

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

AMENDED APPLICATION OF
MARATHON OIL PERMIAN LLC FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 16214

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

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

STATEMENT OF CASE

APPLICANT:

In Case No. 16214, Marathon seeks an order from the Division: (1) creating a non-standard 480-acre, more or less, spacing and proration unit in the Bone Spring formation limited in depth from 7,300' to 9,560', comprised of the E/2 of Section 36 and the SE/4 of Section 25, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing unit. This proposed spacing unit will be the project area for the **Southern Comfort State 24-28-25 TB 6H** well, to be horizontally drilled. The producing area for this 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. Said area is located approximately 11.5 miles south of Malaga, New Mexico.

This application was amended in order to allow for the 480-acre spacing unit and to limit the vertical depths of the spacing unit after an objection was raised by a party that would be pooled under the order. Marathon's amendment was made to resolve that objection.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Matt Tate – Landman	Approx. 15	Approx. 4
Tucker Keren – Geologist	Approx. 15	Approx. 6
Engineer - TBD	Approx. 15	Approx. 5

Respectfully submitted,

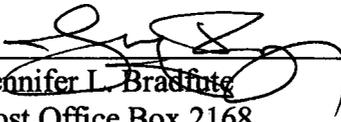
**MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.**

By: 
Jennifer L. Bradute
Deana M. Bennett
Post Office Box 2168
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 August 30, 2018:

James Bruce, Esq.
P.O. Box 1056
Santa Fe, NM 87504
jamesbruc@aol.com

By: 
Jennifer L. Bradford
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800