

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

**AMENDED APPLICATION OF BTA OIL  
PRODUCERS, LLC FOR A NON-STANDARD  
SPACING AND PRORATION UNIT  
AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 16024**

**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**

BTA Oil Producers, LLC  
104 S. Pecos  
Midland, TX 79701

**ATTORNEY**

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**OPPONENT**

Marathon Oil Permian LLC  
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**ATTORNEY**

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## STATEMENT OF CASE

### OPPONENT MARATHON:

In Case Nos.16024, BTA Oil Producers, LLC has requested the creation of a non-standard 480-acre proration unit for development within the W/2 of Section 29 and NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County New Mexico to accommodate the drilling of the BTA-Ogden 20509 32-29 Fed Com #5H well and the BTA-Ogden 20509 32-29 Fed Com #6H well.

Marathon owns working interests in the Wolfcamp formation located within the W/2 of Section 29, which is acreage that is the subject of Case No. 16024. Marathon objects to the development plans proposed by BTA because such plans will impair Marathon's correlative rights, cause waste, and strand reserves underlying the W/2 of Section 32. Marathon has proposed an alternative development plan, which will efficiently drain the Wolfcamp Formation in the W/2 of Section 29 and result in greater recovery. In connection with the proposal, Marathon has filed pooling applications in Case Nos. 16076 and 16077. Marathon should be appointed as operator of the W/2 of Section 32, pursuant to these proposed development plans and applications. Marathon further objects to BTA's proposal to the extent that it seeks to rely on excessive cost estimates sent in initial AFEs for the BTA-Ogden 20509 32-29 Fed Com #5H and #6H wells. BTA subsequently provided Marathon with a revised AFE, but did not provide Marathon with 30 days to review this new cost estimate before filing a pooling application with the Division.

## PROPOSED EVIDENCE

### OPPONENT MARATHON.:

WITNESS	ESTIMATED TIME	EXHIBITS
Chase Rice – Landman	Approx. 20	Approx. 6
Tucker Keren – Geologist	Approx. 15	Approx. 4
Mikhail Alekseenko – Engineer	Approx. 15	Approx. 4

## PROCEDURAL ISSUES

Marathon has filed a separate motion, requesting that this case be continued to a special docket on April 24, 2018. BTA has agreed to this motion.

Respectfully submitted,

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

By: 

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### 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 April 17<sup>th</sup>, 2018:

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