

1/25/01 - 2/14/01 - MS - KN - NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

103649393

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
- NSL     NSP     DD     SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
- DHC     CTB     PLC     PC     OLS     OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX     PMX     SWD     IPI     EOR     PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Jerry Fletcher  
Print or Type Name

Jerry Fletcher  
Signature

Engineer Tech.  
Title

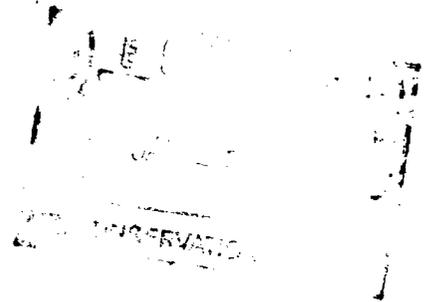
1/19/01  
Date



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

January 18, 2001

Mr. Michael Stogner  
Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, New Mexico 87504



RE: Application for a Unorthodox Well Location  
Indian Hills Unit # 32  
1293' FSL & 660' FWL  
Sec, 16, T-21-S, R-24-E  
Eddy Co. New Mexico

Dear Mr. Stogner:

Marathon Oil Company has identified topographical conditions preventing us from locating the well in a Standard Location in Unit Letter "M" of Section 16. All other standard location sites are not economically feasible projects due to location construction cost. Accordingly, please find enclosed our application for an unorthodox well location requesting administrative approval under conditions of OCD Rule # 104.

Marathon Oil Company is applying to the New Mexico Conservation Division to drill this well at an unorthodox location of 1293' FSL & 660' FWL, Unit Letter "M", of Section 16, T-21-S, R-24-E, NMPM. Said well is dedicated to a standard 320 Acre West Half of Section 16.

In Support Thereof:

- 1) This Indian Basin Upper Penn. Assoc. gas well is subject to the Division's statewide rules and regulations specifying that a well shall be located not closer than 660 feet to the outer boundary of a lease and no closer than 330 feet to any quarter/ quarter section line or subdivision inner boundary. The proposed well is located at a legal setback of 660 feet from the outer boundary. This location is unorthodox to the internal governmental 330 feet quarter/ quarter section line.
- 2) Due to topographical constraints, the only possible drill location must be 1293' FSL & 660' FWL of Section 16.

Marathon Oil Company seeks approval for this unorthodox well location to drill the Indian Basin Upper Penn. Gas well. Enclosed is a copy of the offset's waiver to objection letter. If you have any questions or concerns, please feel free to contact me at (915) 687-8357

Regards,

A handwritten signature in cursive script, appearing to read 'Jerry Fletcher', written over a horizontal line.

Jerry Fletcher  
Engineering Technician

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer 20, Artesia, NM 88211-0710

DISTRICT III  
1000 Rio Brazos Ed., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name	
Property Code		Property Name		Well Number
6409		INDIAN HILLS UNIT		32
OGED No.		Operator Name		Elevation
14021		MARATHON OIL COMPANY		4177

