

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21486 (AS AMENDED),  
EDDY COUNTY, NEW MEXICO**

**CASE NO. \_\_\_\_\_  
ORDER NO. R-21486 (as  
amended)  
(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-21486 (as amended) (Order No. R-21486 and its amendments are collectively referred to herein as the “Order”), to allow for an 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-21486 pooled uncommitted interest owners in a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 of Sections 23 and 24, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico.
2. Order No. R-21486 designated Marathon as the operator of the wells and the unit.
3. The Division Hearing for Case No. 21392 was held on September 24, 2020.
4. The Division entered Order No. R-21486 in Case No. 21392 on October 12, 2020.
5. Order No. R-21486 ¶ 19 states: “The Operator shall commence drilling the Well(s) within one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.”

6. Order No. R-21486 ¶ 20 states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.”

7. In September 2021, Marathon submitted an application requesting a one-year extension of time to commence drilling the initial well.

8. In October 2021, the Division granted Marathon’s request and extended the period to commence drilling the initial well until October 12, 2022. *See* Order R-21486-A ¶ 7.

9. Order No. R-21486-A provides that the “Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-21486 for good cause shown.” Order No. R-21486-A ¶ 8.

10. Marathon requests that the Order be re-opened and amended to allow Marathon additional time to commence drilling the initial well under the Order.

11. Good cause exists for Marathon’s request for an extension of time.

12. As Marathon explained in its initial request for an extension of time, Marathon’s operations and drilling activity have been impacted and continue to be impacted by COVID-19 and oil and gas market conditions.

13. Under the Order, Marathon would be required to commence drilling the initial well by October 12, 2022.

14. Marathon asks that the deadline to commence drilling the initial well be extended for a year from October 12, 2022 to October 12, 2023.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 1, 2022, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21486 to extend the time for Marathon to commence drilling the initial well under the Order for a year, through October 12, 2023.

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

By: Deana M. Bennett

Deana M. Bennett  
Bryce H. Smith  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. \_\_\_\_\_: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21486, Eddy County, New Mexico.** Applicant seeks an order from the Division for the limited purpose of amending Order No. R-21486 to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-21486 pooled uncommitted interest owners in a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 of Sections 23 and 24, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. Said area is located approximately 2 miles southeast of Malaga, New Mexico.