

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 20843

Hearing date set for February 20, 2020, for a status update.

FORAN OIL COMPANY'S UNOPPOSED MOTION FOR CONTINUANCE

On November 4, 2019, the Division issued Docket No. 43-19, a special docket set for a consolidated hearing on 19 cases, including the above-captioned case. For the reasons set forth below, Foran Oil Company ("FOC") moves for a continuance of the hearing on the 18 cases remaining on the special hearing docket. Counsel for FOC has consulted with counsel for all parties to these cases, and none object to continuing the hearing on this special docket, provided that FOC requests that a new hearing date be set in January 2020. With the consent of all parties, FOC is filing separate motions in all of the cases included on Docket No. 43-19, except for Case No. 20176, an application of Ridge Runner Resources Operating, LLC (Ridge Runner), for which a Notice of Voluntary Dismissal has been filed. This motion is filed in accordance with the Division's Rules, including, 19.15.4.13(C) and 19.15.4.15 NMAC.

As grounds for the Motion, FOC states as follows:

1. The 16 pending hearing applications filed by Ridge Runner and Marathon Oil Permian LLC (Marathon) that have been consolidated for this hearing on Docket 43-19 involve conflicting proposals to develop horizontal wells in units with different standup and laydown orientations and of various unit sizes in all or parts of six sections: Sections 26, 27, 34, and 35,

Township 22 South, Range 28 East NPNM, Eddy County, and Sections 1 and 2 (W2) in Township 23 South, Range 28 East, NPNM, Eddy County. Marathon and Ridge Runner seek to pool interests in various portions of both the Wolfcamp and Bone Spring formations within this area. The remaining two cases, Nos. 20374 and 20375, are applications by WPX Energy Permian, LLC (WPX), seeking compulsory pooling of proposed laydown units in the E2 of Section 35 and all of Section 36.

2. Seven of the Marathon and Ridge Runner applications and the two WPX applications previously were consolidated and set for a hearing on August 27, 2019, Docket No. 31-19. FOC previously intervened and requested a continuance of the consolidated hearing due to lack of notice and its inability to prepare for the prior hearing setting. Following agreement to continue the nine cases, FOC's Motion for Continuance and subsequent motions filed by other parties were granted.

3. Thereafter, on October 8, 2019, Marathon Oil Permian LLC (Marathon) filed nine new applications, Case Nos. 20840 to 20848, involving nine proposed spacing units covering all of Sections 27 and 34 and the W2 of Sections 2 and 35, including both the Bone Spring and Wolfcamp formations. These nine cases also have been included for hearing in Docket No. 43-19.

4. The number of well proposals, compulsory pooling applications, and changes in proposed orientation of the units and applications over the course of the proposed development plans by Ridge Runner and Marathon has been complex and confusing. By way of example, Marathon previously sought a pooling order for its Cerberus wells for the entirety of Sections 34 and 35, Township 22 South, Range 28 East, using *laydown* laterals, and that application remains pending. Then, only a month ago, Marathon reversed course and filed new applications seeking

to develop Section 34 using *standup* laterals going into Section 2, 23 South, Range 28 East. In connection with that change in orientation, Marathon recently proposed **16** new wells to FOC at the end of September. Based on the timing of the proposals, FOC does not believe those applications are ripe for a November 19 hearing, but that they would be by a January 2020 hearing.

5. FOC needs additional time to evaluate all of the competing proposals with regard to its significant working interests in Sections 27 and 35. FOC and the other parties continue to discuss and consult on these cases in an effort to resolve at least some of the issues and to seek to reduce the complexity of these cases before they are heard. Providing additional time to hear all of these cases will hopefully result in simplification and reduction of the issues for hearing.

RELIEF REQUESTED

WHEREFORE, FOC requests that the Division enter an order continuing the hearing on all of the cases consolidated for hearing in Docket 43-19 until a new date to be set in January 2020. FOC contemplates that the parties will consult with the Division and each other on mutually-agreeable hearing date.

Respectfully Submitted,
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading, was served electronically upon the following counsel on this 8th day of November, 2019.

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