

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

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

CASE NO. 20130

MARATHON OIL PERMIAN LLC'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

Deana M. Bennett
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OTHER PARTIES

EOG Resources, Inc.

ATTORNEY

Michael Feldewert
Adam Rankin
Julia Broggi
Kaitlyn Luck
HOLLAND & HART, LLP
PO Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT:

Marathon seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Sections 6 and 7, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to the Rick Vaughn 7 WA Fed Com 1H; Rick Vaughn 7 WB Fed Com 5H; Rick Vaughn 7 WA Fed Com 6H; Rick Vaughn 7 WB Fed Com 8H; Rick Vaughn 7 WA Fed Com 9H; Rick Vaughn 7 WB Fed

Com 13H; and Rick Vaughn 7 WA Fed Com 14H 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 first well is completed.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Chase Rice	Approx. 30 minutes	Approx. 8
Geologist: Rebecca Horne	Approx. 30 minutes	Approx. 6

PROCEDURAL ISSUES

If there are no objections to this matter, Marathon intends to present it by affidavit and to consolidate them for hearing purposes. Counsel for Marathon has coordinate with EOG's counsel who does not oppose the case being put on by affidavit.

Respectfully submitted,

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

By: Deana M. Bennett
Deana M. Bennett
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Deana.bennett@modrall.com

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 January 30, 2019:

Michael Feldewert: mfeldewert@hollandhart.com
Adam G. Rankin: agrarkin@hollandhart.com
Julia Broggi: jbroggi@hollandhart.com
Kaitlyn A. Luck: kaluck@hollandhart.com

Counsel for EOG Resources, Inc.

By: 
Deana M. Bennett
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800