

RECEIVED OCD

2017 DEC 18 P 2: 44.



MODRALL SPERLING

L A W Y E R S

Jennifer L. Bradfute  
505.848.1845  
Fax: 505.848.1882  
jlb@modrall.com

December 14, 2017

Florene Davidson  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

**Re: Case No. 15909  
APPLICATION OF MARATHON OIL PERMIAN LCC FOR A  
NON-STANDARD SPACING AND PRORATION UNIT, NON-  
STANDARD LOCATIONS, AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Marathon's Pre-Hearing Statement.

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,



Zina Crum, Legal Assistant to  
Jennifer L. Bradfute

JLB/zc  
Enclosure

Modrall Spierling  
Roehl Harris & Sisk  
P.A.

Bank of America  
Centre  
500 Fourth Street  
NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico  
87103-2168

Tel: 505 848 1800

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

**APPLICATION OF MARATHON  
OIL PERMIAN LLC FOR A NON-STANDARD  
SPACING AND PRORATION UNIT,  
NON-STANDARD LOCATIONS,  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 15909

**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  
5555 San Felipe St.  
Houston, TX 77056

**ATTORNEY**

Earl E. DeBrine, Jr., Esq.  
Jennifer L. Bradfute, Esq.  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
P. O. Box 2168  
Albuquerque, New Mexico 87103-2168  
(505) 848-1800

**OPPONENT/INTERESTED PARTY:**

COG Operating, LLC  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87501  
(505) 780-8000

Ocean Munds-Dry  
William F. Carr  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87501  
(505) 780-8000

**STATEMENT OF CASE**

**APPLICANT:**

Applicant in the above-styled cause seeks an order from the Division (1) creating a non-standard 160-acre spacing a proration unit in the Bone Spring formation, comprised of the E/2 W/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; (2) approving non-standard locations; and (3) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This will be for the development of the **Flowmaster 24 34 15 SB 8H**. 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.

Marathon filed an amended application in this case to modify the non-standard locations that it is seeking. The non-standard locations that Marathon seeks for the well are for the first and last perforations, which will be located 200' from the North line and 1,985' from the West line, and 200' from the South line and 1,984' from the West line.

**PROPOSED EVIDENCE**

**APPLICANT:**

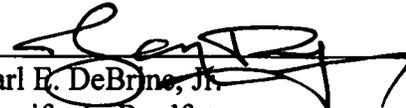
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Ryan Gyllenband – Landman	Approx. 20	Approx. 6
Ethan Perry – Geologist	Approx. 15	Approx. 4

**PROCEDURAL ISSUES**

Marathon asks that this case be consolidated with Case No. 15908 at the hearing.

Respectfully submitted,

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

By:   
Earl E. DeBrino, Jr.  
Jennifer L. Bradfute  
Post Office Box 2168  
Bank of America Centre  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800

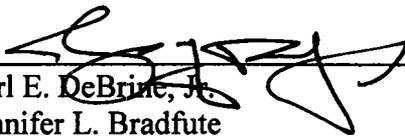
**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on December 14, 2017.

Jordan L. Kessler  
Adam G. Rankin  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421

Ocean Munds-Dry  
William F. Carr  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87501  
(505) 780-8000

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

By:   
Earl E. DeBrine, Jr.  
Jennifer L. Bradfute  
Post Office Box 2168  
Bank of America Centre  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800