

RECEIVED: 12/18/18	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1835250733
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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: Marathon Oil Permian LLC **OGRID Number:** 372098
Well Name: Cave Lion 5 WC Federal 2H **API:** 30-0XX-PENDING
Pool: Bradley; Wolfcamp (Gas) **Pool Code:** 72860

**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.

Zoe E. Lees

Print or Type Name

Signature

December 18, 2018

Date

505-848-1800

Phone Number

zel@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

December 18, 2018

Heather Riley
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Deana M. Bennett
505.848.1834
dmb@modrall.com

Zoë E. Lees
505.848.1859
zel@modrall.com

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for its Cave Lion 5 WC Federal 2H well, located in the W/2 Section 5, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Riley:

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, is seeking administrative approval of an unorthodox well location ("NSL") for the **Cave Lion 5 WC Federal 2H** well (the "Well") to be completed within the Bradley; Wolfcamp (Gas) pool (Pool Code 72860) underlying the W/2, Section 5, Township 26 South, Range 35 East, N.M.P.M., Lea 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: 287 feet from the South line and 1811 feet from the West line of Section 5;
- First Take Point: 100 feet from the South line and 1313 feet from the West line of Section 5;
- Last Take Point and Bottom Hole Location: 100 feet from the North line and 1312 feet from West line of Section 5.

Marathon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Bradley; Wolfcamp (Gas) pool (Pool Code 72860). There are no special pool rules for this pool, and thus the setback requirements for the first and last take point under Rule 19.15.16.15.C NMAC of 330' apply. 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 N/2 W/2 of Section 8, Township 26 South, Range 35 East and the S/2 W/2 of Section 32, Township 25 South, Range 35 East. Marathon is providing notice to the working interest

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Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

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Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
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owners in the N/2 W/2 of Section 8, Township 26 South, Range 35 East and the S/2 W/2 of Section 32, Township 25 South, Range 35 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,

A handwritten signature in blue ink, appearing to read 'Zoë E. Lees', with a stylized flourish at the end.

Zoë E. Lees
*Attorney for Marathon Oil
Permian LLC*



MODRALL SPERLING

L A W Y E R S

December 18, 2018

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 Cave Lion 5 WC Federal 2H well, located in the W/2 Section 5, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed in the notice is a copy of the above referenced application 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:

Ryan Gyllenband
Land Professional
Marathon Oil Company
713.296.2453 (Office)
mrgyllenband@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,

Zoë E. Lees
*Attorney for Marathon Oil
Permian LLC*

Deana M. Bennett
505.848.1834
dmb@modrall.com

Zoë E. Lees
505.848.1859
zel@modrall.com

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Roehl Harris & Sisk P.A.

Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

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Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

WAIVER

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for Cave Lion 5 WC Federal 2H well located in the W/2 Section 5, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dated: _____
Signature _____

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 72860		³ Pool Name BRADLEY; WOLFCAMP (GAS)					
⁴ Property Code		⁵ Property Name CAVE LION 5 WC FEDERAL						⁶ Well Number 2H	
⁷ OGRID No. 372098		⁸ Operator Name MARATHON OIL PERMIAN LLC						⁹ Elevation 3263'	
¹⁰ Surface Location									
UL or lot no. N	Section 5	Township 26S	Range 35E	Lot Idn	Feet from the 287	North/South line SOUTH	Feet from the 1811	East/West line WEST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. D	Section 5	Township 26S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1312	East/West line WEST	County LEA
¹² Dedicated Acres 320.0		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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.

Defining Well SHEET 1 OF 3 JOB No. R3757_004 REV 4 JCS 12/6/2018	CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 831020.60' / Y: 393959.45' B - X: 833663.69' / Y: 393977.99' C - X: 833719.73' / Y: 388693.48' D - X: 831074.50' / Y: 388675.34'	CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 789833.20' / Y: 393901.74' B - X: 792476.27' / Y: 393920.25' C - X: 792532.08' / Y: 388635.88' D - X: 789886.87' / Y: 388617.76'	17 OPERATOR CERTIFICATION <i>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.</i> Signature _____ Date _____ Printed Name _____ E-mail Address _____
	LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FNL 1312' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 832333.20' / Y: 393868.65' LAT: 32.07934113N / LON: -103.39380992W NAD 27, SPCS NM EAST X: 791145.79' / Y: 393810.93' LAT: 32.07921493N / LON: -103.39334674W		18 SURVEYOR CERTIFICATION <i>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.</i> DECEMBER 13, 2018 Date of Survey Signature and Seal of Professional Surveyor Certificate Number LLOYD P. SHORT 21653
	FIRST TAKE POINT 100' FSL 1313' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 832386.09' / Y: 388784.34' LAT: 32.06536510N / LON: -103.39378211W NAD 27, SPCS NM EAST X: 791198.45' / Y: 388726.75' LAT: 32.06523883N / LON: -103.39331973W		
	KICK OFF POINT 100' FSL 1313' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 832386.09' / Y: 388784.34' LAT: 32.06536510N / LON: -103.39378211W NAD 27, SPCS NM EAST X: 791198.45' / Y: 388726.75' LAT: 32.06523883N / LON: -103.39331973W		
	SURFACE HOLE LOCATION 287' FSL 1811' FWL, SECTION 5 NAD 83, SPCS NM EAST X: 832882.34' / Y: 388974.66' LAT: 32.06587633N / LON: -103.39217497W NAD 27, SPCS NM EAST X: 791694.71' / Y: 388917.06' LAT: 32.06575005N / LON: -103.39171261W		