Surface Location

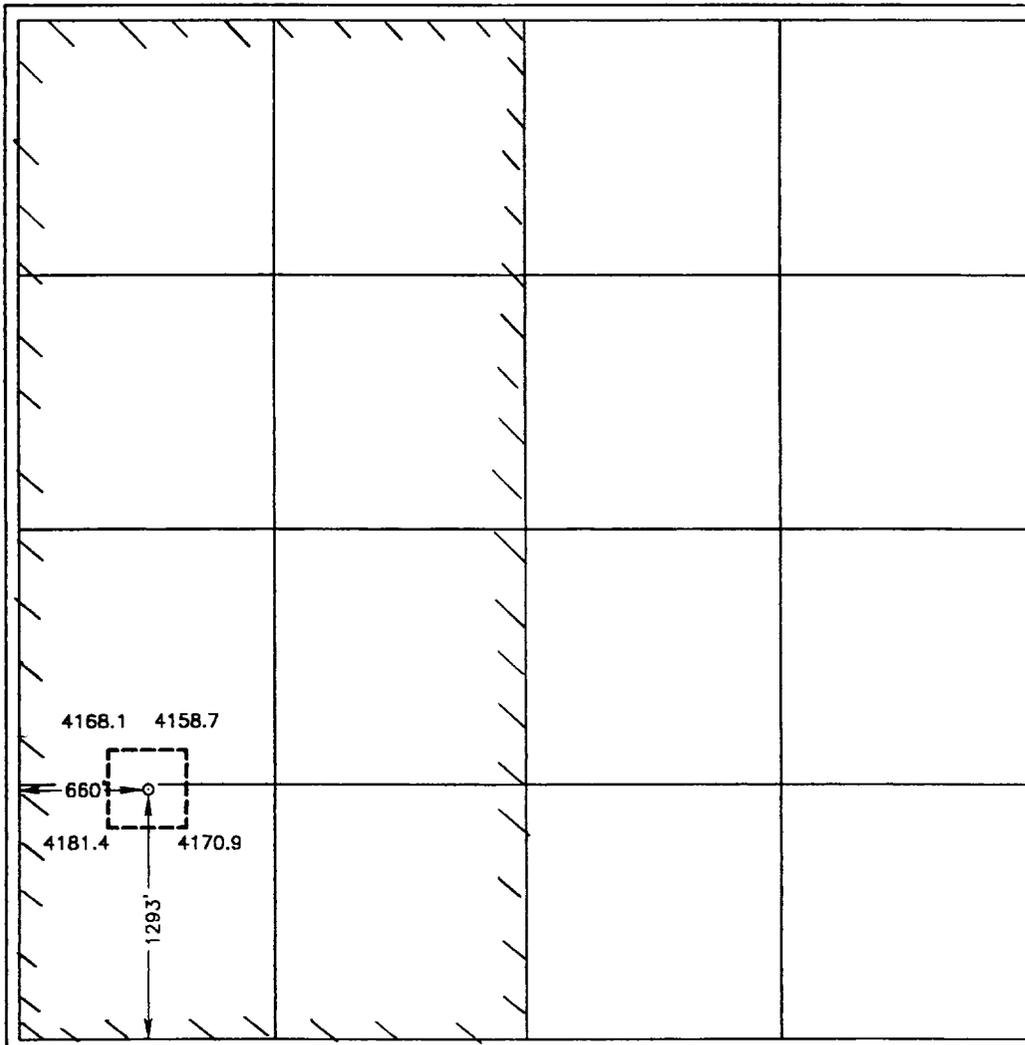
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	21S	24E		1293	SOUTH	660	WEST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320 W/2			

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



