

Before the Oil Conservation Division  
Examiner Hearing January 7, 2021

*Case Nos. 21597 and 21598*



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

**APPLICATIONS OF MARATHON OIL PERMIAN  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 21597 and 21598**

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## Tab 1: Self Affirmed Statement of Jeff Broussard

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

**APPLICATIONS OF MARATHON OIL PERMIAN LLC  
FOR COMPUSLORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 20823, 20829  
ORDER NOS. R-21103; R-21112 (Re-Open)  
(Frizzle Fry)**

**SELF AFFIRMED STATEMENT OF JEFF BROUSSARD**

1. I am over the age of 18, I am a land supervisor for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.
2. My area of responsibility at Marathon includes the area of Lea County in New Mexico.
3. I am familiar with the applications filed by Marathon in these cases, which are attached as 1-A and 1-B.
4. I am familiar with the status of the lands that are subject to these applications.
5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced applications.
6. The purpose of the applications is to re-open Order Nos. R-21103 and R-21112 (the "Orders") to 1) conform all of the Orders to the amended order template ("Amended Order Template") described in the April 9, 2020 Letter of the Division Director (Re: Amendments to

Compulsory Pooling Order Template), which is attached as Exhibit 2 to this Affidavit; and 2) amend all of the Orders to allow for an extension of time for drilling the wells under the Orders.

7. Order No. R-21103 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. Order No. R-21112 pooled uncommitted interest owners in a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

8. The Orders designated Marathon as the operator of the well(s) and the unit described in each order.

9. Marathon's first request is to conform the Orders to the Amended Order Template.

10. Marathon is in good standing under the statewide rules and regulations.

11. Marathon has reviewed the Amended Order Template and agrees to its terms and conditions.

12. Marathon further requests that the Orders be re-opened and amended to allow Marathon additional time to commence drilling the well(s) under the Orders.

13. Good cause exists for Marathon's request for an extension of time.

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

15. Marathon's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.

16. Under the Orders, Marathon is required to commence drilling the initial wells for each order by, as follows:

- Order R-21103: February 13, 2021
- Order R-21112: February 13, 2021

17. Marathon asks that the deadline to commence drilling the wells under the Orders be extended for a year as follows:

- Order R-21103: February 13, 2022
- Order R-21112: February 13, 2022


18. Marathon, through its counsel, notified all pooled parties of Marathon's request to re-open the Orders for the purposes specified in the applications. No opposition is expected because the pooled parties have been contacted, and have not indicated any opposition. Proof of notification is attached as Exhibit 2 to this Affidavit. Exhibit 2 shows the parties who were notified of this hearing, the status of whether they received notice, and proof of publication in the Hobbs-News Sun newspaper, showing that notice of this hearing was published on December 22, 2020.

19. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

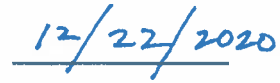
20. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

21. In my opinion, the granting of these applications is in the interests of conservation and the prevention of waste.

I affirm that the testimony herein is true and correct to the best of my knowledge and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

A handwritten signature in blue ink, appearing to read "J. Broussard", written over a horizontal line.

Jeff Broussard

A handwritten date "12/22/2020" in blue ink, written over a horizontal line.

Date

## Exhibit 1: OCD April 9, 2020 Letter



State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Cabinet Secretary

Adrienne E. Sandoval  
Director, Oil Conservation Division



BY ELECTRONIC MAIL ONLY

April 9, 2020

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EXHIBIT 1

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**RE: Amendments to Compulsory Pooling Order Template**

Dear Counsel:

The Oil Conservation Division ("OCD") has amended the compulsory pooling order template effective on April 1, 2020. The amended template is attached as Exhibit I.

Prior to April 1, 2020, OCD issued compulsory pooling orders for the cases identified in Exhibit 2. To conform an order with the amended template, please file an application for a hearing.

If you have any questions about this letter, please call Eric Ames, Office of General Counsel, at (505) 476-3463.

