Before the Oil Conservation Division Examiner Hearing January 6, 2022

Case No. 22392

Application of Marathon Oil Permian LLC to Amend Order No. R-21125-A, Lea County, New Mexico.



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

> CASE NO. 22392 ORDER NOS. R-21125 and R-21125-A (Amend)

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Tab A: Affidavit of Jeff Broussard, Land Professional for Case No. 22392:

- Exhibit 1: Application
- Exhibit 2: Order No. R-21125-A
- Exhibit 3: Order No. R-21125
- Exhibit 4: Notice Affidavit

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

> CASE NO. 22392 ORDER NO. R-21125 and R-21125-A (Amend)

SELF-AFFIRMED DECLARATION

Jeff Broussard hereby states and declares as follows:

- 1. I am over the age of 18, I am a land supervisor for Marathon Oil Permian LLC ("Marathon") and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and I have been qualified by the Division as an expert petroleum landman.
- 2. My area of responsibility at Marathon includes the area of Lea County in New Mexico.
- 3. I am familiar with the application filed by Marathon in this case, which is attached as **Exhibit 1**.
- 4. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced application.
 - 5. I am familiar with the status of the lands that are subject to this application.
- 6. The purpose of the application is to amend Order No. R-21125-A, attached as **Exhibit 2**, to allow for a one-year extension of time to commence drilling the initial well under the Order.

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- 7. Order No. R-21125, attached as **Exhibit 3**, 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.
 - 8. Order No. R-21125 designated Marathon as the operator of the wells and the unit.
- 9. This is Marathon's second request for an extension of time. On December 8, 2020, Marathon submitted an application to amend Order No. R-21125 to, among other things, allow for an extension of time for drilling the initial well under the Order.
- 10. On January 19, 2021, the Division entered Order No. R-21125-A which granted Marathon's request for an extension of time, through January 19, 2022. *See* Exhibit 2, ¶ 13 ("The period to commence drilling the Well is extended for (1) year from the date of this Order. . . .").
- 11. Order No. R-21125-A ¶ 14 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 13 unless Operator obtains an extension by an amendment of this Order for good cause shown."
 - 12. Good cause exists for Marathon's request for a second extension of time.
- 13. As Marathon explained in its first extension request, there have been changes in Marathon's drilling schedule due to COVID-19 and current market conditions.
- 14. 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.
 - 15. Marathon is in good standing under the statewide rules and regulations.
- 16. Under Order No. R-21125-A, Marathon would be required to commence drilling the initial well by January 19, 2022.
- 17. Marathon asks that the deadline to commence drilling the initial well be extended for one year from January 19, 2022 to January 19, 2023.

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18. Marathon, through its counsel, notified all pooled working interest owners of Marathon's request to re-open Order No. R-21125-A for the purpose specified in the application.

No opposition is expected because the pooled working interest owners have been contacted, and

have not indicated any opposition.

19. Proof of notification is attached as **Exhibit 4** to this Declaration. Exhibit 4 shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper, showing that notice of this hearing

was published on December 12, 2021.

20. The attachments to this declaration were prepared by me, or compiled from

company business records, or were prepared at my direction.

21. In my opinion, the granting of this application is in the interests of conservation and

the prevention of waste.

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: December 21, 2021

Jeff Broussard

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

> CASE NO. 22392 ORDER NOS. R-21125 and R-21125-A (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-21125-A (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. 20946) seeking to pool uncommitted interests in the Bone Spring formation underlying the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
- 2. On February 17, 2020, the Division entered Order No. R-21125 in Case No. 20946. Order No. R-21125 is one of eight orders relating to Marathon's "Mead" well group.
- 3. 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.
 - 4. Order No. R-21125 designated Marathon as the operator of the well and the unit.

