

NSL Initial Application

Received: 02/28/2020

pKS2006256563

Revised March 23, 2017

RECEIVED: 02/28/2020	REVIEWER: KMS	TYPE: NSL-8011	APP NO: AH0WW-200228-NSL000
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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:** Honey Mustard 22 WA Fed Com 2H**API:** 30-0XX-PENDING**Pool:** Purple Sage; Wolfcamp (Gas)**Pool Code:** 98220

**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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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

February 28, 2020

Date

505-848-1800

Phone Number

deana.bennett@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

February 28, 2020

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 Honey Mustard 22 WA Fed Com 2H well located in the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, 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 **Honey Mustard 22 WA Fed Com 2H well** (the "Well") to be completed within the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220) underlying the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. A C-102 for the Well is attached as Exhibit A, along with additional maps showing the vicinity and the affected tracts. This is a horizontal well that will be drilled as follows:

- Surface Hole Location: 479' from the South line and 989' from the West line of Section 22;
- First Take Point: 100' from the South line and 1254' from the West line of Section 22;
- Last Take Point and Bottom Hole Location: 100' from the North line and 1254' from the West line of Section 22.

Marathon has included as Exhibit B a letter explaining why this application is needed. Marathon also provides a midland map of this area, attached as Exhibit C.

This well will produce from the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220). The special pool rules establish 330' foot setback requirements. The completed interval for the proposed well is closer than 330' from the boundary

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Roehl Harris & Sisk P.A.

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Suite 1000
Albuquerque,
New Mexico 87102

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Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

of the spacing unit. The unorthodox location will encroach towards the SW/4 of Section 15 and the NW/4 of Section 27 of Township 24 South, Range 28 East.

Marathon is providing notice to the working interest owners in the SW/4 of Section 15, Township 24 South, Range 28 East and the NW/4 of Section 27 of Township 24 South, Range 28 East. Marathon has confirmed that the tracts adjoining the spacing unit by a corner are more the 330' away from the unorthodox locations requested. Marathon is also providing notice to the Bureau of Land Management and State Land Office as owners of the minerals in the NW/4 of Section 27. 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
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 PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name HONEY MUSTARD 22 WA FED COM	⁶ Well Number 2H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 2999'

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	22	24S	28E		479	SOUTH	989	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
D	22	24S	28E		100	NORTH	1254	WEST	EDDY

