

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

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

**CASE NO. 16321**

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

**CASE NO. 16322**

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

**CASE NO. 16323**

**MARATHON'S PRE-HEARING STATEMENT**

Marathon Oil Permian LLC ("Marathon") submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Marathon Oil Permian LLC

**ATTORNEY**

Jennifer L. Bradfute  
Deana M. Bennett  
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HARRIS & SISK, P.A.  
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Ascent Energy, LLC

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
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## **STATEMENT OF CASE**

### **APPLICANT:**

In Case No. 16321, Applicant seeks an order from the Division: (1) creating a nonstandard 320-acre, more or less, spacing and proration unit covering the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the TB Tomahawk Federal 20 33 33 TB 1H, and the Tomahawk Federal 20 33 33 SB 4H wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells.

In Case No. 16322, Applicant seeks a unit covering the W/2 of Section 28 and the W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the Tomahawk Federal 20 33 33 WA 2H, Tomahawk Federal 20 33 33 WD 3H, Tomahawk Federal 20 33 33 WA 11H, and the Tomahawk Federal 20 33 33 WD 12H wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells.

In Case No. 16323, Applicant seeks an order from the Division: (1) creating a nonstandard 320-acre, more or less, spacing and proration unit covering the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 20 South, Range 33 East, NMPM, Lea County New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this spacing and proration unit. This proposed spacing and proration unit will be the project area for the Tomahawk Federal 20 33 33 TB 10H and the Tomahawk Federal 20 33 33 FB 24H wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost

of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the wells, and a 200% charge for risk involved in drilling said wells.

### **PROPOSED EVIDENCE**

#### **APPLICANT:**

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Ryan Gyllenband – Landman	Approx. 30	Approx. 8
TBD – Geologist	Approx. 30	Approx. 6
TBD - Engineer	Approx. 30	Approx. 6

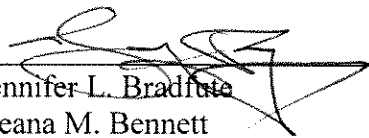
### **PROCEDURAL ISSUES**

Marathon asks that these cases be consolidated and that a special docket be set for August 7, 2018 along with Cases 16232 and 16233.

Respectfully submitted,

**MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.**

By: \_\_\_\_\_

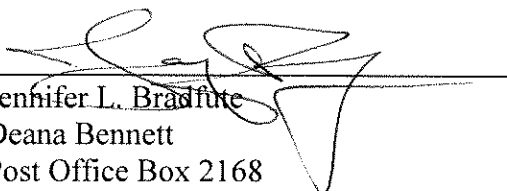
  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on July 19, 2018:

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By: \_\_\_\_\_

  
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