

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
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JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 17, 1989

HAND-DELIVERED

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OCT 17 1989

OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application for Unorthodox Location
Marathon State No. 1
1300' FNL and 1980' FEL
Section 27, Township 17 South, Range 36 East,
Lea County, New Mexico

Dear Mr. LeMay:

Tom Schneider hereby requests approval of an unorthodox well location for the Marathon State No. 1 Well. The proposed location will be in the Grayburg San Andres formation at a point 1300 feet from the North line and 1980 feet from the East line, Section 27, Township 17 South, Range 36 East.

This unorthodox location will result from the reentry and recompletion of the Marathon State No. 1 (formerly the State V 1687 #1) that was originally drilled to the Morrow formation at an unorthodox location.

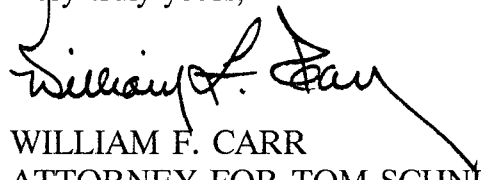
Marathon Oil Company is the operator of all tracts offsetting the spacing unit (NW/4 NE/4 of Section 29) for which the unorthodox location is sought. Attached hereto is Marathon's waiver of objection to the proposed unorthodox location.

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
October 17, 1989
Page Two

Also enclosed are OCD form C-102 which shows the well location and dedicated acreage and a plat which identifies the ownership of the offsetting leases and the wells completed thereon.

Mr. Schneider is prepared to proceed with this reentry and requests that the Division expedite its consideration of this application.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR TOM SCHNEIDER

WFC:mlh

Enclosures

cc w/enc.: J. T. Sexton
New Mexico Oil Conservation Division
Post Office Box 1980
Hobbs, New Mexico 88240

Mid-Continent Region
Exploration United States



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

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OCT 17 1989

OIL CONSERVATION DIVISION

Tom Schnieder
505 North Big Spring Street
Suite 204, Energy Square
Midland, Texas 79701-8602

Re: Waiver Letter dated October 13, 1989
Our Lease NM-4318 - State of New Mexico V-1616
NM-4333 - State of New Mexico V-1687
All of Section 22 & 27,
T-17-S, R-36-E
Our Arkansas Junction Area
Lea County, New Mexico

Gentlemen:

Enclosed for your further handling please find one (1) original Marathon executed Waiver Letter dated October 13, 1989, wherein Marathon has no objection to Tom Schnieder re-entering the Marathon State V-1687 #1 at an unorthodox location of 1300' FNL and 1980' FEL of Section 27, T-17-S, R-36-E, Lea County, New Mexico, to test the Grayburg/San Andres formation at a proposed total depth of 5,500'.

Should you have any questions concerning the above matter, please advise.

Very truly yours,

MARATHON OIL COMPANY

A handwritten signature in cursive script that reads 'Steve Daniels'.

Steve Daniels
Landman

SMD:dkr
Encl.

October 13, 1989

WAIVER

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OCT 17 1989

State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

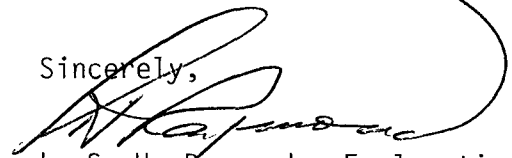
Re: Marathon State #1
1300' FNL & 1980' FEL
Section 27, T-17-S, R-36-E
Lea County, New Mexico
TD(proposed) 5500 feet

Dear Sirs:

I am the Exploration Manager for Marathon Oil Company which holds all of the leasehold rights surrounding the Unit whereby the the above well is located.

Please be advised that we have no objection to Tom Schneider reentering and redrilling to 5500 feet the Marathon State (Formerly State V 1687 #1) located 1300' FNL & 1980' FEL Section 27, T-17-S, R-36-E, Lea County, New Mexico to test the Grayburg San Andres or a proposed Total Depth of 5500 feet.

