

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO AMEND ORDER
NO. R-21106, EDDY COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21106
(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-21106 as follows: 1) conforming Division Order No. R-21106 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-21106 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-21106 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 S/2 of Section 12, Township 23 South, Range 28 East and Section 7, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

2. Order No. R-21106 designated Marathon as the operator of the well and the unit.

3. The Division Hearing for Case No. 20868 was held on November 14, 2019.

4. The Division entered Order No. R-21106 in Case No. 20868 on February 13, 2020.

This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

5. Marathon requests that Order No. R-21106 be re-opened to conform this order to the terms of the Amended Order Template.

6. Marathon further requests that Order No. R-21106 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

7. Order No. R-21106 ¶ 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.”

8. 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.

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

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

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

12. Under Order No. R-21106, Marathon would be required to commence drilling the well by February 13, 2021.

13. Marathon asks that the deadline to commence drilling the well be extended for a year from February 13, 2021 to February 13, 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-21106 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21106 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 13, 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-21106, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21106 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-21106 to allow for an extension of time to commence drilling the well under the Order.