Respectfully,

A handwritten signature in dark ink, appearing to read 'ASandoval', is written over the printed name.

Adrienne Sandoval  
Director

cc: Gabriel Wade, Deputy Director  
Eric Ames, OGC-EMNRD  
Scott Cox, OCD Engineering Bureau

## EXHIBIT 1

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

IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
[OPERATOR]

CASE NO. \_\_\_\_\_  
ORDER NO. R-\_\_\_\_\_

### ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on [DATE], and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

### FINDINGS OF FACT

1. [NAME] ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

### CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.

8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the ~~described~~ depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. ~~If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.~~
19. ~~If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well in accordance with 19.15.16.15(C) NMAC.~~
- 19.20. ~~The Operator shall commence drilling the W~~inter~~ well(s) within one year one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well; and (b) for an infill well, no later than thirty (30) days after completion of the well.~~
20. ~~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.~~

~~214.~~ ~~Operator shall comply with th~~The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.

~~22.~~ ~~This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.~~

~~223.~~ Operator shall submit ~~to OCD~~ and each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") ~~no later than (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.~~

~~234.~~ No later than thirty (30) days after Operator submits the Estimated Well Costs-, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

~~245.~~ No later than ~~within~~ one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.

~~256.~~ No later than sixty (60) days after ~~the later of~~ the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share

of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

2~~17~~. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."

2~~18~~. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

2~~19~~. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

30~~29~~. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.

31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.

3~~21~~. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.

334. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
345. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

\_\_\_\_\_  
**ADRIENNE SANDOVAL  
DIRECTOR**

AES/xxx

**Date:** \_\_\_\_\_

CASE NO. \_\_\_\_\_  
ORDER NO. R-\_\_\_\_\_



**EXHIBIT 2**

| <b>ORDER</b> | <b>CASE</b> | <b>APPLICANT</b> |
|--------------|-------------|------------------|
| R-21168      | 21002       | MEWBOURNE        |
| R-21167      | 21001       | MEWBOURNE        |
| R-21166      | 21000       | MEWBOURNE        |
| R-21165      | 20869       | MARATHON         |
| R-21164      | 20811       | MEWBOURNE        |
| R-21162      | 21036       | DEVON            |
| R-21161      | 21035       | DEVON            |
| R-21160      | 21021       | CIMAREX          |
| R-21159      | 20997       | DEVON            |
| R-21158      | 20996       | DEVON            |
| R-21157      | 20995       | DEVON            |
| R-21156      | 20994       | DEVON            |
| R-21155      | 20990       | DEVON            |
| R-21154      | 20987       | DEVON            |
| R-21153      | 20986       | DEVON            |
| R-21152      | 20968       | KAISER-FRANCIS   |
| R-21151      | 20966       | KAISER-FRANCIS   |
| R-21150      | 20960       | BTA              |
| R-21149      | 20959       | BTA              |
| R-21148      | 20872       | DEVON            |
| R-21141      | 21030       | MARATHON         |
| R-21140      | 21028       | APACHE           |
| R-21139      | 21027       | APACHE           |
| R-21138      | 21026       | APACHE           |
| R-21137      | 20981       | COG              |
| R-21136      | 20980       | COG              |
| R-21135      | 20979       | COG              |
| R-21134      | 20597       | TAP ROCK         |
| R-21133      | 20596       | TAP ROCK         |
| R-21132      | 20468       | MARATHON         |
| R-21131      | 20993       | CIMAREX          |
| R-21130      | 20915       | BTA              |
| R-21129      | 20914       | BTA              |
| R-21128      | 20938       | CHISHOLM         |
| R-21127      | 20871       | MARATHON         |
| R-21136      | 20870       | MARATHON         |
| R-20924-A    | 20809       | MEWBOURNE        |
| R-21125      | 20946       | MARATHON         |
| R-21124      | 20936       | MATADOR          |
| R-21123      | 20858       | SPC RESOURCES    |
| R-21122      | 20708       | MARATHON         |
| R-21113      | 20864       | MARATHON         |
| R-21112      | 20822       | MARATHON         |
| R-21111      | 16210       | MATADOR          |

