

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF MARATHON OIL  
PERMIAN LLC FOR A NON-STANDARD  
SPACING AND PRORATION UNIT AND  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

**CASE NO. 16050**

**APPLICATION OF MARATHON OIL  
PERMIAN LLC FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 16051**

**COG's PRE-HEARING STATEMENT**

COG Operating LLC ("COG"), the opponent in the above referenced matters, submits this  
Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Marathon Oil Permian LLC

**ATTORNEY**

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**OPPONENT**

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**ATTORNEY**

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## **OPPONENT'S STATEMENT OF CASE**

In **Case No. 16050**, Marathon seeks to create a non-standard, 160-acre spacing and proration unit in the Bone Spring formation in the S/2 S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, and to pool all mineral interests therein. In **Case No. 16051**, Marathon seeks to pool all mineral interests in the Wolfcamp formation underlying a standard 320-acre spacing and proration unit comprised of the S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. Both cases propose two initial wells in each formation that will be oriented as one-mile laydown wells.

Marathon's plan of development for the area is contrary to the interests of conservation, will result in waste, and will impair COG's correlative rights. Marathon's proposed laydown wells in the S/2 of Section 5 contradicts the existing standup horizontal well development pattern in the area and runs the risk of stranding acreage. Moreover, Marathon's one-mile well plan is less efficient than COG's proposed two-mile laterals. COG's competing well proposals will more efficiently and economically develop the reserves underlying Section 5.

## **APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Ashley Roush – Landman	Approx. 20	Approx. 4
Matt Fisher – Geologist	Approx. 20	Approx. 5
Eric Angelos – Reservoir Engineer	Approx. 20	Approx. 5

## **PROCEDURAL MATTERS**

COG has filed a pooling application for a competing well proposal in the Wolfcamp formation in the W/2 of Section 5 and the W/2 of Section 8, which will not be ripe for pooling until the May 3, 2018 docket. COG has also sent out competing well proposals for the E/2 of

Section 5 and E/2 of Section 8 in the Wolfcamp formation and for the Bone Spring formation in both Sections COG has therefore requested a continuance of the Marathon's cases until the May 3, 2018 docket.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR COG OPERATING LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that on March 29, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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