¹² Dedicated Acres 320.0	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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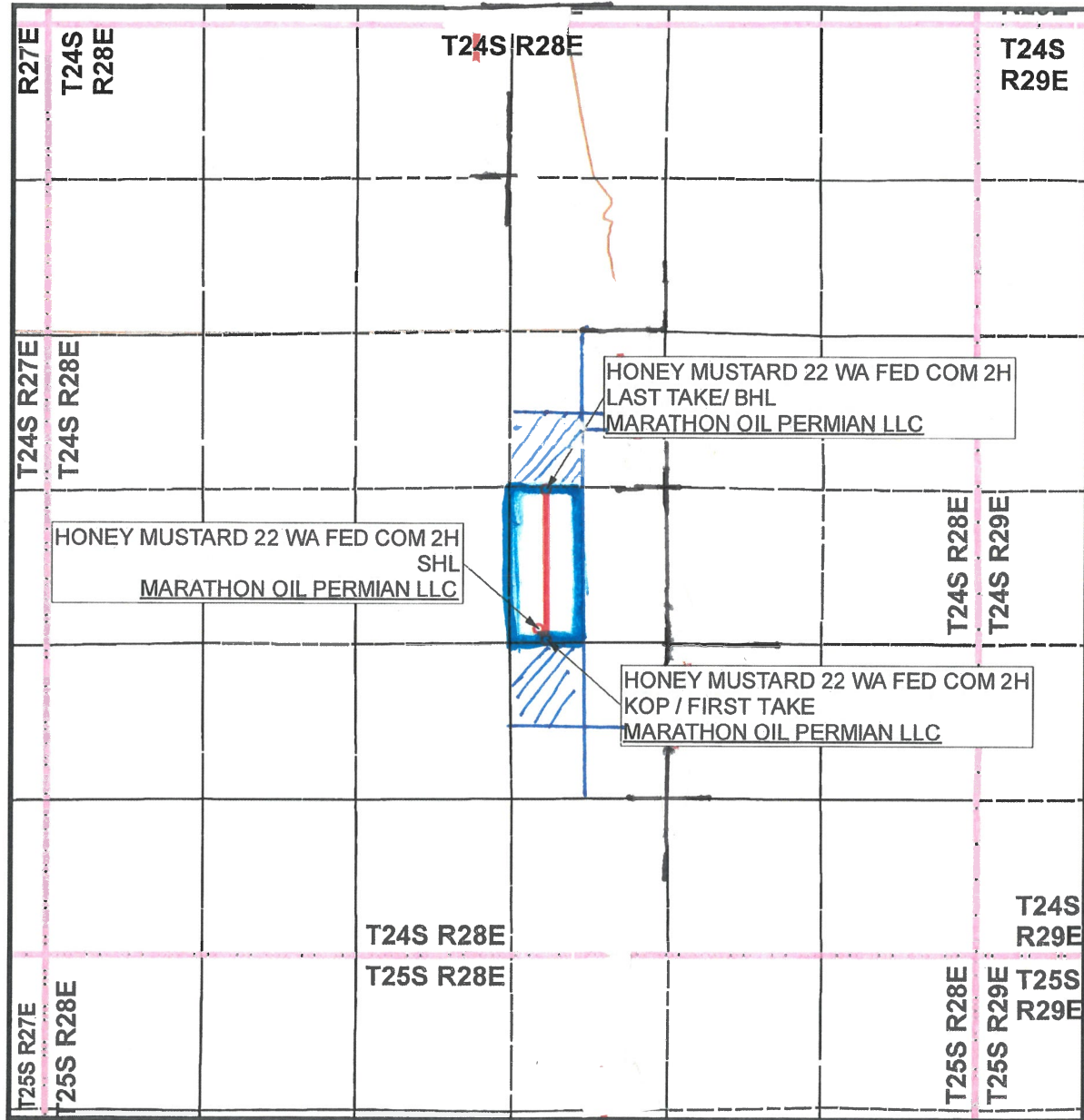
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>SHEET 1 OF 3 JOB No. R3935_002 REV 5 TCS 11/21/2019</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>
	<p>CORNER COORDINATES NAD 83, SPCS NM EAST</p> <p>A - X: 618435.00' / Y: 435137.87' B - X: 618403.24' / Y: 440522.49' C - X: 621044.41' / Y: 440514.29' D - X: 621117.44' / Y: 435144.26'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST</p> <p>A - X: 577251.41' / Y: 435079.46' B - X: 577219.77' / Y: 440463.98' C - X: 579860.89' / Y: 440455.75' D - X: 579933.80' / Y: 435085.82'</p>
	<p>LAST TAKE POINT/BOTTOM HOLE LOCATION 100' FNL 1254' FWL, SECTION 22</p> <p>NAD 83, SPCS NM EAST X: 619657.10' / Y: 440418.60' LAT: 32.21053397N / LON: 104.08009974W</p> <p>NAD 27, SPCS NM EAST X: 578473.60' / Y: 440360.07' LAT: 32.21041232N / LON: 104.07980758W</p> <p>KOP / FIRST TAKE POINT 100' FSL 1254' FWL, SECTION 22</p> <p>NAD 83, SPCS NM EAST X: 619687.75' / Y: 435240.85' LAT: 32.19630073N / LON: 104.08004009W</p> <p>NAD 27, SPCS NM EAST X: 578504.14' / Y: 435182.43' LAT: 32.19617891N / LON: 104.07954836W</p> <p>SURFACE HOLE LOCATION 479' FSL 989' FWL, SECTION 22</p> <p>NAD 83, SPCS NM EAST X: 619417.75' / Y: 435619.21' LAT: 32.19734254N / LON: 104.08091008W</p> <p>NAD 27, SPCS NM EAST X: 578234.15' / Y: 435560.78' LAT: 32.19722074N / LON: 104.08041828W</p>

Distances/areas relative to NAD 83 Combined Scale Factor: 0.999916073 Convergence: 00°08'04.17529"



VICINITY MAP



SEC. 22 TWP. 24-S RGE. 28-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 OPERATOR: MARATHON OIL PERMIAN LLC
 DESCRIPTION: 479' FSL & 989' FWL
 ELEVATION: 2999'
 LEASE: HONEY MUSTARD 22 FED COM
 U.S.G.S. TOPOGRAPHIC MAP: MALAGA, NM.

