

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO AMEND ORDER
NO. R-21125, LEA COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21125
(Re-Open)**

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorney, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21125 as follows: 1) conforming Division Order No. R-21125 to the amended order template (“Amended Order Template”) described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21125 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21125 is one of eight orders relating to Marathon’s “Mead” well group.
2. Order No. R-21125 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21125 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20946 was held on December 12, 2019.

5. The Division entered Order No. R-21125 in Case No. 20946 on February 17, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21125 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21125 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21125, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21125, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

10. Good cause exists for Marathon’s request for an extension of time.

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21125, Marathon would be required to commence drilling the well by February 17, 2021.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 17, 2021 to February 17, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21125 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21125 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 17, 2022.

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

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CASE NO. _____ : (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21125, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21125 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21125 to allow for an extension of time to commence drilling the well under the Order.