

NSL Initial Application

Received: 01/21/2020



January 21, 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 for Willow Lake 15 WA Fee 5H well located in Section 15, 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 **Willow Lake 15 WA Fee 5H well** (the "Well") to be completed within the Purple Sage Wolfcamp Gas Pool (Pool ID: 98220) underlying the S/2 of Section 15, Township 24 South, Range 28 East, NMPM, Eddy 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: 1372' from the South line and 296' from the East line of Section 15;
- First Take Point: 1155' from the South line and 100' from the East line of Section 15;
- Last Take Point and Bottom Hole Location: 1155' from the South line and 100' from the West line of Section 15.

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 of the spacing unit. The unorthodox location will encroach towards the SE/4 of Section 16 and the SW/4 of Section 14 of Township 24 South, Range 28 East.

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

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Albuquerque,
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Pursuant to NMAC 19.15.4.12(A)(2) and NMAC 19.15.2.7(A)(8), when, as here, the adjacent tracts are dedicated to existing spacing units, notice must only be provided to the operator of those spacing units. Mewbourne Oil Company (Mewbourne) is the operator of a 480-acre Wolfcamp spacing unit in the NE/4 of Section 21 and the E/2 of Section 16, Township 16, Township 24 South, Range 28 East (*see* Case No. 16234; Order No. R-20295) (the Creedence unit), which is the unit covering the section directly adjacent to the west of the proposed Willow Lake 15 WA Fee 5H well. Matador Production Company (Matador) is the operator of a 320-acre Wolfcamp spacing unit located in the S/2 of Section 14, Township 24 South, Range 28 East (the Tiger unit), which is the unit covering the section directly adjacent to the east of the proposed Willow Lake 15 WA Fee 5H well. Marathon is providing notice to both Mewbourne and Matador. 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,

A handwritten signature in cursive script, reading "Deana M. Bennett", is written over a horizontal line.

Deana M. Bennett
*Attorney for Marathon Oil
Permian LLC*

PO#: 0LT34-200121-NSL000

Revised March 23, 2017

RECEIVED: 1/21/2020	REVIEWER: LRL	TYPE: NSL-7980	APP NO: pJAG2002230504
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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: Willow Lake 15 WA Fee 5H **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 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.

Deana M. Bennett

January 21, 2020

Date

Print or Type Name

505-848-1800

Phone Number

dmb@modrall.com

e-mail Address

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 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name WILLOW LAKE 15 WA FEE	⁶ Well Number 5H
⁷ OGRID No. 372098	⁸ Operator Name MARATHON OIL PERMIAN LLC	⁹ Elevation 2992'

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
I	15	24S	28E		1372	SOUTH	296	EAST	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
M	15	24S	28E		1155	SOUTH	100	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>SURFACE HOLE LOCATION 1372' FSL 296' FEL, SECTION 15 NAD 83, SPCS NM EAST X: 823389.43' / Y: 441678.87' LAT: 32.21452278N / LON: 104.06802032W NAD 27, SPCS NM EAST X: 582205.89' / Y: 441820.06' LAT: 32.21440101N / LON: 104.06752854W</p>	<p>KICK OFF POINT / FIRST TAKE POINT 1155' FSL 100' FEL, SECTION 15 NAD 83, SPCS NM EAST X: 823585.88' / Y: 441661.41' LAT: 32.21392424N / LON: 104.06738684W NAD 27, SPCS NM EAST X: 582402.34' / Y: 441602.81' LAT: 32.21380245N / LON: 104.06689510W</p>	<p>SECTION 11 SECTION 14</p>	<p>17 OPERATOR CERTIFICATION 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 undivided 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>LAST TAKE/ BHL SHL</p> <p>100'</p> <p>296'</p> <p>100'</p> <p>KOP/ FIRST TAKE</p> <p>SECTION 16 SECTION 21 SECTION 15 SECTION 22 SECTION 14 SECTION 23</p>		<p>18 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.</p> <p>Date of Survey _____</p> <p>Signature _____</p> <p>PRELIMINARY</p> <p>THIS DOCUMENT IS NOT TO BE USED FOR ANY TRANSACTION, BIDDING, RECORDATION, FINANCE, SALE OR THE BASIS FOR THE ISSUANCE OF A PERMIT.</p> <p>Certificate Number _____</p>	
<p>LAST TAKE POINT/BOTTOM HOLE LOCATION 1155' FSL 100' FWL, SECTION 15 NAD 83, SPCS NM EAST X: 818505.64' / Y: 441677.17' LAT: 32.21400106N / LON: 104.08381333W NAD 27, SPCS NM EAST X: 577322.19' / Y: 441618.64' LAT: 32.21387952N / LON: 104.08332080W</p>		<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 818408.72' / Y: 443161.70' B - X: 823686.26' / Y: 443136.56' C - X: 823885.59' / Y: 440506.10' D - X: 818403.24' / Y: 440522.49'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 577225.31' / Y: 443103.14' B - X: 582502.75' / Y: 443077.93' C - X: 582502.01' / Y: 440447.52' D - X: 577219.77' / Y: 440463.98'</p>	
<p>SHEET 1 OF 3 JOB No. R4031_001_C REV 1 JCS 12/17/2019</p>			