**OPERATOR CERTIFICATION**

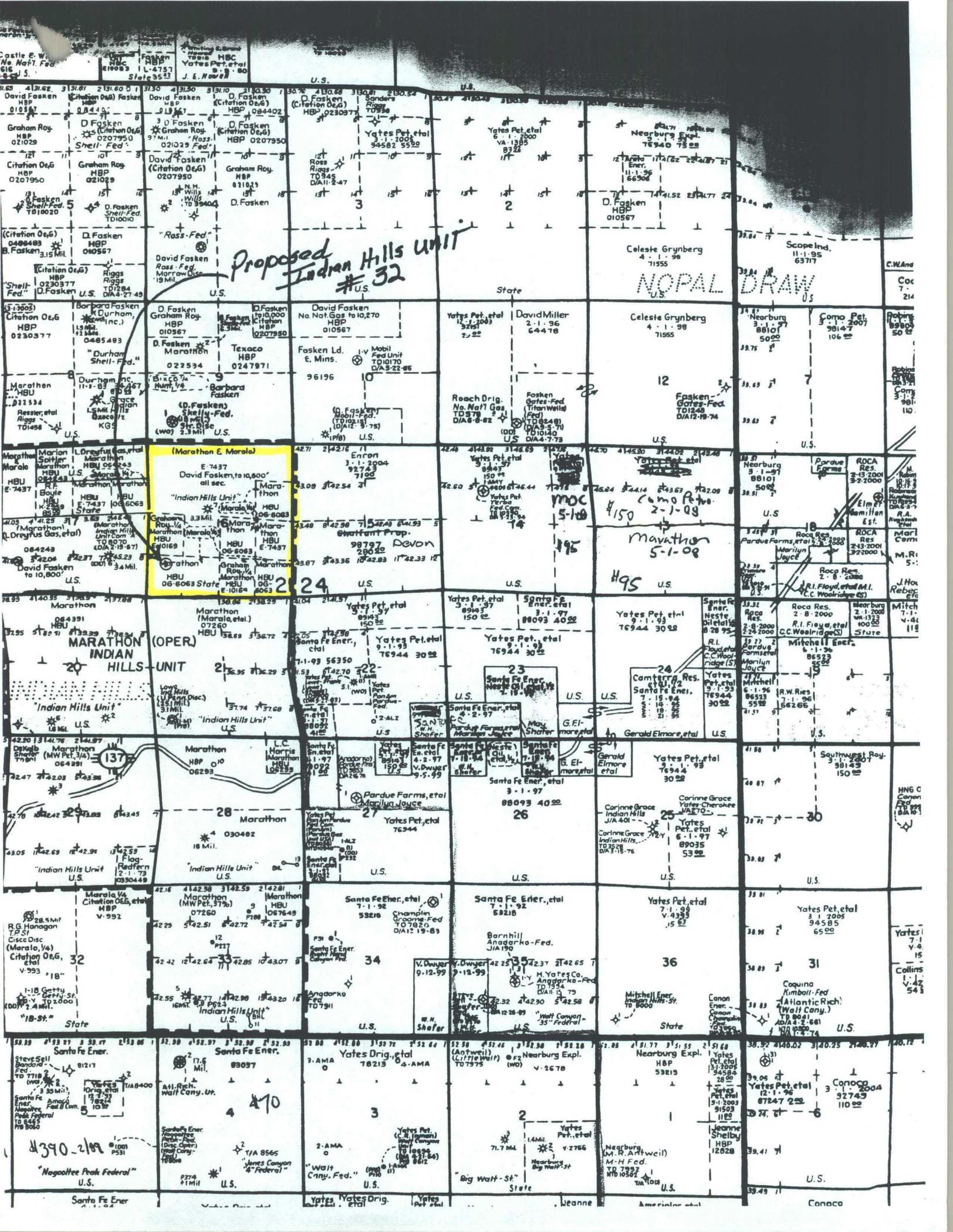
I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*Jerry Fletcher*  
Signature  
Jerry Fletcher  
Printed Name  
Engineer Tech.  
Title  
1/17/01  
Date

