

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

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

CASE NO. 20163

**APPLICATION OF MARATHON
OIL PERMIAN LLC FOR COMPULSORY
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CASE NO. 20164

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

CASE NO. 20169

MARATHON OIL PERMIAN'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

APPLICANT'S ATTORNEY¹

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¹ EOG entered an appearance in Case No. 20163 and 20164, but Counsel for Marathon has confirmed that EOG did so inadvertently. Consequently, these cases are uncontested.

STATEMENT OF CASE

APPLICANT:

In Case No. 20163, Marathon seeks an order from the Division: (1) approving the creation of a non-standard 160-acre, more or less, spacing unit covering the E/2 W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico from +/- 11,051' MD as shown in the logs for the Government "L" No. 1 well (API No. 30-025-25604) to the base of the Bone Spring formation; and (2) pooling all uncommitted mineral interests in the proposed spacing unit. This proposed spacing unit will be dedicated to the **Ned Pepper Federal 24 34 18 TB 4H** 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.

In Case No. 20164, Marathon seeks an order from the Division: (1) approving the creation of a non-standard 160-acre, more or less, spacing unit covering the W/2 W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico from +/- 11,051' MD as shown in the logs for the Government "L" No. 1 well (API No. 30-025-25604) to the base of the Bone Spring formation; and (2) pooling all uncommitted mineral interests in the proposed spacing unit. This proposed spacing unit will be dedicated to the **Ned Pepper Federal 24 34 18 TB 1H** 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.

In Case No. 20169, Marathon seeks an order from the Division: (1) approving the creation of a 320-acre, more or less, spacing unit covering the W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico underlying the Wolfcamp formation; and (2) pooling all uncommitted mineral interests in the proposed spacing unit. This proposed spacing unit will be dedicated to the **Ned Pepper Federal 24 34 18 WA 2H**, **Ned Pepper Federal 24 34 18 WXY 6H**, and **Ned Pepper Federal 24 34 18 WA 9H** wells, to be horizontally drilled. The producing area for the 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 first well is drilled and when completion operations are commenced for the first well drilled.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Landman--TBD

Approx. 20 min.

Approx. 5

Geologist-TBD

Approx. 10 min.

Approx. 5

PROCEDURAL ISSUES

These cases are uncontested and Marathon intends to put these cases on by affidavit.

Respectfully submitted,

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

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