

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

**APPLICATION OF MARATHON OIL PERMIAN
LLC FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

FILED 04/20/19 10:03 AM

CASE NO. 16412

MRC Permian Company ("Matador") moves the Division to continue Case No. 16412 to the March 21, 2019 Examiner Hearing Docket on the grounds that Marathon Oil Permian, LLC ("Marathon") has failed to engage in good faith efforts to reach a voluntary agreement with Matador. In support of this motion, Matador states as follows:

1. Marathon seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying the N/2 of Sections 7 and 8, Township 24 South, Range 27 East, Eddy County, New Mexico. Marathon plans to dedicate the spacing unit to the Atreides 7 WXY Fed 2H, Atreides 7 WA Fed 4H, Atreides 7 WXY Fed 5H, and the Atreides 7 WA Fed 8H wells.

3. MRC Permian Company owns an interest in the proposed horizontal spacing unit.

4. Marathon failed to propose the well to Matador until January 31, 2019. *See* Attachment A. Marathon appears to have filed its amended pooling application on January 14, 2019.¹

¹ Service of this amended application was not provided to Holland and Hart, even though Holland and Hart entered its appearance on behalf of MRC Permian Company on January 3, 2019.

5. Marathon's application states that "Marathon has sought, but has been unable to obtain, a voluntary agreement from all interest owners..." See Application, ¶ 5.

6. The Division requires an applicant for compulsory pooling to furnish all interest owners a well proposal letter and AFE thirty days prior to filing a pooling application to satisfy good faith negotiations. See R-13165, ¶ 5(a).

7. Marathon failed to furnish Matador with a well proposal letter or AFE prior to filing a pooling application; therefore, Marathon not engaged in good faith efforts to reach an agreement with Matador.

8. Counsel for Marathon does not agree to a continuance.

WHEREFORE, MRC Permian Company, respectfully requests that the Division continue the hearing in this matter until the March 21, 2019, Examiner Hearing Docket.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Jordan L. Kessler
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jlkessler@hollandhart.com

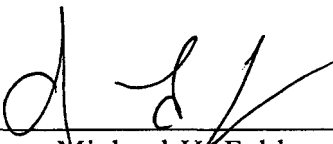
ATTORNEYS FOR MRC PERMIAN COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on February 4, 2019, I served a copy of the foregoing document to the following via electronic mail to:

Deana Bennett
Modrall Sperling
P.O. Box 2168
Albuquerque, NM 87102
505.848.1834

**ATTORNEY FOR MARATHON OIL
PERMIAN, LLC**



Michael H. Feldewert
Jordan L. Kessler

Clory L. Wetzsteon

From: Nick Weeks <NWeeks@matadorresources.com>
Sent: Thursday, January 31, 2019 4:01 PM
To: Briana McDuff
Cc: Kyle Perkins
Subject: Fwd: Atreides Well Proposal
Attachments: [Untitled].pdf; ATREIDES 7 WA FED 8H.pdf; ATREIDES 7 WXY FED 2H.pdf; ATREIDES 7 WXY FED 5H.pdf; ATREIDES 7 WA FED 4H.pdf

Nicholas Weeks
Landman
Matador Resources Company
5400 LBJ Freeway, Ste 1500
Dallas, Texas 75240
Office: (972) 371-5481
nweeks@matadorresources.com

From: Prewett, Travis H. (MRO) <thprewett@marathonoil.com>
Sent: Thursday, January 31, 2019 3:37:31 PM
To: Nick Weeks
Subject: Atreides Well Proposal

****EXTERNAL EMAIL****

Nick,
I am glad we spoke yesterday, our Title Opinion and Ownership Report had failed to portray Matador's CDC held the leases we had noted as expired, therefore we had not proposed these wells to you. Please see the attached letter and AFEs, if it makes no difference to you I'd prefer to save time and not mail out physical copies to you. I will follow back up with you for the JOA, wherein you have requested that the initial well be spud by March 1, 2020.

Regards,

Travis H. Prewett, CPL
Sr. Land Professional – Permian
Office: (713) 296 - 3696
Cell: (713) 305 - 0604
5555 San Felipe St., Houston, TX 77056

Attachment A