**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.

JANUARY 10, 2001  
Date Surveyed AWB  
Signature & Seal of Professional Surveyor  
*Ronald J. Eidson 01/16/01*  
00-11-1623  
Certificate No. RONALD J. EIDSON 3239  
GARY EIDSON 12641



Proposed Indian Hills Unit #32

NOPAL DRAW

(Marathon & Marolo)  
E-7437  
David Fasken, to 10,800' all sec.  
"Indian Hills Unit"  
Marathon HBU 06-6063 State

MARATHON (OPER) INDIAN HILLS UNIT

"Indian Hills Unit"  
U.S.

"Indian Hills Unit"  
U.S.

"Indian Hills Unit"  
U.S.

"Indian Hills Unit"  
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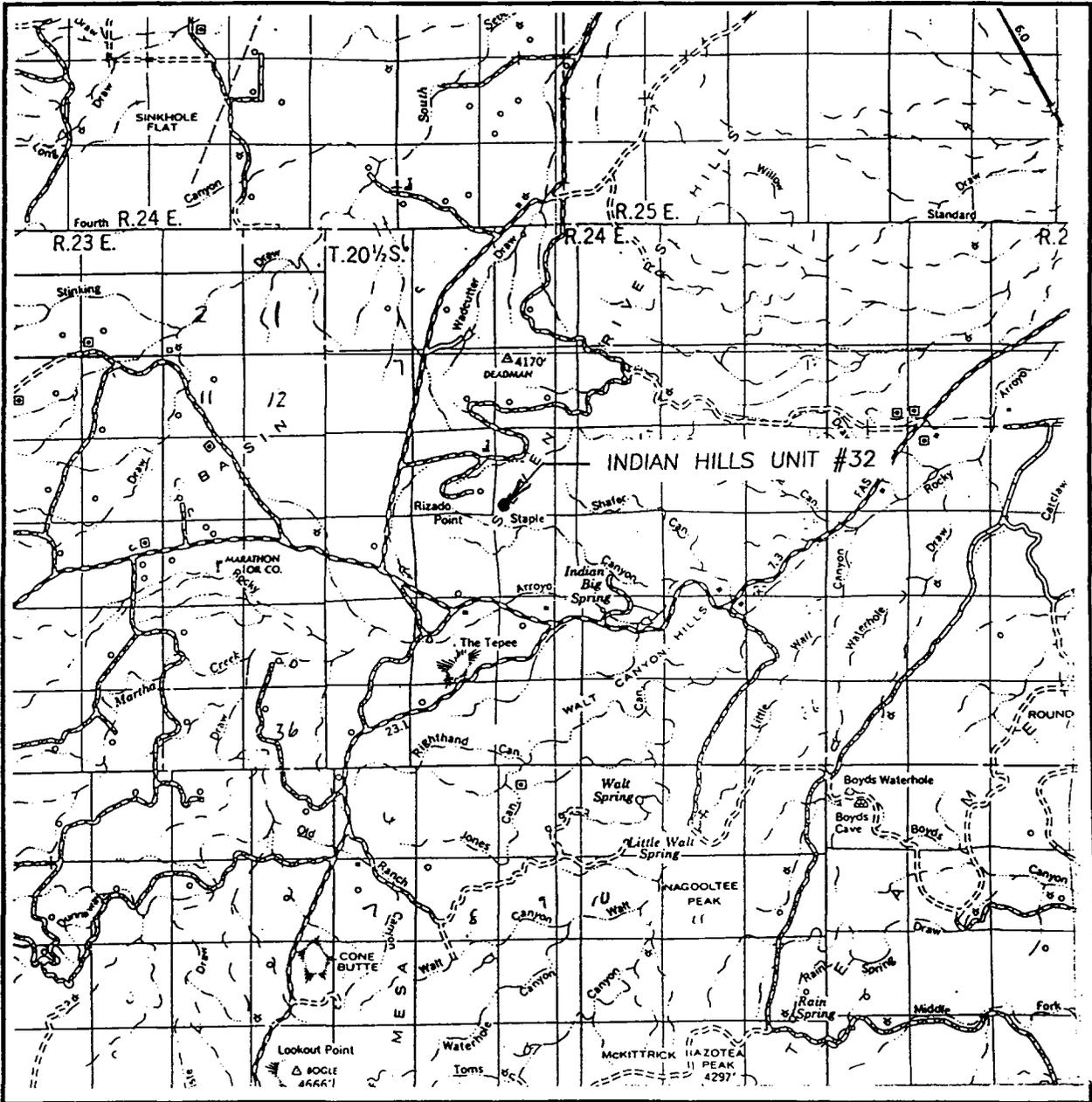
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Santa Fe Ener