|         |       |                |
|---------|-------|----------------|
| R-21110 | 16209 | MATADOR        |
| R-21107 | 20903 | COG            |
| R-21106 | 20868 | MARATHON       |
| R-21105 | 20867 | MARATHON       |
| R-21104 | 20860 | SPC RESOURCES  |
| R-21103 | 20823 | MARATHON       |
| R-21102 | 20935 | COG            |
| R-21101 | 20934 | COG            |
| R-21100 | 20859 | SPC RESOURCES  |
| R-21099 | 20820 | MARATHON       |
| R-21098 | 20819 | SEP PERMIAN    |
| R-21097 | 20818 | SEP PERMIAN    |
| R-21096 | 20762 | SPC RESOURCES  |
| R-21095 | 20889 | NOVO           |
| R-21094 | 20888 | NOVO           |
| R-21093 | 20887 | NOVO           |
| R-21092 | 20886 | NOVO           |
| R-21091 | 20855 | COG            |
| R-21090 | 20854 | COG            |
| R-21089 | 20836 | COG            |
| R-21088 | 20826 | XTO            |
| R-21087 | 20813 | OXY            |
| R-21086 | 20789 | OXY            |
| R-21085 | 20788 | OXY            |
| R-21084 | 20786 | OXY            |
| R-21083 | 20863 | COG            |
| R-21082 | 20794 | DEVON          |
| R-21081 | 20793 | DEVON          |
| R-21080 | 20791 | IMPETRO        |
| R-21079 | 20790 | IMPETRO        |
| R-21078 | 20767 | MATADOR        |
| R-21077 | 20999 | COG            |
| R-21076 | 20998 | COG            |
| R-21075 | 20950 | MARATHON       |
| R-21074 | 20948 | MARATHON       |
| R-21073 | 20932 | COG            |
| R-21072 | 20931 | COG            |
| R-21071 | 20839 | B.C. OPERATING |
| R-21070 | 20838 | B.C. OPERATING |
| R-21069 | 20837 | B.C. OPERATING |
| R-21066 | 20943 | CENTENNIAL     |

## Exhibit 2: Notice Affidavit

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

**APPLICATION OF MARATHON OIL PERMIAN LLC  
TO AMEND ORDERS, LEA COUNTY, NEW MEXICO**

CASE NOS. 21597 and 21598

**AFFIDAVIT**

STATE OF NEW MEXICO                    )  
  ) ss.  
COUNTY OF BERNALILLO                )

Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were sent under a notice letter, provided herewith, and that proof of receipt is attached hereto. Marathon also timely published notice of the January 7, 2021 Hearing. At the time of compiling the exhibit packets, the undersigned had not received the affidavit of publication. Included with this affidavit is the public notice page from the Hobbs-News Sun showing publication on December 22, 2020.

  
Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 5th day of January, 2021 by Deana M. Bennett.

My commission expires: 02-27-21

  
Notary Public

**OFFICIAL SEAL**  
**Karlene Schuman**  
NOTARY PUBLIC  
STATE OF NEW MEXICO  
My Commission Expires: 02-27-21



MODRALL SPERLING

L A W Y E R S

Deana M. Bennett  
505.848.1834  
[deana@modrall.com](mailto:deana@modrall.com)

December 17, 2020

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC TO  
AMEND ORDER NO. R-21112, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21597**

**APPLICATION OF MARATHON OIL PERMIAN LLC TO  
AMEND ORDER NO. R-21103, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21598**

**TO: AFFECTED PARTIES**

This letter is to advise you that Marathon Oil Permian LLC ("Marathon") has filed the above-listed applications.

In Case No. 21597, Marathon seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21112 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-21112 to allow for an extension of time to commence drilling the wells under the Order.

