

**Before the Oil Conservation Division
Examiner Hearing October 7, 2021**

Case No. 22169

**Application of Marathon Oil Permian LLC to Amend Order No. R-20331, 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-20331, LEA COUNTY, NEW MEXICO**

**CASE NO. 22169
ORDER NO. R-20331
(Amend)**

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

APPLICATION OF MARATHON OIL
PERMIAN, LLC TO AMEND ORDER
NO. R-20331, LEA COUNTY, NEW MEXICO

CASE NO. 22169
ORDER NO. R-20331
(Amend)

SELF-AFFIRMED DECLARATION

Jeff Broussard hereby states and declares as follows:

1. I am over the age of 18, I am a land professional 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-20331, attached as **Exhibit 2**, to allow for a one-year extension of time to commence completion operations under the Order through October 10, 2021.

7. Order No. R-20331 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico (the "Unit").

8. Order No. R-20331 designated Marathon as the operator of three wells and the Unit under the Order: the Mammoth Federal Com 26 34 1 WXY Well No. 7H, the Mammoth Federal Com 26 34 1 WA Well No. 2H; and the Mammoth Federal Com 26 34 1 WA Well No. 11H (the "Wells").

9. Marathon timely commenced drilling the Wells.

10. Paragraph 9 of Order No. R-20331 (pages 5-6) requires Marathon to commence completion operations within one year after commencement of drilling operations, unless Marathon obtained a written extension of time from the Division.

11. On September 17, 2020, Marathon submitted a written request to the Division requesting a one-year extension of time to commence completion operations, to October 10, 2021, which the Division granted. **See Exhibit 3.**

12. Marathon is now seeking a second extension of time to allow Marathon additional time to commence completion operations under the Order.

13. Good cause exists for Marathon's request for an extension of time.

14. Marathon has begun drilling the Wells but needs additional time to commence completion operations.

15. As Marathon stated in its September 17, 2020 extension request, there had been changes in Marathon's drilling schedule due to COVID-19 and the then-existing current market conditions, which impacted and delayed Marathon's ability to complete the Wells.

16. Marathon's operations and drilling activity continue to be impacted by COVID-19 and market conditions.

17. Marathon does intend to complete the Wells in this Unit, as well as the wells that are the subject of Case Numbers 22167 and 22168, for which Marathon is also seeking an extension of time to commence completion operations.

18. Paragraph 10 of Order No. R-20331 (page 6) requires Marathon to provide notice of any request for an extension of time to commence completion operations to "each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request."

19. EOG Resources Inc. is the only pooled working interest owner. EOG Resources Inc. had elected to participate in the drilling of the Wells, but has since determined not to participate in the drilling of the Wells through their refusal to pay the Cash Call. In any event, however, Marathon, through counsel, provided notice of this hearing to EOG Resources Inc. *See Exhibit 4.*

20. Marathon has borne 100% of the costs incurred by the Wells to date.

21. Marathon asks that the deadline to commence completion operations be extended from October 10, 2021 to October 10, 2022.

22. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

23. 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.

1. 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: September 29, 2021



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-20331,
LEA COUNTY, NEW MEXICO**

**CASE NO. 22169
ORDER NO. R-20331
(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-20331 (the “Order”) to allow for an extension of time for commencement of completion operations under the Order. In support of this application, Marathon states as follows:

1. Marathon has an interest in the subject lands and has a right to drill and operate a well thereon.
2. The Division entered Order No. R-20331 in Case No. 20060 on January 29, 2019.
3. Order No. R-20331 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”).
4. Order No. R-20331 designated Marathon as the operator of three wells and the Unit under the Order: the Mammoth Federal Com 26 34 1 WXY Well No. 7H, the Mammoth Federal Com 26 34 1 WA Well No. 2H; and the Mammoth Federal Com 26 34 1 WA Well No. 11H (the “Wells”).



