

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

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**APPLICATION OF MARATHON
OIL PERMIAN, LLC TO RE-OPEN CASE NO
15594 FOR A NON-STANDARD
OIL SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15594 (Re-opened)

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
555 San Felipe St.
Houston, TX 77056

ATTORNEY

Earl E. DeBrine, Jr., Esq.
Jennifer L. Bradfute, Esq.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
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OPPONENT:

The Allar Company ("Allar")
P.O. Box 1567
735 Elm Street
Graham, Texas 76450

Robert C. Vartabedian
Thompson & Knight LLP
801 Cherry Street, Unit #1
Burnett Plaza, Suite 1600
Fort Worth, Texas 76102-6881

STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause seeks an order from the Division (1) creating a 480-acre non-standard spacing and proration unit (the "Unit") which covers the SE/4 of Section 25 and E/2 of Section 36, both located within Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this non-standard spacing and proration unit.

In Division Order R-14348, the Division already recognized that a 480-acre spacing unit should be formed for the development of the Southern Comfort 25-36 State X Well No. 2H well. Development plans for this well, however, slightly changed and additional interests were later discovered within the spacing unit, which now need to be force pooled. Marathon further seeks to drill its Southern Comfort 25-36 State X 1H well within the Unit, to a depth sufficient to test the Wolfcamp formation. This well is a horizontal well with a surface location 2490 feet from the South line, 2310 feet from the East line of Section 25, and a terminus 240 feet from the South line, 2323 feet from the East line of Section 36. 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.

OPPONENT:

Allar has agreed to withdraw its protests in this case.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Matthew Tate – Landman	Approx. 20	Approx. 6
Tucker Keren – Geologist	Approx. 15	Approx. 4

OPPONENT: None

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 November 21, 2017.

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