

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

**APPLICATIONS OF MARATHON
OIL PERMIAN LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

**CASE NOS. 21169-21172 &
22330-22332**

**APPLICATION OF TITUS OIL & GAS
PRODUCTION, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

CASE NOS. 21197-21199

MARATHON OIL PERMIAN LLC'S PRE-HEARING STATEMENT

Marathon Oil Permian LLC ("Marathon") submits this Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Marathon Oil Permian LLC

ATTORNEY

Deana M. Bennett
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OPPONENT

Titus Oil & Gas Production, LLC

ATTORNEY

Sharon T. Shaheen
Ricardo S. Gonzales
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307
325 Paseo de Peralta
Santa Fe, NM 87501
sshhaheen@montand.com
rgonzales@montand.com

OTHER PARTY

Chevron U.S.A. Inc.

ATTORNEY

Candace Callahan
Beatty & Wozniak PC
500 Don Gaspar Ave.
Santa Fe, NM 87505-2626
ccallahan@bwenergyllaw.com

STATEMENT OF CASE

APPLICANT:

Marathon filed its original applications in March 2020 and additional applications in November 2021. Titus Oil & Gas Production, LLC (“Titus”) filed its competing applications in September 2021. The competing applications involve the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

The competing applications are set for a status conference on December 16, 2021 to determine the date for a contested hearing; the December 16, 2021 contested hearing and all prehearing deadlines in the Division’s August 19, 2021 Prehearing Order have been vacated. Marathon is only filing a prehearing statement in the above cases out of an abundance of caution, given that Titus filed prehearing statements. Marathon reserves the right to file an amended prehearing statement in these cases upon the issuance of and pursuant to an amended pre-hearing order governing the contested hearings.

In Case No. 21169, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 19 WB Fed Com 11H and the Colossus 19 WB Fed Com 17H wells, to be horizontally drilled. The producing area for the wells will be unorthodox. 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

In Case No. 21170, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 19 WA Fed Com 9H; Colossus 19 WXY Fed Com 12H; Colossus 19 WA Fed Com 15H; and Colossus 19 WXY Fed Com 18H wells, to be horizontally drilled. The producing area for the wells will be orthodox. 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

In Case No. 21171, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 19 SB Fed Com 19H and Colossus 19 AV Fed Com 24H wells, to be horizontally drilled. The producing area for the wells will be orthodox. 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

In Case No. 21172, Marathons seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 19 SB Fed Com 13H and Colossus 19 AV Fed Com 27H wells, to be horizontally drilled. The producing area for the wells will be orthodox. 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, and allowing a one year period between when the wells are drilled and when the first well is completed. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

In Case No. 22330, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 18-19 TB Federal Com 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. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

In Case No. 22331, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 18-19 TB Federal Com 2H 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. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

In Case No. 22332, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 18 and 19, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Colossus 18-19 WA Federal Com 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. Said area is located approximately 13 miles Southwest of Jal, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS

ESTIMATED TIME

EXHIBITS

None at this time given the December 16, 2021 hearing is only for a status conference.

PROCEDURAL ISSUES

These cases are set for a status conference on December 16, 2021, to determine a new date for a contested hearing.

Respectfully submitted,

By: /s/Deana M. Bennett
Deana M. Bennett
Modrall, Sperling, Roehl, Harris, & Sisk P.A.
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorney for Marathon Oil Permian LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of December 2021, I served a true and correct copy of the foregoing on the following counsel of record by electronic mail:

Sharon T. Shaheen
Ricardo S. Gonzales
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307
325 Paseo de Peralta
Santa Fe, NM 87501
sshhaheen@montand.com
rgonzales@montand.com

Candace Callahan
Beatty & Wozniak PC
500 Don Gaspar Ave.
Santa Fe, NM 87505-2626
ccallahan@bwenergylaw.com

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

By: /s/Deana M. Bennett
Deana M. Bennett

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 66151

QUESTIONS

Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024	OGRID: 372098
	Action Number: 66151
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>