

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

**APPLICATION OF MARATHON
OIL PERMIAN LLC TO REOPEN ORDER NO. R-20996
IN CASE NO. 16381 GRANTING MARATHON
OIL PERMIAN LLC's APPLICATION FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
FOR THE LIMITED PURPOSE OF ADDING
ADDITIONAL POOLED PARTIES.**

**CASE NO. _____
ORDER NO. R-20996 (Re-Open)**

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 pooling all mineral interests in the Wolfcamp formation underlying Sections 7 and 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. 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 filed its application in Case No. 16381 in August 2018. In its application, Marathon sought to pool all uncommitted mineral interest owners in a Wolfcamp formation underlying Sections 7 and 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico.
3. Marathon plans to drill the **Crossbow Fed Com 23-27-8 WXY 2H; Crossbow Fed Com 23-27-8 WA 4H; Crossbow Fed Com 23-27-8 WXY 9H; Crossbow Fed Com 23-27-8 WA 10H; Crossbow Fed Com 23-27-8 WXY 8H; Crossbow Fed Com 23-27-8 WXY 14H;**

Crossbow Fed Com 23-27-8 WA 15H; and **Crossbow Fed Com 23-27-8 WA 16H** wells to a depth sufficient to test the Wolfcamp formation.

4. Case No. 16381 went to an Examiner Hearing on September 19, 2019.

5. On January 9, 2020, the Division Director issued Order No. R-20996, which granted Marathon's pooling application.

6. Marathon has since identified additional parties Marathon seeks to pool and include under Order No. R-20996's terms.

7. Marathon requests that Order No. R-20996 be opened for the limited purpose of adding additional parties to the pooling order.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 2, 2020, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Wolfcamp formation underlying Sections 7 and 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico;

B. Authorizing Marathon to recover its costs of drilling, equipping and completing these wells;

C. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

D. 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; and

E. Incorporating all of the provisions of Order No. R-20996.

Respectfully submitted,

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

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CASE NO. _____: Application of Marathon Oil Permian LLC to Reopen Order No. R-20996 in Case No. 16381 Granting Marathon Oil Permian LLC's Application for Compulsory Pooling, Eddy County, New Mexico for the Limited Purpose of Adding Additional Pooled Parties. Applicant seeks an order from the Division: pooling all mineral interests in the Wolfcamp formation underlying Sections 7 and 8, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. This proposed spacing unit will be dedicated to the **Crossbow Fed Com 23-27-8 WXY 2H; Crossbow Fed Com 23-27-8 WA 4H; Crossbow Fed Com 23-27-8 WXY 9H; Crossbow Fed Com 23-27-8 WA 10H; Crossbow Fed Com 23-27-8 WXY 8H; Crossbow Fed Com 23-27-8 WXY 14H; Crossbow Fed Com 23-27-8 WA 15H; and Crossbow Fed Com 23-27-8 WA 16H** wells, to be horizontally drilled. 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 wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles southwest of Carlsbad, New Mexico.