

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

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16409

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16410

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16484

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16486

MOTION FOR CONTINUANCE

Marathon Oil Permian LLC ("Marathon") moves the Division to continue Case Nos. 16409, 16410, 16484 and 16486, which are currently scheduled for the November 1, 2018 to a special docket date. In support of this motion, Marathon states as follows:

1. The above-listed applications have been filed by Ascent Energy, LLC ("Ascent").


Marathon requests that these applications be continued to November 15, 2018 and that the parties agree on a special docket date.

2. All of the applications involve acreage located within the E/2 of Section 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
3. The parties have been negotiating a sale or trade of this acreage, but these discussions have not yet resulted in an agreement.
4. Ascent has generally indicated an interest in selling the acreage.
5. Marathon would like to develop this acreage and is filing competing applications for the Wolfcamp and Bone Spring formations, which are attached hereto as Exhibit A.
6. All of the above-mentioned cases are contested and require a special docket hearing.
7. Marathon, therefore, requests that the Division continues these matters to November 15, 2018 and set a special docket hearing be set in November or December to hear cases 16409, 16410, 16484 and 16486. It is expected that each operator will have at least three witnesses and that hearing will take an entire day.
8. Ascent opposes this motion

WHEREFORE, Marathon Oil Permian LLC respectfully requests that the Division continue the hearing in 16409, 16410, 16484, and 16486 to the November 15, 2018 docket and that the parties be asked to identify dates for a special docket hearing.

Respectfully submitted,

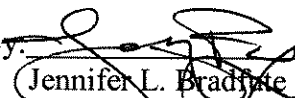
**MODRALL, SPERLING, ROEHL, HARRIS
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By: 
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on
counsel of record by electronic mail on October 29, 2018:

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**STATE OF NEW MEXICO
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**APPLICATION OF MARATHON
OIL PERMIAN LLC FOR APPROVAL
OF A SPACING UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

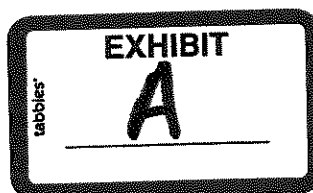
CASE NO. _____

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) to the extent necessary, approving the creation of a Bone Spring horizontal spacing unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the underlying the W/2 E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. This spacing unit will be dedicated to the **Tomahawk 33 SB Fed 15H** well. These wells will be horizontally drilled in the Bone Spring formation.
4. These wells will comply with the Division's setback requirements.



5. Marathon sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The creation of a spacing unit and the pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Marathon further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 6, 2018, and after notice and hearing as required by law, the Division enter its order:

- A. To the extent necessary, approving the creation of a spacing unit;
- B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit in the underlying the W/2 E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico;
- C. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

G. Allowing a time period of one (1) year between when the well is drilled and when the well is completed under the order.

Respectfully submitted,

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

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**APPLICATION OF MARATHON
OIL PERMIAN LLC FOR APPROVAL
OF A SPACING UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) to the extent necessary, approving the creation of a Bone Spring horizontal spacing unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the underlying the E/2 E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. This spacing unit will be dedicated to the **Tomahawk 33 SB Fed 22H** well. These wells will be horizontally drilled in the Bone Spring formation.
4. These wells will comply with the Division's setback requirements.

5. Marathon sought, but has been unable to obtain a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The creation of a spacing unit and the pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Marathon further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 6, 2018, and after notice and hearing as required by law, the Division enter its order:

- A. To the extent necessary, approving the creation of a spacing unit;
- B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit in the underlying the E/2 E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico;
- C. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

G. Allowing a time period of one (1) year between when the well is drilled and when the well is completed under the order.

Respectfully submitted,

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

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CASE NO. _____

APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) to the extent necessary, approving the creation of a Wolfcamp horizontal spacing unit; and (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the underlying the E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
3. This spacing unit will be dedicated to the **Tomahawk 33 WD Fed 19H and Tomahawk 33 WD Fed 27H** wells. These wells will be horizontally drilled in the lower Wolfcamp formation.

4. These wells will comply with the Division's setback requirements or Marathon will obtain separate non-standard location approvals from the Division through administrative applications.

5. Marathon sought, but has been unable to obtain a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The creation of a spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Marathon further requests that it be allowed one (1) year between the time the wells are drilled and completion of the wells under the order issued by the Division.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 6, 2018, and after notice and hearing as required by law, the Division enter its order:

- A. To the extent necessary, approving the creation of a spacing unit;
- B. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit in the underlying the E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico;
- C. Designating Marathon as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

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2. Marathon seeks to dedicate the underlying the E/2 of Sections 28 and 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
3. This spacing unit will be dedicated to the **Tomahawk 33 WXY Fed 14H, Tomahawk 33 WA Fed 26H, Tomahawk 33 WA Fed 18H and Tomahawk 33 WXY Fed 21H** wells. These wells will be horizontally drilled in the upper Wolfcamp formation.

4. These wells will comply with the Division's setback requirements.
5. Marathon sought, but has been unable to obtain a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
6. The creation of a spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
7. Marathon further requests that it be allowed one (1) year between the time the wells are drilled and completion of the wells under the order issued by the Division.

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- C. Designating Marathon as operator of this unit and the wells to be drilled thereon;
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