

## Before the Oil Conservation Division Examiner Hearing January 6, 2022

### **Case No. 22389**

*Application of Marathon Oil Permian LLC to Amend Order No. R-21054, Lea County, New Mexico.*



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

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

**CASE NO. 22389  
ORDER NOS. R-21054  
(Amend)**

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Tab A: Affidavit of Jeff Broussard, Land Professional for **Case No. 22389**:

- Exhibit 1: Application
- Exhibit 2: Order No. R-21054
- Exhibit 3: December 16, 2020, OCD Order Granting Extension
- Exhibit 4: Notice Affidavit

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

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

CASE NO. 22389  
ORDER NO. R-21054  
(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-21054, attached as **Exhibit 2**, to allow for a one-year extension of time to commence drilling the initial well under the Order.



7. 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 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

8. Order No. R-21054 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 14, 2020, Marathon submitted a written request to the Division requesting a one-year extension of time to drill the well under the Order.

10. On December 16, 2020, by letter order, the Division granted Marathon an extension of time to commence drilling the well, until January 31, 2022. *See Exhibit 3.* The letter order also stated that "[a]ll other provisions of this order remain in full force and effect."

11. 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."

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

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

18. Marathon, through its counsel, notified all pooled working interest owners of Marathon's request to re-open Order No. R-21054 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

A handwritten signature in blue ink, appearing to read "J. Broussard", written in a cursive style.

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Jeff Broussard

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

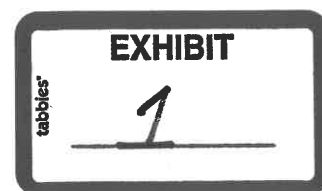
APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21054, LEA COUNTY, NEW MEXICO

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



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

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

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

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

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

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

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

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

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

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



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

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

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

**CASE NO. 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.

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

IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION TO  
CONSIDER:

CASE NO. 20949  
ORDER NO. R-21054

APPLICATION OF MARATHON OIL PERMIAN LLC FOR  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

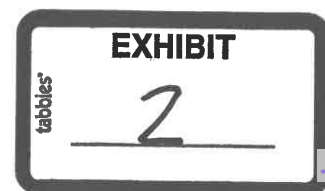
BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on December 12, 2019, at Santa Fe, New Mexico, before Examiner Dylan Coss.

NOW, on this 29<sup>th</sup> day of January 2020, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) Conoco Phillips Company entered an appearance. No other party appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.



Case No. 20949  
Order No. R-21054  
Page 2 of 7

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- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

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Order No. R-21054  
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**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, 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.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless 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.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

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Order No. R-21054  
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Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

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Order No. R-21054  
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reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

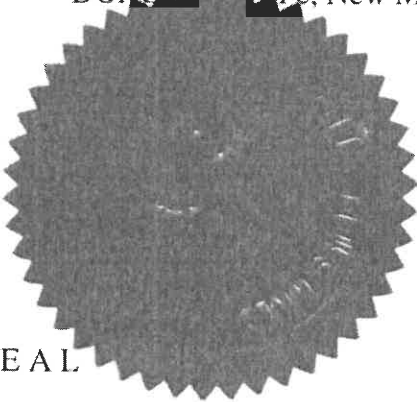
(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Case No. 20949  
Order No. R-21054  
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval in cursive script.

ADRIENNE SANDOVAL  
Director



Case No. 20949  
Order No. R-21054  
Page 7 of 7

**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:  
E/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: Pearl; Bone Spring, East (Pool code 49690)  
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 2H, API No. Pending**

SHL: 274 feet from the South line and 1,430 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 1,980 feet from the West line,  
(Unit C) of Section 32, Township 19 South, Range 35 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 10,590 feet TVD  
Well Orientation: South to North  
Completion Location expected to be: standard

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 Secretary

Adrienne Sandoval, Director  
Oil Conservation Division



December 16, 2020

Marathon Oil Permian, LLC  
c/o Deana M. Bennett, Attorney  
deana.bennett@modrall.com  
P.O. Box 2168  
Albuquerque, New Mexico 87102

**RE: Request for Time Extension to Commence drilling**  
Case No. 20949, R-21054 approved date January 29, 2020  
Deadline to commence drilling January 31, 2021  
Applicant/Operator: Marathon Oil Permian, LLC  
Proposed Well:  
Mead West 32 SB State Well No. 2H, API No. 30-025-Pending

Dear Sir or Madam:

The following pertains to your request received by the Division on December 14<sup>th</sup>, 2020 and to the requirements in the captioned hearing order.

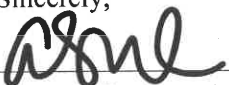
You have requested an extension of the deadline to commence drilling given by the Division in the captioned order.

