

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

APPLICATION OF NOVO OIL & GAS, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 16281

APPLICATION OF NOVO OIL & GAS, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 16282

APPLICATION OF NOVO OIL & GAS, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 16283

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CASE NO. 16284

APPLICATION OF NOVO OIL & GAS, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 16285

APPLICATION OF NOVO OIL & GAS, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 16286

MARATHON'S PRE-HEARING STATEMENT FOR THE JULY 12, 2018 HEARING

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

ATTORNEY

Novo Oil & Gas, LLC

Candace Callahan
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Santa Fe, NM 87505-2626
ccallahan@bwenerylaw.com

ATTORNEY

Marathon

Earl E. DeBrine, Jr.
Jennifer L. Bradfute
Deana M. Bennett
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
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STATEMENT OF CASES

Novo seeks an order in Case No. 16281 from the Division creating a 279.42-acre non-standard spacing unit and proration unit (project area) in the Bone Spring formation comprised of Lots 1 – 4 (N/2N/2) of Section 6 and Lots 2, 3 and 4 (N/2NW/4 and NW/4NE/4) of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's Rana Salada Fed Com 1 5 23S 29E 2B #1H well which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NW/4NE/4 of Section 5, Township 23 South, Range 29 East.

Novo seeks an order in Case No. 16282 from the Division creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2S/2 of Section 4 and S/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Novo further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to Nova's Rana Salada Fed Com 6 4 23S 29E 3B #1H well which will be

horizontally drilled from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East.

Novo seeks an order in Case No. 16283 from the Division creating a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2S/2 of Section 4 and N/2S/2 of Section 5, Township 23 South, Range 29 East, Eddy County, New Mexico. Novo further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to Nova's Rana Salada Fed Com 6 4 23S 29E 3B #2H well which will be horizontally drilled from a surface location in the NE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the NW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the NE/4SE/4 of Section 4, Township 23 South, Range 29 East.

Novo seeks and order in Case No. 16284 from the Division creating a 320.36-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the Lot 1 (NE/4NE/4), SE/4NE/4 and E/2SE/4 of Section 5 and E/2E/2 of Section 8, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted interests in the Bone Spring formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's Rana Salada Fed Com 5 8 23S 29E 2B #1H well which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 8, Township 23 South, Range 29 East.

Novo seeks and order in Case No. 16284 from the Division creating a 636.30-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the N/2 of Section 5 and N/2 of Section 6, Township 23 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the pooling of all uncommitted mineral interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to the applicant's Rana Salada Fed Com 1 5 WB 1H well which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East, and the Rana Salada Fed Com 1 5 WXY 1H well which will be horizontally drilled to test the Wolfcamp formation from a surface location in the NE/4NE/4 of Section 1, Township 23 South, Range 28 East, to a first take-point location in the NW/4NW/4 of Section 6, Township 23 South, Range 29 East, to a bottom hole location in the NE/4NE/4 of Section 5, Township 23 South, Range 29 East. The completed interval for each well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool.

Novo seeks an order in Case No. 16286 from the Division creating a 640-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the S/2 of Section 4 and S/2 of Section 5, Township 23 South, Range 29 East, Eddy

County, New Mexico. Novo further seeks the pooling of all uncommitted interests in the Wolfcamp formation underlying this acreage. This non-standard unit is to be dedicated to Nova's Rana Salada Fed Com 6 4 WB 1H well which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East, and the Rana Salada Fed Com 6 4 WXY 1H well which will be horizontally drilled to test the Wolfcamp formation from a surface location in the SE/4SE/4 of Section 6, Township 23 South, Range 29 East, to a first take-point location in the SW/4SW/4 of Section 5, Township 23 South, Range 29 East, to a bottom hole location in the SE/4SE/4 of Section 4, Township 23 South, Range 29 East.


Marathon supports Novo's proposed development of the area because it will protect correlative rights, and will prevent waste.

PROPOSED EVIDENCE

MARATHON:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
TBD	Approx. 20	TBD

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

By: 

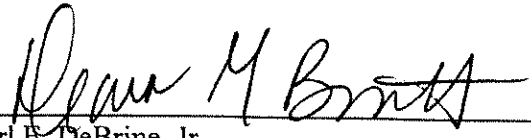
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on July 3, 2018:

Candace Callahan
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By: _____


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