

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

**APPLICATION OF MARATHON
OIL PERMIAN LLC FOR COMPUSLORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 20220

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**MARATHON OIL PERMIAN LLC'S RESPONSE TO TAP ROCK OPERATING, LLC'S
MOTION FOR CONTINUANCE**

Marathon Oil Permian LLC ("Marathon") hereby submits this response in opposition to Tap Rock Operating, LLC's ("Tap Rock") Motion For Continuance ("Motion"). Tap Rock's Motion fails to demonstrate that a continuance is warranted and it should be denied.

First, and most importantly, as Tap Rock's Motion acknowledges, Marathon has agreed to not seek to force pool Tap Rock's interest at the February 7, 2019 hearing. Under these circumstances, when Marathon has agreed to not seek to force pool those interests, Tap Rock has not, and indeed cannot, demonstrate a continuance is needed to protect Tap Rock's interests. Moreover, Marathon is prepared to put on these cases as planned on February 7, 2019. Granting Tap Rock's Motion will only lead to delay and inefficiencies in managing the hearing docket. Rather than continuing these cases, which will add to the already crowded continuance docket, these cases should be heard on February 7, in light of the fact that Tap Rock's interests are not at issue in that hearing.

Second, Tap Rock's interest at issue is very small; approximately 3%. Marathon, along with other interest owners, **have lease expiration issues in the proposed unit**. Given Tap Rock's small interest, the fact that Marathon does not seek to force pool Tap Rock at the February 7, 2019 hearing, and the lease expiration issues that will affect multiple owners, it is unreasonable for Tap Rock to seek to delay these cases.

Finally, Marathon has attempted to and is still attempting to negotiate with Tap Rock, in good faith. Marathon's agreement not to seek to force pool Tap Rock at the upcoming hearing is evidence of Marathon's good faith efforts. By offering to not pool Tap Rock's interests now, the parties can continue to work together towards a resolution and, if needed, Marathon can later pool Tap Rock's interests. Because Marathon has been negotiating with Tap Rock, and has demonstrated a good faith intent to continue to do so prior to seeking to force pool Tap Rock's small interest, any suggestion by Tap Rock that Marathon's application should be dismissed is misplaced.

In sum, Marathon would not list Tap Rock as a party Marathon is seeking to pool at this time. Marathon should be allowed to move forward with the compulsory pooling hearing for the other parties Marathon seeks to pool. This would give Tap Rock and Marathon time to continue to discuss options, without unnecessarily delaying these cases, including keeping these cases on the docket when they can be heard as planned on February 7, 2019.

For the foregoing reasons, Marathon respectfully requests that the Oil Conservation Division deny Tap Rock's Motion and that these two cases proceed to hearing on February 7, 2019 as planned.

Respectfully submitted,

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& SISK, P.A.

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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 February 1, 2019:

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