

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF OKLAHOMA

APPLICANT: MARATHON OIL COMPANY

RELIEF SOUGHT: LOCATION EXCEPTION) CAUSE CD NO. 201308243
)

LEGAL DESCRIPTION: ALL OF SECTION 16,)
TOWNSHIP 2 NORTH,)
RANGE 5 WEST, STEPHENS)
COUNTY, OKLAHOMA) ORDER NO. **621544**

INTERIM ORDER

This Cause came on for hearing before Paul Porter, Administrative Law Judge for the Corporation Commission of Oklahoma, on the 21st day of January, 2014, at 8:30 a.m., in the Commission's Courtroom, Jim Thorpe Building, Oklahoma City, Oklahoma, pursuant to notice given as required by law and by the rules of the Commission, for the purpose of hearing, taking testimony and reporting his findings and recommendations to the Commission.

Robert A. Miller, Attorney, appeared for the Applicant, Marathon Oil Company.

The Administrative Law Judge heard and recommended the Cause and the Commission therefore finds as follows:

FINDINGS

1. That this is the application of Marathon Oil Company to grant a well location exception for a horizontal well to be drilled and produce from the **Sycamore, Woodford, and Hunton** common sources of supply underlying the unit comprised of all of Section 16, Township 2 North, Range 5 West, Stephens County, Oklahoma, as an exception to Order No. 395515, said well to be drilled at the location set forth in the Order portion below.

2. That Applicant owns oil and gas interests in the area covered by the Application in this cause which entitle Applicant to drill for and produce oil and gas from the lands covered by the application.

3. That the Commission has jurisdiction over the subject matter and of the persons interested herein. That notice has been given in all respects as required by law and the rules of the Commission.

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4. That heretofore, by Order No. 395515, this Commission established 640 acre drilling and spacing units covering the lands and common sources of supply described and named in paragraph 1 above, and the permitted well for the drilling and spacing units is required by said Orders to be drilled not less than 1,320 feet from the unit boundaries.

5. That Applicant proposes to drill a horizontal well to test each of the common sources of supply named in paragraph 1 above, and proposes to produce a full allowable from each of such common sources of supply through the proposed well.

6. That from all the evidence, it appears to be in the interest of producing the greatest ultimate recovery of hydrocarbons from such common sources of supply, the prevention of waste and the protection of correlative rights, that Applicant should be permitted to drill a well at the location requested.

7. That the proposed horizontal well, at the location requested by Applicant, is necessary to effectively and efficiently drain a portion of the common sources of supply (reservoir) covered by the drilling and spacing units comprised of the lands set out in paragraph 1 above, which cannot be adequately and efficiently drained by a well drilled at the permitted well location described below. That this location was chosen to allow the applicant to drill as long a lateral as possible in Section 16. Based upon the knowledge that we have at this time, this well should not have any adverse effects on any of the offset units. Additionally, there is no indication that the well will drain North or South from the lateral. Therefore, this is the optimum location in which to place the well to try to recover the hydrocarbons from the common sources of supply; and, to allow for additional wells to be drilled within this unit, if necessary.

8. That in the interest of securing the greatest ultimate recovery of petroleum hydrocarbons from said common sources of supply (reservoir), the prevention of waste and the protection of correlative rights, this application should be granted.

ORDER

IT IS THEREFORE ORDERED by the Corporation Commission of Oklahoma, as follows:

1. That Order No. 395515 be, and it is hereby amended, to grant permission and authority to Applicant, **Marathon Oil Company**, to drill an off-pattern horizontal well at a location:

SURFACE LOCATION: Shall be set forth in the final order to be issued in this Cause;

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The proposed location of the end points of the completion interval as defined by 165:10-3-28(b) should be as follows:

FIRST PERFORATION (TOE): No closer than 150 feet from the North line and no closer than 250 feet from the East line of all of Section 16, Township 2 North, Range 5 West, Stephens County, Oklahoma;

LAST PERFORATION (HEEL): No closer than 150 feet from the South line and no closer than 250 feet from the East line of all of Section 16, Township 2 North, Range 5 West, Stephens County, Oklahoma;

TERMINUS: Shall be set forth in the final order to be issued in this Cause.

to test the Sycamore, Woodford, and Hunton separate common sources of supply. The well will be cased and the lateral will be cemented, such that the perforations will be isolated from the beginning and end point of the lateral.

2. Provided that the completion interval is no closer than that specified in paragraph 1 above, then in the event said horizontal well is productively completed in the Sycamore, Woodford, and Hunton separate common sources of supply, they shall each be given a normal allowable.

3. That the horizontal well authorized to be drilled by this Order at the location set forth in paragraph 1 above is necessary to effectively and efficiently drain a portion of the common sources of supply (reservoir) covered by the drilling and spacing units comprised of the lands set out in paragraph 1 above, which cannot be effectively and efficiently drained by a well drilled at the permitted well location set forth in said Order listed in paragraph 1 above. That this Order is entered as an exception to Order No. 395515 as subsequently amended and extended, and other applicable well spacing rules.

4. That this Order is limited to a well drilled in the East half of Section 16, Township 2 North, Range 5 West, Stephens County, Oklahoma.

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5. That the captioned cause is hereby continued to **December 15, 2014**, for the presentation of additional evidence concerning the completion interval of this well.

DONE AND PERFORMED this 12 day of February, 2014.

CORPORATION COMMISSION OF OKLAHOMA

Patrice Douglas
Patrice Douglas, Chairman

Bob Anthony
Bob Anthony, Vice Chairman

Dana L. Murphy
Dana L. Murphy, Commissioner

ATTEST:

Peggy Mitchell
Peggy Mitchell, Secretary of the Commission

APPROVED AS TO FORM AND CONTENT:

Robert A. Miller
Robert A. Miller

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Findings and Order are the report and recommendation of the Administrative Law Judge.

Paul E. Porter
Paul Porter, Administrative Law Judge

FEB. 5, 2014
Date

John A. Bricc
Reviewer

02-06-14
Date