- 5. In December 2020, Marathon requested that Order No. R-21125 be re-opened to conform the Order to the terms of the Amended Order Template and to allow Marathon additional time to commence drilling the initial well under the order (Case No. 21571).
- 6. On January 19, 2021, the Division entered Order No. R-21125-A in Case No. 21571 which extended the period to drill the well to January 19, 2022. *See* Order No. R-21125-A, ¶ 13. The Order also affirmed the Findings of Fact and Conclusions of Law in Order No. R-21125. *See* Order No. R-21125-A, ¶ 8.
- 7. Marathon requests that Order No. R-21125-A be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.
- 8. Order No. R-21125-A, ¶ 13 states: "The period to commence drilling the Well is extended for one (1) year from the date of this Order. Operator shall complete each Well no later than one (1) year after the commencement of drilling the Well."
- 9. Further, Order No. R-21125-A, ¶ 14 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 13 unless Operator obtains an extension by an amendment of this Order for good cause shown."
 - 10. Good cause exists for Marathon's request for a second extension of time.
- 11. 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.
- 12. 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.
- 13. Under Order No. R-21125-A, Marathon would be required to commence drilling the well by January 19, 2022.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from January 19, 2022 to January 19, 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-21125-A to extend the time for Marathon to commence drilling the well under the Order for a year, through January 19, 2023; and.
 - B. Incorporate all of the provisions of Order Nos. R-21125 and R-21125-A.

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

By: Welna 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. 22392: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21125-A, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21125-A 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 W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MARATHON OIL PERMIAN, LLC

CASE NO. 21571 ORDER NO. R-21125-A

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 7, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order:

FINDINGS OF FACT

- 1. Marathon Oil Permian, LLC ("Operator"), applied to conform Order R-21125 ("Existing Order") issued in Case No. 20946 with the Division's recently amended order template ("Amended Template"). Operator also seeks an extension to commence drilling and completing of the subject wells for good cause shown.
- 2. Operator is in good standing under state-wide rules and regulations with respect to the Existing Order.
- 3. Operator has reviewed and agrees to the terms and conditions in the ordering paragraphs of the Amended Template.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application and the hearing as required by 19.15.4.12 NMAC. 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

- 5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-
- 6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

EXHIBIT Z

8. This Order affirms the Findings of Fact and Conclusions of Law in the Existing Order and replaces the ordering paragraphs 15-35 in the Existing Order as stated below.

ORDER

- 9. The uncommitted interests in the Unit are pooled as set forth in Exhibit A as appended to the original order and incorporated by reference herein.
- 10. The Unit shall be dedicated to the Well(s) set forth in aforesaid Exhibit A.
- 11. Operator is designated as operator of the Unit and the Well(s).
- 12. 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 in accordance with 19.15.16.15(C) NMAC.
- 13. The period to commence drilling the Well is extended for one (1) year from the date of this Order. Operator shall complete each Well no later than one (1) year after the commencement of drilling the Well.
- 14. This Order shall terminate automatically if Operator fails to comply with Paragraph 13 unless Operator obtains an extension by an amendment of this Order for good cause shown.
- 15. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 16. Operator shall submit to 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").
- 17. 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."

CASE NO. 21571 ORDER NO. R-21125-A

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- 18. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to 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 an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 19. No later than sixty (60) days after 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.
- 20. 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."
- 21. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to 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 an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 22. 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.
- 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.
- 24. Operator shall distribute a proportionate share of the costs and charges withheld

CASE NO. 21571 ORDER NO. R-21125-A

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- pursuant to paragraph 23 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 25. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to 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.
- 26. 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.
- 27. 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.
- 28. 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.
- 29. 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/kms

Date: 1/19/2021

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IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY MARATHON OIL PERMIAN LLC

CASE NO. 20946 ORDER NO. R-21125

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on December 12, 2019, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Marathon Oil Permian LLC ("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.
- 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.
- 20. 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.

CASE NO. <u>20946</u> ORDER NO. <u>R-21125</u>

- 21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
- 22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
- Operator shall submit to OCD and each owner of a 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.
- 24. 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."
- 25. 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.
- 26. 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, 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.

CASE NO. <u>20946</u> ORDER NO. <u>R-21125</u>

- 27. 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."
- 28. 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.
- 29. 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.
- 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.
- 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.
- 32. 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.
- 33. 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.*

CASE NO. <u>20946</u> ORDER NO. <u>R-21125</u>

- 34. 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.

