

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

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

CASE NO. 16381

**APPLICATION OF TAP ROCK
OPERATING, LLC FOR A STANDARD
HORIZONTAL SPACING AND PRORATION
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16430

**APPLICATION OF TAP ROCK
OPERATING, LLC FOR A STANDARD
HORIZONTAL SPACING AND PRORATION
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16431

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

Tap Rock Operating, LLC

ATTORNEY

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STATEMENT OF CASE

In Case No. 16381, Marathon seeks an order from the Division: (1) creating a 1280-acre, more or less, spacing unit in covering Sections 7 and 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing and proration unit. This proposed spacing unit will be the unit for the **Crossbow 23 27 8 WXY 2H, Crossbow 23 27 8 WA 4H, Crossbow Federal 23 27 8 WXY 9H, Crossbow Federal 23 27 8 WA 10H, Crossbow Federal 23 27 8 WXY 8H Crossbow Federal 23 27 8 WXY 14H, Crossbow Federal 23 27 8 WA 15H and Crossbow Federal 23 27 8 WA 16H** 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.

Tap Rock has filed competing applications for this area covering portions of Sections 7 and 8 in Case Nos. 16430 and 16431. Marathon asks that Tap Rock's applications be denied and that Marathon's applications be granted in order to best protect correlative rights and promote the prevention of waste.

PROPOSED EVIDENCE

MARATHON:


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

PROCEDURAL ISSUES

Marathon requests that Case Nos. 16381, 16430 and 16431 be continued to the November 1, 2018 docket so that the parties can discuss a special docket date.

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 September 27, 2018:

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