

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

**AMENDED APPLICATION OF MARATHON OIL  
PERMIAN LLC FOR THE APPROVAL  
OF A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 16413**

**AMENDED APPLICATION OF MARATHON OIL  
PERMIAN LLC FOR THE APPROVAL  
OF A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 16414**

**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**

Jennifer L. Bradfute  
Deana Bennett  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
P. O. Box 2168  
Albuquerque, New Mexico 87103-2168  
(505) 848-1800

**STATEMENT OF CASE**

**APPLICANT:**

In Case No. 16413, Marathon seeks an order from the Division: pooling all uncommitted

mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Section 19, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Duda Bides Federal 22-28-19 TBC 7H** 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 In the event that the new horizontal well rule regulations are stayed or repealed, Marathon further seeks the approval of a non-standard spacing and proration unit, similar to relief that has been requested by other applicants.

In Case No. 16414, Marathon seeks an order from the Division: pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Section 19, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the **Duda Bides Federal 22-28-19 WXY 5H, Duda Bides Federal 22-28-19 WA 6H, and Duda Bides Federal 22-28-19 WXY 10H** wells, to be horizontally drilled. The producing area for these 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 wells are drilled and when the first well is completed. In the event that the new horizontal well rule regulations are stayed or repealed, Marathon further seeks the approval of a non-standard spacing and proration unit, similar to relief that has been requested by other applicants.

## PROPOSED EVIDENCE

### APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Travis Prewett – Landman	Approx. 30	Approx. 8
Ethan Perry – Geologist	Approx. 30	Approx. 6

## PROCEDURAL ISSUES

Marathon asks that these matters be consolidated at hearing and if no objections to these

applications are filed, Marathon will present these cases by affidavit.

Respectfully submitted,

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

By: \_\_\_\_\_

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