

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

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

CASE NO. 20468

PRE-HEARING STATEMENT

S.K. WARREN RESOURCES, LLC provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

MARATHON OIL PERMIAN, LLC

APPLICANT'S ATTORNEY:

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OPPONENT

S.K. WARREN RESOURCES, LLC

S.K. WARREN RESOURCES' ATTORNEYS:

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OTHER PARTY

STATEMENT OF THE CASE

Applicant Marathon Oil Permian, LLC (“Marathon”) seeks an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.

Marathon seeks to dedicate the W/2 of Section 22, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, to form a 320-acre, more or less, spacing unit.

In this proposed unit, Marathon plans to drill eight horizontal wells within the Purple Sage Wolfcamp Gas Pool, pool code 98220, including the **Honey Mustard Federal Com WA 2H, Honey Mustard Federal Com WD 3H, Honey Mustard Federal Com WD 5H, Honey Mustard Federal Com WXY 6H, Honey Mustard Federal Com WXY 8H, Honey Mustard Federal Com WA 9H, Honey Mustard Federal Com WD 10H & Honey Mustard Federal Com WD 11H** wells, to a depth sufficient to test the Wolfcamp formation.

S.K. Warren Resources, LLC is owner of an interest in these proposed wells. SK Warren would like to participate in development of this acreage, but is concerned that the cost of participation will be prohibitive due to the number of proposed wells. Among other things, SK Warren further questions whether eight proposed wells are necessary to develop this acreage.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
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OPPONENT S.K. WARREN RESOURCES, LLC

WITNESSES	EST. TIME	EXHIBITS
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Steve Warren	15 mins.	5
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