

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

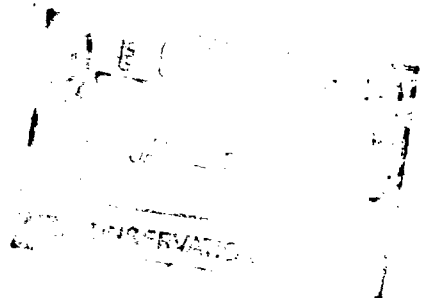
1/19/01
Date



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'.

Jerry Fletcher
Engineering Technician

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

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

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

OIL CONSERVATION DIVISION

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
			Indian Basin Upper Penn. Assoc.
Property Code	Property Name		Well Number
6409	INDIAN HILLS UNIT		32
OGEID No.	Operator Name		Elevation
14021	MARATHON OIL COMPANY		4177

Surface Location

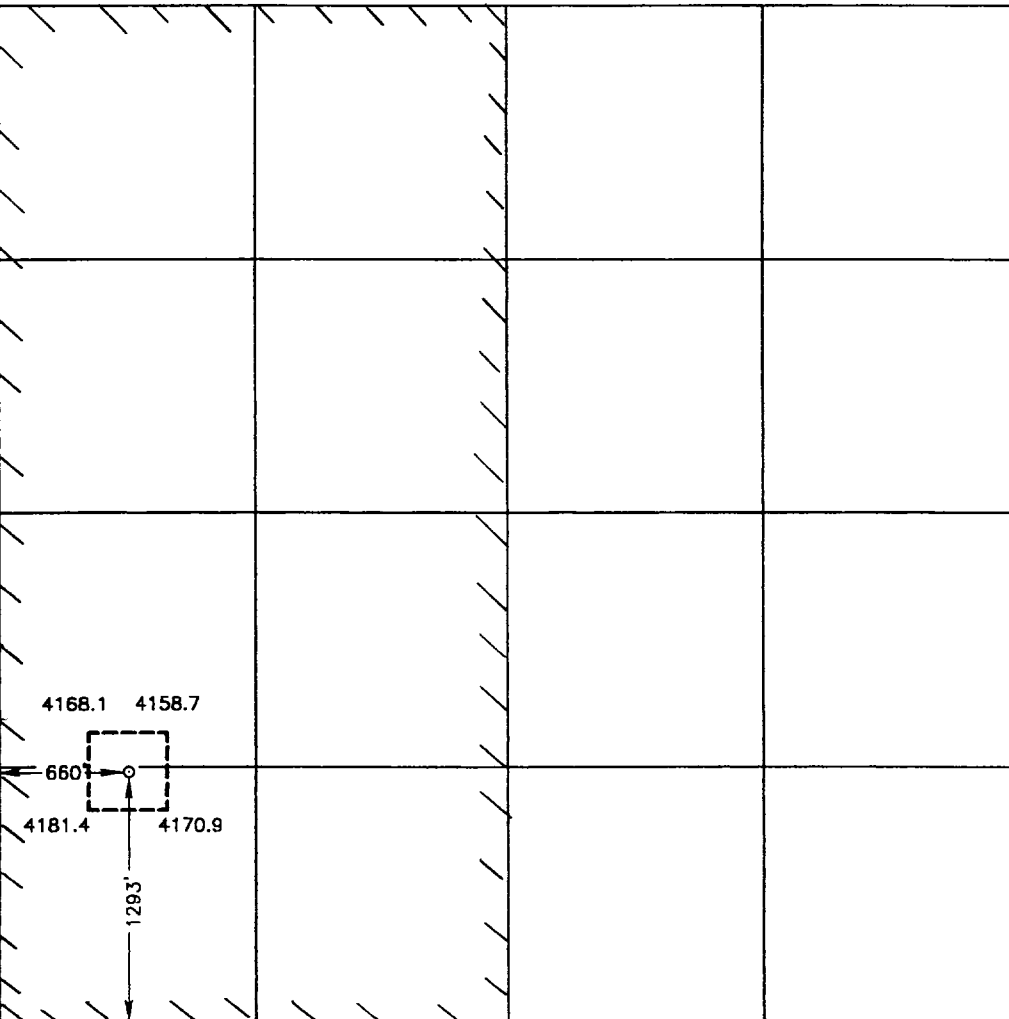

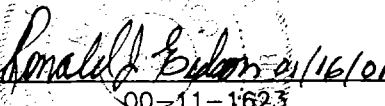
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	16	21S	24E		1293	SOUTH	660	WEST	EDDY