Yates Drig, etal

# VICINITY MAP

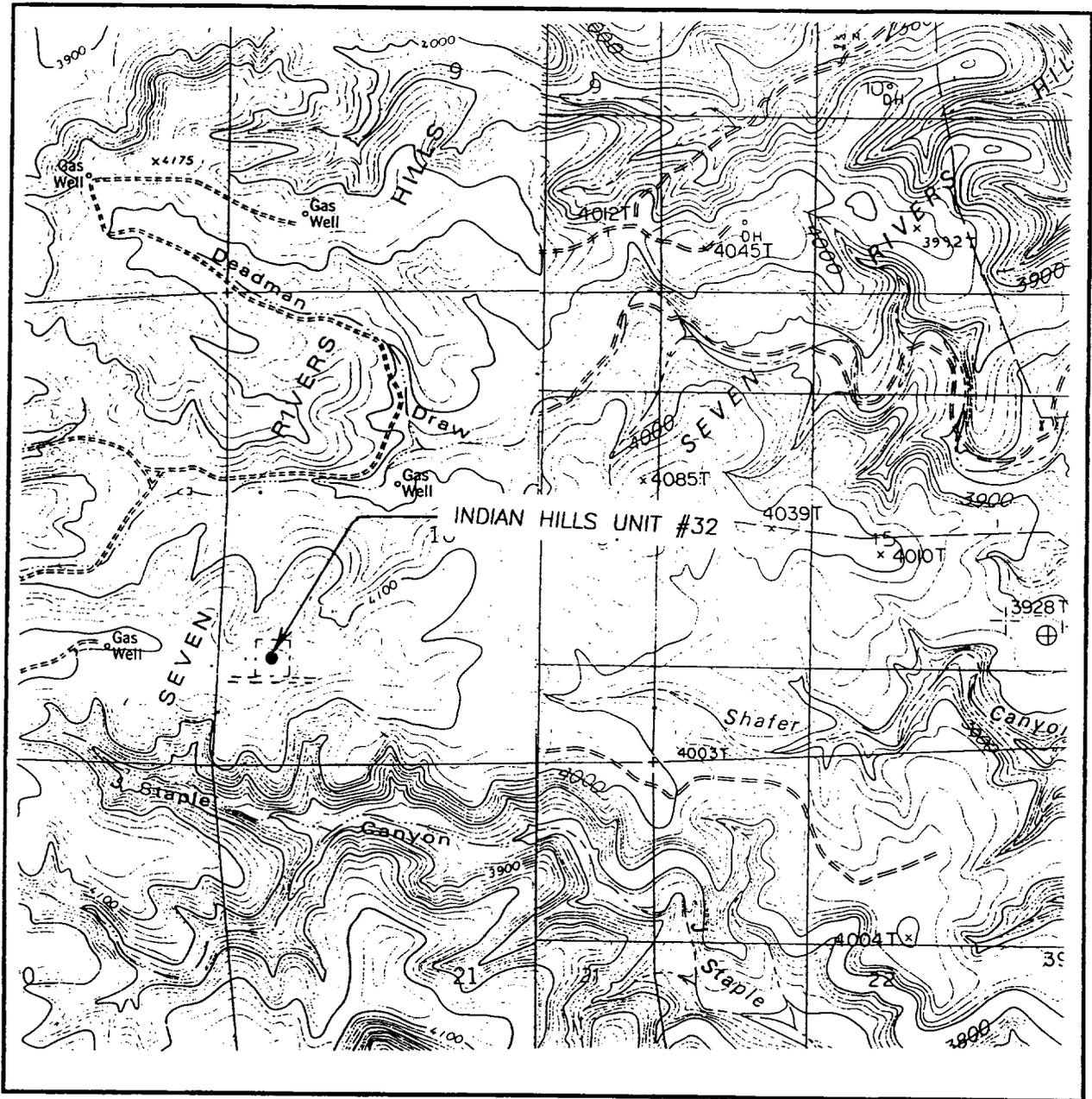


SCALE: 1" = 2 MILES

SEC. 16 TWP. 21-S RGE. 24E  
 SURVEY N.M.P.M.  
 COUNTY EDDY  
 DESCRIPTION 1293'FSL & 660'FWL  
 ELEVATION 4177  
 OPERATOR MARATHON OIL COMPANY  
 LEASE INDIAN HILLS UNIT

JOHN WEST SURVEYING  
 HOBBS, NEW MEXICO  
 (505) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'

SEC. 16 TWP. 21-S RGE. 24E

MARTHA CREEK N.M.

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1293'FSL & 660'FWL

ELEVATION 4177

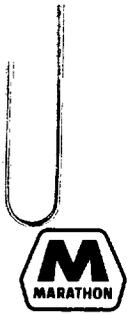
JOHN WEST SURVEYING  
HOBBS, NEW MEXICO

OPERATOR MARATHON OIL COMPANY

(505) 393-3117

LEASE INDIAN HILLS UNIT

U.S.G.S. TOPOGRAPHIC MAP  
MARTHA CREEK N.M.



**Marathon  
Oil Company**

Southern U.S. Business Unit  
Domestic Production

P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

January 19,2001

Yates Petroleum  
105 South 4<sup>th</sup> Street  
Artesia, New Mexico

RE : Indian Hills Unit # 32  
1293' FSL & 660' FWL  
Sec. 16, T-21-S, R-24-E  
Eddy County New Mexico

Dear Sir,

Marathon Oil company has made an attempt to locate a suitable location for the above mentioned well.

As offset operator you are hereby notified of Marathon's intent to drill this well at an unorthodox location.

Please see attached surveyors plat and acreage dedication map.

An application to drill and a request for administrative approval subject to OCD Rule # 104 has been filed with the New Mexico Oil Conservation Division in Santa Fe, New Mexico.

This well is subject to the Division's Statewide rules and regulations which provide that a well shall be no closer than 660 feet to the outer boundary of a lease and no closer than 330 feet to any governmental quarter/ quarter section line or subdivision inner boundary.

This well is located at a legal set back of 660 feet from the outer boundary gas poration unit and does not encroach offset operators. It is only unorthodox to the internal governmental quarter/ quarter section line.

Should Yates Petroleum have no objection to Marathon's intent to drill the above referenced unorthodox well due to topographical limitations, please signify by signing below and return an executed copy to me in the envelope provided.

Respectfully,

  
Jerry Fletcher

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Yates Petroleum

\_\_\_\_\_  
Date



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

January 19,2001

Texaco Exploration and Production  
500 North Loraine  
Midland , Texas 79701

RE : Indian Hills Unit # 32  
1293' FSL & 660' FWL  
Sec. 16, T-21-S, R-24-E  
Eddy County New Mexico

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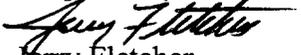
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Should Texaco have no objection to Marathon's intent to drill the above referenced unorthodox well due to topographical limitations, please signify by signing below and return an executed copy to me in the envelope provided.