Sincerely,



by S. H. Raymond - Exploration Mgr.
Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

**MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

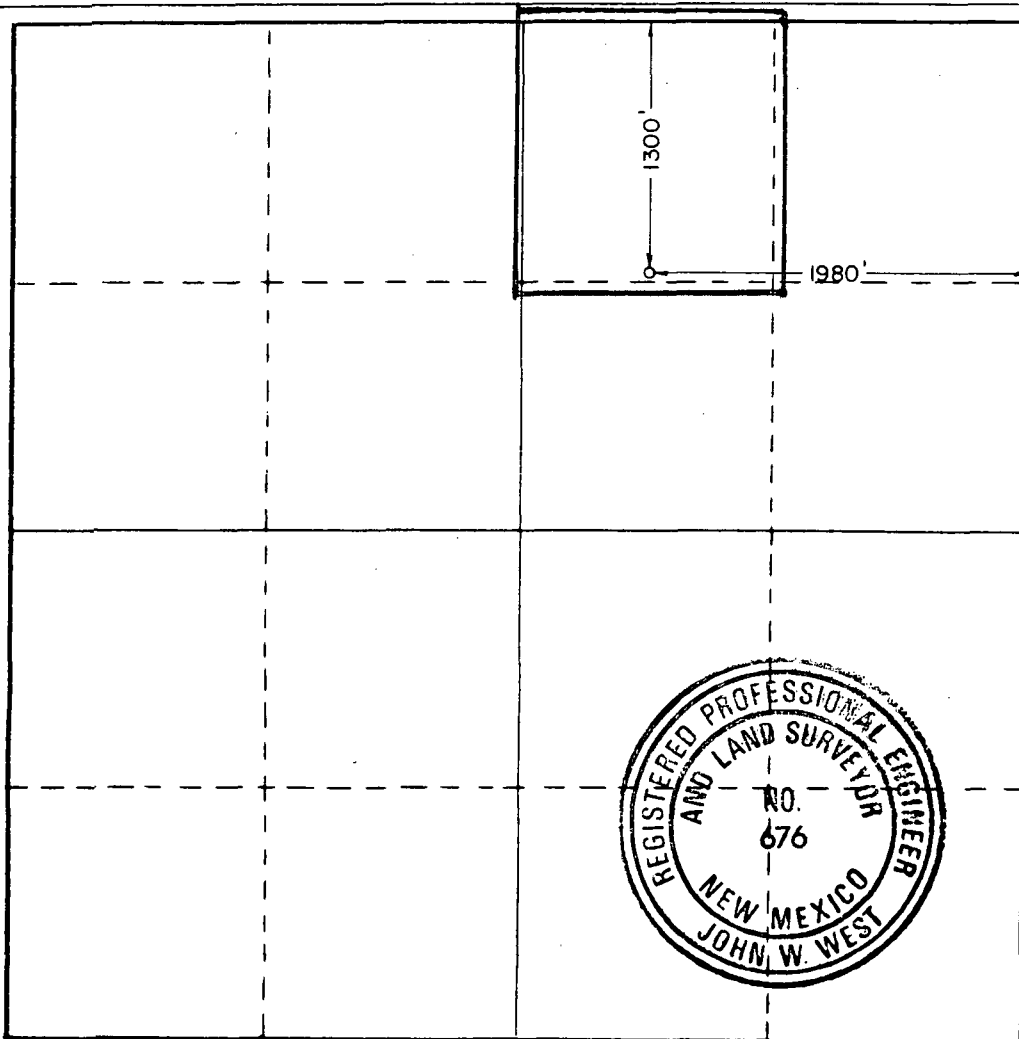
Operator Marathon Oil Company			Lease State Section 27		Well No. 1
Unit Letter B	Section 27	Township 17 South	Range 36 East	County Lea	
Actual Footage Location of Well: 1300 feet from the north line and 1980 feet from the east line					
Ground Level Elev. 3835.6	Producing Formation		Pool		Dedicated Acreage: <div style="text-align: right;">Acres</div>

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

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 knowledge and belief.

Date Surveyed

September 28, 1987

Registered Professional Engineer
and/or Land Surveyor

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

[illegible]



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

10-18-89

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL X _____
NSP _____
SWD _____
WFX _____
PMX _____

OIL CONSERVATION DIVISION
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89 OCT 23 AM 9 56

Gentlemen:

I have examined the application for the:

Tom Schneider marathon State #1-B 27-17-36
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

J. Sexton
(ed)
Jerry Sexton
Supervisor, District 1

/ed



MARATHON OIL CO.
STATE V-1687 #1
PTD. 12400'

EXHIBIT "B"

LINE MOC-ARK-7-86