In Case No. 21598, Marathon seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21103 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-21103 to allow for an extension of time to commence drilling the wells under the Order.

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Roehl Harris & Sisk P.A.

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New Mexico 87102

PO Box 2168  
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New Mexico 87103-2168

Tel: 505.848.1800  
[www.modrall.com](http://www.modrall.com)

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on January 7, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in the case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in the case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in dark ink, appearing to read "Deana M. Bennett".

Deana M. Bennett  
*Attorney for Applicant*

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21112, LEA COUNTY, NEW MEXICO**

**CASE NO. 21597  
ORDER NO. R-21112  
(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-21112 as follows: 1) conforming Division Order No. R-21112 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-21112 to allow for an extension of time for drilling the wells under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21112 pooled uncommitted interest owners in a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.
2. Order No. R-21112 designated Marathon as the operator of the wells and the unit.
3. The Division Hearing for Case No. 20822 was held on October 31, 2019.
4. The Division entered Order No. R-21112 in Case No. 20822 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-21112 be re-opened to conform this order to the terms of the Amended Order Template.

6. Marathon further requests that Order No. R-21112 be re-opened and amended to allow Marathon additional time to commence drilling the wells under the Order.

7. Order No. R-21112 ¶ 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."

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12. Under Order No. R-21112, Marathon would be required to commence drilling the wells by February 13, 2021.

13. Marathon asks that the deadline to commence drilling the wells 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-21112 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21112 to extend the time for Marathon to commence drilling the wells under the Order for a year, through February 13, 2022.

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

By: Deana M. Bennett

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

**CASE NO. \_\_\_\_\_: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21112, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21112 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-21112 to allow for an extension of time to commence drilling the wells under the Order.

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21103, LEA COUNTY, NEW MEXICO**

**CASE NO. 21598  
ORDER NO. R-21103  
(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-21103 as follows: 1) conforming Division Order No. R-21103 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-21103 to allow for an extension of time for drilling the wells under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21103 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.
2. Order No. R-21103 designated Marathon as the operator of the wells and the unit.
3. The Division Hearing for Case No. 20823 was held on October 31, 2019.
4. The Division entered Order No. R-21103 in Case No. 20823 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-21103 be re-opened to conform this order to the terms of the Amended Order Template.

6. Marathon further requests that Order No. R-21103 be re-opened and amended to allow Marathon additional time to commence drilling the wells under the Order.

7. Order No. R-21103, ¶ 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.

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13. Marathon asks that the deadline to commence drilling the wells 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-21103 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21103 to extend the time for Marathon to commence drilling the wells under the Order for a year, through February 13, 2022.

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

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

**CASE NO. \_\_\_\_\_: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21103, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21103 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-21103 to allow for an extension of time to commence drilling the wells under the Order.

Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
500 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
12/17/2020

