

Revised March 23, 2017

8WUY3-201112-C-107B OLM-222

RECEIVED: 11/12/20	REVIEWER: DM	TYPE: OLM	APP NO: pDM2031858322
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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: Blue Steel 21 WA Fee 2H & Blue Steel 21 WA Fee 9H **API:** 30-015-46069 & 30-015-45895 **+**
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

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 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

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.

Adrian Covarrubias

Print or Type Name

Signature

11/12/2020

Date

713-296-3368

Phone Number

acovarrubias@marathonoil.com

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Marathon Oil Permian LLC
OPERATOR ADDRESS: 5555 San Felipe St., Houston, TX 77057
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No Pending CA#
(2) Include proof of notice to all interest owners. Attached

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. Attached
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.
Attached

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Regulatory Professional DATE: 11/12/2020

TYPE OR PRINT NAME Adrian Covarrubias TELEPHONE NO.: 713-296-3368

E-MAIL ADDRESS: acovarrubias@marathonoil.com

Marathon Oil Permian LLC is requesting approval for off-lease transportation and storage:

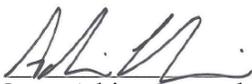
Lease map shows the Central Tank Battery (CTB) for Blue Steel 21 Fee WA 2H and Blue Steel 21 Fee WA 9H resides off-lease from the hydrocarbons produced from the wells.

Oil and Gas Production

The oil and gas production from Blue Steel 21 Fee WA 2H and WA 9H will be stored and measured at the central tank battery located in UL. D, Section 28, T23S-R29E.

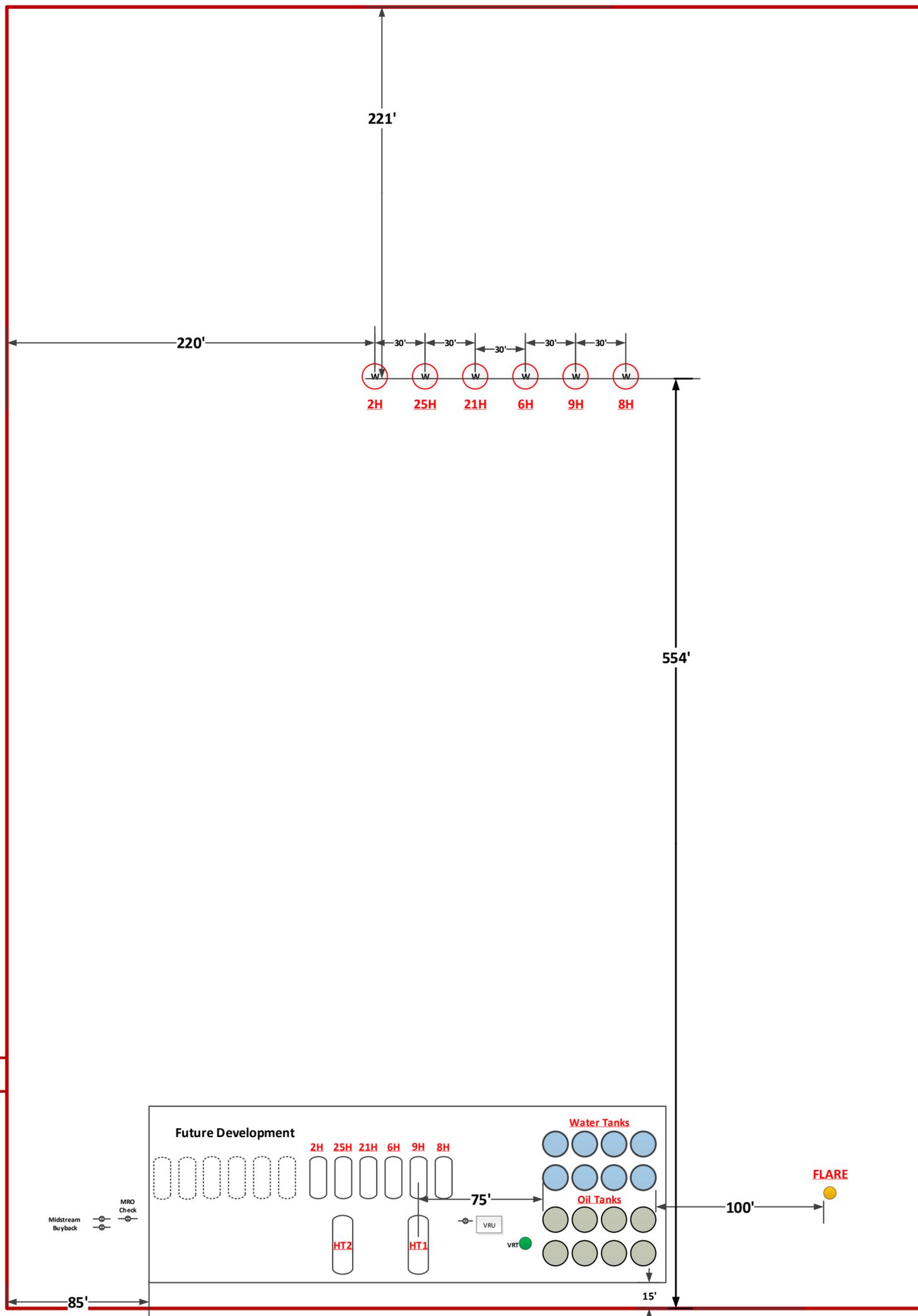
The CTB will have a total of eight oil tanks. Both wells will have a common CDP. Oil, gas, and water volumes from each well producing to this battery will be determined by using individual metering allocation separator.