As stated, you are requesting an extension to spud this well due to "changes in Marathon's drilling schedule due to COVID-19 and current market conditions". There was no opposition in the captioned case. You are requesting an additional year in which to spud this well. The spud date is now extended to, **January 31, 2022.**

The requested additional year in which to commence drilling is hereby granted.

All other provisions of this order remain in full force and effect.

Sincerely,

  
ADRIENNE SANDOVAL  
Director  
AS/jag

CC: Oil Conservation Division





MODRALL SPERLING

LAWYERS

December 14, 2020

Deana M. Bennett  
Deana.bennett@modrall.com  
505-848-1834 (direct)  
505.848.1800 (office)

Via E-mail

Oil Conservation Division  
Energy, Minerals and Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505  
Ocd.engineer.nm.us

**Re: Drilling Extension Request for:**

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

**CASE NO. 20949  
ORDER NO. R-21054**

Dear OCD:

Marathon Oil Permian, LLC (“Marathon”) respectfully requests a one (1) year extension to drilling the well under Order No. R-21054 (the “Order”). This extension is being requested because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions. The well and lands impacted by this extension are the following:

**WELL:** Mead West 32 SB State 2H, API No. Pending

**LANDS:** 160-acre (more or less) spacing unit underlying the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico

The Order was issued on January 29, 2020, and requires Marathon to commence drilling on or before January 31, 2021. Order R-21054, p. 3, ¶ 4. Marathon requests an additional one-year period in which to commence drilling the listed well, the extended period to expire January 31, 2022.

The Order states that Marathon may request a written extension of time from the Division Director “pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.” See Order R-21054, p. 3, ¶ 5.

Modrall Spierling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103

December 14, 2020  
Page 2 of 2

The Order also states that Marathon “shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request.” See Order R-21054, p. 3, ¶ 7. Marathon has reviewed its records and there are no pooled working interest owners who have elected to participate in the drilling of the wells subject to this order and therefore no notice is required under the terms of the Order.

Sincerely,



Deana M. Bennett

*Attorney for Marathon Oil Permian LLC*

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. 22385-22392

AFFIDAVIT

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

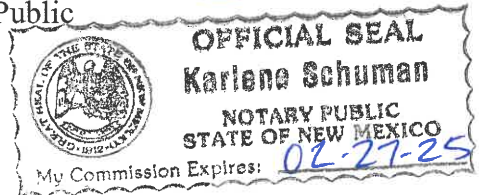
Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under a notice letter, attached, and that proof of notice is attached hereto. I also state 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 30 day of December, 2021 by Deana M. Bennett.

  
\_\_\_\_\_  
Notary Public

My commission expires: 02-27-25



Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID= 219244  
Generated: 1/3/2022 1:39:37 PM

USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Batch ID	Mail Delivery Date
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PS Form 3877

Type of Mailing: CERTIFIED MAIL  
12/08/2021

Firm Mailing Book ID: 219244

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

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0089 5557 85	State of New Mexico, State Land Office 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.56	\$3.75	\$1.85	\$0.00	81363-0201. Notice
2	9314 8699 0430 0089 5557 92	ConocoPhillips PO Box 2197 Houston TX 77252	\$1.56	\$3.75	\$1.85	\$0.00	81363-0201 Notice
<b>Totals:</b>			<b>\$3.12</b>	<b>\$7.50</b>	<b>\$3.70</b>	<b>\$0.00</b>	
						<b>Grand Total:</b>	<b>\$14.32</b>

Dated:

Postmaster:  
Name of receiving employee

Total Number of Pieces  
Received at Post Office

*[Handwritten Signature]*

2

OCD Examiner Hearing 1-6-22  
Case No. 22389

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

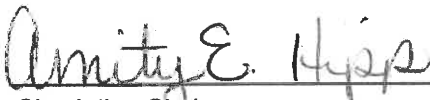
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

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



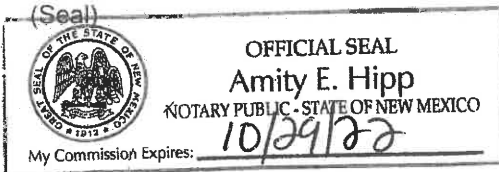
Publisher

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.  
#37118

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DOLORES SERNA  
MODRALL, SPERLING, ROEHL, HARRIS &  
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MODRALL SPERLING  
LAWYERS

December 7, 2021

Deana M. Bennett  
505.848.1834  
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**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,



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-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.
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]<sup>1</sup> 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.

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<sup>1</sup> 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: Deana M. Bennett

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*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.



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

**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.
2. 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]<sup>1</sup> 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.

---

<sup>1</sup> 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: Deana M. Bennett

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**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.

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

**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:

1. 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.
2. 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]<sup>1</sup> 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.

---

<sup>1</sup> 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.

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*Attorneys for Applicant*

**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.



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

**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.
2. 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.
4. 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.

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**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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**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.



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

**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.
2. 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.

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

**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.
2. 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



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

**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.

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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.