NSL

Initial

Application

Received: 03/02/2020

Signature

Revised March 23, 2017

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RECE	EIVED: 3/2/2020	REVIEWER: JAG	TYPE:	NSL-8013	APP NO:	JAG200632	29524
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	FRIS CRECKLI	REGULATIONS WHICH REQUIR					(OLES AND
	Cant: Marathon Oil Per					RID Numb	er: <u>372098</u>
	Purple Sage; Wolfcamp	34 WAY Fed Colli 3ri				Pending Pendin	×220
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	Note: Stat	ement must be completed t	oy an individ	ual with manag	erial and/or s	upervisory cap	pacity.
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	M. Bennett			Do	te		
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e-mail Address



March 2, 2020

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 Shake-N-Bake 34 WXY Fed Com 3H well, located in the W/2 of Sections 34 and 27, Township 22 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 **Shake-N-Bake 34 WXY Fed Com 3H well,** (the "Well") to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying the W/2 of Sections 34 and 27, 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:

- <u>First Take Point</u>: 100' from the South line and 2,178' from the West line of Section 34;
- <u>Last Take Point</u>: 100' from the North line and 2,178' from the West line of Section 27.

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

The unorthodox location will encroach towards the (1) SW/4 of Section 22 Township 22 South, Range 28 East; and (2) the NW/4 of Section 3, Township 23 South, Range 28 East.

Deana M. Bennett 505.848.1834 dmb@modrall.com

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 Marathon is providing notice to the working interest owners in the (1) SW/4 of Section 22 Township 22 South, Range 28 East; and (2) the NW/4 of Section 3, Township 23 South, Range 28 East. Marathon is also providing notice to the Bureau of Land Management as the owner of the mineral estate with respect to offsetting areas. Marathon also provides a midland map of this area, attached as Exhibit C. Proof of mailing, along with a copy of the notice letter sent to affected parties, is attached hereto as Exhibit D.

Your attention to this matter is appreciated.

Sincerely,

Deana M. Bennett

Attorney for Marathon Oil

Decra M. Bennett

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 IIV
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

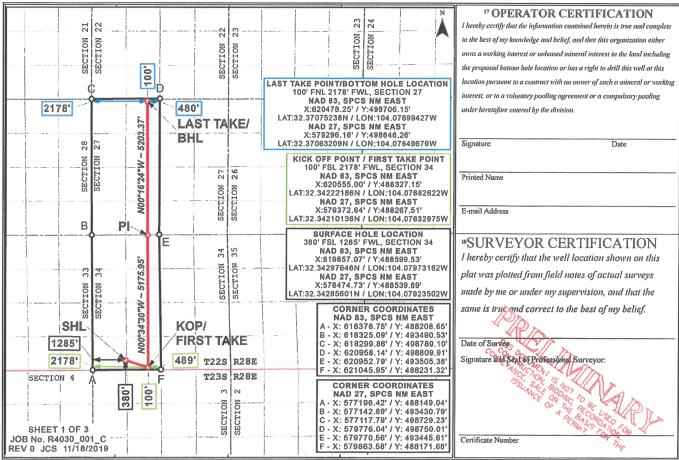
¹ API Numbe	er	² Pool Code	³ Pool Name	
		98220	PURPLE SAGE; WOLFCA	MP (GAS)
⁴ Property Code		5 P1	roperty Name	⁶ Well Number
		SHAKE-N-BAK	E 34 WXY FED COM	3H
⁷ OGRID No.		8 O1	perator Name	⁹ Elevation
372098		MARATHON	OIL PERMIAN LLC	3041'

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	34	22S	28E		380	SOUTH	1285	WEST	EDDY	
			" Bo	ttom Hol	e Location If	Different From	n Surface			

					ttom 110	C Location in	Different 1 tol.	II Dullace		
UL or l	ot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	C	27	22S	28E		100	NORTH	2178	WEST	EDDY
12 Dedi	cated Acres	13 Joint or	r Infill	Consolidation	Code 15 Or	der No.				
6	40.0									

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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977431 Convergence: 00°08'50.610012'



VICINITY MAP

F		1	7-	-			
18	17	16	15	14	13	18	17
18	20	21	22	23	24 V	T22S R29E	20
30	39	2.3	7 7	28	25	30	29
	32 SHAKE-N-BAKE 3 COM 3H	33 34 WXY FED	→)4	35	36 T22S R28E	31 T22S R29E	32
6	MARATHON OIL	PERMIAN LLC	3	2		T23S R29E	
7	8	9	10	_ 11	123S R28E	723S R29E	8
18	17	16	15	14	13	18	17
19	20	21	22	23	24	19	20

SEC. 26 TWP. 22-S RGE, 28-E

SURVEY: N.M.P.M.