Please see the enclosed forms for referenced wells, site facility diagram, and maps with lease boundaries showing wells and facility locations.

Signed: 
Printed Name: Adrian Covarrubias
Title: Regulatory Professional
Date: 11/12/2020



Blue Steel 23-29-21 (302-1) Pad – 2H
25H 21H 6H 9H 8H
Facility Layout



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 AS-DRILLED PLAT

Table with 3 columns: API Number (30-015-46069), Pool Code (98220), Pool Name (Purple Sage; Wolfcamp (Gas)), Property Code, Property Name (BLUE STEEL 21 WA FEE), Well Number (2H), OGRID No. (372098), Operator Name (MARATHON OIL PERMIAN LLC), Elevation (3001')

Table for Surface Location: UL or lot no. (D), Section (28), Township (23S), Range (29E), Lot Idn, Feet from the (270), North/South line (NORTH), Feet from the (1105), East/West line (WEST), County (EDDY)

Table for Bottom Hole Location: UL or lot no. (D), Section (16), Township (23S), Range (29E), Lot Idn, Feet from the (286), North/South line (NORTH), Feet from the (341), East/West line (WEST), County (EDDY)

Table for well details: Dedicated Acres (640.0), Joint or Infill, Consolidation Code, Order No.

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.

Survey plat diagram showing well location, corner coordinates, and certification sections. Includes sections for Operator Certification (Adrian Covarrubias, 4/3/2020) and Surveyor Certification (Lloyd P. Short, 21653).

Distances/areas relative to NAD 83 Combined Scale Factor: 0.999782 Convergence Angle: 00°11'10.61002"

District I
1625 N. French Dr., Hobbs, NM 88240
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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 AS-DRILLED PLAT

Table with 3 columns: API Number (30-015-45895), Pool Code (98220), Pool Name (Purple Sage; Wolfcamp (Gas)), Property Code, Property Name (Blue Steel 21 WA Fee), Well Number (9H), OGRID No. (372098), Operator Name (MARATHON OIL PERMIAN LLC), Elevation (3001')

Surface Location

Table with 10 columns: UL or lot no. (D), Section (28), Township (23S), Range (29E), Lot Idn, Feet from the (270), North/South line (NORTH), Feet from the (1225), East/West line (WEST), County (EDDY)

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no. (C), Section (16), Township (23S), Range (29E), Lot Idn, Feet from the (286), North/South line (NORTH), Feet from the (1654), East/West line (WEST), County (EDDY)

Table with 5 columns: Dedicated Acres (640.0), Joint or Infill, Consolidation Code, Order No.