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977572 Convergence: 00°08'09.70192"





Billy Moore
Reservoir Engineer

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, TX 77056
713.296.1883
bsmoore@marathonoil.com

January 16, 2020

Ms. Adrienne Sandoval
Director - NMOCD
1220 South Francis Drive
Santa Fe, NM 87505

Re: Non-Standard Location Application
Willow Lake 15 WA Fee 5H
Eddy County, New Mexico

Dear Ms. Sandoval:

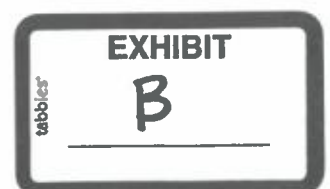
Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Willow Lake 15 WA Fee 5H well, to be drilled in the Purple Sage; Wolfcamp (Gas) pool (98220). Marathon plans for this well to have a first take point at 1,155' FSL and 100' FEL of Section 15, 24S-28E, and a last take point at 1,155' FSL and 100' FWL of Section 15, 24S-28E 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 of wells in the plan of development for the entire section and we believe that it will result in the greatest recovery of reserves.

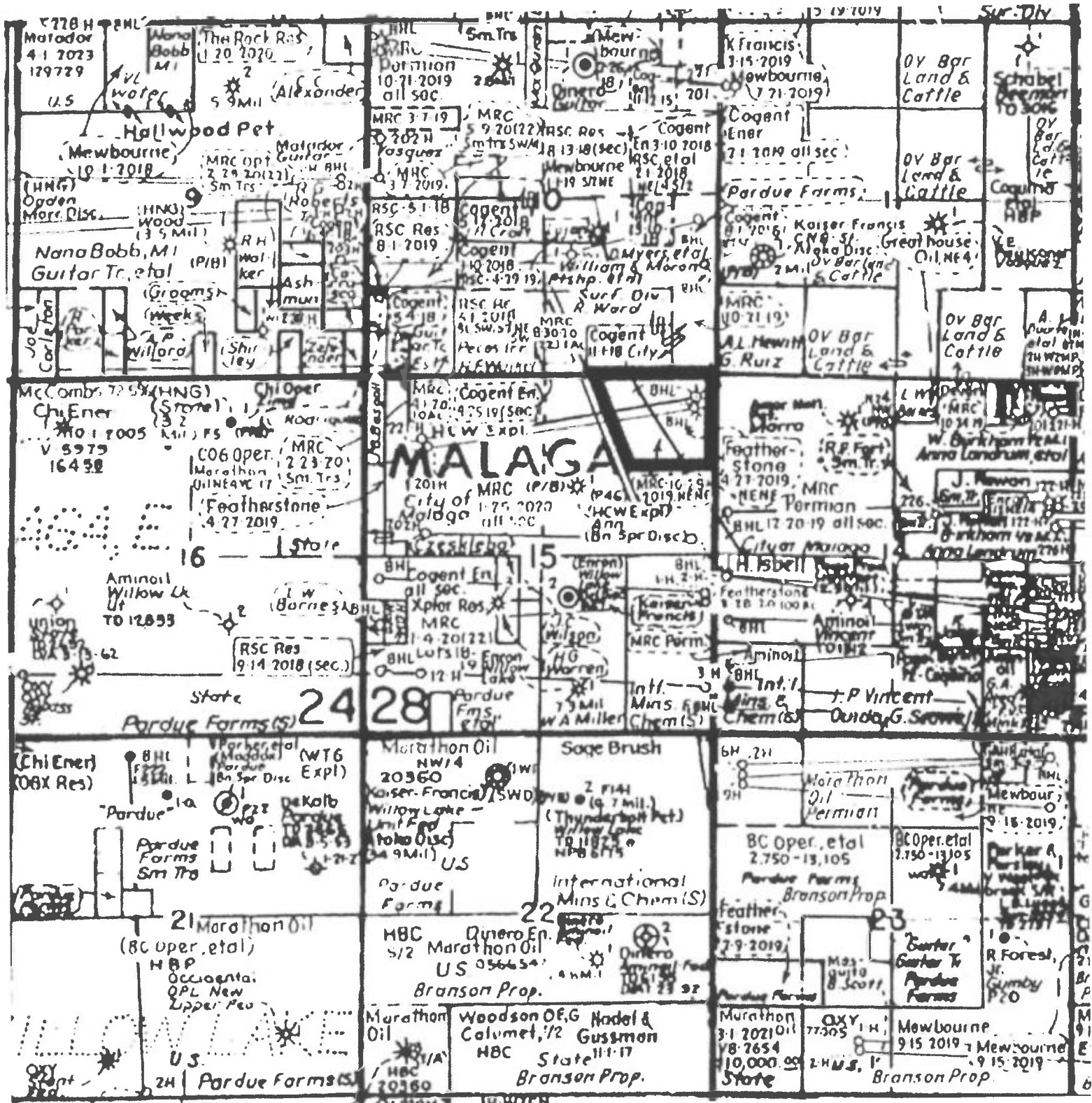
Thank you for your consideration. Should you have any questions please contact me at (713) 296-1883.

Sincerely,

A handwritten signature in black ink that reads 'Billy D. Moore'.

Billy Moore
Reservoir Engineer
Permian Asset





EXHIBIT

C

tabbles



MODRALL SPERLING

L A W Y E R S

January 21, 2020

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Marathon Oil Permian LLC for administrative approval of unorthodox well location for Willow Lake 15 WXY Fee 3H well located in Section 15, 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 for Willow Lake 15 WA Fee 5H well located in Section 15, 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 for Willow Lake 15 WXY Fee 7H well located in Section 15, 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:

