

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

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

CASE NOS. 20165 AND 20170

**APPLICATIONS OF RIDGE RUNNER
RESOURCES OPERATING, LLC FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NOS. 20105, 20106, 20107, 20717, 20718

**MARATHON OIL PERMIAN, LLC'S CONSOLIDATED PRE-HEARING
STATEMENT**

Marathon Oil Permian LLC ("Marathon") submits this Consolidated Prehearing Statement in the above-referenced matters pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANTS

Marathon Oil Permian LLC

Ridge Runner Resources Operating, LLC

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OTHER PARTIES

Novo Oil & Gas Northern Oil & Gas Delaware, LLC

Burnett Oil Co., Inc. and Fortson Oil Company

MRC Delaware Resources,
MRC Explorers Resources,
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WPX Energy Permian, LLC

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STATEMENT OF CASE

The above captioned cases have been consolidated for hearing purposes. The Marathon and Ridge Runner competing pooling applications involve Sections 27, 34, and 35 of Township 22 South, Range 28 East and Sections 1 and 2 of Township 23 South Range 28 E.

Marathon has proposed the following spacing units in the Wolfcamp formation:

- In Case No. 20165, Marathon seeks to pool a horizontal spacing unit underlying Sections 34 and 35, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Cerberus 34 WXY Fed Com 1H, Cerberus 34 WD Fed Com 2H, Cerberus 34 WA Fed Com 3H, Cerberus 34 WXY Fed Com 5H, Cerberus 34 WA Fed Com 7H, Cerberus 34 WXY Fed Com 8H, Cerberus 34 WA Fed Com 10H, Cerberus 34 WXY Fed Com 12H, and Cerberus 34 WA Fed Com 13H wells, to be horizontally drilled.
- In Case No. 20170: Marathon seeks to pool a horizontal spacing unit underlying Sections 1 and 2, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Trojan Horse 2 WXY FC 1H, Trojan Horse 2 WB FC 3H, Trojan Horse 2 WXY FC 5H, Trojan Horse 2 WA FC 7H, Trojan Horse 2 WXY FC 8H, Trojan Horse 2 WA FC 10H, Trojan Horse 2 WXY FC 12H, and Trojan Horse 2 WA FC 13H wells, to be horizontally drilled.

Marathon opposes Ridge Runner's applications. Ridge Runner's proposed horizontal spacing units conflict with the horizontal spacing units Marathon has proposed in case numbers 20165 and 20170. Marathon believes that Marathon's development plans are the optimal plan, whereas Ridge Runner's development plans will result in waste and will not protect correlative

rights.

PROPOSED EVIDENCE

MARATHON'S PROPOSED EVIDENCE:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chase Rice– Landman	Approx. 1 hour	Approx. 10
Geologist—TBD	Approx. 1 hour	Approx. 10
Engineer--TBD	Approx. 1 hour	Approx. 4

PROCEDURAL ISSUES

The Ridge Runner and Marathon cases have been consolidated for hearing. In addition, these cases have been consolidated for hearing purposes only with WPX Energy Permian, LLC's cases, Case Numbers 20374 and 20375.

Respectfully submitted,

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

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CERTIFICATE OF SERVICE

I hereby certify that on August 20, 2019, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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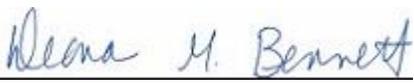
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