



Regeneration Energy Corp.

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November 5, 2018

Ms. Heather Riley
Division Director
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: OCD Case No. 16147
Amended Application of Marathon Oil Permian LLC
for a Spacing Unit and Compulsory Pooling,
Lea County, New Mexico

Dear Ms. Riley:

I would request that this letter be given to the hearing examiner in the above referenced case and entered into the hearing case record. Regeneration Energy Corp objects to the inclusion of the Ender Wiggins Fed Com 25-34-14 WA 1H and the Ender Wiggins Fed Com 25-34-14 WA 10H into 480 acre proration units. These wells have proposed TVDs of 12,532' and 12,532' respectively. As such they are located in the upper portion of the Wolfcamp formation in the Pitchfork Ranch Wolfcamp South pool just below the 3rd Bone Spring Sand. This is the oily section in the Wolfcamp formation and wells filed in this interval in this pool with this length of lateral would typically be filed for a 240 acre proration unit as was the original filing of the 1H location by Marathon and approved by the OCD. Since these wells do not meet any of the new rule exceptions for spacing and that Marathon has multiple contracts on this acreage whereby the rights and acreage earned are based on the OCD proration unit, we would request that the OCD not permit these wells to be added as 480 acre proration units.

Ryan Gylindband with Marathon was very responsive to our request for information related to this hearing. I know in todays crazy environment that he is juggling many projects and I appreciate his timely response. He also provided us with their drilling schedule which if it is followed would make this objection have no relevance to their contracts, but as we all know things change rapidly in our industry and inside companies and that is why we have entered this objection. Thank you for considering it.

Sincerely,

Raye Miller
Raye Miller
President