

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

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

CASE NO. 16161

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

CASE NO. 16162

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

BTA Oil Producers, LLC
104 S. Pecos
Midland, TX 79701

ATTORNEY

Adam Rankin
Michael Feldewert
Holland & Hart
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
agrarkin@hollandhart.com
mfeldewert@hollandhart.com

OPPONENT

Marathon Oil Permian LLC
5555 San Felipe St.
Houston, TX 77056

ATTORNEY

Earl E. DeBrine, Jr.
Jennifer L. Bradfute
Post Office Box 2168
Bank of America Centre
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
jlb@modrall.com

STATEMENT OF CASE

OPPONENT MARATHON:

In Case No. 16161, BTA Oil Producers, LLC seeks and order (1) authorizing a non-standard 240- acre spacing and proration unit comprised of the W/2 W/2 of Section 29 and the W/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed BTA Ogden 20509 29-32 Fed Com #9H Well, which will be horizontally drilled from a standard surface location in the NW/4 NW/4 (Unit D) of Section 29 with a standard bottom hole location in the SW/4 NW/4 (Unit E) of Section 29.

In Case No. 16162, BTA Oil Producers, LLC seeks an order (1) authorizing a non-standard 240- acre spacing and proration unit comprised of the E/2 W/2 of Section 29 and the E/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed BTA Ogden 20509 29-32 Fed Com #10H Well, which will be horizontally drilled from a standard surface location in the NE/4 NW/4 (Unit C) of Section 29 with a standard bottom hole location in the SE/4 NW/4 (Unit F) of Section 2916024,

Marathon owns working interests in the Bone Spring formation located within the W/2 of Section 29, which is acreage that is the subject of Case No. 16024. Marathon objects to the development plans proposed by BTA because such plans will impair Marathon's correlative rights, cause waste, and strand reserves underlying the W/2 of Section 32. Marathon has proposed an alternative development plan, which will efficiently drain the Bone Spring Formation in the W/2 of Section 29 and result in greater recovery. In connection with the proposal, Marathon has filed pooling applications in Case No. 16077. Marathon should be appointed as operator of the W/2 (consisting of two separate 160-acre spacing and proration units) of Section 32, pursuant to these proposed development plans and applications.

PROPOSED EVIDENCE

OPPONENT MARATHON.:

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

PROCEDURAL ISSUES

Marathon and BTA have agreed to set a special docket for these cases so that they can be heard along with Marathon's application in Case No. 16077. Marathon also has asked that Case Nos. 16024 and 16076 be continued to this special docket date to take any additional testimony or evidence that is needed for the record in those matters.

Respectfully submitted,

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

By: 

Earl E. DeBrine, Jr.

Jennifer L. Bradfute

Post Office Box 2168

Bank of America Centre

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

Attorneys for Marathon Oil Permian LLC

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 May 24, 2018:

Adam Rankin
Michael Feldewert
Holland & Hart
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
agrarkin@hollandhart.com
mfeldewert@hollandhart.com

By: _____


Earl E. DeBrine, Jr.

Jennifer L. Bradfute

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Attorneys for Marathon Oil Permian LLC