

# NSL Initial Application

Received: 02/28/2020

Revised March 23, 2017

RECEIVED: 02/28/2020	REVIEWER: KMS	TYPE: NSL-8010	APP NO: X9LFG-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 WXY Fed Com 8H

**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

Print or Type Name

Signature

February 28, 2020

Date

505-848-1800

Phone Number

deana.bennett@modrall.com

e-mail Address



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 WXY Fed Com 8H 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 WXY Fed Com 8H 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 959' from the West line of Section 22;
- First Take Point: 100' from the South line and 330' from the West line of Section 22;
- Last Take Point and Bottom Hole Location: 100' from the North line and 330' 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

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

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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 98220	<sup>3</sup> Pool Name PURPLE SAGE; WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name HONEY MUSTARD 22 WXY FED COM	<sup>6</sup> Well Number 8H
<sup>7</sup> OGRID No. 372098	<sup>8</sup> Operator Name MARATHON OIL PERMIAN LLC	<sup>9</sup> Elevation 3000'

<sup>10</sup> Surface Location

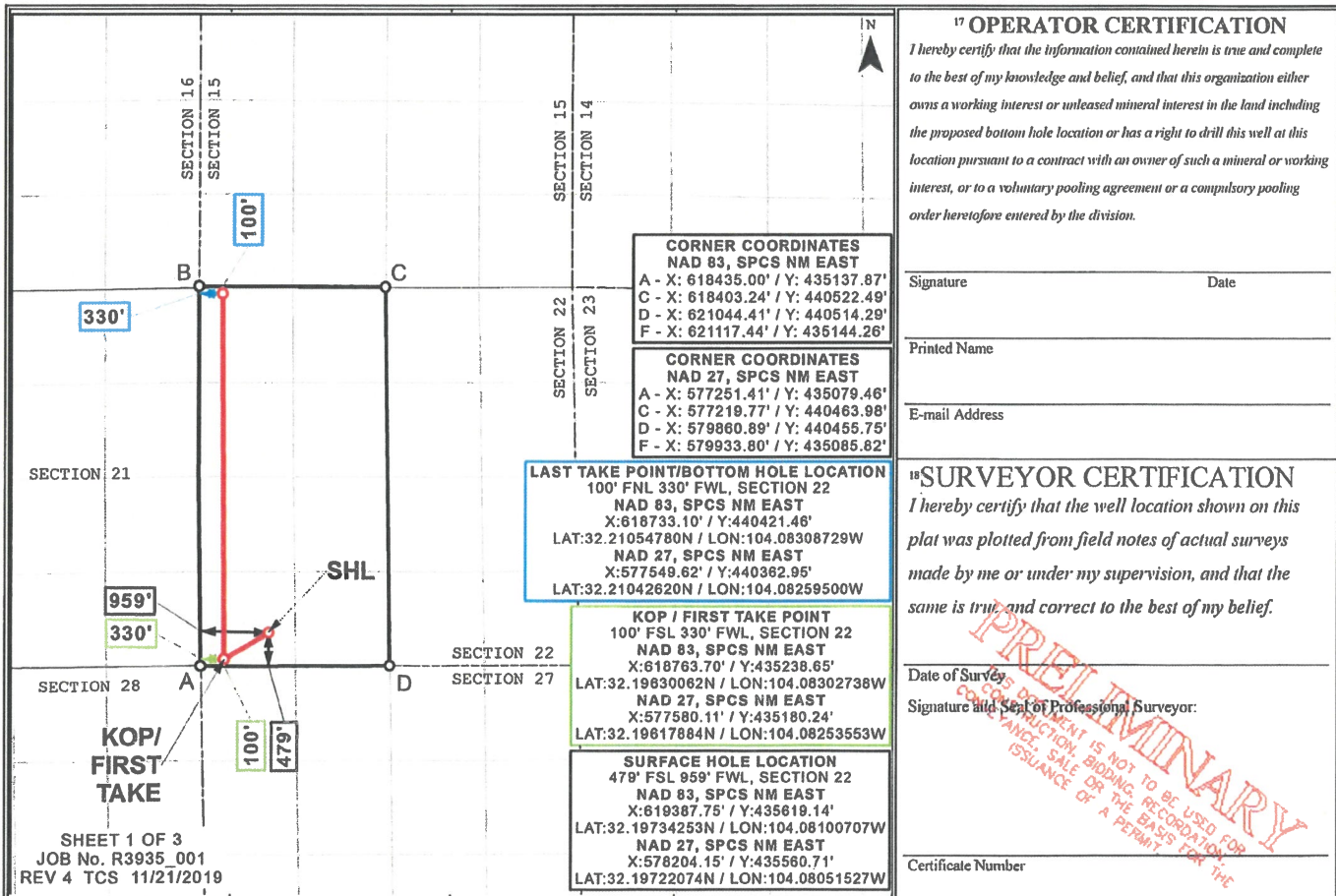
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	24S	28E		479	SOUTH	959	WEST	EDDY

<sup>11</sup> 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	330	WEST	EDDY

<sup>12</sup> Dedicated Acres 320.0	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