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.

Map showing well location and acreage dedication with various take points (BHL, LTP, FTP, KOP, SHL) and coordinates. Includes sections 8-22 and 29. Text boxes provide detailed coordinates and measurements for each point.

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 unleased 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.
Signature: Adrian Covarrubias
Date: 4/3/2020

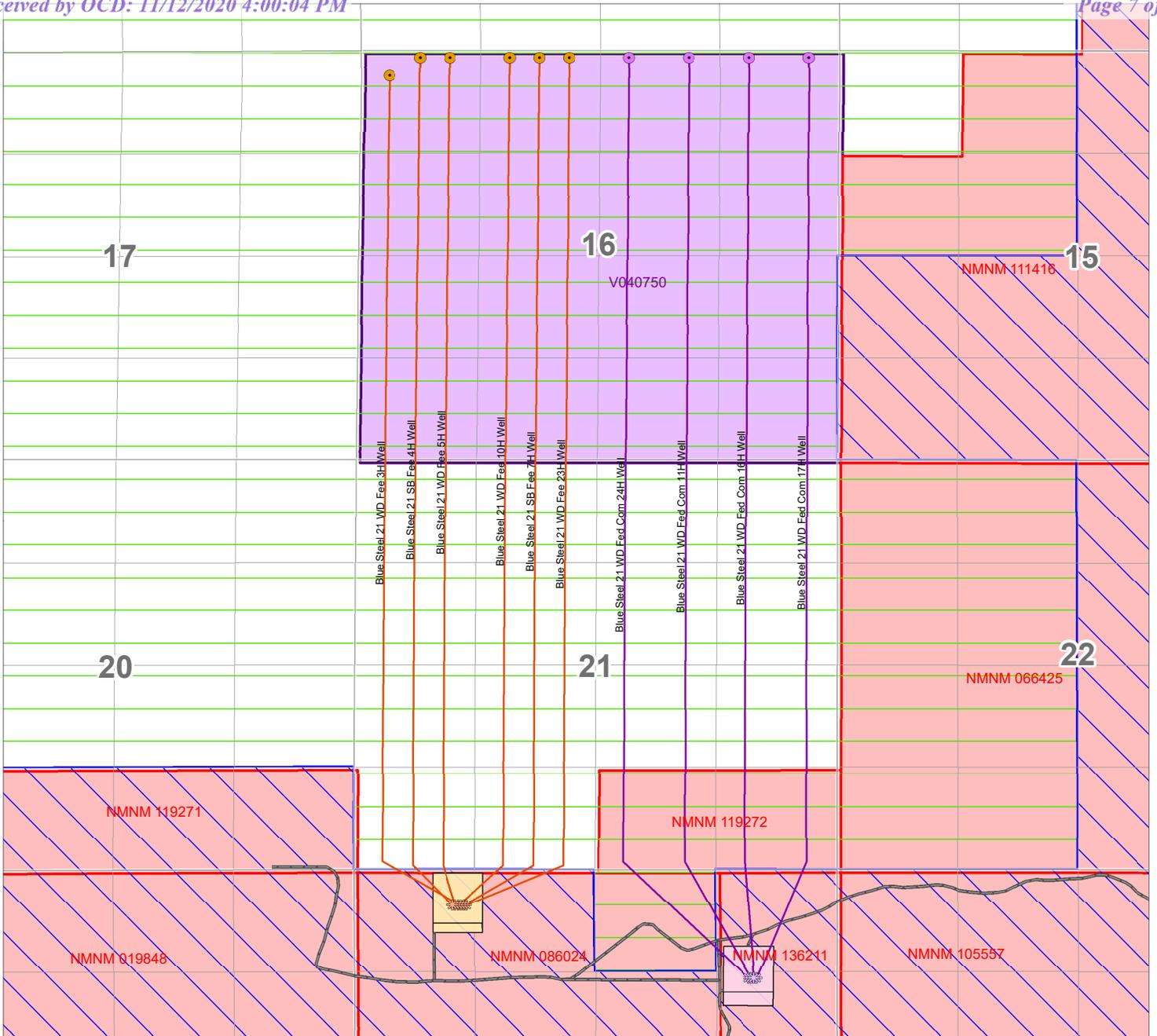
Printed Name: Adrian Covarrubias
E-mail Address:

SURVEYOR CERTIFICATION
I hereby certify that the well surface location shown on this plat was plotted from field notes of the as-staked surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Data used for underground measurements were provided by others for reference only and does not constitute field measurements performed by R-Squared Global.
MARCH 5, 2020

Date of Survey: MARCH 5, 2020
Signature and Seal of Professional Surveyor: Lloyd P. Short

Certificate Number: LLOYD P. SHORT 21653

Distances/areas relative to NAD 83 Combined Scale Factor: 0.9997823 Convergence Angle: 00°11'10.61002"



BLUE STEEL 21 FED COM

-  Proposed SHL
-  Proposed BHL
-  Proposed Well
-  Existing Lease Road
-  Existing Well Pad

BLUE STEEL 21 FEE

-  Proposed SHL
-  Proposed BHL
-  Proposed Well
-  Existing Lease Road
-  Existing Well Pad

SURFACE & MINERAL OWNERSHIP

-  BLM SURFACE
-  PRIVATE SURFACE
-  STATE SURFACE
-  FEDERAL LEASE
-  STATE LEASE





Chase Rice

Staff Land Professional
Permian

Marathon Oil Company

5555 San Felipe
Houston, TX 77056
Telephone 713.296.3055
cfrice@marathonoil.com

November 11, 2020

DELIVERED VIA:
Certified Mail

Re: Application for Off-Lease Measurement, Sales, & Storage
Blue Steel 21 WA FEE 2H (30-015-46069)
Blue Steel 21 WA FEE 9H (30-015-45895)
Sections 16 & 21, T23S-R29E, N.M.P.M
Eddy County, New Mexico

To whom it may concern:

This letter will serve as notice that Marathon Oil Permian LLC ("Marathon") has filed the attached application with the New Mexico Oil Conservation Division ("Division") for administrative approval for Off-Lease Measurement, Sales, & Storage at a common central tank battery for the Blue Steel 21 WA FEE 2H well, located in the Purple Sage Wolfcamp (Gas) pool (98220), with the Blue Steel 21 WA Fee 9H, located in the Purple Sage Wolfcamp (Gas) pool (98220) all located in Sections 16 & 21, T23S-R29E, Eddy County, New Mexico.

Should your company have any objections, it must be filed in writing within (20) days from the date of this notice. If the Division determines the application complies with the applicable regulations, then it will be approved. The Division's address is 1220 South St. Francis Drive, Santa Fe, NM 87505.

Should you have any questions please do not hesitate to contact me at 713-296-3055 or by email at cfrice@marathonoil.com.

Sincerely,

MARATHON OIL COMPANY

Chase Rice

Chase Rice, CPL

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
11/12/2020

Firm Mailing Book ID: 198790

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0076 8585 54	Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City OK 73102-5015	\$1.00	\$3.55	\$1.70	\$0.00	Blue Steel 81363.0124
Totals:			\$1.00	\$3.55	\$1.70	\$0.00	
			Grand Total:				\$6.25

List Number of Pieces Received at Post Office Total Number of Pieces Received at Post Office Postmaster: Name of receiving employee Dated:



APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Marathon Oil Permian, LLC
Well Name: Blue Steel 21 WA Fee 2H & Blue Steel 21 WA Fee 9H
Pool: Purple Sage; Wolfcamp (Gas) (98220)
OGRID #: 372098
API #: 30-015-46069 & 30-015-45895

OPERATOR NAME: Marathon Oil Permian, LLC
OPERATOR ADDRESS: 5555 San Felipe St, Houston, TX 77056

APPLICATION REQUIREMENTS - SUBMIT:

- 1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
The information submitted with this application is accurate and complete, and
No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that no action will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adrian Covarrubias

Print or Type Name

Signature

11/12/2020
Date

713-296-3368
Phone Number

acovarrubias@marathonoil.com
e-mail Address

Submit application to:
Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.