Date: February 17, 2020

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AS/jag

CASE NO. <u>20946</u> ORDER NO. R-21125

Exhibit "A"

Applicant: Marathon Oil Permian LLC

Operator: Marathon Oil Permian LLC (OGRID 372098)

Spacing Unit: Horizontal Oil

Building Blocks: quarter-quarter sections
Spacing Unit Size: 160 acres (more or less)

Orientation of Unit: North/South

Spacing Unit Description:

W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New

Mexico

Pooling this Vertical Extent: Bone Spring Formation

Depth Severance? (Yes/No): No

Pool: WC-025 G-06 S193532B;BONE SPRING UP [98338]

Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7,000; While producing: \$700 As the charge for risk, 200 percent of reasonable well costs

Proposed Well:

Mead West 32 SB State 1H, API No. Pending

SHL: 275 feet from the South line and 1,340 feet from the West line, (Unit N) of Section 32, Township 19 South, Range 35 East, NMPM. BHL: 100 feet from the North line and 660 feet from the West line, (Unit D) of Section 32, Township 19 South, Range 35 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 10,584 feet TVD

Well Orientation: South to North

Completion Location expected to be: standard

CASE NO. <u>20946</u> ORDER NO. R-21125

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

CASE NOS. 22385–22392

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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 provided under a notice letter, attached, and that proof of notice is attached hereto. I also state that notice of the hearing was published in the Hobbs News-Sun on December 12, 2021, as reflected in the attached Affidavit of Publication.

Deana M. Bennett

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

Notary Public

My commission expires: 02-27-25





USPS Article Number	Date Created	Reference Number	e de	3/2022 1:: City		z,	Mailing Status	Contino Ontino	40	Mail Delices
USPS Article Number 9314869904300089555792	Date Created 2021-12-08 12:50 PM	Reference Number 81363-0201	Gen	Name 1 City State cophillips Houston TX	PM tate	Zip 77252	Zip Mailing Status 77252 Delivered	Service Options Heturn Recelot - Electronic, Certified Mail	Batch ID	Batch ID Mail Delivery Date 273101 2071-17-14 7:35 AM
9314869904300089555785	2021-12-08 12:50 PM	81363-0201.	State of New Mey Santa Fe NM	9 Santa Fe	Ν	87501	87501 Delivered	Return Receipt - Electronic, Certified Mail	223101	223101 2021-12-15 12:00 AM

Firm Mailing Book ID: 219244

3877	
Form	
PS	

Type of Mailing: CERTIFIED MAIL 12/08/2021

Reference Contents	81363-0201. Notice	81363-0201 Notice	
Rest.Del.Fee	\$0.00	\$0.00	\$0.00
RR Fee	\$1.85	\$1.85	\$3.70
Service Fee RR Fee	\$3.75	\$3.75	\$7.50
Postage	\$1.56	\$1.56	\$3.12
			Totals:
Name, Street, City, State, Zip	9314 8699 0430 0089 5557 85 State of New Mexico, State Land Office 310 Old Santa Fe Trail	Santa Fe NM 87501 ConocoPhillips PO Box 2197	Houston TX 77252
USPS Article Number	9314 8699 0430 0089 5557 85	Santa Fe NM 87 9314 8699 0430 0089 5557 92 ConocoPhillips PO Box 2197	
Line	-	2	

\$14.32

Grand Total:

List Number of Pieces Total Number of Pieces Postmaster:

Listed by Sender Received at Post Office Name of receiving employee

Dated:

OCD Examiner Hearing 1-6-22 Case No. 22392 21

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

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).

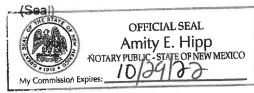
December 12, 2021 and ending with the issue dated December 12, 2021.

Publisher

Sworn and subscribed to before me this 12th day of December 2021.

Circulation Clerk

My commission expires October 29, 2022



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 NOTICE December 12, 2021

CASE NO. 22385: Notice to all affected parties, as well as the heirs and devisees of ConocoPhillips and New Mexico State Land Office of (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21122-A, 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 6, 2022. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21122-A 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 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

CASE NO. 22386: Notice to all affected parties, as well as the heirs and devisees of ConocoPhillips and New Mexico State Land Office of (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21075-A, 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 6, 2022. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21075-A 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, Wolfbone horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

CASE NO. 22387: Notice to all affected parties, as well as the heirs and devisees of ConocoPhillips and New Mexico State Land Office of (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21074-A, 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 6, 2022. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21074-A 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, Wolfbone horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

CASE NO. 22388: Notice to all affected parties, as well as the heirs and devisees of ConocoPhillips and New Mexico State Land Office of (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21050, 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 6, 2022. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21050 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 W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

CASE NO. 22389: Notice to all affected parties, as well as the heirs and devisees of ConocoPhillips and New Mexico State Land Office of (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21054, 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 6, 2022. 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.

