

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 drilling

Case No. 20169, R-21026 approved date January 21, 2020

Deadline to commence drilling January 31, 2021

Applicant/Operator: Marathon Oil Permian, LLC

Proposed Well:

Ned Pepper 18 WA Federal Com Well No. 2H, API No. 30-025-Pending

Ned Pepper 18 WXY Federal Com Well No. 6H, API No. 30-025-Pending

Ned Pepper 18 WA Federal Com Well No. 9H, API No. 30-025-Pending

Dear Sir or Madam:

The following pertains to your request received by the Division on December 14th, 2020 and to the requirements in the captioned hearing order.

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

As stated, you are requesting an extension to spud this well 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 in which to spud this well. The spud date is now extended to, **January 31, 2022.**

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

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

Sincerely,

ADRIENNE SANDOVAL
Director
AS/jag

CC: Oil Conservation Division



December 14, 2020

Via E-mail

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

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

Re: Drilling Extension Request for:

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

**CASE NO. 20163
ORDER NO. R-21022**

**CASE NO. 20164
ORDER NO. R-21023**

**CASE NO. 20169
ORDER NO. R-21026**

Dear OCD:

Marathon Oil Permian, LLC ("Marathon") respectfully requests a one (1) year extension to drill the wells under Order Nos. R-21022, 21023, and 21026 (the "Orders"). 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:

**CASE NO. 20163
ORDER NO. R-21022**

WELL: Ned Pepper 18 TB Federal Com 4H

LANDS: 160-acre (more or less) spacing unit underlying the E/2 W/2 of
Section 18, Township 24 South, Range 34 East, NMPM, Lea
County, New Mexico

CASE NO. 20164
ORDER NO. R-21023

WELL: Ned Pepper 18 TB Federal Com 1H

LANDS: 160-acre (more or less) spacing unit underlying the W/2 W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico

CASE NO. 20169
ORDER NO. R-21026

WELL: Ned Pepper 18 WA Federal Com 2H
Ned Pepper 18 WXY Federal Com 6H
Ned Pepper 18 WA Federal Com 9H

LANDS: 320-acre (more or less) spacing unit underlying the W/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico

The Orders were all issued on January 21, 2020, and require Marathon to commence drilling on or before January 31, 2021. Order R-21022; Order R-21023; and Order R-21026, p. 3, ¶ 4. Marathon requests an additional one-year period in which to commence drilling the wells, the extended period to expire January 31, 2022.

The Orders state that 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 R-21022; Order R-21023; and Order R-21026, p. 3, ¶ 5.

The Orders also state 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 R-21022; Order R-21023; and Order R-21026, p. 3, ¶ 7. Marathon has reviewed its records and there are no pooled working interest owners who have elected to participate in the drilling of the wells subject to these Orders and therefore no notice is required under the terms of the Orders.

Sincerely,



Deana M. Bennett

Attorney for Marathon Oil Permian LLC