

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 20165

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

Case No. 20170

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

Case No. 20105

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

Case No. 20106

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

Case No. 20107

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

Case No. 20717

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

Case No. 20718

FORAN OIL COMPANY'S MOTION FOR CONTINUANCE

Foran Oil Company ("FOC") hereby moves for a continuance of the hearing on these consolidated cases in accordance with the Division's Rules, including, 19.15.4.15 NMAC. As set forth below, FOC was not noticed for three of the hearings despite having a claim to title for 320 net acres of leasehold interest (or roughly 50% of the working interest in Case Nos. 20105 and

20718 and roughly 25% of the working interest in competing Case No. 20165) as well as an overriding royalty interest. FOC states the following as grounds for a continuance:

1. FOC has a claim to title of the leasehold interest in 320 net acres comprising the W/2 of Section 35, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico (the “W/2 Section 35 Acreage”). FOC’s claimed interest in the W/2 Section 35 Acreage is derived from, among other terms, a Preferential Right of Purchase held by FOC as part of a Farmout Agreement, of which FOC is the owner.

2. In addition to its claim to title in the leasehold interest of the W/2 Section 35 Acreage, FOC also has an overriding royalty interest in the W/2 of Section 35.

3. Accordingly, although not noticed and subject to pooling, FOC’s interests are implicated by Case Nos. 20165 (Marathon’s Cerberus Wolfcamp project), 20105 (Ridge Runner’s Gladiator Wolfcamp project) and 20718 (Ridge Runner’s Gladiator Bone Spring project).

4. FOC’s claim to leasehold interest in these applications is substantial. A map showing these competing applications and FOC’s claimed interest is attached as Exhibit A.

5. In Ridge Runner’s Case Nos. 20105 and 20718, FOC’s claimed leasehold interest in the W/2 Section 35 Acreage comprises roughly 50% of the unit seeking to be pooled.

6. In Marathon’s Case No. 20165, FOC’s claimed leasehold interest in the W/2 Section 35 Acreage comprises roughly 25% of the unit seeking to be pooled.

7. Despite its claimed working interest and overriding royalty interest, FOC was not noticed of Marathon’s or Ridge Runner’s applications in the above cases.

8. FOC only recently became aware of these cases and contacted undersigned counsel to represent it.

9. FOC should be granted a continuance based on the lack of notice alone. *See* NMAC 19.15.4.10. But the granting of a continuance is even more appropriate given FOC's significant claimed leasehold position in these applications and the inefficiency of hearing these matters when FOC is not being pooled.

10. For starters, the competing proposals involve different well orientations—Ridge Runner's being stand-up laterals and Marathon's being lay-down laterals. Given the lack of notice, FOC has not had the opportunity to consult with its experts and evaluate the preferred orientation for development of its significant claimed leasehold position.

11. In addition, because FOC only recently learned of these proceedings, it was just able to retain the undersigned as counsel yesterday. FOC desires further time to consult with the undersigned about these proceedings and its participation at the hearing.

12. Further, it would be inefficient to hold these multi-day hearings when a roughly 50% claimed leasehold interest owner in Ridge Runner's Gladiator cases and a roughly 25% claimed leasehold interest owner in Marathon's Cerberus case is not being pooled. If the case is heard next week, the prevailing party would then need to re-open the case to pool FOC or risk trespassing on FOC's claimed W/2 Section 35 Acreage. This would likely result in yet another hearing of this matter, before potential appeals.

13. FOC's requested continuance would allow it time to engage in discussions with the applicable parties in the hopes of reaching a resolution that may streamline these proceedings. But with the hearing next week, there is not currently enough time to engage in meaningful discussions before the hearing.

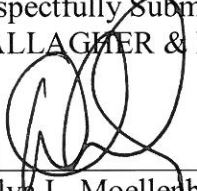
14. In summary, FOC requests a continuance (i) because it has not been noticed (either for its working interest or overriding royalty interest) in the cases implicating its interests; (ii) to

allow FOC time to evaluate the preferred wellbore orientation for its acreage, given that the competing applications have different orientations; (iii) to allow FOC time to have a meaningful opportunity to consult with the undersigned and prepare for the hearing; and (iv) because it would be inefficient to hold the hearings now when a significant claimed working interest is not being pooled.

RELIEF REQUESTED

WHEREFORE, FOC requests that the Division enter an order continuing the hearing on these consolidated cases for at least 30 days, or to a mutually-agreeable special setting among all the parties.