5. Marathon timely commenced drilling the Wells.

6. Paragraph 9 of the Order requires Marathon to commence completion operations within one year after commencement of drilling operations, unless the operator obtains a written extension of time from the Division.

7. On September 17, 2020, Marathon submitted a written request to Division requesting a one-year extension of time to commence completion operations, to October 10, 2021.

8. The Division granted Marathon an extension of time to commence completion operations, until October 10, 2021.

9. Marathon now requests that Order No. R-20331 be re-opened and amended to allow Marathon additional time to commence completion operations under the Order.

10. Good cause exists for Marathon's request for an extension of time.

11. As Marathon indicated in its September 17, 2020 letter, at that time there had been changes in Marathon's drilling schedule due to COVID-19 and the then-existing current market conditions.

12. Marathon's operations and drilling activity continue to be impacted by COVID-19 and market conditions.

13. It is Marathon's intent to develop the acreage in this Unit and to complete the Wells thereon.

14. Marathon asks that the deadline to commence completion operations be extended from October 10, 2021 to October 10, 2022.

15. Paragraph 10 of the Order requires Marathon to provide notice of any request for an extension of time to commence completion operations to “each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request.”

16. Marathon will provide notice as required by the Order.

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:

A. Amend Order No. R-20331 to extend the time for Marathon to commence completion operations under the Order, through October 10, 2022.

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

By: Deana M. Bennett

Deana M. Bennett
Jamie L. Allen
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 22169: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-20331, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-20331 to allow for an extension of time to commence completion operations of the wells under the order. Order No. R-20331 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles west south west of Jal, New Mexico.

EXAMINER HEARING OCTOBER 7, 2021

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. 20060
ORDER NO. R-20331

APPLICATION OF MARATHON OIL PERMIAN LLC FOR APPROVAL OF A
SPACING UNIT AND 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 November 15, 2018, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 29th day of January, 2019, 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) Cases No. 20058, 20059, and 20060 were consolidated at the hearing for testimony; however, a separate order will be issued for each case.

(3) The Applicant, Marathon Oil Permian LLC, seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit ("the Unit") described as follows:

A Horizontal Spacing Unit comprising 640 acres (more or less) within the Wildcat Wolfcamp Oil Pool (Pool code 98117) and all other pools hereafter defined within the Wolfcamp formation in the W/2 of Section 1, Township 26 South, Range 34 East and W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

(4) Applicant also seeks approval of the above described lands as a Spacing Unit.



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Order No. R-20331
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(5) The Unit will be dedicated to the following well(s):

Mammoth Federal Com 26 34 1 WXY Well No. 7H, API No. 30-025-Pending

SHL: 448 feet from the South line and 1539 feet from the West line,
(Unit N) of Section 1, Township 26 South, Range 34 East, NMPM.
BHL: 100 feet from the North line and 1311 feet from the West line,
(Unit D) of Section 36, Township 25 South, Range 34 East, NMPM.

Mammoth Federal Com 26 34 1 WA Well No. 2H, API No. 30-025-Pending

SHL: 448 feet from the South line and 1509 feet from the West line,
(Unit N) of Section 1, Township 26 South, Range 34 East, NMPM.
BHL: 100 feet from the North line and 330 feet from the West line,
(Unit D) of Section 36, Township 25 South, Range 34 East,
NMPM.

Mammoth Federal Com 26 34 1 WA Well No. 11H, API No. 30-025-Pending

SHL: 448 feet from the South line and 1599 feet from the West line,
(Unit N) of Section 1, Township 26 South, Range 34 East, NMPM.
BHL: 100 feet from the North line and 2316 feet from the West line,
(Unit C) of Section 36, Township 25 South, Range 34 East,
NMPM.

(6) The Wildcat Wolfcamp Oil Pool is governed by Division Rule 19.15.15.9(A) NMAC, which specifies 40-acre spacing and proration units [vertical wells], each comprising a governmental quarter-quarter section.

