

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

**APPLICATION OF MARATHON OIL PERMIAN LLC
FOR COMPULSORY POOLING AND APPROVAL
OF NON-STANDARD SPACING UNIT
EDDY COUNTY, NEW MEXICO**

CASE NO. 25478

PRE-HEARING STATEMENT

Marathon Oil Permian, LLC (“MRO” or “Applicant”) submits its Pre-Hearing Statement pursuant to the Rules of the Oil Conservation Division.

APPLICANT

Marathon Oil Permian LLC

ATTORNEYS

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INTERESTED PARTY

None

ATTORNEY

N/A

STATEMENT OF THE CASE

MRP applies for an order: (1) establishing a 638.40 acre, more or less, non-standard horizontal spacing unit comprised of the W/2 Sections 6 and 7, Township 26 South, Range 29 East, Eddy County, New Mexico (“Unit”); and (2) pooling all uncommitted overriding royalty, working, and record title interests in the Bone Spring formation underlying the Unit. MRO seeks to dedicate the Unit to the following proposed wells (“Wells”):

- a. **Rick Vaughn Fed Com 501H** (API No. 30-015-55481), which will be drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 7 to a

bottom hole location in the NW/4NW/4 (Unit D/Lot 1) of Section 6, and produce from a first take point in SW/4SW/4 (Unit M/Lot 4) Section 7 to a last take point NW/4NW/4 (Unit D/Lot 1) Section 6; and

b. **Rick Vaughn Fed Com 503H** (API No. 30-015-55644), which will be drilled from a surface hole location in the SE/4SW/4 (Unit N) of Section 7 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 6, and produce from a first take point in SE/4SW/4 (Unit N) Section 7 to a last take point in NE/4NW/4 (Unit C) Section 6.

The completed intervals of the Wells will be orthodox. The completed intervals of the Wells will be orthodox. Applicant requests approval of a non-standard horizontal spacing unit to allow for the consolidation of surface facilities and thereby prevent surface, environmental, and economic waste. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Jeffrey S. Stout	Landman	Affidavit	7
Jessica L. Pontiff	Geologist	Affidavit	4

PROCEDURAL MATTERS

Applicant will present this case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Ann Cox Tripp

Ann Cox Tripp

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Oil Conservation Division
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QUESTIONS

Action 491024

QUESTIONS

Operator: MARATHON OIL PERMIAN LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 372098
	Action Number: 491024
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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