

**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.**

MAR 29 2018 AM 04:01

**CASE NO. 16050**

**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  
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**OPPONENT**

COG Operating LLC  
One Concho Center  
600 W. Illinois Ave  
Midland, TX 79701

**ATTORNEY**

Adam Rankin  
Michael Feldewert  
Holland & Hart  
P.O. Box 2208  
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## STATEMENT OF CASE

### APPLICANT:

Applicant in the above-styled cause seeks an order from the Division (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy 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 **Hambone Federal 26-29-5 TB 2H** and **Hambone Federal 26-29-5 SB 6H** wells within this spacing and proration unit, which will both be wildcat horizontal wells that will develop Pool Code 97801. 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:

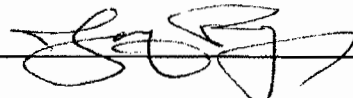
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chase Rice – Landman	Approx. 20	Approx. 6
Tucker Keren – Geologist	Approx. 15	Approx. 4
Mikhail Alekseenko – Engineer	Approx. 15	Approx. 4

## PROCEDURAL ISSUES

Marathon requests an expedited order in this case due to lease expiration concerns.

Respectfully submitted,

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

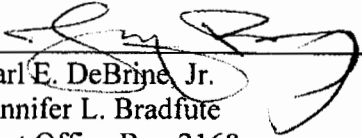
By:  \_\_\_\_\_

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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 March 29, 2018:

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