(7) The allowed setback footage distance for the proposed horizontal Oil well(s) is specified in Paragraph (1) of Subsection C of 19.15.16.15 NMAC effective June 26, 2018. Said rules allow the first or last take points to be no closer than 100 feet to the nearest unit boundary, and the setbacks measured perpendicular to the well path to be a minimum of 330 feet from the outer boundary of the horizontal spacing unit

(8) No other party appeared or otherwise opposed this application.

(9) Applicant appeared at the hearing through counsel and presented evidence to the effect that:

- (a) The Wolfcamp formation in this area is suitable for development by horizontal drilling.
- (b) The orientation of the horizontal well(s) and the Unit is appropriate for optimum recovery of oil and gas.

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- (c) The target drilling depth will be within the Wolfcamp XY member of the Wolfcamp formation.
- (d) Applicant intends to place Well No. 7H within 7 feet west of the center of the W/2, and thereby incorporate proximity tracts located in the E/2 W/2 of both sections.
- (e) 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 instruments.
- (f) Not all affected parties were located.
- (g) Notice to 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

(10) The application in this case was filed, and the Well(s) were permitted, on or after the June 26, 2018 date on which amendments to 19.15.16.7 and 19.15.16.15 NMAC (prescribing new spacing rules for horizontal wells) became effective (see Order No. R-14689). Hence the Well(s) must be spaced, permitted and drilled pursuant 19.15.16.15 NMAC, as amended effective June 26, 2018.

(11) Provided that the Unit constitutes a standard horizontal spacing unit for each of the Well(s) under now effective rules, no non-standard spacing unit approval is needed. If, however, the Unit is not a standard horizontal spacing unit for any of the Well(s), the operator must obtain approval of a non-standard horizontal spacing unit pursuant to 19.15.16.15.B(5) prior to producing such well.

(12) The portion of the case asking for approval of a Spacing Unit is no longer needed and should be dismissed.

(13) 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.

(14) Marathon Oil Permian LLC (OGRID 372098) should be designated the operator of the Well(s) and of the Unit.

(15) 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.

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(16) 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).

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

(18) 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 Wolfcamp formation within the Unit.

(19) 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.

(20) 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.

(21) 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 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(22) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations."

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the following described spacing unit ("the Unit") are hereby pooled:

A Horizontal Spacing Unit comprising 640 acres (more or less) within the Wildcat Wolfcamp Oil Pool (Pool code 98117) and all other pools hereafter defined within the Wolfcamp formation in the W/2 of Section 1, Township 26 South, Range 34 East and W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) The portion of the application in this case asking for approval of a Spacing Unit is dismissed.

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(3) The Unit shall be dedicated to the following "Well(s)":

Mammoth Federal Com 26 34 1 WXY Well No. 7H, API No. 30-025-Pending

SHL: 448 feet from the South line and 1539 feet from the West line,
(Unit N) of Section 1, Township 26 South, Range 34 East, NMPM.

BHL: 100 feet from the North line and 1311 feet from the West line,
(Unit D) of Section 36, Township 25 South, Range 34 East, NMPM.

Mammoth Federal Com 26 34 1 WA Well No. 2H, API No. 30-025-Pending

SHL: 448 feet from the South line and 1509 feet from the West line,
(Unit N) of Section 1, Township 26 South, Range 34 East, NMPM.

BHL: 100 feet from the North line and 330 feet from the West line,
(Unit D) of Section 36, Township 25 South, Range 34 East,
NMPM.

Mammoth Federal Com 26 34 1 WA Well No. 11H, API No. 30-025-Pending

SHL: 448 feet from the South line and 1599 feet from the West line,
(Unit N) of Section 1, Township 26 South, Range 34 East, NMPM.

BHL: 100 feet from the North line and 2316 feet from the West line,
(Unit C) of Section 36, Township 25 South, Range 34 East,
NMPM.

