

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21223-A, EDDY COUNTY, NEW MEXICO**

**CASE NO. \_\_\_\_\_  
ORDER NO. R-21223-A  
(Re-Open)**

**APPLICATION**

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) for the limited purpose of amending Order No. R-21223-A (the “Order”) 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-21223 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 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.
2. Order No. R-21223 designated Marathon as the operator of the well and the unit.
3. The Division Hearing for Case No. 20884 was held on November 14, 2019.
4. The Division entered Order No. R-21223 in Case No. 20884 on April 2, 2020.
5. In January 2021, Marathon requested that Order No. R-21223 be re-opened and amended to allow Marathon additional time to commence drilling the initial well under the Order.
6. On March 23, 2021 (in Case No. 21664), the Division entered Order No. R-21223-A, in which the Division granted Marathon’s application to extend the period of time to commence drilling the initial well under the Order until April 2, 2022. *See* Order R-21223-A ¶ 7.

7. Order No. R-21223-A, ¶ 8 states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operation applies, and OCD grants, to amend Order R-21223 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. Under Order No. R-21223-A, Marathon would be required to commence drilling the well by April 2, 2022.

12. Marathon asks that the deadline to commence drilling the well be extended for a year from April 2, 2022 to April 2, 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 amend Order No. R-21223-A to extend the time for Marathon to commence drilling the well under the Order for a year, through April 2, 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-21223-A, Eddy County, New Mexico.** Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21223-A to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-21223-A 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 35, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 3.6 miles southeast of Malaga, New Mexico.