

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: MARATHON OIL COMPANY)
RELIEF SOUGHT: EXCEPTION UNDER OAC 165:10-3-28) Cause CD No 201904487
LEGAL DESCRIPTION: Section 1,)
Township 14 North,)
Range 8 West of the 1M,)
Canadian County, Oklahoma) Order No. **705196**

INTERIM ORDER OF THE COMMISSION
Findings and Order

1. Administrative Law Judge, Hearing Date and Place: This cause came on for hearing before Michael D. Norris, Administrative Law Judge for the Corporation Commission of Oklahoma, on October 1, 2019, in the assigned Administrative Law Judge's courtroom, Jim Thorpe Building, Oklahoma City, Oklahoma.
2. Appearances: Matthew J. Allen, attorney, appeared for Applicant, Marathon Oil Company. This cause was not protested.
3. Companion Causes: Cause CD No. 201904486 (Increased Density)
4. Notice and Jurisdiction: The Commission has jurisdiction of the subject matter herein and of the persons interested therein and has jurisdiction to enter this order as hereinafter set forth. Notice of the filing of the application herein and of the time, date and place of the hearing thereon was duly and properly given in all respects as required by law and the rules of the Commission. The Administrative Law Judge conducted a judicial and adjudicative inquiry into the sufficiency of Applicant's search to determine the names and whereabouts of the respondents involved herein and based upon the evidence adduced, the Commission finds that Applicant has exercised due diligence and has conducted a meaningful search of all reasonably available sources at hand. The Commission hereby approves the publication service given herein as meeting the statutory requirements, rules of the Commission and minimum standards of state and federal due process, and finds that notice has been given in all respects as required by law and the rules of the Commission.
5. Amendments: At the hearing herein, the application in this cause was not amended.
6. Relief Requested and Granted:
 - 6.1 Applicant requests the Corporation Commission of Oklahoma to enter an order granting the relief set forth below.
 - 6.2 By Order No. 42688, dated June 7, 1960, the Commission formed a 640-acre non-horizontal drilling and spacing unit in Section 1, Township 14 North, Range 8 West of the 1M, Canadian County, Oklahoma, for the Mississippi Chester Lime common source of supply. By Order No. 161614, dated December 19, 1979, but effective as of December 14, 1979, the Commission formed a

640-acre non-horizontal drilling and spacing unit in said Section 1 for the Mississippi Lime common source of supply. By Order No. 647318, dated December 1, 2015, the Commission formed a 640-acre horizontal well unit in said Section 1 for the Mississippian common source of supply. Order No. 647318 provides that the 640-acre non-horizontal drilling and spacing units formed for the Mississippi Chester Lime and Mississippi Lime separate common sources of supply in said Section 1 shall exist concurrently with the 640-acre horizontal well unit formed by such order for the Mississippian common source of supply in such section.

6.3 The relief requested in this cause is hereby granted so that an exception to the general horizontal well requirements under OAC 165:10-3-28, Horizontal drilling, is granted so as to authorize and permit the completion interval of the proposed horizontal well involved herein (as described in paragraph 7.3, below) in the Mississippian common source of supply in the 640-acre horizontal well unit formed therefor in said Section 1 to be located closer than 600 feet to the Wittrock No. 1-4 Well, located in the 640-acre non-horizontal drilling and spacing units formed for the Mississippi Chester Lime and Mississippi Lime separate common sources of supply in said Section 1, which well is currently completed in such separate common sources of supply in such section, and to allow such proposed horizontal well to produce hydrocarbons from the Mississippian common source of supply in said Section 1.

7. Reasons for Relief

Granted:

7.1 The evidence presented shows that Applicant is the owner of the right to drill a well into, to produce hydrocarbons from and to appropriate production from the separate common sources of supply involved herein underlying the lands covered hereby.

7.2 Under OAC 165: 10-3-28(c), the completion interval of a horizontal well is to be located not closer than 600 feet from any other oil or gas well completed in the same common source of supply, which common source of supply is 2,500 feet or more in true vertical depth, unless an exception is granted by a special order of the Commission. The evidence presented shows that in said Section 1, the Mississippian common source of supply is located more than 2,500 feet in true vertical depth. The Mississippi Chester Lime and Mississippi Lime separate common sources of supply are covered by and included within the Mississippian common source of supply in said Section 1.

7.3 There is currently pending before the Commission in Cause CD No. 201904485 an application of Applicant requesting the Commission to authorize and permit exception to the permitted well location tolerances for the 640-acre horizontal well unit formed for the Mississippian common source of supply in said Section 1, so as to allow a horizontal well to be drilled into, to be completed in and to produce hydrocarbons from such common source of supply, with the completion interval of such horizontal well to be located in such lands as set forth below:

not closer than 150 feet from the north line and not closer than 330 feet from the east line and not closer than 150 feet from the south line of said Section 1.

