

NSL

Protest

**Garcia, John A, EMNRD**

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**From:** Garcia, John A, EMNRD  
**Sent:** Monday, March 23, 2020 4:21 PM  
**To:** 'Deana M. Bennett'  
**Cc:** 'darin@abadieschill.com'; Simmons, Kurt, EMNRD; Cox, Scott, EMNRD; Lowe, Leonard, EMNRD  
**Subject:** Chevron U.S.A. Inc Protest of Marathons Trojan Horse Wells  
**Attachments:** Chevron Protest.pdf

Deana,

Applicant	OGRID	WELL NAME	POOL
Marathon Oil Permian, LLC	372098	Trojan Horse 35 WB Fed Com 1H	Purple Sage; Wolfcamp
Marathon Oil Permian, LLC	372098	Trojan Horse 35 WXY Fed Com 2H	Purple Sage; Wolfcamp
Marathon Oil Permian, LLC	372098	Trojan Horse 35 WB Fed Com 3H	Purple Sage; Wolfcamp
Marathon Oil Permian, LLC	372098	Trojan Horse 35 WXY Fed Com 4H	Purple Sage; Wolfcamp
Marathon Oil Permian, LLC	372098	Trojan Horse 35 WD Fed Com 5H	Purple Sage; Wolfcamp
Marathon Oil Permian, LLC	372098	Trojan Horse 35 WD Fed Com 6H	Purple Sage; Wolfcamp
Marathon Oil Permian, LLC	372098	Trojan Horse 35 WD Fed Com 7H	Purple Sage; Wolfcamp

The OCD was notified that **Chevron U.S.A. Inc** has protested your applications for approval of a Non Standard Location of the above subject wells. This party have been identified as an affected person for their specific locations.

Therefore, you are being notified that if **Marathon Oil Permian, LLC** wishes for these applications to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party.

The NSL application will be retained by OCD, but suspended from further administrative review.

Please contact the OCD once a decision regarding this application is determined within the next 30 days

03/17/20, Noticed date  
04/16/20, 30 day ends

Protestant contact information:

Darin Savage: [darin@abadieschill.com](mailto:darin@abadieschill.com)

Thank you,

**John Garcia**  
*Petroleum Specialist*  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
505-476-3441



**Garcia, John A, EMNRD**

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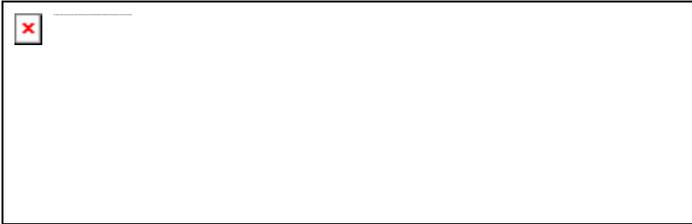
**From:** Darin Savage <darin@abadieschill.com>  
**Sent:** Tuesday, March 17, 2020 3:00 PM  
**To:** Lowe, Leonard, EMNRD; Hearings, OCD, EMNRD  
**Cc:** Andrew Schill; Bill Zimsky; Meghan Scully  
**Subject:** [EXT] Chevron's Objections to Marathon's NSL Applications 032720  
**Attachments:** Chevron Objection NSL App 031720.pdf

Mr. Leonard Lowe and Division staff:

Good afternoon. Please find attached protests and objections made by Chevron U.S.A. Inc. to the NSL Applications filed by Marathon Oil Permian LLC for its 7 Trojan Horse Wells located in the W/2 of Section 35, T22S, R28E, and W/2 of Section 2, T23S, R28E, T23S, R28E, N.M.P.M. Eddy County, New Mexico. Please let us know if you need any additional information.

Thank you,

Darin



**DARIN SAVAGE**

*Abadie | Schill P.C.*

*214 McKenzie Street, Santa Fe, New Mexico 87501*

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**P | 970.385.4401 :: F | 970.385.4901 :: C | 970.764.8191**

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March 17, 2020

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

Copy to: Leonard Lowe

Re: In the Matter of the Administrative Applications of Marathon Oil Permian LLC for Approval of Unorthodox Well Locations for the following wells located in the W/2 of Section 35, T22S, R28E, and the W/2 of Section 2 T23S, R28E, N.M.P.M., Eddy County, New Mexico; Purple Sage Wolfcamp Formation:

- (1) Trojan Horse 35 WB Fed Com 1H Well
- (2) Trojan Horse 35 WXY Fed Com 2H Well
- (3) Trojan Horse 35 WB Fed Com 3H Well
- (4) Trojan Horse 35 WXY Fed Com 4H Well
- (5) Trojan Horse 35 WD Fed Com 5H Well
- (6) Trojan Horse 35 WD Fed Com 6H Well
- (7) Trojan Horse 35 WD Fed Com 7H Well

Dear Director Sandoval:

Chevron U.S.A. Inc. (“Chevron”), through its undersigned attorneys, and pursuant to Rule 19.15.15.13D NMAC, hereby protests and objects to the seven applications made by Marathon Oil Permian LLC (“Marathon”), by Letters dated February 27, 2020, to the New Mexico Oil Conservation Division (“Division”) for approval of unorthodox well locations (“NSLs”), for the wells above-referenced.

As an affected person, defined by Rule 19.15.2.7A(8) NMAC, and interest owner in the adjacent sections, Chevron has standing to object to Marathon’s applications and hereby exercises its right to object based on concerns regarding the encroachment of Marathon’s operations, infringement and impairment of correlative rights, and related matters. Chevron respectfully requests the applications be set for hearing in accordance with Rule 19.15.15.13E

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NMAC and denied after hearing if the following concerns are not resolved: increased drilling risk and complications for Chevron's planned development of its adjacent and proximal acreage, including the risk of collision and adjustments to trajectories; increase in Chevron's drilling costs resulting from adjustments in operations; waste resulting from the reduction in laterals due to the Marathon's encroachment; pressure depletion from Marathon's wells resulting in reduced production from Chevron's acreage, and related matters detrimental to Chevron's interests.

Thank you for your consideration in these matters and the opportunity to present and address Chevron's concerns. Please let us know if you want or need any additional information or if we can address any questions.

Sincerely,

/s/ Darin C. Savage

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Darin C. Savage  
William E. Zimsky  
Andrew D. Schill  
Attorneys for Chevron U.S.A. Inc.

CC: Deana M. Bennett  
Attorney for Marathon Oil Permian LLC