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

2017 NOV 22 P 2: 33

APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CASE NO. 15888

PRE-HEARING STATEMENT

Marathon Oil Permian LLC ("Marathon") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT:

MARATHON OIL PERMIAN LLC

MARATHON OIL PERMIAN LLC's
ATTORNEY

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OPPONENT/OTHER PARTIES

MEWBOURNE OIL COMPANY

OPPONENT'S ATTORNEY

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STATEMENT OF THE CASE

Mewbourne has applied for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E2/W2 of Section 10, Township 23 South,

Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit.

Marathon opposes Mewbourne's Application. The proposed well and project area are in conflict with the well and non-standard spacing unit previously proposed by Marathon (as successor-in-interest to Black Mountain Operating, LLC) in Case No. 15628, which includes the Bone Spring formation comprised of the E/2SW/4 of Section 10, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. Mewbourne objected to the application in Case No. 15628 and entered an appearance therein. Case No. 15628 was consolidated with Case Nos. 15600, 15601, 15602, 15629, and 15630, all of which were heard by the Division on March 30 and April 27, 2017, and were then taken under advisement. The Division's order on these cases remains pending.

PROPOSED EVIDENCE

<u>APPLICANT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Matt Brown, Land	10 min.	5
Roy Wilty, Geologist	10 min.	5
Ryan Gyllenband, Land	10 min.	5

PROCEDURAL MATTERS

Marathon may file a motion to dismiss, or in the alternative, a motion to continue, on the ground that the acreage Mewbourne seeks to pool by its Application is already the subject of Case No. 15628 (consolidated with Case Nos. 15600, 15601, 15602, 15629, and 15630).

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

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Attorneys for Marathon Oil Permian LLC

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 November 22, 2017:

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