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

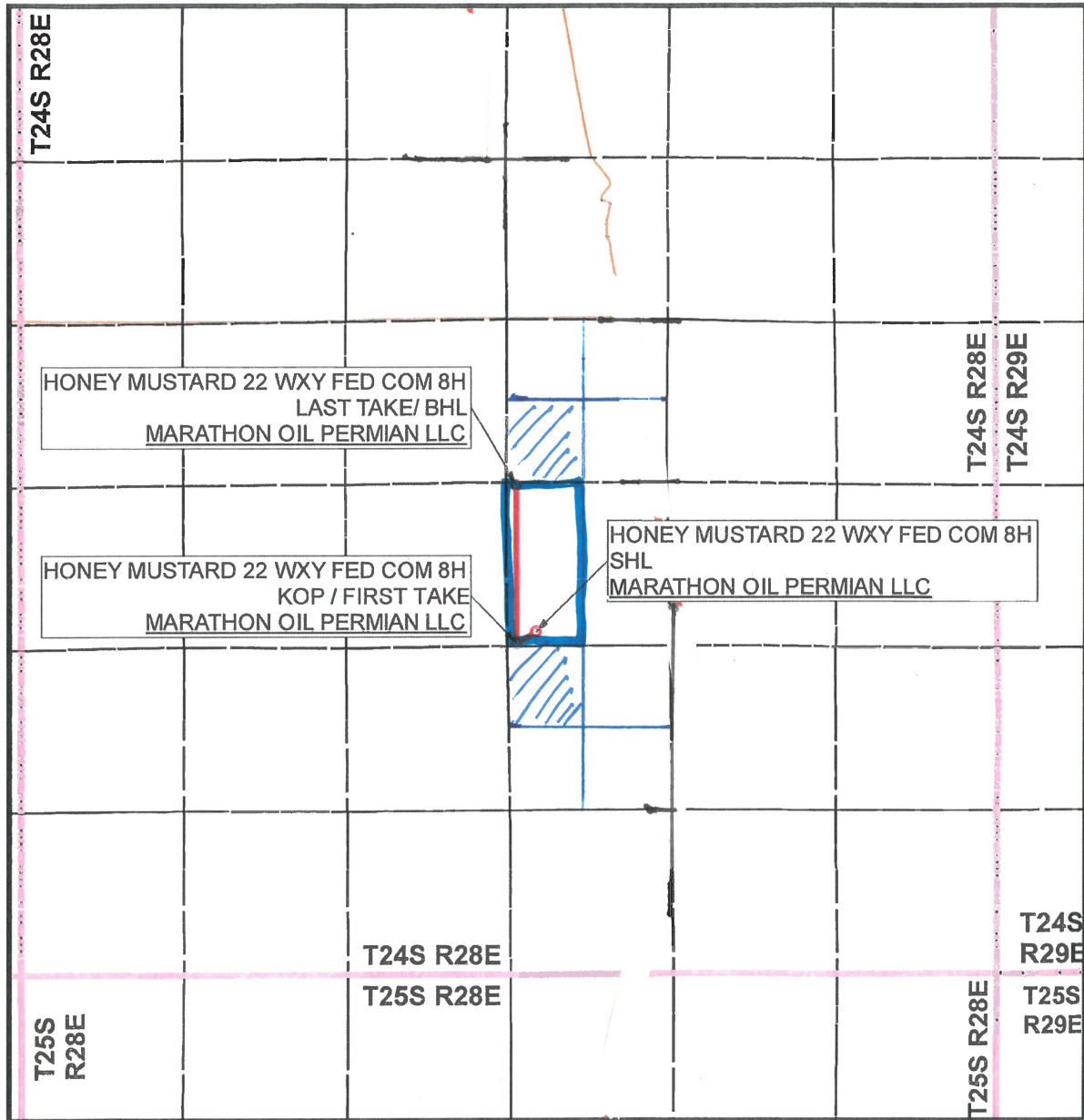
EXHIBIT

tabbles'

A



## 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 & 959' FWL  
 ELEVATION: 3000'  
 LEASE: HONEY MUSTARD 22 FED COM  
 U.S.G.S. TOPOGRAPHIC MAP: MALAGA, NM.

1" = 1 MILE

= Affected Parties

= #54



SHEET 3 OF 3

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-6900 OFFICE  
 JOB No. R3935\_001



**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 WXY Fed Com 8H  
Eddy County, New Mexico

Dear Ms. Sandoval,

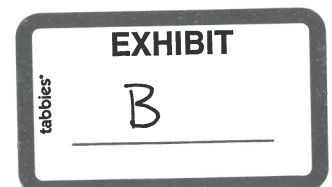
Marathon Oil Permian LLC respectfully requests administrative approval of the non-standard location for the Honey Mustard 22 WXY Fed Com 8H well, to be drilled in Purple Sage; Wolfcamp (Gas) pool (98220). Marathon plans for this well to have a first take point at 100' FSL and 330' FWL of Section 22, and last take point at 100' FNL and 330' 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.

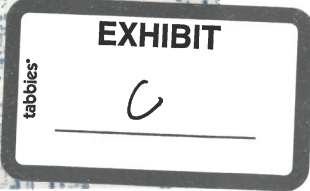
Sincerely,

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

Billy Moore  
Reservoir Engineer  
Permian Asset











February 28, 2020

**VIA CERTIFIED MAIL**

**RETURN RECEIPT REQUESTED**

**TO AFFECTED PARTIES**

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**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](mailto:jbroussard1@marathonoil.com)

Modrall Sperling  
Roehl Harris & Sisk P.A.  
500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

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Albuquerque,  
New Mexico 87103-2168  
Tel: 505.848.1800  
[www.modrall.com](http://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 blue ink, appearing to read "Deana M. Bennett", is written over the printed name.

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: