

**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,  
LEA COUNTY, NEW MEXICO**

CASE NO. 16000

**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.  
Jennifer L. Bradfute  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
P. O. Box 2168  
Albuquerque, New Mexico 87103-2168  
(505) 848-1800

**STATEMENT OF CASE**

**APPLICANT:**

Applicant in the above-styled cause seeks an order from the Division (1) creating a non-standard 160-acre spacing a proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 11, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. Marathon plans to drill and complete the **Urraca Federal Com 23 32 11 SB 22H well**, which is a horizontal well that will develop the Diamondtail Bone Spring Pool (Pool Code 17644) Also to be considered will be the cost of drilling and completing said well, 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:**

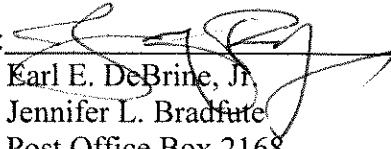
| <u>WITNESS</u>                          | <u>ESTIMATED TIME</u> | <u>EXHIBITS</u> |
|-----------------------------------------|-----------------------|-----------------|
| Ryan Gyllenband – Landman               | Approx. 20            | Approx. 6       |
| Kate Zeigler or Ethan Perry – Geologist | Approx. 15            | Approx. 4       |

### **PROCEDURAL ISSUES**

Marathon does not have any procedural issues at this time.

Respectfully submitted,

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

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