

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

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

**CASE NO. _____
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.
2. 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.

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& SISK, P.A.

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CASE NO. _____ : (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.