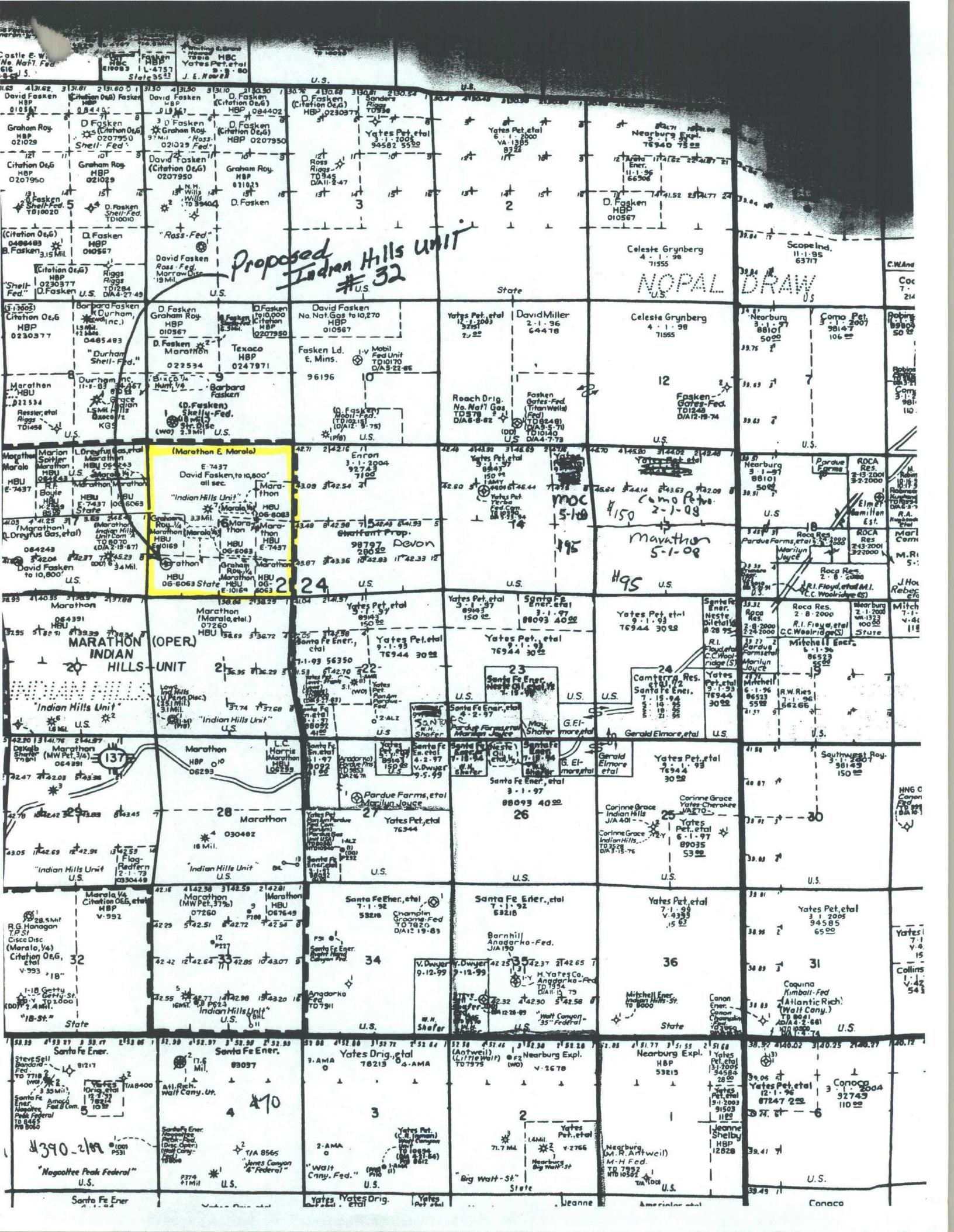
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

