



MODRALL SPERLING

L A W Y E R S

June 7, 2018

Florene Davidson
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Jennifer L. Bradfute
505.848.1845
Fax: 505.848.1882
jlb@modrall.com

**Re: No. 16147
APPLICATION OF MARATHON OIL PERMIAN LLC
FOR NON-STANDARD SPACING, AND PRORATION
UNIT, AND COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

**No. 16148
APPLICATION OF MARATHON OIL PERMIAN LLC
FOR NON-STANDARD SPACING, AND PRORATION
UNIT, APPROVING NON-STANDARD LOCATIONS
AND COMPULSORY POOLING, LEA COUNTY, NEW
MEXICO**

**No. 16149
APPLICATION OF MARATHON OIL PERMIAN LLC
FOR NON-STANDARD SPACING, AND PRORATION
UNIT, AND COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Marathon's Pre-Hearing Statement – Ender Wiggins

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,

Zina Grum, Legal Assistant to
Jennifer L. Bradfute

JLB/zc
Enclosure

Modrall Sperling
Roehl Harris & Sisk
P.A.

Bank of America
Centre
500 Fourth Street
NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico
87103-2168

Tel: 505 848 1800

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

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

CASE NO. 16147

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

CASE NO. 16148

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

CASE NO. 16149

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
5555 San Felipe St.
Houston, TX 77056

ATTORNEY

Earl E. DeBrine, Jr.
Jennifer L. Bradfute
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

INTERESTED PARTY

COG Operating LLC
One Concho Center
600 W. Illinois Ave
Midland, TX 79701

ATTORNEY

Ocean Munds-Dry
Elizabeth Ryan
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505)780-8000

STATEMENT OF CASE

In Case No. 16147, Marathon seeks an order from the Division: (1) creating a non-standard 240-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the W/2 W/2 of Section 11 and the W/2 NW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Ender Wiggins Federal 25- 34-14 WA 1H** 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 said 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.

In Case No. 16148, Marathon seeks Applicant seeks an order from the Division: (1) creating a non-standard 480-acre, more or less, spacing and proration unit in the Wolfcamp formation, comprised of the W/2 Section 11 and the NW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and (3) pooling all mineral interests in the Wolfcamp formation underlying the proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Ender Wiggins Federal 25-34-14 WD 2H** well, to be horizontally drilled. The producing area for the well will have unorthodox locations. Also to be considered will be the cost of drilling and completing said 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.

In Case No. 16149, seeks an order from the Division: (1) creating a non-standard 240-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 W/2 of Section 11 and the W/2 NW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Ender Wiggins Federal 25-34-14 TB 3H** 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 said 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.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Ryan Gyllenband – Landman	Approx. 30	Approx. 12
TBD – Geologist	Approx. 30	Approx. 6

PROCEDURAL ISSUES

Marathon requests that Case Nos. 16147, 16148 and 16149 be consolidated at hearing.

Respectfully submitted,

**MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.**

By: _____


Earl E. DeBrine, Jr.
Jennifer L. Bradfute
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800

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 June 7, 2018:

Ocean Munds-Dry
Elizabeth Ryan
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505)780-8000
OMundsDry@concho.com
eryan@concho.com

By: _____


Earl E. DeBrine, Jr.
Jennifer L. Bradfute
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800