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MODRALL SPERLING

L A W Y E R S

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May 2, 2018

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

Re: **No. 16117**
APPLICATION OF COG OPERATING LLC FOR A NON-
STANDARD SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO

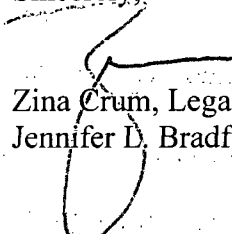
Dear Ms. Davidson:

Enclosed please find three copies of the following:

1. Marathon's Pre-Hearing Statement - COG Operating

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

Modrall Sperling
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P.A.

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

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

CASE NO. 16117

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

COG Operating LLC
One Concho Center
600 W. Illinois Ave
Midland, TX 79701

ATTORNEY

Adam Rankin
Michael Feldewert
Holland & Hart
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
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OPPONENT

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

ATTORNEY

Earl E. DeBrine, Jr.
Jennifer L. Bradfute
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
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STATEMENT OF CASE

OPPONENT:

Applicant in the above-styled cause seeks an order from the Division (1) creating a 640-acre, more or less, spacing and proration unit comprised of the W/2 of Section 5 and the W/2 of Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation for the **Hambone Federal Com 25H Well**.

Marathon had previously filed applications with the Division in Case Nos. 16050 and 16051 involving this acreage. In Case No. 16050, Marathon seeks an order: (1) creating a non-standard 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 5, Township 26 South, Range 29 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 **Hambone Federal 26-29-5 TB 2H** and **Hambone Federal 26-29-5 SB 6H** wells within this spacing and proration unit. In Case No. 16051, Marathon also seeks an order pooling all mineral interests in the Wolfcamp formation underlying the standard 320-acre, more or less, spacing and proration unit comprised of the S/2 of Section 5, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. Marathon plans to drill and complete the **Hambone Federal 26-29-5 WB 3H** and **Hambone Federal 26-29-5 WD 4H** wells within the spacing and proration unit underlying this acreage to a depth sufficient to test the Wolfcamp formation.

Marathon objects to the development plans proposed by COG because such plans will impair Marathon's correlative rights, cause waste, and strand reserves underlying the proposed spacing and proration units.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Chase Rice – Landman	Approx. 30	Approx. 8
Tucker Keren – Geologist	Approx. 30	Approx. 6
Mikhail Alekseenko – Engineer	Approx. 30	Approx. 6

Respectfully submitted,

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

By: 

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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 May 2, 2018:

Adam Rankin
Michael Feldewert
Holland & Hart
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Santa Fe, New Mexico 87504-2208
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