

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC FOR THE APPROVAL
OF A NON-STANDARD SPACING
AND PRORATION UNIT, NONSTANDARD
LOCATIONS AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16150

**APPLICATION OF MARATHON OIL
PERMIAN LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT,
NON-STANDARD LOCATIONS, AND
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

CASE NO. 16151

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

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

OPPONENT

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

ATTORNEY

Elizabeth A. Ryan
COG Operating LLC &
Concho Resources Inc
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
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STATEMENT OF CASE**APPLICANT:**

In Case No. 16150, Applicant seeks an order from the Division: (1) creating a non-standard spacing 320-acre, more or less, spacing and proration unit covering the W/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit; and (3) the approval of non-standard locations. This proposed non-standard spacing and proration unit will be the project area for the Halberd Federal 24- 35-18 WA 5H; Halberd Federal 24-35-18 WXY 3H; and Halberd Federal 24-35-18 WXY 10H wells, to be horizontally drilled. The producing area for these wells will have unorthodox locations. 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. Said area is located approximately 15 miles northwest of Jal, New Mexico.

In Case No. 16151, Applicant seeks an order from the Division: (1) creating a nonstandard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the W/2 W/2 of Section 18, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and, (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Halberd Federal 24-35-18 FB 12H and Halberd Federal 24-35-18 TB 6H wells, to be horizontally drilled. The producing area for the wells will have unorthodox locations. 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. Said area is located approximately 15 miles northwest of Jal, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Ryan Gyllenband – Landman	Approx. 30	Approx. 8
Ethan Perry – Geologist	Approx. 30	Approx. 6
Jacob Rotolo/TBD – Reservoir Engineer	Approx. 30	Approx. 6
TBD – Production/Completion Engineer	Approx. 30	Approx. 6

PROCEDURAL ISSUES

Marathon asks that these matters be consolidated at hearing.

Respectfully submitted,

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

By: _____

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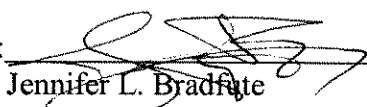
Telephone: 505.848.1800

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 August 23, 2018:

Elizabeth A. Ryan
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By: _____


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