

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

**APPLICATION OF MARATHON
OIL PERMIAN LLC FOR COMPUSLORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 20220

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CASE NO. 20221

MARATHON OIL PERMIAN LLC'S PRE-HEARING STATEMENT

Marathon Oil Permian LLC ("Marathon") submits this Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Marathon Oil Permian LLC

ATTORNEY

Deana M. Bennett
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P. O. Box 2168
Albuquerque, New Mexico 87103-2168
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OPPONENT/Intervenor:

Tap Rock Operating, LLC

Seth C. McMillan
Montgomery & Andrews, P.A.
325 Paseo de Peralta
Santa Fe, New Mexico 87201
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SMcMillan@montand.com

STATEMENT OF CASE

APPLICANT:

In Case No. 20220, Marathon seeks an order from the Division pooling all uncommitted mineral interests in a Wolfcamp spacing unit underlying the E/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Will Kane 15 WXY Fee 3H, Will Kane 15 WB Fee 4H, Will Kane 15 WA Fee 6H, Will Kane 14 WXY Fee 10H, and Will Kane 15 WB Fee 11H 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 wells are completed. Said area is located approximately seventeen (17) miles west of Jal, New Mexico.

In Case No. 20221, Marathon seeks an order from the Division pooling all uncommitted mineral interests in a Bone Spring spacing unit underlying the E/2 of Section 15, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Will Kane 15 TB Fee 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. Said area is located approximately seventeen (17) miles west of Jal, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Ryan Gyllenband	Approx. 30 minutes	Approx. 8
Geologist: TBD	Approx. 30 minutes	Approx. 6

PROCEDURAL ISSUES

If there are no objections to these matters, Marathon intends to present them by affidavit and would like to consolidate these cases at hearing, if possible.

Respectfully submitted,

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

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