CASE NO. 22390: Notice to all affected parties, as well as the heirs and devisees of ConocoPhillips and New Mexico State Land Office of (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21049, 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 6, 2022. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21049 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, Wolfbone horizontal spacing unit comprised of the W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

CASE NO. 22391: Notice to all affected parties, as well as the heirs and devisees of ConocoPhillips and New Mexico State Land Office of (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21045, 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 6, 2022. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21045 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, Wolfbone horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

CASE NO. 22392: Notice to all affected parties, as well as the heirs and devisees of ConocoPhillips and New Mexico State Land Office of (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21125-A, 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 6, 2022. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21125-A 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 W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

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



December 7, 2021

Deana M. Bennett 505.848.1834 dmb@modrall.com

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21122-A LEA COUNTY, NEW MEXICO.

CASE NO. 22385

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21075-A, LEA COUNTY, NEW MEXICO.

CASE NO. 22386

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO R-21074-A, LEA COUNTY, NEW MEXICO.

CASE NO. 22387

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21050, LEA COUNTY, NEW MEXICO.

CASE NO. 22388

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

CASE NO. 22389

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21049, LEA COUNTY, NEW MEXICO.

CASE NO. 22390

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APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21045, LEA COUNTY, NEW MEXICO.

CASE NO. 22391

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

CASE NO. 22392

TO: AFFECTED PARTIES

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

In Case No. 22385, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-21122-A 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 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

In Case No. 22386, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-21075-A 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, Wolfbone horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

In Case No. 22387, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-21074-A 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, Wolfbone horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

In Case No. 22388, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-21050 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 W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

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In Case No. 22389, Marathon 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.

In Case No. 22390, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-21049 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, Wolfbone horizontal spacing unit comprised of the W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

In Case No. 22391, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-21045 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, Wolfbone horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

In Case No. 22392, Marathon seeks an order from the Division for the limited purpose of amending Order No. R-21125-A 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 W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

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 6, 2022 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 these applications, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, 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

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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,

William H Synney Deana M. Bennett

Attorney for Applicant

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21122-A, LEA COUNTY, NEW MEXICO

CASE NO. 22385
ORDER NOS. R-21122 and R-21122-A
(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-21122-A (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 July 2019, Marathon filed an application (Case No. 20708) seeking to pool uncommitted interests in the Bone Spring formation underlying the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
- On February 17, 2020, the Division entered Order No. R-21122 in Case No. 20708.
 Order No. R-21122 is one of eight orders relating to Marathon's "Mead" well group.
- 3. Order No. R-21122 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
 - 4. Order No. R-21122 designated Marathon as the operator of the well and the unit.

- 5. In December 2020, Marathon requested that Order No. R-21122 be re-opened to conform the Order to the terms of the Amended Order Template and to allow Marathon additional time to commence drilling the initial well under the order (Case No. 21594).
- 6. On January 19, 2021, the Division entered Order No. R-21122-A in Case No. 21594 which extended the period to drill the well to February 17, 2022. See Order No. R-21122-A, ¶ 9. The Order also affirmed the Findings of Fact and Conclusions of Law in Order No. R-21122. See Order No. R-21122-A, ¶ 8.
- 7. Marathon requests that Order No. R-21122-A be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.
- 8. Order No. R-21122-A, ¶ 14 states: "The Operator shall commence drilling the Well(s) within one year after the date of this Order and complete each Well no later than one (1) year after the commencement of drilling the Well."
- 9. Further, Order No. R-21122-A, ¶ 15 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph [14]¹ unless Operator obtains an extension by an amendment of this Order for good cause shown."
 - 10. Good cause exists for Marathon's request for a second extension of time.
- 11. 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.
- 12. 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.
- 13. Under Order No. R-21122-A, Marathon would be required to commence drilling the well by February 17, 2022.

¹ Order R-21122-A, ¶ 15 incorrectly references paragraph 13 as the paragraph stating the timeframe allowed to drill and complete a well under the order.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 17, 2022 to February 17, 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-21122-A to extend the time for Marathon to commence drilling the well under the Order for a year, through February 17, 2023; and
 - B. Incorporate all of the provisions of Order Nos. R-21122 and R-21122-A.

