

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

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

**CASE NO. _____
CASE NO. 16144 (Re-opened)
ORDER NO. R-20369**

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division to re-open Case No. 16144 for the limited purpose of adding new parties to be pooled. Marathon is filing contemporaneously herewith applications to re-open Case Nos. 16145 and 16146. Marathon has previously requested that the Division enter a single order in all three cases, which order would cover a single spacing unit in the Wolfbone formation, comprised of the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfbone formation underlying this proposed spacing unit.

In support of this application, Marathon states as follows:

1. These cases first went to hearing on November 15, 2018. Cases No. 16144, 16145, and 16146 were consolidated at the hearing for testimony; however, a separate order was issued for each case.

2. At hearing, it was determined that the Bone Spring applications also targeted the Wolfbone formation. Consequently, all three orders created spacing units within the Wolfbone Pool.

3. On January 31, 2019, the Division entered Division Order R-20371 (Case No. 16146); Division Order 20369 (Case No. 16144); and Division Order R-20370 (Case No. 16145).

4. After the orders were issued, Marathon requested that all three cases be consolidated into a single order, but because the above mentioned orders had already been issued, Marathon was required to re-open these three cases and submit an application requesting that all three orders be combined into a single order.

5. In addition, after the orders were issued, Marathon learned of two unleased mineral interest owners not previously identified.

6. Marathon filed applications to re-open on July 23, 2019.

7. The re-opened cases went to hearing on August 22, 2019.

8. After the August 22, 2019 hearing, Marathon learned of additional parties to be pooled.

9. Marathon requests that this case be re-opened for the limited purpose of adding parties to be pooled under the single, consolidated order Marathon requested in its July 23, 2019 application and at the August 22, 2019 hearing.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 12, 2019, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in a spacing unit underlying the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone

formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico in the single consolidated order Marathon has previously requested;

B. Designating Marathon as operator of this unit and the wells to be drilled thereon;

C. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

F. Marathon requests an expedited order.

Respectfully submitted,

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

By: Deana M. Bennett
Deana M. Bennett
Nicole T. Russell
Post Office Box 2168
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 16144 (Re-open): Application of Marathon Oil Permian LLC to Re-Open Case No. 16144, Lea County, New Mexico. Applicant seeks to re-open Case No. 16144 for the limited purpose of including additional pooled parties in the single, consolidated order Marathon previously requested covering the Wildcat Wolfbone Oil Pool (Pool code 98098) and all other pools hereafter defined within the Wolfbone formation in the E/2 of Section 18 and the NE/4 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles northwest of Jal, New Mexico.