

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

**APPLICATION OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16082

**APPLICATION OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16083

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

Matador Production Company
One Lincoln Centre
5400 LBJ Freeway
STE 1500
Dallas, TX 75240

ATTORNEY

James Bruce
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Santa Fe, NM 87501
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OPPONENT

Marathon Oil Permian LLC
5555 San Felipe St.
Houston, TX 77056

ATTORNEY

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STATEMENT OF CASE

OPPONENT MARATHON:

In Case No. 16082, Matador Production Company (Matador) seeks an order approving a 320-acre gas spacing and proration unit in the Wolfcamp formation underlying (the E/2 of Section 1, Township 23 South, Range 27 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the gas spacing and proration unit. In Case No. 16083, Matador seeks order approving a 320-acre gas spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 1, Township 23 South, Range 27 East, NMPM, and pooling all mineral interests in the Wolfcamp formation underlying the gas spacing and proration unit. Marathon owns working interests in the Wolfcamp formation located within the subject areas.

Marathon objects to the development plans proposed by Matador because such plans will impair Marathon's correlative rights, cause waste, and strand reserves underlying the proposed spacing and proration units. Marathon has proposed an alternative development plan which will efficiently drain the Wolfcamp Formation in Section 1 and result in greater recovery.

PROPOSED EVIDENCE

OPPONENT MARATHON:

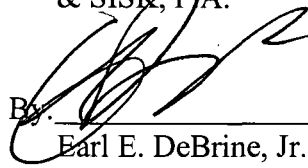
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chase Rice – Landman	Approx. 20	Approx. 6
Tucker Keren – Geologist	Approx. 15	Approx. 4
Engineer	Approx. 15	Approx. 4

PROCEDURAL ISSUES

Marathon requests that this matter be continued to the May 17th docket, and then set for a special docket date agreed to by the parties. Marathon has submitted its competing development proposals to Matador, and is in the process of preparing and filing competing pooling applications.

Respectfully submitted,

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

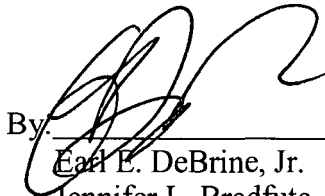
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Attorneys for Marathon Oil Permian LLC

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 April 26, 2018:

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