



Layne French
Reservoir Engineer

Marathon Oil Permian LLC
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October 11, 2018

Mr. Michael McMillan
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, NM 87505

Re: Non-Standard Location Application
Flowmaster 24 34 15 WXY 2H, Flowmaster 24 34 15 WD 3H
Lea County, New Mexico

Dear Mr. McMillan:

Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard spacing and proration unit for the Flowmaster 24 34 15 WXY 2H well, a 1 mile well to be drilled in the W/2 of Section 15, Township 24S – Range 34E, Lea County, New Mexico. Marathon plans to drill the Flowmaster 24 34 15 WXY 2H well right down or nearly right down the dividing line between the W/2 W/2 and the E/2 W/2 of Section 15, 24S-34E. Accordingly Marathon requests that the NMOCD grants a non-standard spacing and proration unit consisting of the entire W/2 of Section 15 making a 320 acre spacing unit. Based on Marathon's frac design, each quarter-quarter section will contribute to production from the Flowmaster 24 34 15 WXY 2H well.

Marathon Oil Permian LLC also respectfully requests administrative approval of the non-standard location for the Flowmaster 24 34 15 WD 3H well, to be drilled in the Fairview Mills; Wolfcamp (Gas) pool (76560). Marathon plans for this well to have a first take point at 200' FNL and 330' FWL, and a last take point at 200' FSL and 330' FWL of Section 15, 24S-34E which is closer to the unit line that allowed under the subject field rules. Marathon requests this non-standard location because the placement of this well best fits into the spacing of wells in the plan of development for 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,

A handwritten signature in blue ink, appearing to read 'Layne French', written over a light blue horizontal line.

Layne French
Reservoir Engineer
Permian Asset