

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

**APPLICATION OF COG OPERATING
LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16188

**APPLICATION OF COG OPERATING
LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16189

**APPLICATION OF COG OPERATING
LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16190

**APPLICATION OF COG OPERATING
LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16191

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

CASE NO. 16192

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

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

ATTORNEY

Adam Rankin
Michael Feldewert
Holland & Hart
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
agrankin@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
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

STATEMENT OF CASE

OPPONENT:

Applicant in the above-styled cases seeks orders from the Division creating non-standard spacing and proration units and compulsory pooling within Section 5 and 8 of Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Marathon had previously filed applications with the Division in Case Nos. 16050 and 16051 involving this acreage. In Case No. 16050, Marathon seeks an order: (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. In Case No. 16051, Marathon also seeks an order pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. Marathon plans to drill and complete the **Hambone Federal 26-29-5 WB 3H** and **Hambone Federal 26-29-5 WD 4H** wells within the spacing and

proration unit underlying this acreage to a depth sufficient to test the Wolfcamp formation. Marathon has more recently amended its application in Case No. 16050 to add additional wells: the Hambone Federal 26-29-5 WXY 5H, Hambone Federal 26-29-5 WB 7H, Hambone Federal 26-29-5 WD 8H, and Hambone Federal 26-29-5 WD 11H. It has also recently filed an additional application related to the Bone Spring formation. These applications and amendments are set for the June 14th docket.

Marathon objects to the development plans proposed by COG because such plans will impair Marathon's correlative rights, cause waste, and strand reserves underlying the proposed spacing and proration units.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chase Rice – Landman	Approx. 30	Approx. 8
Tucker Keren – Geologist	Approx. 30	Approx. 6
Mikhail Alekseenko – Engineer	Approx. 30	Approx. 6


PROCEDURAL ISSUES

Marathon requests that the above captioned cases be set for the June 14th Docket, as the parties are currently in negotiations and Marathon has recently filed an application will not be ripe until that date.

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

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. DeBrihe, 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