

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

**APPLICATION OF MARATHON OIL
PERMIAN LLC TO AMEND ORDER
NO. R-21060, EDDY COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21060
(Amend)**

APPLICATION

Marathon Oil Permian LLC (“Marathon”), OGRID Number 372098, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division (the “Division”) for the limited purpose of amending Order No. R-21060 (the “Order”) to allow for a second extension of time for drilling the initial well under the Order. In support of this application, Marathon states as follows:

1. In November 2019, Marathon filed an application (Case No. 20945) seeking to pool uncommitted interests in the Bone Spring formation underlying the E/2 W/2 of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.
2. On January 31, 2020, the Division entered Order No. R-21060 in Case No. 20945.
3. Order No. R-21060 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.
4. Order No. R-21060 designated Marathon as the operator of the well and the unit.

5. In December 2020, Marathon submitted by letter, as was the then-practice, a written request to the Division requesting that Order No. R-21060 be re-opened to allow Marathon additional time to commence drilling the initial well under the order.

6. On December 16, 2020, the Division approved Marathon's written request for an extension of time by letter. The Division's December 16, 2020 letter extended the period to drill the initial well to January 31, 2022.

7. Marathon requests that Order No. R-21060 be re-opened and amended to allow Marathon additional time to commence drilling the initial well under the Order.

8. Order No. R-21060 provides that Marathon may obtain an extension of time to commence drilling upon written request to the Director, Order R-20160, p. 3, ¶ 5, and must "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." *See* Order R-21060, p. 3, ¶ 7.

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

10. 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.

11. 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.

12. Pursuant to the Division's December 16, 2020 letter, Marathon would be required to commence drilling the initial well by January 31, 2022.

13. Marathon asks that the deadline to commence drilling the initial well be extended for a year from January 31, 2022 to January 31, 2023.

14. WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and after notice and hearing as required by law, the Division:

- A. Amend Order No. R-21060 to extend the time for Marathon to commence drilling the initial well under the Order for one year, through January 31, 2023; and
- B. Incorporate all of the provisions of Order Nos. R-21060.

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-21060, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21060 to allow for an extension of time to commence drilling the initial well under the Order. The Order pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.