1" = 1 MILE



SHEET 3 OF 3

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6900 OFFICE
 JOB No. R3935_002

= Affected tracts
 = HSN



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
Honey Mustard 22 WA Fed Com 2H
Eddy County, New Mexico

Dear Ms. Sandoval,

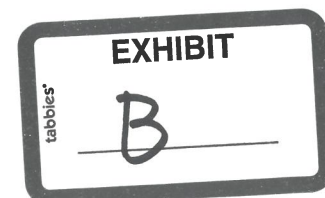
Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Honey Mustard 22 WA Fed Com 2H well, to be drilled in Purple Sage; Wolfcamp (Gas) pool (98220). Marathon plans for this well to have a first take point at 100' FSL and 1,254' FWL of Section 22, and last take point at 100' FNL and 1,254' FWL of Section 22, 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.

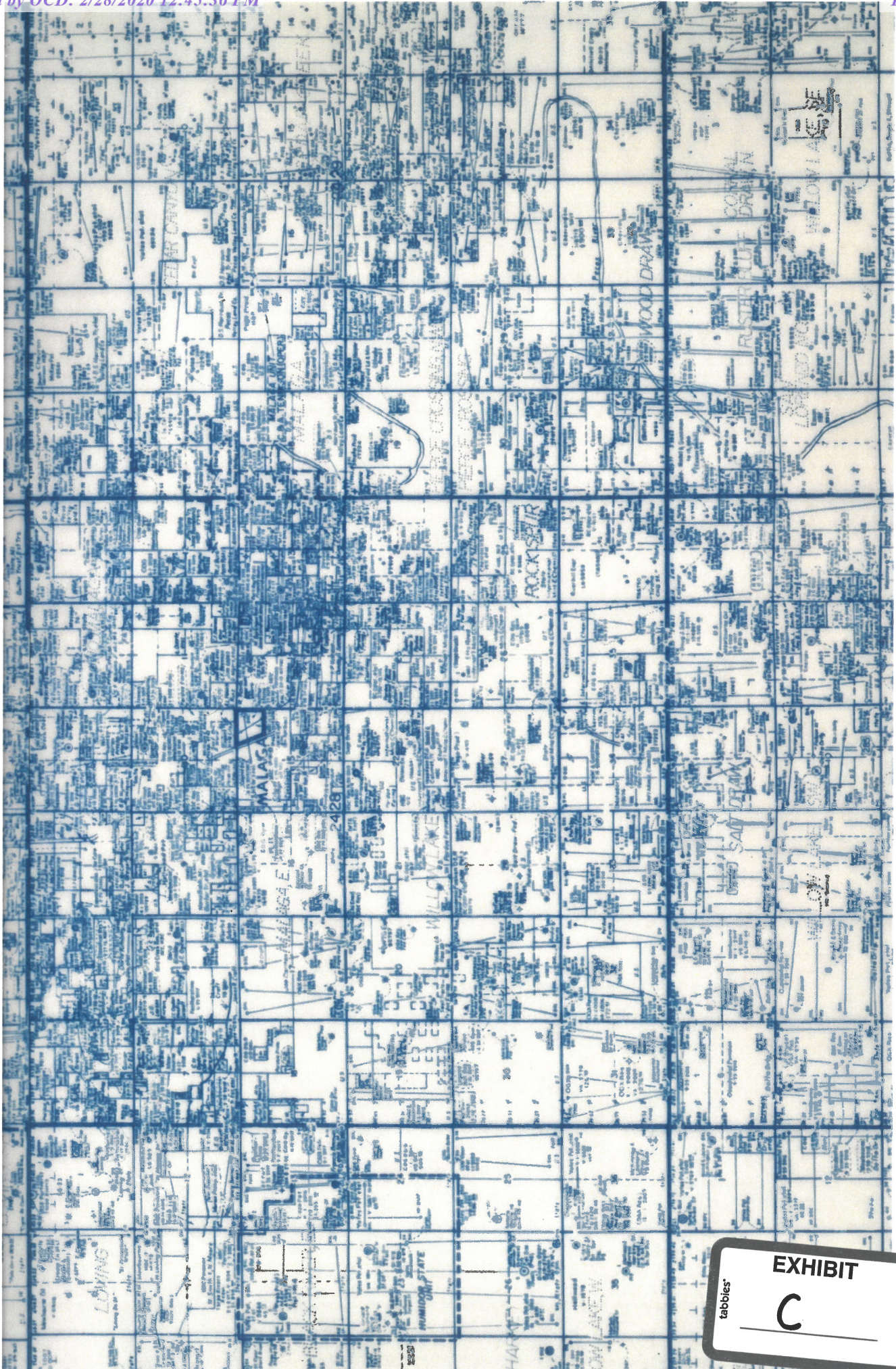
Thank you for your consideration. Should you have any questions please contact me at (713) 296-1883.

