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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF MARATHON OIL COMPANY, FOR STATUTORY UNITIZATION, EDDY COUNTY, NEW MEXICO

CASE NO. 10341 (Consolidated)

APPLICATION OF MARATHON OIL COMPANY, FOR A PRESSURE MAINTENANCE PROJECT, EDDY COUNTY, NEW MEXICO

CASE NO. 10342 (Consolidated)

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MARATHON OIL COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT (name, address, phone and contact person)

ATTORNEY

Marathon Oil Company P.O. Box 552 Midland, TX 79702 Attn: Thomas C. Lowry, Esq. Santa Fe, New Mexico 87504 (915) 687-8148

W. Thomas Kellahin KELLAHIN, KELLAHIN & AUBREY P.O. Box 2265 (505) 982-4285

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STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Marathon Oil Company seeks to institute a pressure maintenance project in the Tamano-Bone Springs Pool by the injection of water into the Second Bone Springs Carbonate around the perimeter of the productive limits this portion of the pool thereby increasing ultimate recovery by an estimated 2.26 million barrels of additional oil.

Marathon believes that statutory unitization of the project area is necessary in order to timely implement this project.

Marathon requests the approval of the Division to inject water into this project at an initial surface injection pressure not in excess of 2300 psi (0.2 psi gradient is 1,600 psi).

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Daniel D. Taimuty (PE)	1 Hour	C-108 Unit technical report Feasibility study Step-rate data
Greg A. Wilson (Geologist)	20 Min.	Isopachs Cross-sections Structure map
Randal P. Wilson (Landman)	15 Min.	Unit operating Agreement Unit Agreement Correspondence Tabulation of ownership and status of participation

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

KELLAHIN, KELLAHIN & AUBREY

By: W. Thomas Kellahin

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