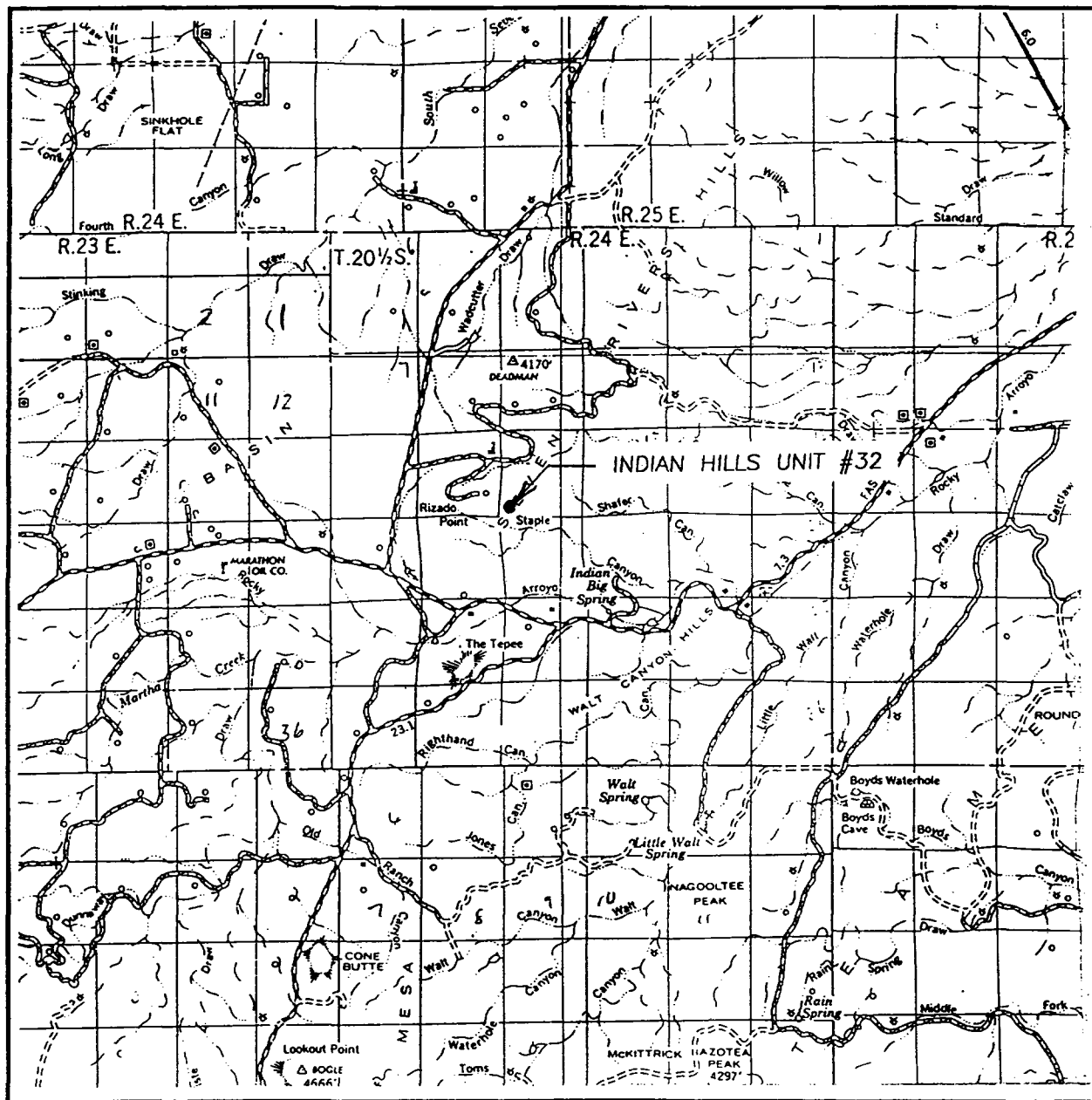
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320 W/2			

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.  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  00-11-1623	
	Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641	