Firm Mailing Book ID: 200533

| Line    | USPS Article Number         | Name, Street, City, State, Zip  | Postage | Service Fee  | RR Fee  | Rest.Del.Fee | Reference Contents   |
|---------|-----------------------------|---|---------|--------------|---------|--------------|----------------------|
| 1       | 9314 8699 0430 0077 7856 20 | Roden Participants, Ltd.<br>2603 Augusta Dr., Suite 430<br>Houston TX 77057   | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 2       | 9314 8699 0430 0077 7856 37 | Roden Associates, Ltd.<br>2603 Augusta Dr., Suite 430<br>Houston TX 77057   | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 3       | 9314 8699 0430 0077 7856 44 | MCM Energy Partners, LLC<br>223 W. Wall Street, Ste. 400<br>Midland TX 79701  | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 4       | 9314 8699 0430 0077 7856 51 | Andes Energy LLC<br>209 West 2nd St., Ste 143<br>Fort Worth TX 76102  | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 5       | 9314 8699 0430 0077 7856 68 | Javelina Partners<br>616 Texas Street<br>Fort Worth TX 76102  | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 6       | 9314 8699 0430 0077 7856 75 | Zorro Partners, Ltd.<br>616 Texas Street<br>Fort Worth TX 76102   | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 7       | 9314 8699 0430 0077 7856 82 | HighPoint Operating Corporation<br>1099 18th Street, Suite 2300<br>Denver CO 80202  | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 8       | 9314 8699 0430 0077 7856 99 | Warwick Artemis LLC<br>6608 N. Western Ave., Box 417<br>Oklahoma City OK 73117  | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 9       | 9314 8699 0430 0077 7857 05 | Francis Hill Hudson, Trustee of Lindy's Living<br>Trust u/t/a dated July 8, 1994<br>616 Texas Street<br>Fort Worth TX 76102 | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 10      | 9314 8699 0430 0077 7857 12 | WPX Energy<br>3500 One Williams Center<br>Tulsa OK 74172  | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 11      | 9314 8699 0430 0077 7857 29 | EOG Resources, Inc.<br>P.O. Box 4362<br>Houston TX 77270  | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 12      | 9314 8699 0430 0077 7857 36 | Read & Stevens, Inc.<br>P.O. Box 1518<br>Roswell NM 88202   | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| 13      | 9314 8699 0430 0077 7857 43 | OXY USA Inc<br>10899 Wilshire Boulevard<br>Los Angeles CA 90024   | \$1.20  | \$3.55       | \$1.70  | \$0.00       | 81363-0162<br>Notice |
| Totals: |                             |   | \$15.60 | \$46.15      | \$22.10 | \$0.00       |                      |
|         |                             |   |         | Grand Total: |         | \$83.85      |                      |

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated:

Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID= 200533  
Generated: 1/5/2021 11:11:48 AM

| USPS Article Number    | Date Created        | Reference Number | Name 1   | Name 2                         | City          | State | Zip   | Mailing Status               | Service Options                             | Mail Delivery Date |
|------------------------|---------------------|------------------|--|--------------------------------|---------------|-------|-------|------------------------------|---|--------------------|
| 9314869904300077785743 | 2020-12-17 10:45 AM | 81363-0162       | OXY USA Inc                                    |                                | Los Angeles   | CA    | 90024 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-22-2020         |
| 9314869904300077785736 | 2020-12-17 10:45 AM | 81363-0162       | Read & Stevens, Inc.                           |                                | Roswell       | NM    | 88202 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-22-2020         |
| 9314869904300077785729 | 2020-12-17 10:45 AM | 81363-0162       | EOG Resources, Inc                             |                                | Houston       | TX    | 77270 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-29-2020         |
| 9314869904300077785712 | 2020-12-17 10:45 AM | 81363-0162       | WPX Energy                                     |                                | Tulsa         | OK    | 74172 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-22-2020         |
| 9314869904300077785705 | 2020-12-17 10:45 AM | 81363-0162       | Francis Hill Hudson, Trustee of Lindy's Living | Trust u/t/a dated July 8, 1994 | Fort Worth    | TX    | 76102 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-22-2020         |
| 9314869904300077785699 | 2020-12-17 10:45 AM | 81363-0162       | Warwick Artemis LLC                            |                                | Oklahoma City | OK    | 73117 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-22-2020         |
| 9314869904300077785682 | 2020-12-17 10:45 AM | 81363-0162       | HighPoint Operating Corporation                |                                | Denver        | CO    | 80202 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail |                    |
| 9314869904300077785675 | 2020-12-17 10:45 AM | 81363-0162       | Zorro Partners, Ltd                            |                                | Fort Worth    | TX    | 76102 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-22-2020         |
| 9314869904300077785668 | 2020-12-17 10:45 AM | 81363-0162       | Javelina Partners                              |                                | Fort Worth    | TX    | 76102 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-22-2020         |
| 9314869904300077785651 | 2020-12-17 10:45 AM | 81363-0162       | Andes Energy LLC                               |                                | Fort Worth    | TX    | 76102 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-22-2020         |
| 9314869904300077785644 | 2020-12-17 10:45 AM | 81363-0162       | MCM Energy Partners, LLC                       |                                | Midland       | TX    | 79701 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-26-2020         |
| 9314869904300077785637 | 2020-12-17 10:45 AM | 81363-0162       | Roden Associates, Ltd.                         |                                | Houston       | TX    | 77057 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-24-2020         |
| 9314869904300077785620 | 2020-12-17 10:45 AM | 81363-0162       | Roden Participants, Ltd.                       |                                | Houston       | TX    | 77057 | Delivered                    | Return Receipt - Electronic, Certified Mail | 12-21-2020         |



# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
December 22, 2020  
and ending with the issue dated  
December 22, 2020.



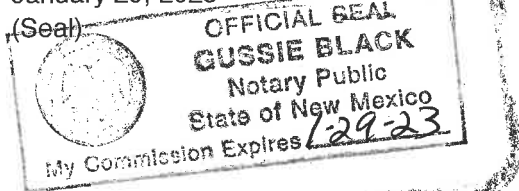
Publisher

Sworn and subscribed to before me this  
22nd day of December 2020.



Business Manager

My commission expires  
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

## LEGAL NOTICE December 22, 2020

**CASE NO. No. 21597: Notice to all affected parties, as well as the heirs and devisees of Read & Stevens; Andes Energy LLC; Roden Participants Ltd; Roden Associates Ltd; MCM Energy Partners LLC; Javelina Partners; Zorro Partners Ltd; HighPoint Operating Corporation; Warwick Artemis LLC; Frances Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994; WPX Energy; EOG Resources, Inc.; OXY USA Inc. of (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21112, Lea County, New Mexico.** The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 7, 2021. Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21112 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-21112 to allow for an extension of time to commence drilling the wells under the Order.

**CASE NO. 21598: Notice to all affected parties, as well as the heirs and devisees of Read & Stevens; Andes Energy LLC; Roden Participants Ltd; Roden Associates Ltd; MCM Energy Partners LLC; Javelina Partners; Zorro Partners Ltd; HighPoint Operating Corporation; Warwick -Artemis LLC; Frances Hill Hudson, Trustee of Lindy's Living Trust u/t/a dated July 8, 1994; WPX Energy; EOG Resources, Inc.; OXY USA Inc. of (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21103, Lea County, New Mexico.** The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 7, 2021. Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21103 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-21103 to allow for an extension of time to commence drilling the wells under the Order.

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DOLORES SERNA  
MODRALL, SPERLING, ROEHL, HARRIS &  
P. O. BOX 2168  
ALBUQUERQUE, NM 87103-2168

## Tab 2: Applications

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21112, LEA COUNTY, NEW MEXICO**

**CASE NO. 21597  
ORDER NO. R-21112  
(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-21112 as follows: 1) conforming Division Order No. R-21112 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-21112 to allow for an extension of time for drilling the wells under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21112 pooled uncommitted interest owners in a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 of Sections 15 and 22, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

2. Order No. R-21112 designated Marathon as the operator of the wells and the unit.

3. The Division Hearing for Case No. 20822 was held on October 31, 2019.

4. The Division entered Order No. R-21112 in Case No. 20822 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-21112 be re-opened to conform this order to the terms of the Amended Order Template.

6. Marathon further requests that Order No. R-21112 be re-opened and amended to allow Marathon additional time to commence drilling the wells under the Order.

7. Order No. R-21112 ¶ 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.”

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

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

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21103, LEA COUNTY, NEW MEXICO**

**CASE NO. 21598  
ORDER NO. R-21103  
(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-21103 as follows: 1) conforming Division Order No. R-21103 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-21103 to allow for an extension of time for drilling the wells under the Order. In support of this application, Marathon states as follows:

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

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Deana M. Bennett  
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*Attorneys for Applicant*

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