

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

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

CASE NOS. 20309, 20310

**APPLICATION OF EOG RESOURCES, INC.
FOR COMPULSORY POOLING,
LEACOUNTY, NEW MEXICO.**

CASE NOS. 20344, 20345, 20346, 20347

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

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OPPONENT

EOG Resources, Inc.

ATTORNEY

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STATEMENT OF CASE

These cases are competing applications filed by Marathon and EOG and are currently set for hearing on July 25, 2019. Marathon has requested a continuance because the parties are still engaged in negotiations and may resolve this contest. In addition, several Marathon witnesses are on vacation or not available to travel to New Mexico due to scheduling conflicts in July.

In Case No. 20309, Marathon seeks an order from the Division: pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Section 17, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Pea Eye 17 TB Fed 1H; Pea Eye 17 AV Fed 9H; Pea Eye 17 TBU Fed 4H; Pea Eye 17 FB Fed 8H; Pea Eye 17 AV Fed 10H; Pea Eye 17 TB Fed 5H; Pea Eye 17 FB Fed 7H wells, to be horizontally drilled. The producing area for these 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 Seventeen (17) miles West of Jal, New Mexico.

In Case No. 20310, Marathon seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Section 17, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Pea Eye 17 WA Fed 2H; Pea Eye 17 WXY Fed 3H; and Pea Eye 17 WA Fed 6H wells, to be horizontally drilled. The producing area for these 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 Seventeen (17) miles West of Jal, New Mexico.

Marathon opposes EOG's applications in Case Nos. 20344, 20345, 20346, 20347 on the basis that these cases impact Marathon's correlative rights. Marathon further intends to show that EOG's development plans will result in waste. Marathon was the first operator to file plans for development and compulsory pooling with the NMOCD in these matters.

PROPOSED EVIDENCE

Witness	Estimated Time	No. of Exhibits
Ryan Gyllenband or TBD - Landman	Approx. 20 min.	Approx. 5
Ethan Perry or TBD - Geologist	Approx. 20 min.	Approx. 3
Yuri Rodionov or TBD - Engineer	Approx. 15 min.	Approx. 2

Respectfully submitted,

MARATHON OIL PERMIAN, LLC

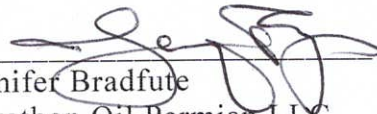
By: 
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on July 18, 2019:

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Respectfully submitted,

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