VICINITY MAP

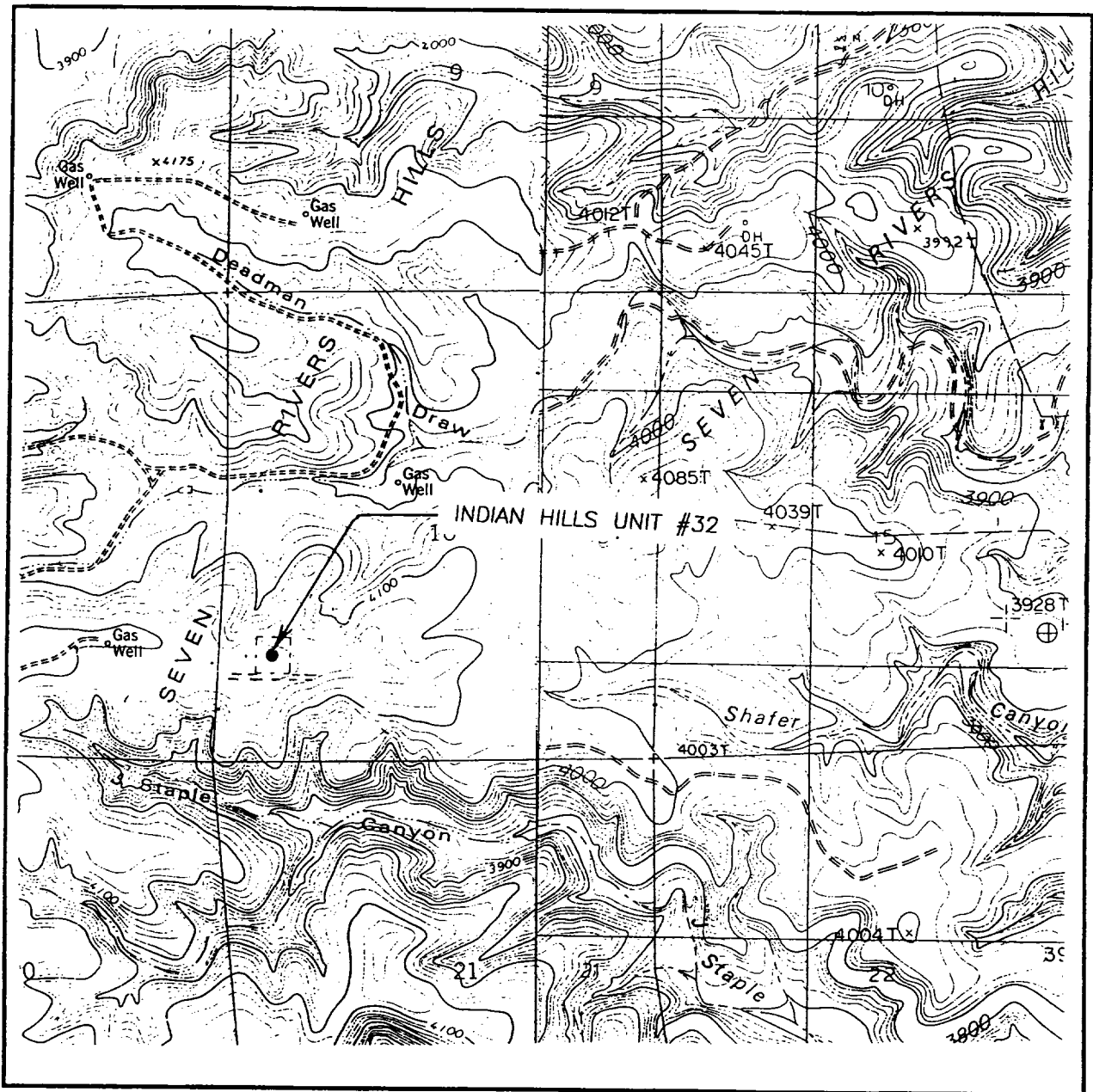


SCALE: 1" = 2 MILES

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'

MARTHA CREEK N.M.

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

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

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



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 4th 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 pororation 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



**Marathon
Oil Company**

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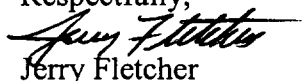
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Should Texaco have no objection to Marathon's intent to drill the above referenced unorthodox well due to topographical limitations, please signify by signing below and return an executed copy to me in the envelope provided.

Respectfully,


Jerry Fletcher

Signature

Name

Title

Texaco

Date

Southern U.S. Business Unit
Domestic Production



**Marathon
Oil Company**

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,

Handwritten signature of Jerry Fletcher in cursive script.
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,


Jerry Fletcher

Signature

Name

Title

Devon SFS Operating

Date

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION02/14/01 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
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION02/14/01 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
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
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

Pool Indian Basin - Upper Pennsylvanian
Associated

NMPM

A 6x6 grid with numbers 1 through 36. The numbers are arranged in a 6x6 grid, with the first row containing 6, 5, 4, 3, 2, 1, the second row 7, 8, 9, 10, 11, 12, the third row 18, 17, 16, 15, 14, 13, the fourth row 19, 20, 21, 22, 23, 24, the fifth row 30, 29, 28, 27, 26, 25, and the sixth row 31, 32, 33, 34, 35, 36. A thick black line highlights a path starting at cell 19, moving right to 20, 21, 22, 23, 24, then down to 27, 28, 29, 30, 31, 32, 33, 34, 35, and finally up to 36.

Ext: 5/2 Sec. 27, All Sec. 34 (R-9963, 9-20-93)

Ext: 5/2 Sec. 33 (R-10518, 10-20-95) Ext: N/2 Sec. 33 (R-10664, 9-16-96)

Ext: All Sess. 20, 21, 28, 29, 30, 31, 32 (A-9922-D, 12-7-88)