(4) The Well(s) shall be drilled horizontally and target the Wolfcamp XY formation at proposed true vertical depths of approximately 12616 feet.

(5) Marathon Oil Permian LLC (OGRID 372098) is hereby designated the operator of the Well(s) and of the Unit.

(6) 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.

(7) The operator of the Unit shall commence drilling the Well(s) on or before January 31, 2020 and shall thereafter continue drilling the Well(s) with due diligence to test the Wolfcamp formation at or about the proposed true vertical and measured depths.

(8) 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.

(9) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the

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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.

(10) 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.

(11) 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.

(12) 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.

(13) 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 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").

(14) 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 90 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."

(15) 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.

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(16) 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.

(17) 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, 200% of the above costs.

(18) 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" 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.

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

(20) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, 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.

(21) 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

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required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 70-8A-31, as amended).

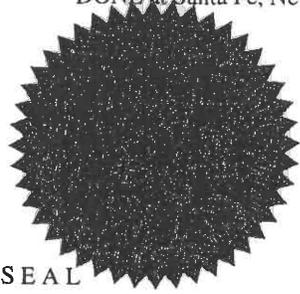
(22) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production,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

(23) 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.

(24) 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.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

GABRIEL WADE
Acting Director

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



September 22, 2020

Marathon Oil Permian, LLC (OGRID 372098)
c/o Deana Bennett, Attorney for Applicant
Deana.bennett@modrall.com
P.O. Box 2168
Albuquerque, New Mexico 87103-2168

RE: Request for Time Extension to Complete Wells

Case No. 20060, R-20331 approved date January 29, 2019

Applicant/Operator: Marathon Oil Permian, LLC

Subject Wells: Mammoth Federal Com 26 34 1 WXY, No. 7H; API No. 30-015-46133

Mammoth Federal Com 26 34 1 WA, No. 2H; API No. 30-015-46130

Mammoth Federal Com 26 34 1 WA, No. 11H; API No. 30-015-46131

Dear Sir or Madam:

The following pertains to your request received by the Division on September 17, 2020, and to the requirements in the above-captioned hearing order.

Under the above-captioned order, the operator was to have commenced completion operations October 10, 2020, one year from the spud date of October 10, 2019. Based upon economic conditions, you have requested a one-year extension of the deadline to commence completion of the subject well until October 10, 2021

Applicant represents that notice of this extension-request has been provided to all necessary parties.

The requested additional year in which to commence completion operations is hereby granted. The date by which operator must commence completion of the subject well is extended to October 10, 2021.

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

Sincerely,

A handwritten signature in black ink, appearing to read "AS", is written over a horizontal line.

ADRIENNE SANDOVAL
Director
AS/kms

CC: Oil Conservation Division – Artesia District Office; Case No. 20060





MODRALL SPERLING
LAWYERS

September 16, 2021

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC TO
AMEND ORDER NO. R-20329, LEA COUNTY, NEW MEXICO.**

CASE NO. 22167

**APPLICATION OF MARATHON OIL PERMIAN LLC TO
AMEND ORDER NO. R-20330, LEA COUNTY, NEW MEXICO.**

CASE NO. 22168

**APPLICATION OF MARATHON OIL PERMIAN LLC TO
AMEND ORDER NO. R-20331, LEA COUNTY, NEW MEXICO.**

CASE NO. 22169

TO: AFFECTED PARTIES

This letter is to advise you that Marathon Oil Permian LLC (“Marathon”) has filed the above-listed applications.

In Case No. 22167, Marathon seeks an order from the Division for the limited purposes of amending Order No. R-20329 to allow for an extension of time to commence completion operations under the order. Order No. R-20329 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 1, Township 26 South, Range 34 East and the W/2 W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

In Case No. 22168, Marathon seeks an order from the Division for the limited purposes of amending Order No. R-20330 to allow for an extension of time to commence completion operations under the order. Order No. R-20330 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 1, Township 26

Modrall Sperling
Roehl Harris & Sisk P.A.

