

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO AMEND ORDER
NO. R-21127-A, LEA COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NOS. R-21127 and
R-21127-A
(Amend)**

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division (the “Division”) for the limited purpose of amending Order No. R-21127-A (the “Order”) to allow for a second extension of time for drilling the initial well under the Order. In support of this application, Marathon states as follows:

1. In October 2019, Marathon filed an application (Case No. 20871) seeking to pool uncommitted interests in the Bone Spring formation underlying the E/2 E/2 of Section 11 and the E/2 NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.
2. On February 19, 2020, the Division entered Order No. R-21127 in Case No. 20871. Order No. R-21127 is one of eight orders relating to Marathon’s “Ender Wiggins” well group.
3. Order No. R-21127 pooled uncommitted interest owners in a 240-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 11 and the E/2 NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.
4. Order No. R-21127 designated Marathon as the operator of the wells and the unit.

5. In December 2020, Marathon requested that Order No. R-21127 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. 21601).

6. On January 19, 2021, the Division entered Order No. R-21127-A in Case No. 21601 which extended the period to drill the initial well to February 19, 2022. *See* Order No. R-21127-A, ¶ 9. The Order also affirmed the Findings of Fact and Conclusions of Law in Order No. R-21127. *See* Order No. R-21127-A, ¶ 8.

7. Marathon requests that Order No. R-21127-A be re-opened and amended to allow Marathon additional time to commence drilling the initial well under the Order.

8. Order No. R-21127-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-21127-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. Marathon has diligently conducted its operations pursuant to the Division’s other orders related to Marathon’s Ender Wiggins well group. As evidence of this fact, Marathon has

¹ Order R-21127-A, ¶ 15 incorrectly references paragraph 13 as the paragraph stating the timeframe allowed to drill and complete a well under the order.

drilled and completed the **Ender Wiggins 14 WXY Fed Com 6H, Ender Wiggins 14 WD Fed Com 2H, and Ender Wiggins 14 TB Fed Com 3H** wells under Order Nos. R-20031, R-20032, and R-20033 respectively.

14. Under Order No. R-21127-A, Marathon would be required to commence drilling the initial well by February 19, 2022.

15. Marathon asks that the deadline to commence drilling the initial well be extended for a year from February 19, 2022 to February 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-21127-A to extend the time for Marathon to commence drilling the initial well under the Order for one year, through February 19, 2023; and
- B. Incorporate all of the provisions of Order Nos. R-21127 and R-21127-A.

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

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

CASE NO. _____: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21127-A, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21127-A to allow for an extension of time to commence drilling the initial well under the Order. The Order pooled uncommitted interest owners in a 240-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 11 and the E/2 NE/4 of Section 14, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.