

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

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

**CASE NO. 20163 (re-opened)**

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

**CASE NO. 20164 (re-opened)**

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

**CASE NO. 20169 (re-opened)**

**MARATHON OIL PERMIAN'S PRE-HEARING STATEMENT**

Marathon Oil Permian LLC (Marathon) submits this Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Marathon Oil Permian, LLC

**APPLICANT'S ATTORNEY**

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**OTHER PARTIES**

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## STATEMENT OF CASES

### APPLICANT:

In Case No. 20163, Marathon seeks to re-open Case No. 20163 to pool additional mineral owners not previously identified. Marathon seeks an order from the Division: (1) approving the creation of a non-standard 160-acre, more or less, spacing unit covering the E/2 W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico from +/- 11,051' MD as shown in the logs for the Government "L" No. 1 well (API No. 30-025-25604) to the base of the Bone Spring formation; and (2) pooling all uncommitted mineral interests in the proposed spacing unit. This proposed spacing unit will be dedicated to the Ned Pepper Federal 18 TB Federal Com 4H 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. 20164, Marathon seeks to re-open Case No. 20164 to pool additional mineral owners not previously identified. Marathon seeks an order from the Division: (1) approving the creation of a non-standard 160-acre, more or less, spacing unit covering the W/2 W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico from +/- 11,051' MD as shown in the logs for the Government "L" No. 1 well (API No. 30-025-25604) to the base of the Bone Spring formation; and (2) pooling all uncommitted mineral interests in the proposed spacing unit. This proposed spacing unit will be dedicated to the Ned Pepper 18 TB Federal Com 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. 20169, Marathon seeks to re-open Case No. 20169 to pool additional mineral owners not previously identified. Applicant seeks an order from the Division:

(1) approving the creation of a 320-acre, more or less, spacing unit covering the W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico underlying the Wolfcamp formation; and (2) pooling all uncommitted mineral interests in the proposed spacing unit. This proposed spacing unit will be dedicated to the Ned Pepper 18 WA Federal Com 2H, Ned Pepper 18 WXY Federal Com 6H, and Ned Pepper 18 WA Federal Com 9H wells, to be horizontally drilled. The producing area for the 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 well is drilled and when the well is completed.

**PROPOSED EVIDENCE**

**APPLICANT**

**WITNESSES**

**EST. TIME**

**EXHIBITS**

Landman--TBD

Approx. 20 min.

Approx. 5

Geologist-TBD

Approx. 10 min.

Approx. 5

**PROCEDURAL ISSUES**

Marathon intends to put present these cases by affidavit unless there is objection to Marathon doing so. Marathon also requests that these cases be consolidated for hearing purposes.

Respectfully submitted,

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

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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 August 28, 2019:

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