

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



December 16, 2020

Marathon Oil Permian, LLC
c/o Deana M. Bennett, Attorney
deana.bennett@modrall.com
P.O. Box 2168
Albuquerque, New Mexico 87102

RE: Request for Time Extension to Commence Completions
Case No. 16424, R-20306 approved date December 31, 2018
Deadline to commence completions One (1) year from drilling commencement
Applicant/Operator: Marathon Oil Permian, LLC
Proposed Wells:
Charlie Murphy 6 WXY FC Well No. 12H API: 30-025-46486
Charlie Murphy 6 WXY FC Well No. 18H API: 30-025-46687

Dear Sir or Madam:

The following pertains to your request received by the Division on December 8th, 2020 and to the requirements in the captioned hearing order.

You have requested an extension of the deadline to commence completions given by the Division in the captioned order.

As stated, you are requesting an extension to commence completions due to “changes in Marathon’s drilling schedule due to COVID-19 and current market conditions”. There was no opposition in the captioned case. You are requesting an additional year to commence completions. The date is now extended to, **December 13, 2021**.

The requested additional year in which to commence completions is hereby granted.

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

Sincerely,

ADRIENNE SANDOVAL
Director
AS/jag



December 8, 2020

Via E-mail

Deana M. Bennett
Deana.bennett@modrall.com
505-848-1834 (direct)
505.848.1800 (office)

Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505
Ocd.engineer.nm.us

Re: Completion Extension Request for:

**APPLICATION OF MARATHON OIL PERMIAN LLC
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 16424
ORDER NO. R-20306**

Dear OCD:

Marathon Oil Permian, LLC ("Marathon") respectfully requests a one (1) year extension to complete the wells under Order No. R-20306 (the "Order"). This extension is being requested because there have been changes in Marathon's drilling schedule due to COVID-19 and current market conditions. The wells and lands impacted by this extension are the following:

WELLS: Charlie Murphy 6 WXY FC Well No. 12H, API No. 30-025-46486
Charlie Murphy 6 WXY FC Well No. 18H, API 30-025-64687

LANDS: 640-acre (more or less) spacing unit underlying the E/2 of Section 6 and the E/2 of Section 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

The Order was issued on September 20, 2018, and requires Marathon to commence completion operations within one year after commencement of drilling operations. Order, p. 5, ¶ 9. Marathon timely commenced drilling operations for Wells 12H and 18H but requires additional time to commence completion operations for those wells. Marathon spud the Charlie Murphy 6

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WXY FC Well No. 12H on December 13, 2019, and spud the Charlie Murphy 6 WXY FC Well No. 18H on December 20, 2019. *See* Gyllenband Self-Affirmed Statement, attached as Exhibit A to this request. Marathon asks that the deadline to complete Wells Nos. 12H and 18H be extended to December 20, 2021, which is one year from the date Marathon spud the Charlie Murphy 6 WXY FC Well No. 18H well, so that the deadline for completion for both wells is the same date. Alternatively, Marathon requests that the deadline to complete Charlie Murphy 6 WXY FC Well No. 12H be extended to December 13, 2021, and the deadline to complete the Charlie Murphy 6 WXY FC Well No. 18H be extended to December 20, 2021.

The Order states Marathon may request a written extension of time from the Division Director “pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.” *See* Order, p. 5, ¶ 9. The Order also states that Marathon “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.” *See* Order, p. 5, ¶ 10. Marathon attaches an affidavit of a Land Professional confirming that Chevron U.S.A., Inc. is the only party entitled to notice under this requirement, and that Marathon’s extension request is made in good faith and warranted. *See* Gyllenband Self-Affirmed Statement, attached as Exhibit A to this request.

Sincerely,



Deana M. Bennett

Attorney for Marathon Oil Permian LLC

cc: Chevron U.S.A. Inc.
6301 Deauville Blvd.
Midland, TX 79706
Via certified mail

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

**APPLICATION OF MARATHON OIL PERMIAN LLC
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 16424
ORDER NO. R-20306**

SELF AFFIRMED STATEMENT OF RYAN GYLLENBAND

1. I am over the age of 18, I am a landman for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein. I have been qualified by the Oil Conservation Division ("Division") as an expert petroleum landman.

2. I submit the following information in support of receiving extensions for the above referenced compulsory pooling order.

3. My area of responsibility at Marathon includes the area of Lea County in New Mexico.

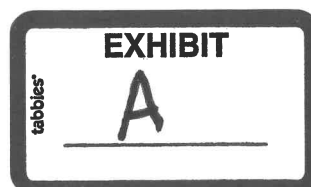
4. I am familiar with the order the Division issued in the above captioned case.

5. I am familiar with the status of the lands that are subject to the compulsory pooling order and with the status of Marathon's operations on the spacing unit approved by the order.

6. I have reviewed the compulsory pooling order in the above captioned case.

7. I have reviewed Marathon's records regarding each of the Charlie Murphy wells that are the subject of this extension request.

8. The spud date for the Charlie Murphy 6 WXY FC Well No. 12H ("Well No. 12H") was December 13, 2019, and the spud date for the Charlie Murphy 6 WXY FC Well No. 18H ("Well No. 18H") was December 20, 2019.



9. Marathon timely spud Well No. 12H and Well No. 18H but is requesting additional time to complete the wells.

10. Due to the recent COVID-19 pandemic and downturn in the oil and gas market, Marathon is not able to complete those wells within the timeline outlined in the order.

11. Order R-20306 requires Marathon to provide notice to pooled working interest owners that have elected into the wells that are the subject of this extension request. Chevron U.S.A., Inc. is the only pooled working interest owner that has elected to participate in Well No. 12H and Well No. 18H and is the only party entitled to notice of a request for extension under Order R-20306.

12. It is my opinion that the granting of this extension is reasonable and in the interests of conservation and the prevention of waste.

13. I affirm that the testimony in paragraphs 1-12 above is true and correct to the best of my knowledge and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.


Ryan Gyllenband

12/8/2020
Date



December 8, 2020

Via Certified Mail

Chevron U.S.A. Inc.
6301 Deauville Blvd.
Midland, TX 79706

Deana M. Bennett
Deana.bennett@modrall.com
505-848-1834 (direct)
505-848-1800 (office)

Re: Extension Request for:

**APPLICATION OF MARATHON OIL PERMIAN LLC
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 16424
ORDER NO. R-20306**

Dear Chevron U.S.A. Inc.,

Enclosed please find a request submitted by Marathon Oil Permian, LLC seeking a one (1) year extension to complete the wells under the above-referenced order.

Sincerely,

Deana M. Bennett

Attorney for Marathon Oil Permian LLC

Modrall Sperling
Roehl Harris & Sisk P.A.

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Modrall Sperling Roehl Harris & Sisk P.A.
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PS Form 3877

Type of Mailing: CERTIFIED MAIL
12/08/2020

Firm Mailing Book ID: 199883

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0077 4485 32	Chevron U.S.A. Inc. 6301 Deauville Blvd Midland TX 79706	\$1.40	\$3.55	\$1.70	\$0.00	81363.0124 Charlie
Totals:			\$1.40	\$3.55	\$1.70	\$0.00	
			Grand Total:				\$6.65
List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:				
1							