

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO AMEND ORDER
NO. R-21141-A, EDDY COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21141-A
(Re-Open)**

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-21141-A to allow for a second extension of time for Marathon to commence drilling the initial well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21141 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 6 and the W/2 of Section 7, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

2. Order No. R-21141 designated Marathon as the operator of the wells and the unit.

3. The Division Hearing for Case No. 21030 was held on February 6, 2020.

4. The Division entered Order No. R-21141 in Case No. 21030 on February 21, 2020.

This order was issued under the “interim form of order” and did not conform to the Amended Order Template.

5. In December 2020, Marathon requested that Order No. R-21141 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.

6. On January 19, 2021 (in Case No. 21608), the Division entered Order No. R-21141-A, in which the Division granted Marathon's application to amend the Order to conform to the Amended Order Template and extended the period of time to commence drilling the initial well under the Order until February 21, 2022. *See* Order R-21113-A ¶ 9.

7. Order No. R-21141-A ¶ 15 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph [9]¹ unless Operator obtains an extension by an amendment of this Order for good cause shown."

8. Good cause exists for Marathon's request for a second extension of time.

9. 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.

10. 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.

11. In addition, there have been delays in obtaining BLM approved APDs, which in turn delays Marathon's schedule.

12. Under Order No. R-21141-A, Marathon would be required to commence drilling the well by February 21, 2022.

13. Marathon asks that the deadline to commence drilling the initial well be extended for one year from February 21, 2022 to February 21, 2023.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 7, 2021, and after notice and hearing as required by law, the Division:

¹ Paragraph 15 cites to Paragraph 13 of the Order; however this appears to be a relic from the form of order which does not take into account Paragraph 9 which sets a specific deadline by which Marathon must commence drilling the initial well. The correct internal cross reference should be to paragraph 9.

A. Amend Order No. R-21141-A to extend the time for Marathon to commence drilling the initial well under the Order for a year, through February 21, 2023.

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

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CASE NO. _____: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21141-A, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-21141-A to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-21141-A pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 6 and the W/2 of Section 7, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. Said area is located approximately 10 miles Southeast of Malaga, New Mexico.