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

IN THE MATTER OF THE APPLICATION OF MARATHON OIL PERMIAN, LLC TO POOL ADDITIONAL PARTIES UNDER THE TERMS OF ORDER NO. R-20996, EDDY COUNTY, NEW MEXICO

Case No. 21213 Order No. R-20996-A

APPLICATION FOR HEARING DE NOVO

Sugar Creek Resources, LLC, a party adversely affected by Order No. R-20996-A, hereby applies for a hearing of this matter *de novo* before the Oil Conservation Commission, pursuant to NMSA 1978 §70-2-13 and NMAC 19.15.4.23. A copy of said Order is attached hereto.

RESPECTFULLY SUBMITTED,

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ATTORNEYS FOR SUGAR CREEK RESOURCES, LLC

I hereby certify that a true and correct copy of the foregoing was served via email and/or U.S. Mail on June 11, 2020 to the following:

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

APPLICATION OF MARATHON OIL PERMIAN, LLC., TO POOL AN ADDITIONAL PARTIES UNDER THE TERMS OF ORDER NO. R-20996, EDDY COUNTY, NEW MEXICO.

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ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on April 30, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. On January 9, 2020, OCD issued Order R-20996, rising in Case No. 16381, to Marathon Oil Permian, LLC ("Operator"), to pool the uncommitted oil and gas interests within the specified spacing unit ("Unit").
- 2. Subsequent to the issuance of Order R-20996, Operator discovered previously unidentified interest owners in the subject Unit.
- 3. Operator provided evidence that it gave notice of the Application and the hearing to the previously unidentified interest owners.
- 4. Operator presented evidence through affidavits in support of the Application.
- 5. 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. The previously unidentified interest owners have not agreed to commit its interest to the Unit.
- 11. The pooling of the previously unidentified and uncommitted interest owners in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.

12. This Order affords to the previously unidentified interest owners the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

- 13. The previously unidentified and uncommitted interest owners in the Unit are hereby pooled in the Unit.
- 14. Order R-20996 shall remain in full force and effect.
- 15. 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: 5/07/2020