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

By: Wella H 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. 22385: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21122-A, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21122-A 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 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21075-A, LEA COUNTY, NEW MEXICO

> CASE NO. _22386 ORDER NOS. R-21075 and R-21075-A (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-21075-A (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. 20950) seeking to pool uncommitted interests in the Wolfbone formation underlying the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
- On February 10, 2020, the Division entered Order No. R-21075 in Case No. 20950.
 Order No. R-21075 is one of eight orders relating to Marathon's "Mead" well group.
- 3. Order No. R-21075 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone 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-21075 designated Marathon as the operator of the well and the unit.

- 5. In December 2020, Marathon requested that Order No. R-21075 be re-opened to conform the Order to the terms of the Amended Order Template and to allow Marathon additional time to commence drilling the initial well under the order (Case No. 21596).
- 6. On January 19, 2021, the Division entered Order No. R-21075-A in Case No. 21596 which extended the period to drill the well to February 10, 2022. See Order No. R-21075-A, ¶ 9. The Order also affirmed the Findings of Fact and Conclusions of Law in Order No. R-21075. See Order No. R-21075-A, ¶ 8.
- 7. Marathon requests that Order No. R-21075-A be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.
- 8. Order No. R-21075-A, ¶ 14 states: "The Operator shall commence drilling the Well(s) within one year after the date of this Order and complete each Well no later than one (1) year after the commencement of drilling the Well."
- 9. Further, Order No. R-21075-A, ¶ 15 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph [14]¹ unless Operator obtains an extension by an amendment of this Order for good cause shown."
 - 10. Good cause exists for Marathon's request for a second extension of time.
- 11. 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.
- 12. 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.
- 13. Under Order No. R-21075-A, Marathon would be required to commence drilling the well by February 10, 2022.

Order R-21075-A, ¶ 15 incorrectly references paragraph 13 as the paragraph stating the timeframe allowed to drill and complete a well under the order.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 10, 2022 to February 10, 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-21075-A to extend the time for Marathon to commence drilling the well under the Order for a year, through February 10, 2023; and.
 - B. Incorporate all of the provisions of Order Nos. R-21075 and R-21075-A.

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

By: Weena 4 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. 22386: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21075-A, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21075-A 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, Wolfbone horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21074-A, LEA COUNTY, NEW MEXICO

CASE NO. 22387
ORDER NOS. R-21074 and R-21074-A
(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-21074-A (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:

- In November 2019, Marathon filed an application (Case No. 20948) seeking to pool uncommitted interests in the Wolfbone formation underlying the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
- On February 10, 2020, the Division entered Order No. R-21074 in Case No. 20948.
 Order No. R-21074 is one of eight orders relating to Marathon's "Mead" well group.
- 3. Order No. R-21074 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
 - 4. Order No. R-21074 designated Marathon as the operator of the well and the unit.

- 5. In December 2020, Marathon requested that Order No. R-21074 be re-opened to conform the Order to the terms of the Amended Order Template and to allow Marathon additional time to commence drilling the initial well under the order (Case No. 21595).
- 6. On January 19, 2021, the Division entered Order No. R-21074-A in Case No. 21595 which extended the period to drill the well to February 10, 2022. See Order No. R-21074-A, ¶ 9. The Order also affirmed the Findings of Fact and Conclusions of Law in Order No. R-21074. See Order No. R-21074-A, ¶ 8.
- 7. Marathon requests that Order No. R-21074-A be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.
- 8. Order No. R-21074-A, ¶ 14 states: "The Operator shall commence drilling the Well(s) within one year after the date of this Order and complete each Well no later than one (1) year after the commencement of drilling the Well."
- 9. Further, Order No. R-21074-A, ¶ 15 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph [14]¹ unless Operator obtains an extension by an amendment of this Order for good cause shown."
 - 10. Good cause exists for Marathon's request for a second extension of time.
- 11. 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.
- 12. 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.
- 13. Under Order No. R-21074-A, Marathon would be required to commence drilling the well by February 10, 2022.

Order R-21074-A, ¶ 15 incorrectly references paragraph 13 as the paragraph stating the timeframe allowed to drill and complete a well under the order.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 10, 2022 to February 10, 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-21074-A to extend the time for Marathon to commence drilling the well under the Order for a year, through February 10, 2023; and
 - B. Incorporate all of the provisions of Order Nos. R-21074 and R-21074-A.

