

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

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

CASE NO. 20055

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

CASE NO. 20056

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

CASE NO. 20057

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

ATTORNEY

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

INTERESTED PARTY

ConocoPhillips Company

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Jordan L. Kessler
Julia Broggi
HOLLAND & HART
P.O. Box 2208
Santa Fe, NM 87504
505-998-4421

STATEMENT OF CASE

APPLICANT:

In Case No. 20055, Marathon seeks an order from the Division: 1) to the extent necessary, approving the creation of a Bone Spring spacing unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Frizzle Fry Federal 22-32-15 TB 1H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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, and allowing a one year period between when the well is drilled and when the well is completed.

In Case No. 20056, Marathon seeks an order from the Division (1) to the extent necessary, approving the creation of a Bone Spring spacing unit; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 W/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Frizzle Fry Federal 22-32-15 TBU 5H** well, to be horizontally drilled. The producing area for this well will be orthodox. 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, and allowing a one year period between when the well is drilled and when the well is completed.

In Case No. 20057, Marathon seeks an order from the Division (1) to the extent necessary, approving the creation of a Wolfcamp spacing unit; and (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Sections 15 and 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed spacing unit will be dedicated to the **Frizzle Fry Federal 22-32-15 WXY 7H** well. Marathon additionally plans to drill the **Frizzle Fry Federal 22-32-15 WA 2H** well in the spacing unit and both wells will be horizontally drilled. The producing area for these wells will be orthodox. 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 wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the wells are completed.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: TBD	Approx. 30 minutes	Approx. 8
Geologist: TBD	Approx. 30 minutes	Approx. 6

PROCEDURAL ISSUES

Marathon asks that these matters be consolidated at hearing. Additionally, if there are no objections to these matters, Marathon intends to present them by affidavit.

Respectfully submitted,

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

By: Deana M. Bennett

Jennifer L. Bradfute
Deana M. Bennett
Post Office Box 2168
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 November 8, 2018:

Michael H. Feldewert
Adam G. Rankin
Jordan L. Kessler
Julia Broggi
HOLLAND & HART
P.O. Box 2208
Santa Fe, NM 87504
505-998-4421
mfelderwert@hollandhart.com
arankin@hollandhart.com
jlkessler@hollandhart.com
jbroggi@hollandhart.com

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