

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

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

CASE NO. 15958

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
5555 San Felipe St.
Houston, TX 77056

ATTORNEY

Earl E. DeBrine, Jr., Esq.
Jennifer L. Bradfute, Esq.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
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(505) 848-1800

INTERESTED PARTY:

OXY U.S.A. Inc.
P.O. Box 4294
Houston, TX 77210

Jordan L. Kessler
Adam G. Rankin
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause seeks an order from the Division (1) creating a non-standard 480-acre spacing a proration unit in the Wolfcamp formation, comprised

of the W/2 of Section 6, Township 25 South, Range 29 East, and SW/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit for the development of the Sweet Tea State, 24-29-31 WA 5H and Sweet Tea State 24-29-31 WXY 3H wells. 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 well, and a 200% charge for risk involved in drilling said well.

PROPOSED EVIDENCE

APPLICANT:


<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chase Rice – Landman	Approx. 20	Approx. 6
Tucker Keren – Geologist	Approx. 15	Approx. 4

PROCEDURAL ISSUES

Marathon asks that this case be consolidated with Case No. 15960 at the hearing.

Respectfully submitted,

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

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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 February 1, 2018.

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**MODRALL, SPERLING, ROEHL, HARRIS
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