

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

**APPLICATION OF MARATHON
OIL PERMIAN LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

CASE NO. 20471

MARATHON OIL PERMIAN'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

OTHER PARTY

OXY U.S.A. Inc.

APPLICANT'S ATTORNEY

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STATEMENT OF CASE

APPLICANT:

In Case No. 20471, Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 5, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Neptune 8 WXY Fee 1H; Neptune 8 WA Fee 3H; Neptune 8 WXY Fee 5H; Neptune 8 WA Fee 7H; Neptune 8 WD Fee 2H; Neptune 8 WD Fee 4H; Neptune 8 WD Fee 8H** wells, to be horizontally drilled. The producing area for these wells will be unorthodox. 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 first well is completed.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Jeffry Broussard-Landman

Approx. 20 min.

Approx. 5

Matt Baker – Geologist

Approx. 10 min.

Approx. 5

PROCEDURAL ISSUES

Marathon intends to have Mr. Broussard present to testify live before the Division.
Marathon intends to put on Mr. Baker's geology testimony by affidavit.

Respectfully submitted,

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

By: Deana M. Bennett

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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 April 25, 2019:

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