7.4 The Wittrock No. 1-4 Well (API No. 017-22008), located in the center of the SE¼ SE¼ of said Section 1, is currently completed in the Mississippi Chester Lime and Mississippi Lime separate common sources of supply in the 640-acre non-horizontal drilling and spacing units formed therefor in said Section 1.

7.5 Applicant anticipates that a portion of the completion interval of the proposed horizontal well involved, as described in paragraph 7.3, above, in the Mississippian common source of supply in said Section 1 may be located less than 600 feet to the Wittrock No. 1-4 Well, as described in paragraph 7.4, above. The evidence presented shows that the Mississippian common source of supply in said Section 1 may be more effectively, efficiently and economically developed through the drilling of horizontal wells. The evidence presented shows that such horizontal well will not adversely affect the Wittrock No. 1-4 Well. The evidence presented further shows that the proposed horizontal well involved herein is anticipated to recover hydrocarbons that the Wittrock No. 1-4 Well cannot and will not recover. The evidence presented further shows that if the relief requested herein is not granted, then no horizontal well could economically be drilled in said Section 1 within a 1,200-foot-wide portion of such section, thereby potentially stranding the hydrocarbons in such portion resulting in underground waste.

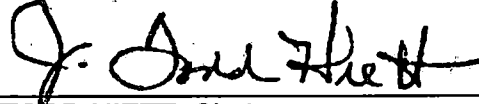
7.6 In order to prevent the various types of waste, protect correlative rights and obtain the greatest ultimate recovery of oil and gas, the Commission should grant an exception to the general horizontal well requirements under OAC 165:10-3-28, Horizontal drilling, so as to allow the completion interval of the horizontal well involved herein, as described in paragraph 7.3, above, to be located closer than 600 feet to the Wittrock No. 1-4 Well, as described in paragraph 7.4, above, and to allow such horizontal well to produce hydrocarbons from the Mississippian common source of supply in said Section 1.

8. Previous Orders: None
9. Interim Order Reopening: Applicant anticipates that by March 9, 2020, Applicant will have sufficient information to determine the subsurface locations of the completion interval of horizontal well involved herein in the Mississippian common source of supply in said Section 1 and the distance the completion interval of such well is from the Wittrock No. 1-4 Well. Therefore, this cause should be reopened on such date so as to allow Applicant to present such information to the Commission; however, if such information is not available on such date, this cause shall be continued and reopened on a subsequent date when such information is available.

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An exception to OAC 165:10-3-28, in accordance with the foregoing, is necessary to secure the greatest ultimate recovery of oil and gas, prevent the various types of waste and protect correlative rights, and such an exception to such rule should be permitted as set out herein, and IT IS SO ORDERED.

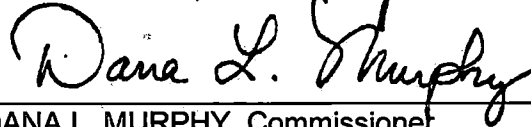
CORPORATION COMMISSION OF OKLAHOMA



J. TODD HIETT, Chairman



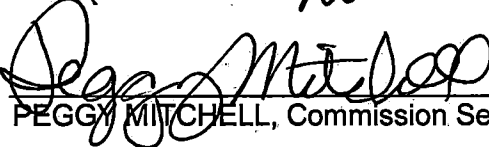
BOB ANTHONY, Vice Chairman



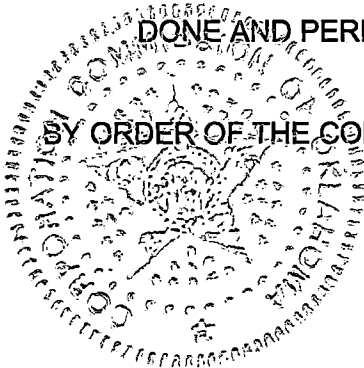
DANA L. MURPHY, Commissioner

DONE AND PERFORMED this 14 day of November, 2019.

BY ORDER OF THE COMMISSION:



PEGGY MITCHELL, Commission Secretary



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REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

Michael D. Norris
Administrative Law Judge

10.31.19
Date

Richard H. McKey
Reviewer-Technical Department

11-6-19
Date

This order follows the format and contains all elements set forth in the Judicial & Legislative Services Form Order for this type of Cause. The undersigned attorney affirms (1) said attorney has read this order and (2) this order is true, correct and approved as to form and content.

Matthew J. Allen
Matthew J. Allen

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