

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 20165

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

Case No. 20170

**APPLICATION OF RIDGE RUNNER RESOURCES
OPERATING, LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 20105

**APPLICATION OF RIDGE RUNNER RESOURCES
OPERATING, LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 20106

**APPLICATION OF RIDGE RUNNER RESOURCES
OPERATING, LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 20107

**APPLICATION OF RIDGE RUNNER RESOURCES
OPERATING, LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 20717

**APPLICATION OF RIDGE RUNNER RESOURCES
OPERATING, LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 20718

**AMENDCED NOTICE OF INTERVENTION
OF
FORTSON OIL COMPANY AND BURNETT OIL CO., INC.**

This Amended Notice of Intervention is submitted by Fortson Oil Company ("Fortson") and Burnett Oil Co., Inc. ("Burnett") as required by the rules of the Oil Conservation Division.

INTERVENORS' NAMES

Fortson Oil Company and Burnett Oil Co., Inc.

c/o James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

Phone: (505) 982-2043

Fax: (505) 982-2151

jamesbruc@aol.com

Attorney for Burnett Oil Co., Inc. and Fortson Oil Company

NATURE OF INTERVENORS' INTEREST

1. In Case No. 20165 Marathon Oil Permian LLC ("Marathon") seeks to pool the Wolfcamp formation underlying all of Sections 34 and 35, Township 22 South, Range 28 East, NMPM.

2. Fortson and Burnett (as operator for The AWM Management Trust), in the proportions two-thirds Fortson and one-third Burnett, own 2/3 of the leasehold working interest in the Wolfcamp formation in Section 36, Township 22 South, Range 28 East, NMPM, immediately adjacent to the E/2 Section 35 (located in Marathon's proposed well unit).

3. Section 36 is within the Potash Area, which prohibits surface operations thereon.

4. WPX Energy Permian, LLC ("WPX") has informed Fortson and Burnett that it owns 100% of the working interest in the E/2 Section 35, and it has proposed horizontal Wolfcamp spacing units collectively containing the E/2 Section 35 and all of Section 36, and the W/2 of Section 31, Township 22 South, Range 29 East, NMPM. These lands are the subject of Case Nos. 20374 and 20375, which are consolidated for hearing with Marathon's cases.

5. The spacing units proposed by WPX will allow full development of the Wolfcamp formation within the entire 1,280 acres of the proposed WPX spacing units. In contrast, approval of the unit proposed by Marathon in Case No. 20165 would strand the acreage

in all of Section 36 and the W/2 of adjoining Section 31 because no surface location would be permitted on that acreage, which is all within the designated Potash Area. Accordingly, the Marathon proposed spacing unit will cause waste of reserves in the Wolfcamp formation and harm the correlative rights of Fortson and Burnett. In contrast, WPX's proposed units will prevent waste and protect correlative rights.

6. In its cases Ridge Runner Resources Operating, LLC ("Ridge Runner") seeks to pool the Wolfcamp formation for standup horizontal wells underlying:

- (a) Case Nos. 20105 and 20718, pooling the W/2 of Section 35, Township 22 South, Range 28 East, NMPM and the W/2 of Section 2, Township 23 South, Range 28 East, NMPM;
- (b) Case No. 20106, pooling the W/2 of Section 27 and the W/2 of Section 34, Township 22 South, Range 28 East, NMPM;
- (c) Case No. 20107, pooling the E/2 of Section 27 and the E/2 of Section 34, Township 22 South, Range 28 East, NMPM; and
- (d) Case No. 20717, pooling Section 27 and Section 34, Township 22 South, Range 28 East, NMPM.

Ridge Runner's proposed development plan, in association with WPX's plan, will more completely develop the Wolfcamp formation and not strand any acreage.

7. In Case 20170 Marathon seeks to pool the Wolfcamp formation underlying Sections 1 and 2, Township 23 South, Range 28 East, NMPM. Since this case is consolidated for hearing with the other cases, Fortson and Burnett also seek to intervene in that case.

Wherefore, premises considered, Fortson and Burnett request that the Division enter orders:

- A. Granting intervention in this consolidated proceeding; and,
- B. Denying the applications of Marathon.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

jamesbruc@aol.com

KELLY HART & HALLMAN LLC
Robert C. Grable
Texas State Bar No. 08241000
201 Main Street, Suite 2500
Fort Worth, Texas 76102
817/332-2500

bob.grable@kellyhart.com

Attorneys for Burnett Oil Co., Inc. and
Fortson Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 19th day of August, 2019 by e-mail:

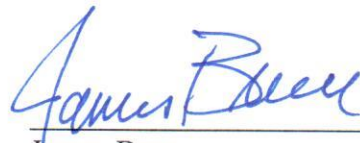
Earl DeBrine
edebrine@modrall.com

Deanna Bennett
dmb@modrall.com

Michael Feldewert
mfeldewert@hollandhart.com

Adam Rankin
agrarkin@hollandhart.com

Gary Larson
glarson@hinklelawfirm.com



James Bruce