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Tel: 505.848.1800
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Marathon Oil Permian LLC

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South, Range 34 East and the E/2 W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico.

In Case No. 22169, Marathon seeks an order from the Division for the limited purposes of amending Order No. R-20331 to allow for an extension of time to commence completion operations of the wells under the order. Order No. R-20331 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles west south west of Jal, 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 October 7, 2021 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 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-20329,
LEA COUNTY, NEW MEXICO

CASE NO. 22167
ORDER NO. R-20329
(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-20329 (the “Order”) to allow for an extension of time for commencement of completion operations under the Order. In support of this application, Marathon states as follows:

1. Marathon has an interest in the subject lands and has a right to drill and operate a well thereon.
2. The Division entered Order No. R-20329 in Case No. 20058 on January 29, 2019.
3. Order No. R-20329 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 1, Township 26 South, Range 34 East and the W/2 W/2 of Section 36, Township 25 South, Range 34 East, NMPPM, Lea County, New Mexico (the “Unit”).
4. Order No. R-20329 designated Marathon as the operator the Mammoth Federal Com 26 34 1 TB Well No. 1H well (the “Well”) and the Unit.
5. Marathon timely commenced drilling the Well.

6. Paragraph 9 of the Order requires Marathon to commence completion operations within one year after commencement of drilling operations, unless Marathon obtains a written extension of time from the Division.

7. On September 17, 2020, Marathon submitted a written request to the Division requesting a one-year extension of time to commence completion operations, to October 10, 2021.

8. The Division granted Marathon an extension of time to commence completion operations, until October 10, 2021.

9. Marathon now requests that Order No. R-20329 be re-opened and amended to allow Marathon additional time to commence completion operations under the Order.

10. Good cause exists for Marathon's request for an extension of time.

11. As Marathon indicated in its September 17, 2020 letter, at that time, there had been changes in Marathon's drilling schedule due to COVID-19 and the then-existing current market conditions.

12. Marathon's operations and drilling activity continue to be impacted by COVID-19 and market conditions.

13. It is Marathon's intent to develop the acreage in this Unit and to complete the Well thereon.

14. Marathon asks that the deadline to commence completion operations be extended from October 10, 2021 to October 10, 2022.

15. Paragraph 10 of the Order requires Marathon to provide notice of any request for an extension of time to commence completion operations to "each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request."

16. Marathon will provide notice as required by the Order.

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:

A. Amend Order No. R-20329 to extend the time for Marathon to commence completion operations under the Order, through October 10, 2022.

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

By: Deana M. Bennett

Deana M. Bennett
Jamie L. Allen
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 22167: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-20329, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-20329 to allow for an extension of time to commence completion operations under the order. Order No. R-20329 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 1, Township 26 South, Range 34 East and the W/2 W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles west south west of Jal, 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-20330,
LEA COUNTY, NEW MEXICO**

**CASE NO. 22168
ORDER NO. R-20330
(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-20330 (the “Order”) to allow for an extension of time for commencement of completion operations under the Order. In support of this application, Marathon states as follows:

1. Marathon has an interest in the subject lands and has a right to drill and operate a well thereon.
2. The Division entered Order No. R-20330 in Case No. 20059 on January 29, 2019, 2020.
3. Order No. R-20330 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 1, Township 26 South, Range 34 East and the E/2 W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”).
4. Order No. R-20330 designated Marathon as the operator the Mammoth Federal Com 26 34 1 TB Well No. 10H well (the “Well”) and the Unit.
5. Marathon timely commenced drilling the Well.

6. Paragraph 9 of the Order requires Marathon to commence completion operations within one year after commencement of drilling operations, unless the operator obtains a written extension of time from the Division.

7. On September 17, 2020, Marathon submitted a written request to the Division requesting a one-year extension of time to commence completion operations, to October 10, 2021.

