

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

FEB 15 2018 AM 10:47

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

CASE NO. 15985

MARATHON'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
5555 San Felipe St.
Houston, TX 77056

ATTORNEY

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STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause seeks an order from the Division (1) creating a non-standard 160-acre oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 W/2 of Section 18, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. Marathon plans to drill and complete the Gravel Grinder Fee 28-28-18 TB 6H well, which is a horizontal well that will develop the Malaga Bone Springs, North Pool (Pool Code

42800) underlying the project area. 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 well, and a 200% charge for risk involved in drilling said well.

PROPOSED EVIDENCE

APPLICANT:


<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chase Rice – Landman	Approx. 20	Approx. 6
Andrew Becker – Geologist	Approx. 15	Approx. 4

PROCEDURAL ISSUES

Marathon asks that this case be consolidated with Case No. 15986 at the hearing.

Respectfully submitted,

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

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