

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

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

CASE NO. 24183

MARATHON OIL PERMIAN LLC’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

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

OTHER PARTIES

None.

ATTORNEY

STATEMENT OF CASE

APPLICANT:

In Case No. 24183, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a standard 960-acre, more or less, Bone Spring horizontal spacing unit underlying the S/2 of Section 36, Township 22 South, Range 27 East, and the S/2 of Sections 31 and 32, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Blue Barracuda Federal Com 301H** and **Blue Barracuda Federal Com 501H** wells to be horizontally with first take points in the SW/4 SW/4 (Unit M) of Section 36 with last take points in the SE/4 SE/4 (Unit P) of Section 32; and the **Blue Barracuda Federal Com 302H** and **Blue Barracuda Federal Com 502H** wells to be horizontally drilled with first

take points in the NW/4 SW/4 (Unit L) of Section 36 and last take points in the NE/4 SE/4 (Unit I) of Section 32. The producing area for the wells is expected to be orthodox. The completed intervals for the Blue Barracuda Federal Com 302H and Blue Barracuda Federal Com 501H are expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. 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. Said area is located approximately 5.45 miles northwest of Loving, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Samuel Cox	Approx. 15 minutes	Approx. 8
Geologist: Matthew Baker	Approx. 15 minutes	Approx. 8

PROCEDURAL ISSUES

If there are no objections to this matter, Marathon intends to present this case by affidavit.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

Deana M. Bennett
Earl E. DeBrine
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Deana.Bennett@modrall.com
edebrine@modrall.com
Yarithza.pena@modrall.com

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 342530

QUESTIONS

Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024	OGRID: 372098
	Action Number: 342530
	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>