

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

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

CASE NO. 20564

**APPLICATION OF MARATHON OIL
PERMIAN LLC FOR COMPULSORY POOLING,
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CASE NO. 20566

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

CASE NO. 20567

MARATHON'S PRE-HEARING STATEMENT AND ENTRY OF APPEARANCE

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

APPEARANCES

APPLICANT

Marathon Oil Permian LLC

ATTORNEY

Jennifer Bradfute
Marathon Oil Company
(713) 296-2027
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OPPONENT

EOG Y Resources, Inc.

ATTORNEY

Holland & Hart, LLP

STATEMENT OF CASE

The following cases are set for hearing on September 19, 2019.

In Case No. 20564, Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2W/2 of Section 13, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Red Ryder 13 TB Fed Com 7H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing the 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 it is completed. Said area is located approximately 13 miles west of Jal, New Mexico.

In Case No. 20565, Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Section 13, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Red Ryder 13 TB Fed Com 13H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing the 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 it is completed. Said area is located approximately 13 miles west of Jal, New Mexico.

In Case No. 20566, Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2W/2 of Section 13, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Red Ryder 13 WA Fed Com 8H and Red Ryder 13 WXY Fed Com 6H wells, to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling and completing the 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 first well is completed. Said area is located approximately 13 miles west of Jal, New Mexico.

In Case No. 20567, Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Section 13, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Red Ryder 13 WXY Fed Com 18H, Red Ryder 13 WA Fed Com 14H, Red Ryder 13 WXY Fed Com 11H wells, to be horizontally drilled. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling and completing the 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 first well is completed. Said area is located approximately 13 miles west of Jal, New Mexico.

PROPOSED EVIDENCE

Witness	Estimated Time	No. of Exhibits
<i>Ryan Gyllenband - Landman</i>	Approx. 20 min.	Approx. 5
<i>Ethan Perry - Geologist</i>	Approx. 20 min.	Approx. 3
<i>Reservoir Engineer - TBD</i>	Approx. 20 min.	Approx. 4

PROCEDURAL MATTERS

Marathon has approached EOG to request a continuance of the above referenced cases, along with Case Nos. 20621 and 20622 and is waiting for a response. Counsel for Marathon needs to attend a summit held by the Governor on September 19, 2019 and alternative counsel is not available due to conflict of interest. In addition, the parties are currently in negotiations concerning the proposed development plans at issue. As a result, Marathon respectfully requests that Cases 20621, 20622, 20564 – 20567 be continued and will submit separate continuance requests.

ENTRY OF APPEARANCE

The Modrall Sperling Law Firm has a conflict of interest in this matter. As a result, Jennifer Bradfute hereby enters an appearance in these cases, representing Marathon Oil Company and Marathon Oil Permian LLC.

Respectfully submitted,

By: 

Jennifer Bradfute

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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 September 11, 2019:

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

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By: _____


Jennifer Bradfute