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

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

CASE NOS. 20132-20134

APPLICATION OF OXY USA INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 20630-20633

JOINT STATUS REPORT

Marathon Oil Permian LLC ("Marathon") and Oxy USA, Inc. ("OXY") hereby file this Joint Status Report in preparation for a status conference set on September 23, 2021 in the above-captioned cases. The Parties jointly desire that all of the cases be continued until the January 20, 2022 Division docket. This request is based on the following:

- 1. Since early 2019, Marathon and OXY have been actively engaged in discussions to exchange various acreage positions that include acreage at issue in these cases.
- 2. Beginning in March of 2020, complications from COVID and other market conditions affecting the oil and gas industry forced the evaluations of various proposals between Marathon and OXY to be delayed through the remainder of 2020 and during the beginning of 2021.
- 3. Throughout the remainder of 2021, representatives of OXY and Marathon have continued to discuss the terms of an agreement related to the subject acreage. The companies have engaged in frequent communication over the last two months regarding resolution of these matters, which requires approval from the respective management teams.

Released to Imaging: 9/22/2021 8:38:24 AM

- 4. These cases were heard on the July 15, 2021 Division Docket as a status conference and at that time the parties reported that negotiations were ongoing and neither party was requesting a contested hearing that point in time.
- 5. It is both OXY and Marathon's desire to delay any potential compulsory pooling cases until the parties have had the opportunity to see the current proposals through, which may take several months.

Based on the foregoing, the Parties respectfully request the Division to continue Cases 20132-20134, and 20630-20633 until the January 20, 2022 Division docket, at which point the Parties hope to have resolved all commercial differences, and avoid the need for any further hearings.

JOINTLY SUBMITTED BY:

By: *Electronically approved 9/21/2021*

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