

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

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

CASE NO. 25889

PRE-HEARING STATEMENT

Marathon Oil Permian LLC ("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.

ATTORNEYS

STATEMENT OF THE CASE

Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 1,920-acre, more or less, overlapping, non-standard horizontal spacing unit comprised of Sections 11, 14, and 23, Township 25 South, Range 34 East, Lea County, New Mexico. The Unit will be dedicated to the following wells ("Wells"): **Million Dollar Man Federal Com 301H** and **Million Dollar Man Federal Com 501H** wells, which will produce from first

take points located in the NW/4 NW/4 (Unit D) of Section 11 to last take points in the SW/4 SW/4 (Unit M) of Section 23; **Million Dollar Man Federal Com 302H** and **Million Dollar Man Federal Com 502H** wells, which will produce from first take points located in the NE/4 NW/4 (Unit C) of Section 11 to last take points in the SE/4 SW/4 (Unit N) of Section 23; **Million Dollar Man Federal Com 303H** and **Million Dollar Man Federal Com 503H** wells, which will produce from first take points located in the NW/4 NE/4 (Unit B) of Section 11 to last take points in the SW/4 SE/4 (Unit O) of Section 23; and **Million Dollar Man Federal Com 304H** and **Million Dollar Man Federal Com 504H** wells, which will produce from first take points located in the NE/4 NE/4 (Unit A) of Section 11 to last take points in the SE/4 SE/4 (Unit P) of Section 23.

The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Red Hills; Bone Spring East Pool (Code 97369):

- a. Ender Wiggins 14 TB Federal Com #011 (API 30-025-46794) located in the W/2 E/2 of Section 11, Township 25 South, Range 34 East, and the W/2 NE/4 of Section 14, Township 25 South, Range 34 East; and
- b. Ender Wiggins 14 TB Federal Com #003 (API 30-025-45188) located in the W/2 W/2 of Section 11, Township 25 South, Range 34 East, and the W/2 NW/4 of Section 14, Township 25 South, Range 34 East.

The spacing unit for the Wells will also partially overlap with the spacing unit for the following wells, which produce from the Fairview Mills; Bone Spring Pool (Code 96340):

- a. Dogie Draw 14 AV Federal Com #024H (API 30-025-45091) located in the W/2 W/2 of Section 23, Township 25 South, Range 34 East, and the W/2 SW/4 of Section 14, Township 25 South, Range 34 East; and

- b. Dogie Draw 14 TB Federal Com #001H (API 30-025-45092) located in the W/2 W/2 of Section 23, Township 25 South, Range 34 East, and the W/2 SW/4 of Section 14, Township 25 South, Range 34 East.

The completed intervals of the Wells will be orthodox.

Applicant also requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste, and protect correlative rights.

Also to be considered will be the cost of drilling and completing the Wells, the allocation of the costs, the designation of Applicant as the operator of the Units and Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Caroline Frederick	Landman	Affidavit	Approx. 7
Tyler Patrick	Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there is no objection to its application.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

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Oil Conservation Division
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QUESTIONS

Action 547548

QUESTIONS

Operator: MARATHON OIL PERMIAN LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 372098
	Action Number: 547548
	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.