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

By: We cha M. Bennett

Deana M. Bennett Bryce H. Smith Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

CASE NO. 22387: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21074-A, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21074-A 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, Wolfbone horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21050, LEA COUNTY, NEW MEXICO

CASE NO. 22388
ORDER NO. R-21050
(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-21050 (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 July 2019, Marathon filed an application (Case No. 20705) seeking to pool uncommitted interests in the Bone Spring formation underlying the W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
- On January 28, 2020, the Division entered Order No. R-21050 in Case No. 20705.
 Order No. R-21050 is one of eight orders relating to Marathon's "Mead" well group.
- 3. Order No. R-21050 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
 - Order No. R-21050 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 January 5, 2021, 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-21050 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.
- 8. Order No. R-21050, 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 January 5, 2021, 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-21050 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-21050.

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

sy: Ween

Deana M. Bennett Bryce H. Smith

Post Office Box 2168

500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168

CASE NO. 22388: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21050, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21050 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 W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

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

CASE NO. 22389
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.
- 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."
- 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.

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Attorneys for Applicant

CASE NO. 22389: (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.

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21049, LEA COUNTY, NEW MEXICO

> CASE NO. 22390 ORDER NO. R-21049 (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-21049 (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 July 2019, Marathon filed an application (Case No. 20693) seeking to pool uncommitted interests in the Wolfbone formation underlying the W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
- On January 28, 2020, the Division entered Order No. R-21049 in Case No. 20693.
 Order No. R-21049 is one of eight orders relating to Marathon's "Mead" well group.
- 3. Order No. R-21049 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
 - 4. Order No. R-21049 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-21049 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.
- 8. Order No. R-21049, 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-21049 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-21049.

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CASE NO. 22390: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21049, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21049 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, Wolfbone horizontal spacing unit comprised of the W/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

APPLICATION OF MARATHON OIL PERMIAN LLC TO AMEND ORDER NO. R-21045, LEA COUNTY, NEW MEXICO

CASE NO. 22391
ORDER NO. R-21045
(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-21045 (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 July 2019, Marathon filed an application (Case No. 20699) seeking to pool uncommitted interests in the Wolfbone formation underlying the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
- On January 27, 2020, the Division entered Order No. R-21045 in Case No. 20699.
 Order No. R-21045 is one of eight orders relating to Marathon's "Mead" well group.
- 3. Order No. R-21045 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
 - 4. Order No. R-21045 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-21045 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.
- 8. Order No. R-21045, 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-21045 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-21045.

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CASE NO. 22391: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21045, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21045 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, Wolfbone horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico

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

> CASE NO. 22392 ORDER NOS. R-21125 and R-21125-A (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-21125-A (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. 20946) seeking to pool uncommitted interests in the Bone Spring formation underlying the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
- On February 17, 2020, the Division entered Order No. R-21125 in Case No. 20946.
 Order No. R-21125 is one of eight orders relating to Marathon's "Mead" well group.
- 3. 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.
 - 4. Order No. R-21125 designated Marathon as the operator of the well and the unit.

- 5. In December 2020, Marathon requested that Order No. R-21125 be re-opened to conform the Order to the terms of the Amended Order Template and to allow Marathon additional time to commence drilling the initial well under the order (Case No. 21571).
- 6. On January 19, 2021, the Division entered Order No. R-21125-A in Case No. 21571 which extended the period to drill the well to January 19, 2022. See Order No. R-21125-A, ¶ 13. The Order also affirmed the Findings of Fact and Conclusions of Law in Order No. R-21125. See Order No. R-21125-A, ¶ 8.
- 7. Marathon requests that Order No. R-21125-A be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.
- 8. Order No. R-21125-A, ¶ 13 states: "The period to commence drilling the Well is extended for one (1) year from the date of this Order. Operator shall complete each Well no later than one (1) year after the commencement of drilling the Well."
- 9. Further, Order No. R-21125-A, ¶ 14 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 13 unless Operator obtains an extension by an amendment of this Order for good cause shown."
 - 10. Good cause exists for Marathon's request for a second extension of time.
- 11. 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.
- 12. 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.
- 13. Under Order No. R-21125-A, Marathon would be required to commence drilling the well by January 19, 2022.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from January 19, 2022 to January 19, 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-21125-A to extend the time for Marathon to commence drilling the well under the Order for a year, through January 19, 2023; and.
 - B. Incorporate all of the provisions of Order Nos. R-21125 and R-21125-A.

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CASE NO. 22392: (Amend) Application of Marathon Oil Permian LLC to Amend Order No. R-21125-A, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21125-A 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 W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.