COUNTY: EDDY

OPERATOR: MARATHON OIL PERMIAN LLC DESCRIPTION: 233' FSL & 1272' FWL

ELEVATION: 3090'

LEASE: TROJAN HORSE 35 WB FED COM U.S.G.S. TOPOGRAPHIC MAP: LOVING, NM. 1"=1 MILE



SHEET 3 OF 3

Prepared By: R-Squared Global, LLC 1309 Louisville Avenue, Monroe, La 71201 318–321-890 Office Job No. R3971_009_C



= AFFECTED TRACT

= HSU



Billy Moore

Reservoir Engineer

Marathon Oil Permian LLC

5555 San Felipe Street Houston, TX 77056 713.296.1883 bsmoore@marathonoil.com

Adrienne Sandoval Director - NMOCD 1220 South Saint Francis Drive Santa Fe, NM 87505

Re:

Non-Standard Location Application

Shake-N-Bake 34 WXY Fed Com 3H

Eddy County, New Mexico

Dear Ms. Sandoval,

Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Shake-N-Bake 34 WXY Fed Com 3H 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 2,178' FWL of Section 34, and last take point at 100' FNL and 2,178' FWL of Section 27, 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 Moore

Reservoir Engineer

Billy S. Wolle

Permian Asset



Deana M. Bennett 505.848.1834

dmb@modrall.com



March 2, 2020

LAWYERS

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Shake-N-Bake 34 WXY Fed Com 1H well, located in the W/2 of Sections 34 and 27, 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 Shake-N-Bake 34 WXY Fed Com 2H well, located in the W/2 of Sections 34 and 27, 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 Shake-N-Bake 34 WXY Fed Com 3H well, located in the W/2 of Sections 34 and 27, 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 Shake-N-Bake 34 WD Fed Com 4H well, located in the W/2 of Sections 34 and 27, 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 Shake-N-Bake 34 WD Fed Com 5H well, located in the W/2 of Sections 34 and 27, 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 Shake-N-Bake 34 WD Fed Com 6H well, located in the W/2 of Sections 34 and 27, 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

EXHIBIT

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 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 Permian LLC 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 the Shake-N-Bake 34 WXY Fed Com 1H well, located in the W/2 of Sections 34 and 27, 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 the Shake-N-Bake 34
WXY Fed Com 2H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
South, Range 28 East, N.IVI.F.IVI., Eddy County, New Mexico.
Dated:
hereby waives objection to the above
referenced Application for an Unorthodox Location for the Shake-N-Bake 34
WXY Fed Com 3H well, located in the W/2 of Sections 34 and 27, Township 22
South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
Dated:
Signature Signature
hereby waives objection to the above
referenced Application for an Unorthodox Location for the Shake-N-Bake 34
WD Fed Com 4H well, located in the W/2 of Sections 34 and 27, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
Dated:
Signature

referenced Application for an Unorthodox Loca	waives objection to the above ation for the Shake-N-Bake 34
WD Fed Com 5H well, located in the W/2 of S South, Range 28 East, N.M.P.M., Eddy County,	_
Dated:	
hereby verifierenced Application for an Unorthodox Local WD Fed Com 6H well, located in the W/2 of S	
South, Range 28 East, N.M.P.M., Eddy County,	
Dated: Signature	

