLEL1914848685
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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: <u>Marathon Oil Permian LLC</u>	OGRID Number: <u>372098</u>
Well Name: <u>Neptune 8 WXY Fee 1H</u>	API: <u>Pending</u>
Pool: <u>Purple Sage; Wolfcamp</u>	Pool Code: <u>98220</u>

**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 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.

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 WXY Fee 1H well** (the "Well") to be completed within the Purple Sage; Wolfcamp (Gas) (Pool Code 98220) underlying the W/2 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: 730' from the South Line and 1250' 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 2322' from the West line of Section 5;
- Last Take Point and Bottom Hole Location: 100' from the North Line and 2307' 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 WXY FEE	⁶ Well Number 1H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 3030'

¹⁰ 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		730	SOUTH	1250	WEST	EDDY

¹¹ 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
C	5	23S	28E		100	NORTH	2307	WEST	EDDY

¹² Dedicated Acres 319.49	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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'	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 100' FNL 2307' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 610227.55' / Y: 488065.94' LAT: 32.34156739N / LON: 104.11026816W NAD 27, SPCS NM EAST X: 569045.32' / Y: 488006.43' LAT: 32.34144735N / LON: 104.10977050W			Signature _____ Date _____ Printed Name _____ E-mail Address _____
	FIRST TAKE POINT 100' FSL 2322' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 610162.46' / Y: 482893.27' LAT: 32.32762381N / LON: 104.11051308W NAD 27, SPCS NM EAST X: 568980.11' / Y: 482833.88' LAT: 32.32750368N / LON: 104.11001588W			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.
	KICK OFF POINT 100' FSL 2322' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 610162.46' / Y: 482893.27' LAT: 32.32762381N / LON: 104.11051308W NAD 27, SPCS NM EAST X: 568980.11' / Y: 482833.88' LAT: 32.32750368N / LON: 104.11001588W			Date of Survey _____ Signature of Professional Surveyor _____ PRELIMINARY THIS DOCUMENT IS NOT TO BE USED FOR RECORDATION, BIDDING, RECORDATION, SALE OR THE BASIS FOR THE ISSUANCE OF A PERMIT
SURFACE HOLE LOCATION 730' FSL 1250' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 609099.98' / Y: 483614.44' LAT: 32.32933734N / LON: 104.11394870W NAD 27, SPCS NM EAST X: 567917.66' / Y: 483555.05' LAT: 32.32921727N / LON: 104.11345132W			Certificate Number _____	

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 WXY Fee 1H 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 WXY Fee 1H 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 2310' FWL of Section 5, and last take point at 100' FNL and 2310' 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: _____

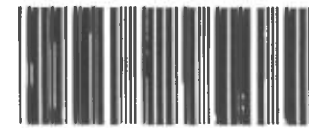
_____ hereby waives objection to the above referenced Application for an Unorthodox Location for **Neptune 8 WD Fee 8H well**, located in the W/2 of Section 5, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

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

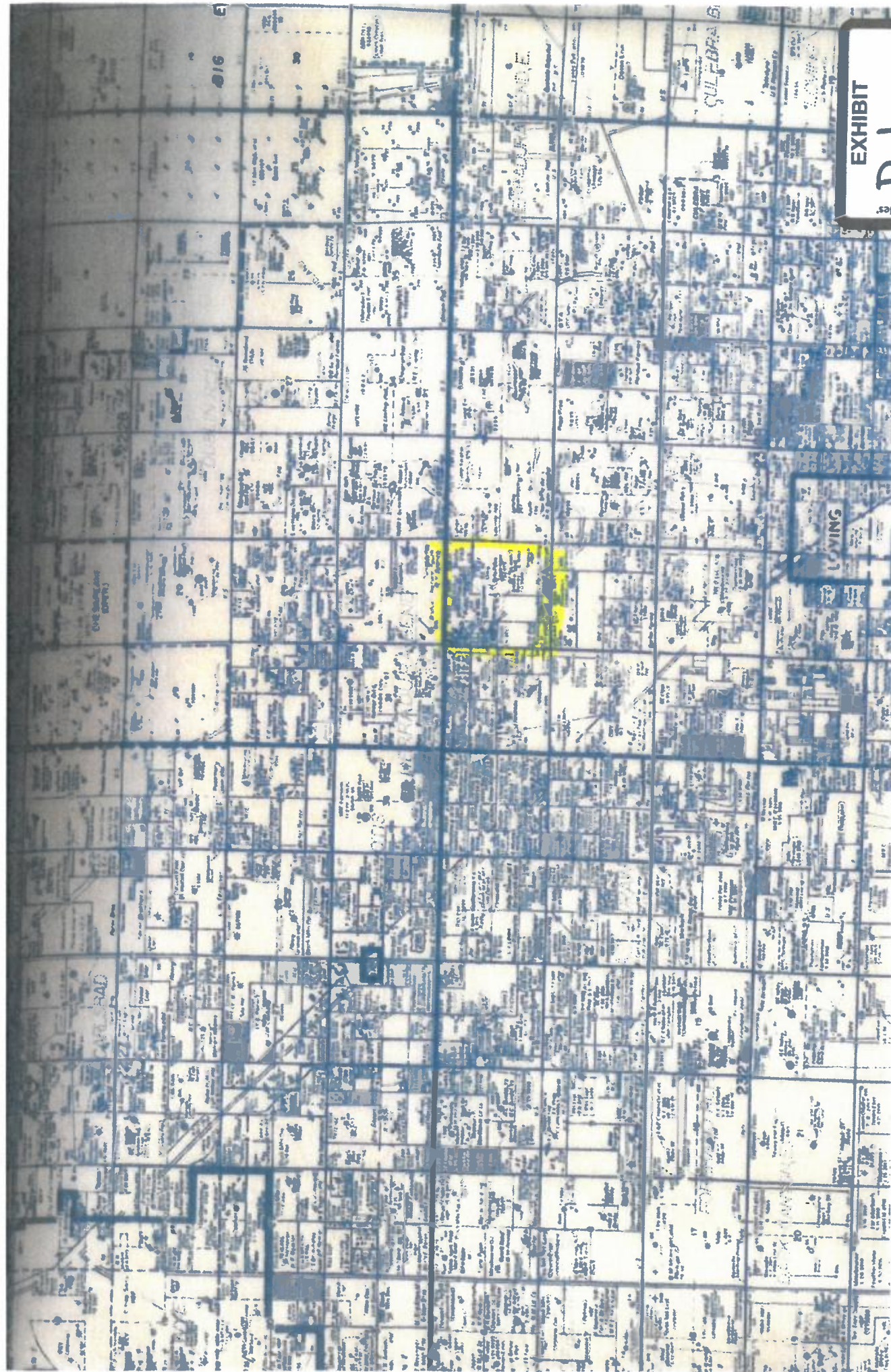


EXHIBIT
D.1

Tables



EXHIBIT

D.2

Labels

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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