

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

**APPLICATION OF CIMAREX ENERGY CO.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 21005

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

Cimarex Energy Co.

ATTORNEY

Lance D. Hough
Earl DeBrine
MODRALL, SPERLING, ROEHL,
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OPPONENT

Marathon Oil Permian, LLC

ATTORNEY

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Marathon Oil Company
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STATEMENT OF CASE

This case is currently set for hearing on January 9, 2020. Applicant seeks an order from the Division: (1) to the extent necessary, approving the creation of a 320-acre, more or less, Bone Spring horizontal spacing unit; and, (2) pooling all uncommitted mineral interests within

a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 20 and 29, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Paco 20-29 Federal Com 1H** well, to be horizontally drilled. Through its application, Cimarex seeks to pool all uncommitted mineral interests.

Marathon owns working interests within the SE/4 of Section 29 and it has not committed its interests to Cimarex's proposed spacing units. Prior to the filing of this application, Marathon did not receive a well proposal letter, AFE, or any other information from the applicant - Cimarex. As a result, Applicant has failed to comply with the requirements in New Mexico Oil Conservation Division Order R-13165, which requires operators to send out well proposal letters and an authority for expenditure prior to filing an application for compulsory pooling. Marathon further opposes this application on the basis that the applicant seeks to impair Marathon's correlative rights.

PROPOSED EVIDENCE

Witness	Estimated Time	No. of Exhibits
Landman	Approx. 20 min.	Approx. 5

OTHER PROCEDURAL MATTERS

Marathon objects to this application being put on by affidavit. Marathon has also asked Cimarex to continue this case to the next available docket and intends to file a motion for continuance so that a continuance fee is properly filed with the Division.

Respectfully submitted,

MARATHON OIL PERMIAN, LLC

By: /s/ Jennifer Bradfute
Jennifer Bradfute
Marathon Oil Permian LLC
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CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that on the 2nd day of January, 2020, I did cause a true and correct copy of the above document to be sent via e-mail to the following:

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