

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

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

**CASE NO. 25877**

**PRE-HEARING STATEMENT**

Marathon Oil Permian LLC ("Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPLICANT**

Marathon Oil Permian LLC

**ATTORNEYS**

Dana S. Hardy  
Jaclyn M. McLean  
Yarithza Peña  
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**INTERESTED PARTY**

None.

**ATTORNEYS**

**STATEMENT OF THE CASE**

Applicant applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 1,266.6-acre, more or less, standard horizontal spacing unit comprised of irregular Section 7 and Section 8, Township 24 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the following wells ("Wells"): **Atreides Federal Com 701H** well, which will be horizontally drilled from a proposed surface hole location in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 7 to a proposed bottom hole location in the NE/4 NE/4 (Unit A) of Section 8; **Atreides Federal Com 702H** well, which will be horizontally drilled from a proposed

surface hole location in Lot 2 (SW/4 NW/4 equivalent) of irregular Section 7 to a proposed bottom hole location in the SE/4 NE/4 (Unit H) of Section 8; **Atreides Federal Com 703H** well, which will be horizontally drilled from a proposed surface hole location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 7 to a proposed bottom hole location in the NE/4 SE/4 (Unit I) of Section 8; and **Atreides Federal Com 704H** well, which will be horizontally drilled from a proposed surface hole location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 7 to a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 8.

The completed intervals of the Wells will be orthodox. The completed interval of the **Atreides Federal Com 702H** well will be located within 330' of the half-section line separating the N/2 and S/2 of Sections 7 and 8 to allow for the creation of a 1,266.6-acre standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells, the allocation of the costs, the designation of Applicant as the operator of the Units and Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

#### **PROPOSED EVIDENCE**

| <b>Witness</b>     | <b>Occupation</b> | <b>Estimated Time</b> | <b>Exhibits</b> |
|--------------------|-------------------|-----------------------|-----------------|
| Shelley C. Klinger | Landman           | Affidavit             | Approx. 6       |
| Preston Dupree     | Geologist         | Affidavit             | Approx. 5       |

#### **PROCEDURAL MATTERS**

Applicant intends to present this case by affidavit if there is no objection to its application.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

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State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

QUESTIONS

Action 547549

QUESTIONS

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| Operator:<br>MARATHON OIL PERMIAN LLC<br>600 W Illinois Ave<br>Midland, TX 79701 | OGRID:<br>372098   |
|  | Action Number:<br>547549                                 |
|  | Action Type:<br>[HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

|   |               |
|---|---------------|
| Testimony   |               |
| Please assist us by provide the following information about your testimony. |               |
| Number of witnesses   | Not answered. |
| Testimony time (in minutes)   | Not answered. |