Sincerely,

A handwritten signature in blue ink that reads 'Billy S. Moore'.

Billy Moore
Reservoir Engineer
Permian Asset







MODRALL SPERLING

L A W Y E R S

February 28, 2020

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location Honey Mustard 22 WA Fed Com 2H well located in the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location Honey Mustard 22 WXY Fed Com 6H well located in the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location Honey Mustard 22 WXY Fed Com 8H well located in the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, 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 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

Deana M. Bennett
505.848.1834
dmb@modrall.com

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Roehl Harris & Sisk P.A.
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Tel: 505.848.1800
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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 **Honey Mustard 22 WA Fed Com 2H well** located in the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dated: _____
Signature _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Honey Mustard 22 WXY Fed Com 6H well** located in the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Dated: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Honey Mustard 22 WXY Fed Com 8H well** located in the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

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
02/28/2020

Firm Mailing Book ID: 185588

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0069 3465 25	OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
2	9314 8699 0430 0069 3465 32	Mewbourne Development Corporation PO Box 7698 Tyler TX 75711	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
3	9314 8699 0430 0069 3465 49	Mid-Continent Energy Inc. 3400 Mid-Continent Tower 401 South Boston Tulsa OK 74103	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
4	9314 8699 0430 0069 3465 56	CWM 2000-B, Ltd. PO Box 7698 Tyler TX 75711	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
5	9314 8699 0430 0069 3465 63	3MG Corporation PO Box 7698 Tyler TX 75711	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
6	9314 8699 0430 0069 3465 70	Mewbourne Oil Company PO Box 7698 Tyler TX 75711	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
7	9314 8699 0430 0069 3465 87	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
8	9314 8699 0430 0069 3465 94	State of New Mexico Land Office 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
9	9314 8699 0430 0069 3466 00	KEITH B MASTERS D/B/A MASTERS ENERGY LLC 7500 RIALTO BLVD BLDG 2 #280 AUSTIN TX 78735	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
10	9314 8699 0430 0069 3466 17	DINERO OPERATING COMPANY PO DRAWER 10505 MIDLAND TX 79702	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
11	9314 8699 0430 0069 3466 24	AGS OIL AND GAS HOLDINGS 10 INVERNESS DRIVE E STE 155 ENGLEWOOD CO 80112	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
12	9314 8699 0430 0069 3466 31	S K WARREN RESOURCES L L C PO BOX 470372 TULSA OK 74147	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
13	9314 8699 0430 0069 3466 48	KAISER-FRANCIS OIL COMPANY 6733 S YALE PO BOX 21468 TULSA OK 74121	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
14	9314 8699 0430 0069 3466 55	J & L RESOURCES INC 3126 SOUTH BOULEVARD SUITE 345 EDMOND OK 73013	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice

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
02/28/2020

Firm Mailing Book ID: 185588

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
15	9314 8699 0430 0069 3466 62	SIEB RESOURCES INC PO BOX 1107 RICHMOND TX 77406	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
16	9314 8699 0430 0069 3466 79	S. K. Warren Resources LLC P.O. Box 470372 Tulsa OK 74147	\$1.80	\$3.55	\$1.70	\$0.00	81363.191 HM Notice
Totals:			\$28.80	\$56.80	\$27.20	\$0.00	
			Grand Total:		\$112.80		

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated: