

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

**FEB 15 2018 AM 10:47**

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

CASE NO. 15986

**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**

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Jennifer L. Bradfute, Esq.  
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**STATEMENT OF CASE**

**APPLICANT:**

Applicant in the above-styled cause seeks an order from the Division for an order pooling all mineral interests in the Wolfcamp formation underlying the spacing and proration unit located within the W/2 of Section 18, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. Marathon plans to drill and complete the Gravel Grinder Fee 23-28-18 WXY 3H well, which is a horizontal well that will develop the Purple Sage Wolfcamp Gas Pool (Pool Code 98220) within the proration unit along with two other wells: the Gravel Grinder Fee 23-28-18 WXY 10H and Gravel Grinder Fee 23-28-18 WA 5H. The perforations for these wells will be orthodox and comply

with the special pool rules for the Purple Sage Wolfcamp Pool. 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 well, and a 200% charge for risk involved in drilling said well.

**PROPOSED EVIDENCE**

**APPLICANT:**

| <u>WITNESS</u>            | <u>ESTIMATED TIME</u> | <u>EXHIBITS</u> |
|---------------------------|-----------------------|-----------------|
| Chase Rice – Landman      | Approx. 20            | Approx. 6       |
| Andrew Becker – Geologist | Approx. 15            | Approx. 4       |

**PROCEDURAL ISSUES**

Marathon asks that this case be consolidated with Case No. 15985 at the hearing.

Respectfully submitted,

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

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