

**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:

CASE NO. 11112

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P.
FOR POOL CONTRACTION AND EXPANSION,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MARATHON OIL
COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Santa Fe Energy Operating
Partners, L. P.

ATTORNEY

James Bruce, Esq.
P. O. Box 2068
Santa Fe, N.M. 87501

INTERESTED PARTY

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702
Attn: Thomas C. Lowry, Esq.
(915) 687-8148

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

MARATHON OIL COMPANY:

Marathon Oil Company is an operator of existing wells in Sections which include Sections 1, 2, 10, 11, 12 and 15 of T21S, R23E which offset Santa Fe Operating Partners' Section 14, Eddy County, New Mexico.

Marathon Oil Company supports the contraction of the Indian Basin Upper Pennsylvanian Gas Pool and the concomitant expansion of South Dagger Draw-Upper Pennsylvanian Association Pool for not only Section 14 but also for Sections 1, 2, 11, 12 as reflected in NMOCD Case 11121 (Nomenclature).

PROPOSED EVIDENCE

POTENTIAL WITNESS	EST. TIME	EXHIBITS
Rod Stewart (PE)	15-20 min.	APPROX 3

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN



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