

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

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

**CASE NO. 16213**

**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

**ATTORNEY**

Jennifer L. Bradfute  
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**OPPONENT**

COG Operating

**ATTORNEY**

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## STATEMENT OF CASE

In Case No. 16213, Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Hambone Federal 26-29-5 TB 9H** and **Hambone Federal 26-29-5 SB 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 well, and a 200% charge for risk involved in drilling said wells.


## PROPOSED EVIDENCE

### MARATHON:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chase Rice – Landman	Approx. 40	Approx. 10
Tucker Keren/TBD – Geologist	Approx. 30	Approx. 5
Jacob Rotolo/TBD - Engineer	Approx. 20	Approx. 5

Respectfully submitted,

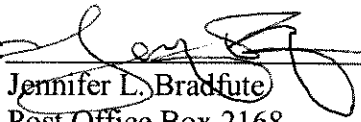
**MODRALL, SPERLING, ROEHL, HARRIS  
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By:   
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## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on  
counsel of record by electronic mail on September 27, 2018:

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