Respectfully,

  
Jerry Fletcher

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Texaco

\_\_\_\_\_  
Date

Southern U.S. Business Unit  
Domestic Production



P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

January 19,2001

EOG Resources (Enron)  
4000 North Big Spring ,Suite 1500  
Midland, Texas 79702

RE : Indian Hills Unit # 32  
1293' FSL & 660' FWL  
Sec. 16, T-21-S, R-24-E  
Eddy County New Mexico

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Should EOG Resources have no objection to Marathon's intent to drill the above referenced unorthodox well due to topographical limitations, please signify by signing below and return an executed copy to me in the envelope provided.

Respectfully,

  
Jerry Fletcher

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
EOG Resources

\_\_\_\_\_  
Date

Southern U.S. Business Unit  
Domestic Production



**Marathon  
Oil Company**

P.O. Box 552  
Midland, TX 79702-0552  
Telephone 915/682-1626

January 19,2001

Devon SFS Operating, Inc. (Santa FE)  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102

RE : Indian Hills Unit # 32  
1293' FSL & 660' FWL  
Sec. 16, T-21-S, R-24-E  
Eddy County New Mexico

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Should Devon have no objection to Marathon's intent to drill the above referenced unorthodox well due to topographical limitations, please signify by signing below and return an executed copy to me in the envelope provided.

Respectfully,

Handwritten signature of Jerry Fletcher in cursive script.  
Jerry Fletcher

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Devon SFS Operating

\_\_\_\_\_  
Date

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/14/01 10:21:53  
OGOMES -TPO1  
PAGE NO: 1

Sec : 16 Twp : 21S Rng : 24E Section Type : NORMAL

D 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63	C 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63	B 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63	A 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63
E 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63	F 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63 A	G 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63	H 40.00 CS OG6063 0002 CCS RESOURCES, IN U 10/20/69

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/14/01 10:21:58  
OGOMES -TPO1  
PAGE NO: 2

Sec : 16 Twp : 21S Rng : 24E Section Type : NORMAL

L 40.00 CS E10169 0003 MANSANTO OIL CO & U 06/19/66	K 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63	J 40.00 CS OG6063 0002 CCS RESOURCES, IN U 10/20/69	I 40.00 CS E07437 0002 CCS RESOURCES, IN U 09/15/63
M 40.00 CS OG6063 0002 CCS RESOURCES, IN U 10/20/69 A	N 40.00 CS OG6063 0002 CCS RESOURCES, IN U 10/20/69 A	O 40.00 CS E10169 0003 MANSANTO OIL CO & U 06/19/66	P 40.00 CS OG6063 0002 CCS RESOURCES, IN U 10/20/69 A

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

CMD : ONGARD 02/14/01 10:22:35  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPO1

OGRID Idn : 14021 API Well No: 30 15 31591 APD Status(A/C/P): A  
Opr Name, Addr: MARATHON OIL CO Aprvl/Cncl Date : 02-02-2001  
PO BOX 552  
MIDLAND, TX 79702

Prop Idn: 6409 INDIAN HILLS UNIT Well No: 32

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	---	---	-----	-----
Surface Locn :	M	16	21S	24E			FTG 1293 F S	FTG 660 F W
OCD U/L :	M		API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F  
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 4177

State Lease No: Multiple Comp (S/M/C) : S  
Prpsd Depth : 8600 Prpsd Frmtn : INDIAN BASIN U/PENN ASSOC

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

county Eddy Pool Indian Basin-Upper Pennsylvanian  
Associated

TOWNSHIP 21 South Range 24 East NMPM

	6	5	4	3	2	1
	7	8	9	10	11	12
	18	17	16	15	14	13
*	19	20	21	22	23	24
	30	29	28	27	26	25
	31	32	33	34	35	36

Ext:  $\frac{5}{2}$  Sec. 27, All Sec. 34 (R-9963, 9-20-93)

Ext:  $\frac{5}{2}$  Sec. 33 (R-10518, 10-20-95) Ext:  $\frac{N}{2}$  Sec. 33 (R-10664, 9-16-96)

Ext: All Secs. 20, 21, 29, 30, 31, 32 (R-9922-0, 12-7-98)