8. The Division granted Marathon an extension of time to commence completion operations, until October 10, 2021.

9. Marathon now requests that Order No. R-20330 be re-opened and amended to allow Marathon additional time to commence completion of the Well under the Order.

10. Good cause exists for Marathon's request for an extension of time.

11. As Marathon indicated in its September 17, 2020 letter, at that time, there had been changes in Marathon's drilling schedule due to COVID-19 and the then-existing current market conditions.

12. Marathon's operations and drilling activity continue to be impacted by COVID-19 and market conditions.

13. It is Marathon's intent to develop the acreage in this Unit and to complete the Well thereon.

14. Marathon asks that the deadline to commence completion operations be extended from October 10, 2021 to October 10, 2022.

15. Paragraph 10 of the Order requires Marathon to provide notice of any request for an extension of time to commence completion operations to "each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request."

16. Marathon will provide notice as required by the Order.

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:

A. Amend Order No. R-20330 to extend the time for Marathon to commence completion operations under the Order, through October 10, 2022.

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

By: Deana M. Bennett

Deana M. Bennett
Jamie L. Allen
Post Office Box 2168
500 Fourth Street NW, Suite 1000
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Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 22168: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-20330, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-20330 to allow for an extension of time to commence completion operations under the order. Order No. R-20330 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 1, Township 26 South, Range 34 East and the E/2 W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles west south west of Jal, 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-20331,
LEA COUNTY, NEW MEXICO

CASE NO. 22169
ORDER NO. R-20331
(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-20331 (the “Order”) to allow for an extension of time for commencement of completion operations under the Order. In support of this application, Marathon states as follows:

1. Marathon has an interest in the subject lands and has a right to drill and operate a well thereon.
2. The Division entered Order No. R-20331 in Case No. 20060 on January 29, 2019.
3. Order No. R-20331 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico (the “Unit”).
4. Order No. R-20331 designated Marathon as the operator of three wells and the Unit under the Order: the Mammoth Federal Com 26 34 1 WXY Well No. 7H, the Mammoth Federal Com 26 34 1 WA Well No. 2H; and the Mammoth Federal Com 26 34 1 WA Well No. 11H (the “Wells”).

5. Marathon timely commenced drilling the Wells.

6. Paragraph 9 of the Order requires Marathon to commence completion operations within one year after commencement of drilling operations, unless the operator obtains a written extension of time from the Division.

7. On September 17, 2020, Marathon submitted a written request to Division requesting a one-year extension of time to commence completion operations, to October 10, 2021.

8. The Division granted Marathon an extension of time to commence completion operations, until October 10, 2021.

9. Marathon now requests that Order No. R-20331 be re-opened and amended to allow Marathon additional time to commence completion operations under the Order.

10. Good cause exists for Marathon's request for an extension of time.

11. As Marathon indicated in its September 17, 2020 letter, at that time there had been changes in Marathon's drilling schedule due to COVID-19 and the then-existing current market conditions.

12. Marathon's operations and drilling activity continue to be impacted by COVID-19 and market conditions.

13. It is Marathon's intent to develop the acreage in this Unit and to complete the Wells thereon.

14. Marathon asks that the deadline to commence completion operations be extended from October 10, 2021 to October 10, 2022.

15. Paragraph 10 of the Order requires Marathon to provide notice of any request for an extension of time to commence completion operations to “each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request.”

16. Marathon will provide notice as required by the Order.

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:

A. Amend Order No. R-20331 to extend the time for Marathon to commence completion operations under the Order, through October 10, 2022.

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

By: Deana M. Bennett

Deana M. Bennett
Jamie L. Allen
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Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 22169: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-20331, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-20331 to allow for an extension of time to commence completion operations of the wells under the order. Order No. R-20331 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles west south west of Jal, New Mexico.

