

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

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

**CASE NO. 16237**

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

**CASE NO. 16238**

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

**CASE NO. 16324**

**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**

Earl E. DeBrine, Jr.  
Jennifer L. Bradfute  
Deana M. Bennett  
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**OPPOSING PARTY**

Matador Production Company

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## STATEMENT OF CASE

### APPLICANT:

In Case No. 16237, Marathon seeks an order from the Division: 1) creating a nonstandard spacing 320-acre, more or less, spacing and proration unit covering the N/2 S/2 of Section 6, Township 23 South, Range 28 East, and the N/2 S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Maximus Federal 23 28 6 TB 8H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well.

In Case No. 16238, Marathon seeks an order from the Division: (1) creating a nonstandard 640-acre, more or less, spacing and proration unit covering the S/2 of Section 6, Township 23 South, Range 28 East, and the S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy 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 Maximus Fee 23 28 6 WA 2H, Maximus Fee 23 28 6 WD 3H, Maximus Fee 23 28 6 WXY 6H, Maximus Federal 23 28 6 WA 9H, and Maximus Federal 23 28 6 WD 10H 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. 16324, Marathon seeks an order from the Division: 1) creating a nonstandard spacing 320-acre, more or less, spacing and proration unit covering the S/2 S/2 of Section 6, Township 23 South, Range 28 East, and the S/2 S/2 of Section 1, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Maximus Fee 23 28 6 TB 1H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Marathon as operator of the well, and a 200% charge for risk involved in drilling said well.

## PROPOSED EVIDENCE

### APPLICANT:

| <u>WITNESS</u>           | <u>ESTIMATED TIME</u> | <u>EXHIBITS</u> |
|--------------------------|-----------------------|-----------------|
| Chase Rice – Landman     | Approx. 30            | Approx. 8       |
| Tucker Keren – Geologist | Approx. 30            | Approx. 6       |
| Engineer - TBD           | Approx. 30            | Approx. 5       |

## PROCEDURAL ISSUES

Marathon asks that these matters be consolidated at hearing.

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 August 9, 2018:

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