

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

**AMENDED APPLICATION OF MARATHON
OIL PERMIAN LLC FOR A SPACING UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16147

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 480-acre, more or less, spacing unit in the Wolfcamp formation, comprised of the W/2 Section 11 and the NW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing 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 W/2 Section 11 and the NW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico to the proposed spacing unit.
3. This spacing unit will be dedicated to the **Ender Wiggins Fed Com 25-34-14 WA 1H, Ender Wiggins Fed Com 25-34-14 WA 10H, Ender Wiggins Fed Com 25-34-14 WXY 6H** wells, which will be horizontally drilled.

4. Marathon sought, but has been unable to obtain a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the wells.

5. Approval of the spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

6. Marathon further requests that it be allowed one (1) year between the time the wells are drilled and completion of the wells under the order issued by the Division.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 15, 2018, and after notice and hearing as required by law, the Division enter its order:

A. Creating a 480-acre, more or less, spacing unit in the Wolfcamp formation, comprised of the W/2 Section 11 and the NW/4 of Section 14, Township 25 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying this spacing unit;

C. Designating Marathon as operator of this unit and the wells to be drilled thereon;

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.

G. Allowing a time period of one (1) year between when the wells are drilled and when the wells are completed under the order.

Respectfully submitted,

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

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CASE NO. 16147: Amended Application of Marathon Oil Permian LLC for a spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division: (1) creating a 480-acre, more or less, spacing unit in the Wolfcamp formation, comprised of the W/2 Section 11 and the NW/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed spacing unit. This proposed spacing unit will be will be for the **Ender Wiggins Fed Com 25-34-14 WA 1H, Ender Wiggins Fed Com 25-34-14 WA 10H, Ender Wiggins Fed Com 25-34-14 WXY 6H**, to be horizontally drilled. The producing area for the wells will be orthodox. 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, a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the wells are drilled and when the wells are completed. Said area is located approximately 15 miles west northwest of Jal, New Mexico.

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