PS Form 3877
Type of Mailing: CERTIFIED MAIL
09/16/2021

Firm Mailing Book ID: 215225

Karlene Schuman
Medrall Sperling 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	Rst.Del.Fee	Reference Contents
1	9314 8699 0430 0086 7188 24	EOG Resources, Inc. 5509 Champions Drive Midland TX 79706	\$1.56	\$3.75	\$1.85	\$0.00	81363.0178
Totals:			\$1.56	\$3.75	\$1.85	\$0.00	
				Grand Total:		\$7.16	

List Number of Pieces Received at Post Office: _____ Dated: _____
Listed by Sender: _____ Postmaster: Name of receiving employee

Transaction Details

EXAMINER HEARING OCTOBER 7, 2021

Recipient:
EOG Resources, Inc.
5509 Champions Drive
Midland, TX 79706

Date Created: 09/16/2021 1:00 PM
Date Mailed: 09/16/2021
Date Mail Delivered: 09/21/2021 7:55 AM
USPS Article Number: 9314869904300086718824
Return Receipt Article Number: Not Applicable

Sender:
Karlene Schuman
Modrall Sperling Roel Harris & Sisk
500 Fourth Street NW
Albuquerque, NM 87102

Service Options: Return Receipt - Electronic
Certified Mail
Mail Service: Certified
Reference #: 81363.0178
Postage: \$1.56
Certified Mail Fees: \$5.60
Status: Delivered
Custom Field 1: 81363.0178 mammoth

Transaction created by: Kartenes
User ID: 20660
Firm Mailing Book ID: 215225
Batch ID:

Transaction History

Event Description	Event Date	Details
Mailbook Generated	09-16-2021 01:01 PM	[WALZ] - Firm Mailing Book 215225 generated by Karlenes
USPS® Certified Mail	09-16-2021 05:24 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at ALBUQUERQUE,NM
USPS® Certified Mail	09-19-2021 07:52 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
USPS® Certified Mail	09-19-2021 11:57 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
USPS® Certified Mail	09-21-2021 07:55 AM	[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT USPS at MIDLAND,TX

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

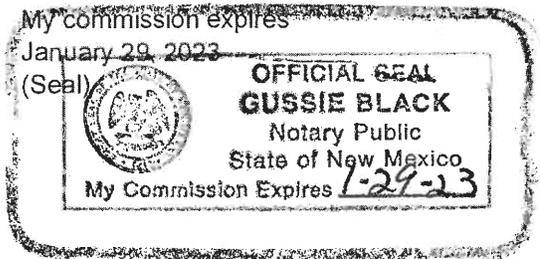
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
September 21, 2021
and ending with the issue dated
September 21, 2021.


Publisher

Sworn and subscribed to before me this
21st day of September 2021.


Business Manager



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 LEGAL LEGAL

LEGAL NOTICE
September 21, 2021

CASE NO. 22167: (Re-Open) Notice to all affected parties, as well as the heirs and devisees of EOG Resources, Inc. of (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-20329, 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 October 7, 2021. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-20329 to allow for an extension of time to commence completion operations under the order. Order No. R-20329 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 1, Township 26 South, Range 34 East and the W/2 W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles west south west of Jal, New Mexico.

CASE NO. 22168: (Re-Open) Notice to all affected parties, as well as the heirs and devisees of EOG Resources, Inc. of (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-20330, 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 October 7, 2021. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-20330 to allow for an extension of time to commence completion operations under the order. Order No. R-20330 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 1, Township 26 South, Range 34 East and the E/2 W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles west south west of Jal, New Mexico.

CASE NO. 22169: (Re-Open) Notice to all affected parties, as well as the heirs and devisees of EOG Resources, Inc. of (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-20331, 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 October 7, 2021. Applicant seeks an order from the Division for the limited purposes of amending Order No. R-20331 to allow for an extension of time to commence completion operations of the wells under the order. Order No. R-20331 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Section 1, Township 26 South, Range 34 East and the W/2 of Section 36, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles west south west of Jal, New Mexico.
#36871

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DOLORES SERNA
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