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April 20, 2018

Florene Davidson
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

16077

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

Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Marathon's Amended Application - Zeus 15H

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,

Zina Crum, Legal Assistant to
Jennifer L. Bradfute

JLB/zc
Enclosure

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

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

CASE NO. 16077

AMENDED APPLICATION

Marathon Oil Permian LLC ("Marathon"), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the E/2 W/2 of Section 29, 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. In support of this application, Marathon states as follows:

1. Marathon is an interest owner in the subject lands and has a right to drill a well thereon.
2. Marathon seeks to dedicate the E/2 W/2 of Section 29 to the below proposed well to form a non-standard 160-acre, more or less, oil spacing and proration unit (the "project area").
3. Marathon plans to horizontally drill the **Zeus Fee 23 28 29 TB 15H** wells to a depth sufficient to test the Bone Spring formation.

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

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

F. 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.

Respectfully submitted,

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

By: 

Earl E. DeBaine, Jr.

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Attorneys for Applicant