Respectfully Submitted,
GALLAGHER & KENNEDY, P.A.

By 
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading, was served electronically upon the following counsel on this 20th day of August, 2019.

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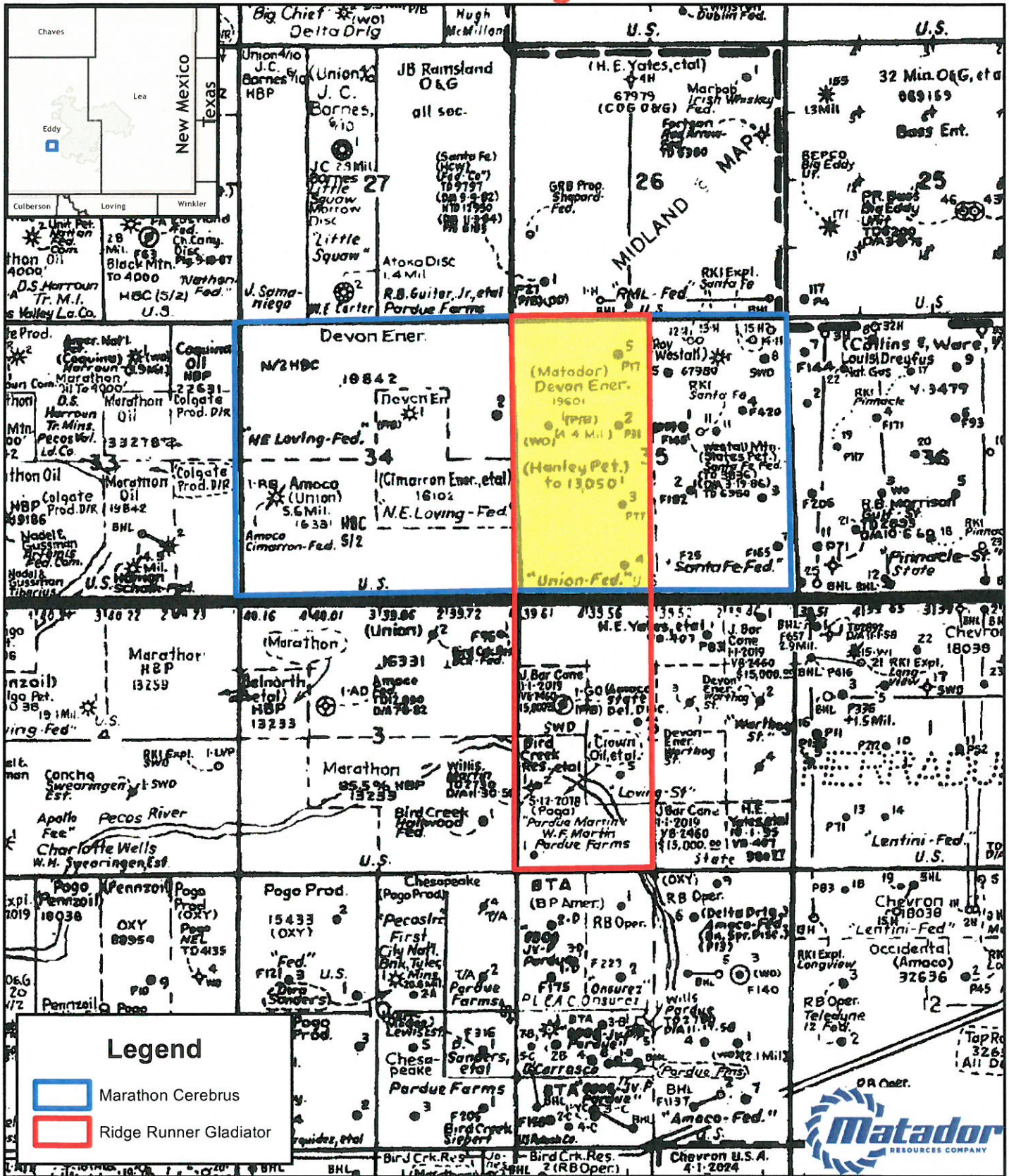
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Dalva L. Moellenberg

Marathon 'Cerebrus' & Ridge Runner 'Gladiator'



Southeast New Mexico

Date: August 20, 1919

Coordinate System: NAD 83
Projection: Transverse Mercator

EXHIBIT

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