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 03/02/2020

Firm Mailing Book ID: 185719

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Reference Contents	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice	81363.203 SnB Notice
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RR Fee	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70
Service Fee	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55
Postage	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40	\$2.40
Name, Street, City, State, Zip	RKC, Inc. 7500 Arapahoe Road, Ste. 380 Centennial CO 80112	Matador E&P Co., Inc. One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Foran Oil Company One Lincoln Center 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	Nadel & Gussman, LLC 3300 1st Place Tower 15 E. 5th St. Tulsa OK 74103	The Eastland Oil Company PO Box 3488 Midland TX 79702	BHP Billiton BPX Energy Inc., Div. of Interest PO Box 696505 San Antonio TX 78269	Ridge Runner Operating, LLC 1004 N. Big Spring Street Midland TX 79701	Grainne, LLC PO Box 2206 Midland TX 79702	Novo Oil & Gas Northern Delaware, LLC 105 N. Hudson Avenue, Ste 500 Oklahoma City OK 73102	Marathon Oil Permian, LLC 5555 San Felipe Street Houston TX 77056	CBR Oil Properties, LLC PO Box 1518 Roswell NM 88202	Crump Energy Partners II, LLC 4000 North Big Spring, Ste 310 Midland TX 79705	Crown Oil Partners V, LP 4000 North Big Spring, Ste 310 Midland TX 79705	Nadel and Gussman Delaware, LLC 15 East Fifth Street, Ste 3300 Tulsa OK 74103
USPS Article Number	9314 8699 0430 0069 4099 54	9314 8699 0430 0069 4099 61	9314 8699 0430 0069 4099 78	9314 8699 0430 0069 4099 85	9314 8699 0430 0069 4099 92	9314 8699 0430 0069 4100 04	9314 8699 0430 0069 4100 11	9314 8699 0430 0069 4100 28	9314 8699 0430 0069 4100 35	9314 8699 0430 0069 4100 42	9314 8699 0430 0069 4100 59	9314 8699 0430 0069 4100 66	9314 8699 0430 0069 4100 73	9314 8699 0430 0069 4100 80
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Page 1 2020 Walz CertifiedPro.net Firm Mailing Book ID: 185719

Page 2 2020 Walz CertifiedPro.net

PS Form 3877

Karlene Schuman Modrall Sperling Rochl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

Type of Mailing: CERTIFIED MAIL 03/02/2020

Tine TISPS Article Number	Nomo Ctuo	of City State Tim	Å		ş ş	,	Reference
OSES ALUCIE INUINDER INAINE, SILEEL, CITY, STATE, ZID	Name, Street, City, 3	tate, Lip	Postage		e RR Fee	Service Fee RR Fee Rest.Del.Fee	Contents
9314 8699 0430 0069 4100 97 Chevron USA, Inc. 1400 Smith St. Houston TX 77002	7 Chevron USA, Inc. 1400 Smith St. Houston TX 77002		\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
9314 8699 0430 0069 4101 03 Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	3 Bureau of Land Managemer 301 Dinosaur Trail Santa Fe NM 87508	#	\$2.40	\$3.55	\$1.70	\$0.00	81363.203 SnB Notice
			Totals: \$38.40	\$56.80	\$27.20	80.00	
				Gran	Grand Total:	\$122.40	

Dated:

Postmaster: Name of receiving employee

Total Number of Pieces Received at Post Office

List Number of Pieces Listed by Sender

OFFSETTING OWNERSHIP INFORMATION (SHAKE-N-BAKE NSLS)

SW/4 of Section 22, Township 22South, Range 28 East

RKC, Inc. 7500 Arapahoe Road, Ste. 380 Centennial, CO 80112

Matador E&P Co, Inc. One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240

Foran Oil Company One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240

Nadel & Gussman, LLC 3300 1st Place Tower 15 E 5th St Tulsa, Oklahoma 74103

The Eastland Oil Company PO Box 3488 Midland,TX 79702

BHP Billiton
BPX Energy Inc.
Division of Interest
PO Box 696505
San Antonio, TX 78269-6505

Ridge Runner Operating, LLC. 1004 N. Big Spring Street Midland, Tx 79701

Grainne, LLC P.O. Box 2206 Midland, Texas 79702

NW/4 of Section 3, Township 23 South, Range 28 East

Novo Oil & Gas Northern Delaware, LLC 105 N. Hudson Avenue, Ste 500 Oklahoma City, OK 73102 Marathon Oil Permian, LLC 5555 San Felipe Street Houston, TX 77056

CBR Oil Properties, LLC P.O. Box 1518 Roswell, NM 88202

Crump Energy Partners II, LLC 4000 North Big Spring, STE 310 Midland, TX 79705

Crown Oil Partners V, LP 4000 North Big Spring, STE 310 Midland, TX 79706"

Nadel and Gussman Delaware, LLC 15 East Fifth Street, STE 3300 Tulsa, OK 74103

Chevron USA, INC 1400 Smith St. Houston, TX 77002

BLM 301 Dinosaur Trail Santa Fe, NM 87508