

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO AMEND ORDER
NO. R-21054, LEA COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21054
(Amend)**

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-21054 (the “Order”) to allow for a second extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. In November 2019, Marathon filed an application (Case No. 20949) seeking to pool uncommitted interests in the Bone Spring formation underlying the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
2. On January 29, 2020, the Division entered Order No. R-21054 in Case No. 20949. Order No. R-21054 is one of eight orders relating to Marathon’s “Mead” well group.
3. Order No. R-21054 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
4. Order No. R-21054 designated Marathon as the operator of the well and the unit.

5. On December 14, 2020, Marathon submitted a written request to the Division requesting a one-year extension of time to drill the well under the Order.

6. On December 16, 2020, by letter order, the Division granted Marathon an extension of time to commence drilling the well, until January 31, 2022. The letter order also stated that “[a]ll other provisions of this order remain in full force and effect.”

7. Marathon requests that Order No. R-21054 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21054, Page 3, ¶ 5 states that the Order will expire “unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.”

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

10. As Marathon explained in its first extension request, there have been changes in Marathon’s drilling schedule due to COVID-19 and the then-existing market conditions.

11. Marathon’s operations and drilling activity continue to be impacted by COVID-19 and oil and gas market conditions, which continue to delay Marathon’s drilling plans.

12. Under the Division’s letter order dated December 16, 2020, Marathon would be required to commence drilling the well by January 31, 2022.

13. Marathon asks that the deadline to commence drilling the well be extended for one year from January 31, 2022 to January 31, 2023.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and after notice and hearing as required by law, the Division:

- A. Amend Order No. R-21054 to extend the time for Marathon to commence drilling the well under the Order for one year, through January 31, 2023; and
- B. Incorporate all of the provisions of Order No. R-21054.

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

By: Deana M. Bennett
Deana M. Bennett
Bryce H. Smith
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21054, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21054 to allow for an extension of time to commence drilling the well under the Order. The Order pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.