Exhibit A

Layne French
Reservoir Engineer

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, TX 77056
713.296.4663
lfrench@marathonoil.com

December 17, 2018

Ms. Heather Riley
Director - NMOCD
1220 South Francis Drive
Santa Fe, NM 87505

Re: Non-Standard Location Application
Cave Lion 5 WC Federal 2H
Lea County, New Mexico

Dear Ms. Riley:

Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Cave Lion 5 WC Federal 2H well, to be drilled in the Bradley; Wolfcamp (Gas) pool (72860). Marathon plans for this well to have a first take point at 100' FSL and 1,312' FWL, and a last take point at 100' FNL and 1,313' FWL of Section 5, 26S-35E 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) 296-4663.

Sincerely,



Layne French
Reservoir Engineer
Permian Asset

EXHIBIT C

Section 8, Township 26 South, Range 35 East

EOG Y Resources, Inc. (60% working interest owner)
5509 Champions Drive
Midland, TX 79706

EOG A Resources, Inc. (20% working interest owner)
5509 Champions Drive
Midland, TX 79706

EOG M Resources, Inc. (20% working interest owner)
5509 Champions Drive
Midland, TX 79706

Section 32, Township 25 South, Range 35 East

Oxy Y-1 Company (20% working interest owner)
5 Greenway Plaza
Houston, TX 77046

COG Operating LLC (80% working interest owner)
600 W. Illinois Avenue
Midland, TX 79701

Leslie Morse
Modrall Sperling Law Firm
P.O. Box 2168
500 4th St., NW, Suite 1000
Albuquerque NM 87103-2168

PS Form 3877

Type of Mailing: CERTIFIED
12/18/2018



Firm Mailing Book ID: 157618

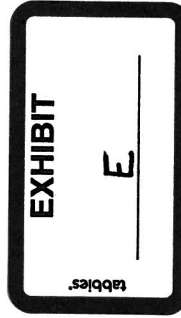
Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
1	9314 8699 0430 0054 0553 40	EOG Y Resources, Inc 5509 Champions Drive Midland TX 79706	\$1.42	\$3.45	\$1.50	81363-0124	\$0.00 Notice
2	9314 8699 0430 0054 0553 57	EOG A Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.42	\$3.45	\$1.50	81363-0124	\$0.00 Notice
3	9314 8699 0430 0054 0553 64	EOG M Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.42	\$3.45	\$1.50	81363-0124	\$0.00 Notice
4	9314 8699 0430 0054 0553 71	Oxy Y-1 Company 5 Greenway Plaza Houston TX 77046	\$1.42	\$3.45	\$1.50	81363-0124	\$0.00 Notice
5	9314 8699 0430 0054 0553 88	COG Operating LLC 600 W. Illinois Avenue Midland TX 79701	\$1.42	\$3.45	\$1.50	81363-0124	\$0.00 Notice
Totals:			\$7.10	\$17.25	\$7.50	Grand Total:	\$0.00 \$31.85

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:



Lowe, Leonard, EMNRD

From: Zoe Lees <zel@modrall.com>
Sent: Tuesday, December 18, 2018 1:31 PM
To: Lowe, Leonard, EMNRD
Cc: Deana M. Bennett
Subject: [EXT] NSL App: Cave Lion 5 WC Fed 2H (Marathon Oil)
Attachments: Cave Lion 5 WC Fed 2H Application to OCD (W3329274x7A92D).pdf

Dear Mr. Lowe,

Attached is an NSL Application for Marathon Oil Permian, LLC's Cave Lion 5 WC Fed 2H well. Please let me know if you have any questions.

Best,
Zoe Lees



Zoë E. Lees
Attorney at Law
Modrall Sperling | www.modrall.com
P.O. Box 2168 | Albuquerque, NM 87103-2168
500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102
D: 505.848.1859 | O: 505.848.1800 | F: 505.848.9710

This e-mail may be a confidential attorney-client communication. If you received it in error, please delete it without forwarding it to others and notify the sender of the error.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, January 10, 2019 1:39 PM
To: 'Zoe Lees'
Cc: Kautz, Paul, EMNRD; Brown, Maxey G, EMNRD; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Dawson, Scott, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'
Subject: APPROVED NSL-7799_Marathon Oil Permian LLC_Cave Lion 5 WC Federal Well No. 2H_SEC 05 26S 35E

Importance: High

Ms. Zoe E. Lees

The following administrative order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7799

Marathon Oil Permian LLC

API #: 30-025-PENDING

WELL: Cave Lion 5 WC Federal Well No. 2H

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>