

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

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

CASE NO. 20128

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

CASE NO. 20129

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

CASE NO. 20131

MARATHON'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Marathon Oil Permian LLC

ATTORNEY

Deana M. Bennett
Zoë E. Lees
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
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STATEMENT OF CASE

APPLICANT:

In Case No. 20128, Marathon seeks an order from the Division: (1) to the extent necessary, approving the creation of a 160-acre, more or less, spacing unit covering the W/2 E/2 of Section 34, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico from the top of the Bone Spring formation to +/-11,168' TVD below the surface; and (2) pooling all mineral interests in the proposed depths within the Bone Spring formation underlying this spacing unit. This proposed spacing unit will be dedicated to the **Battle 34 SB Fee 15H** 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, and allowing a one year period between when the well is drilled and when the well is completed.

In Case No. 20129, Marathon seeks an order from the Division: (1) to the extent necessary, approving the creation of a 160-acre, more or less, spacing unit covering the E/2 E/2 of Section 34, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico from the top of the Bone Spring formation to 9,850'; and (2) pooling all uncommitted mineral interests in the proposed depths in the Bone Spring formation underlying the spacing unit. This proposed spacing unit will be dedicated to the **Battle 34 AV Fee 17H** and **Battle AV 34 Fee 25H** well, to be horizontally drilled. The producing area for the **Battle 34 AV Fee 17H** well will be orthodox. The producing area for the **Battle AV 34 Fee 25H** well will be unorthodox. 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, and allowing a one year period between when the wells are drilled and when the wells are completed.

In Case No. 20131, Marathon seeks an order from the Division: (1) to the extent necessary, approving the creation of a 160-acre, more or less, spacing unit covering the E/2 E/2 of Section 34, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico, from +/-11,980' of the Wolfcamp formation to the base of the Wolfcamp Oil Pool; and (2) pooling all mineral interests in the proposed depths within the Upper Wolfcamp formation underlying this spacing unit. This proposed spacing unit will be dedicated to the **Battle 34 WC Fee 20H** 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, and allowing a one year period between when the well is drilled and when the well is completed.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Travis Prewett	Approx. 30 minutes	Approx. 8
Geologist: Thomas Lockwood	Approx. 30 minutes	Approx. 8

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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