

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

**APPLICATION OF MARATHON OIL PERMIAN
LLC FOR COMPULSORY POOLING AND,
TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 24085

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. 24085, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a standard 800-acre, more or less, Bone Spring horizontal spacing unit underlying the SE/4 of Section 25, the E/2 of Section 36, Township 24 South, Range 28 East, and the E/2 of Section 1, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Cobra Cobretti BS Federal Com 301H, Cobra Cobretti

BS Federal Com 302H, Cobra Cobretti BS Federal Com 551H, Cobra Cobretti BS Federal Com 552H, Cobra Cobretti BS Federal Com 553H, and Cobra Cobretti BS Federal Com 554H wells, to be horizontally drilled. The wells will be drilled at orthodox locations. The completed intervals for Cobra Cobretti BS Federal Com 302H and the Cobra Cobretti BS Federal Com 552H are each 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. Applicant seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 240-acre horizontal well spacing unit comprised of the E/2SE/4 of Section 25 and the E/2E/2 of Section 36, Township 24 South, Range 28 East, dedicated to Marathon’s Southern Comfort 36 SB State #007H well (API 30-015-46201)
- A 240-acre horizontal well spacing unit comprised of the W/2SE/4 of Section 25 and the W/2E/2 of Section 36, Township 24 South, Range 28 East, dedicated to Marathon’s Southern Comfort 36 SB State #004H well (API 30-015-46200)
- A 320-acre horizontal well spacing unit comprised of the E/2 of Section 1, Township 25 South, Range 28 East, dedicated to Marathon’s Whistle Pig 1 SB Federal Com #005H well (API 30-015-45174).

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 miles southeast of Malaga, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Farley Duvall	Approx. 10 minutes	Approx. 8
Geologist: Greg Buratowski	Approx. 10 minutes	Approx. 8

PROCEDURAL ISSUES

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

Respectfully submitted,

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

By: Deana M. Bennett

Deana M. Bennett
Earl E. DeBrine, Jr.
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Deana.bennett@modrall.com
Earl.debrine@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 297763

QUESTIONS

Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024	OGRID: 372098
	Action Number: 297763
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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