

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

**APPLICATION OF MARATHON  
OIL PERMIAN LLC FOR A NON-STANDARD  
OIL SPACING AND PRORATION UNIT,  
NON-STANDARD LOCATIONS  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

RECEIVED OCDD  
2017 DEC 14 P 4: 48  
CASE NO. 15907

**EOG's PRE-HEARING STATEMENT**

EOG Resources, Inc. and EOG Y Resources, Inc. (collectively "EOG") submits this pre-hearing statement as required by the Oil Conservation Division Rule 19.15.4.13.B.

**APPEARANCES**

**APPLICANT**

Marathon Oil Permian LLC

**ATTORNEY**

Earl E. DeBrine  
Jennifer Bradfute  
Zoe E. Lees  
Modrall Sperling  
P.O. Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
Email: earl.debrine@modrall.com  
Email: jlb@modrall.com

**OPPONENT**

EOG Resources, Inc.  
EOG Y Resources, Inc.  
5509 Champions Dr.  
Midland, TX 79706

**ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin  
Jordan L. Kessler  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
Email: mfeldewert@hollandhart.com

Email: agrankin@hollandhart.com  
Email: jlkessler@hollandhart.com

### **STATEMENT OF THE CASE**

Marathon Oil Permian LLC (“Marathon”), seeks an order from the Division (1) creating a non-standard 160-acre spacing a proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 26, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving nonstandard locations, and (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. Marathon seeks to dedicate the above-referenced spacing and proration unit as the project area for the proposed Knife Fight Fee 24 34 26 TB 7H, a horizontal well to develop the “Red Hills Bone Spring, North Pool (Pool Code 96434).” The first and last take points for this proposed well will be at non-standard locations.

EOG objects to this application on the grounds that proposal submitted by Marathon does not account for the interests held by EOG Resources in the subject area. Further, EOG Y Resources only received the pooling application at its Midland office as of the date of the filing of this prehearing statement. Prior to this point, Marathon and EOG’s Midland office had been in discussions about a potential trade of acreage, but those discussions did not discuss the development of the Bone Spring formation underlying this acreage or suggest the filing of an application to pool the interests in the subject area. Additional time is needed for the parties to understand the interests involved and to explore potential agreements to avoid the necessity of pooling the interests held by EOG Y Resources, Inc. and EOG Resources, Inc.

**EOG's PROPOSED EVIDENCE**

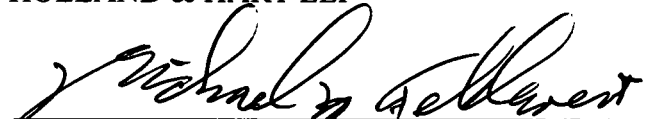
<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Charles Moran, Landman	Approx. 15 minutes	Approx. 5

**PROCEDURAL MATTERS**

EOG intends to file a motion to continue this matter in the event the parties are unable to reach agreement on a continuance.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert  
Adam G. Rankin  
Jordan L. Kessler  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421  
(505) 983-6043 Facsimile  
Email: mfeldewert@hollandhart.com  
Email: agrankin@hollandhart.com  
Email: jlkessler@hollandhart.com

**ATTORNEYS FOR EOG Y RESOURCES, INC. AND  
EOG RESOURCES, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on December 14, 2017, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Earl E. DeBrine  
Jennifer Bradfute  
Zoe E. Lees  
Modrall Sperling  
P.O. Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
Email: earl.debrine@modrall.com  
Email: jlb@modrall.com

*Attorney for Marathon Oil Permian LLC*

  
Michael H. Feldewert