Clayton Rule
Land Supervisor
Marathon Oil Permian LLC
713.296.2196 (Office)
cwrule@marathonoil.com

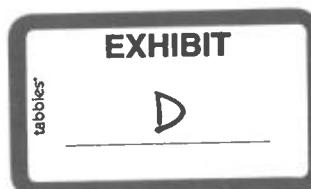
Deana M. Bennett
505.848.1834
dmb@modrall.com

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.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,

A handwritten signature in dark ink, appearing to read "Deana M. Bennett", with a long horizontal flourish extending to the right.

Deana M. Bennett

***Attorney for Marathon Oil
Permian LLC***

WAIVER

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Willow Lake 15 WXY Fee 3H well** located in Section 15, 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 **Willow Lake 15 WA Fee 5H well** located in Section 15, 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 **Willow Lake 15 WXY Fee 7H well** located in Section 15, 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
01/21/2020



Firm Mailing Book ID: 183007

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0067 8848 07	Mewbourne Oil Company 500 West Texas, Suite 1020 Midland TX 79701	\$1.45	\$3.50	\$1.60	\$0.00	81363-0124 WL Notice
2	9314 8699 0430 0067 8848 14	Matador Production Company One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.45	\$3.50	\$1.60	\$0.00	81363-0124 WL Notice
Totals:			\$2.90	\$7.00	\$3.20	\$0.00	
			Grand Total:				\$13.10

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated: