

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

***Case Nos. 21571, 21594, 21595, and 21596  
Mead (Re-Open)***



## **Marathon Mead Cases: Nos. 21571, 21594, 21595, 21593**

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**Tab A: Jeff Broussard Self Affirmed Statement**

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

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

**CASE NO. 21571, 21594-21596  
ORDER NOS. R-21122; R-21125; R-21074; R-  
21075 (Re-Open) (Mead)**

**SELF AFFIRMED STATEMENT OF JEFF BROUSSARD**

1. I am over the age of 18, I am a land supervisor for Marathon Oil Permian LLC and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.

2. My area of responsibility includes the area of Lea County in New Mexico.

3. I am familiar with the applications filed by Marathon in these cases, which are attached as 1-A; 1-B; 1-C; and 1-D.

4. I am familiar with the status of the lands that are subject to these applications.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced applications.

6. The purpose of the applications is to re-open Order Nos. R-21125; R-21074; R-21075; and R-21122 (the "Orders") to 1) conform all of the Orders to the amended order template ("Amended Order Template") described in the April 9, 2020 Letter of the Division Director (Re: Amendments to Compulsory Pooling Order Template), which is attached as Exhibit 2 to this Affidavit; and 2) amend all of the Orders to allow for an extension of time for drilling the wells under the Orders.

7. Order No. R-21074 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Order No. R-21075 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Order No. R-21122 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Order No. R-21125 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

8. The Orders designated Marathon as the operator of the well(s) and the unit described in each order.

9. Marathon's first request is to conform the Orders to the Amended Order Template.

10. Marathon is in good standing under the statewide rules and regulations.

11. Marathon has reviewed the Amended Order Template and agrees to its terms and conditions.

12. Marathon further requests that the Orders be re-opened and amended to allow Marathon additional time to commence drilling the well(s) under the Orders.

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

14. Marathon requests this extension because there have been changes in Marathon's drilling schedule due to COVID-19 and current market conditions.

15. Marathon's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.

16. Under the Orders, Marathon is required to commence drilling the initial wells for each order by, as follows:

- Order R-21122: February 17, 2021
- Order R-21125: February 17, 2021.
- Order R-21074: February 10, 2021
- Order R-21075: February 10, 2021

17. Marathon asks that the deadline to commence drilling the wells under the Orders be extended for a year as follows:

- Order R-21122: February 17, 2022
- Order R-21125: February 17, 2022
- Order R-21074: February 10, 2022
- Order R-21075: February 10, 2022

18. Marathon, through its counsel, notified all pooled parties of Marathon's request to re-open the Orders for the purposes specified in the applications. No opposition is expected because the pooled parties have been contacted, and have not indicated any opposition. Proof of notification is attached as Exhibit 3 to this Affidavit. No publication was required because there are no unknown parties entitled to notice.

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

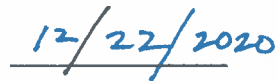
20. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

21. In my opinion, the granting of these applications is in the interests of conservation and the prevention of waste.

I affirm that the testimony herein 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.



Jeff Broussard



Date

**Exhibit 1-A: Application Case No. 21571**



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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21125, LEA COUNTY, NEW MEXICO**

**CASE NO. 21571  
ORDER NO. R-21125  
(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-21125 as follows: 1) conforming Division Order No. R-21125 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21125 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21125 is one of eight orders relating to Marathon's "Mead" well group.
2. Order No. R-21125 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21125 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20946 was held on December 12, 2019.

5. The Division entered Order No. R-21125 in Case No. 20946 on February 17, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21125 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21125 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21125, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21125, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also 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.” Amended Order Template, ¶ 20.

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

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21125, Marathon would be required to commence drilling the well by February 17, 2021.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 17, 2021 to February 17, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21125 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21125 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 17, 2022.

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-21125, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21125 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21125 to allow for an extension of time to commence drilling the well under the Order.

**Exhibit 1-B Application Case No. 21594**

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21122, LEA COUNTY, NEW MEXICO**

**CASE NO. 21594  
ORDER NO. R-21122  
(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-21122 as follows: 1) conforming Division Order No. R-21122 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21122 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21122 is one of eight orders relating to Marathon's "Mead" well group.
2. Order No. R-21122 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21122 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20708 was held on September 19, 2019.

5. The Division entered Order No. R-21122 in Case No. 20708 on February 17, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21122 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21122 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21122, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21122, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also 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.” Amended Order Template, ¶ 20.

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

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21122, Marathon would be required to commence drilling the well by February 17, 2021.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 17, 2021 to February 17, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21122 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21122 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 17, 2022.

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-21122, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21122 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21122 to allow for an extension of time to commence drilling the well under the Order.

**Exhibit 1-C: Application Case No. 21595**

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21074, LEA COUNTY, NEW MEXICO**

**CASE NO. 21595  
ORDER NO. R-21074  
(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-21074 as follows: 1) conforming Division Order No. R-21074 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21074 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21074 is one of eight orders relating to Marathon's "Mead" well group.
2. Order No. R-21074 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21074 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20948 was held on December 12, 2019.

5. The Division entered Order No. R-21074 in Case No. 20948 on February 10, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21074 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21074 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21074, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21074, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also 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.” Amended Order Template, ¶ 20.

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

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21074, Marathon would be required to commence drilling the well by February 10, 2021.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 10, 2021 to February 10, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21074 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21074 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 10, 2022.

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-21074, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21074 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21074 to allow for an extension of time to commence drilling the well under the Order.

**Exhibit 1-D: Application Case No. 21596**

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21075, LEA COUNTY, NEW MEXICO**

**CASE NO. 21596  
ORDER NO. R-21075  
(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-21075 as follows: 1) conforming Division Order No. R-21075 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21075 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21075 is one of eight orders relating to Marathon's "Mead" well group.
2. Order No. R-21075 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21075 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20950 was held on December 12, 2019.



5. The Division entered Order No. R-21075 in Case No. 20950 on February 10, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21075 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21075 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21075, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21075, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also 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.” Amended Order Template, ¶ 20.

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

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21075, Marathon would be required to commence drilling the well by February 10, 2021.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 10, 2021 to February 10, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21075 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21075 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 10, 2022.

MODRALL, SPERLING, ROEHL, HARRIS  
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**CASE NO. \_\_\_\_\_: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21075, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21075 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21075 to allow for an extension of time to commence drilling the well under the Order.

## **Exhibit 2: OCD April 9, 2020 Letter**

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne E. Sandoval**  
Director, Oil Conservation Division



**BY ELECTRONIC MAIL ONLY**

April 9, 2020

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**RE: Amendments to Compulsory Pooling Order Template**

Dear Counsel:

The Oil Conservation Division (“OCD”) has amended the compulsory pooling order template effective on April 1, 2020. The amended template is attached as Exhibit 1.

Prior to April 1, 2020, OCD issued compulsory pooling orders for the cases identified in Exhibit 2. To conform an order with the amended template, please file an application for a hearing.

If you have any questions about this letter, please call Eric Ames, Office of General Counsel, at (505) 476-3463.

Respectfully,

A handwritten signature in black ink, appearing to read 'ASandoval', is written over the printed name.

Adrienne Sandoval  
Director

cc: Gabriel Wade, Deputy Director  
Eric Ames, OGC-EMNRD  
Scott Cox, OCD Engineering Bureau

## **EXHIBIT 1**

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
[OPERATOR]**

**CASE NO. \_\_\_\_\_  
ORDER NO. R-\_\_\_\_\_**

### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on [DATE], and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

### **FINDINGS OF FACT**

1. [NAME] ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

### **CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.



8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the ~~described~~ depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. ~~If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.~~
- ~~19.~~ If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well in accordance with 19.15.16.15(C) NMAC.
- ~~19.20.~~ The Operator shall commence drilling the ~~Well(s)~~ within one year 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; and (b) for an infill well, no later than thirty (30) days after completion of the well.
20. 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.

- ~~214.~~ ~~Operator shall comply with th~~The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- ~~22.~~ ~~This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.~~
- ~~223.~~ Operator shall submit ~~to OCD and~~ each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs"). ~~no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.~~
- ~~234.~~ No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- ~~245~~ No later than ~~within~~ one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- ~~256.~~ No later than sixty (60) days after ~~the later of~~ the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share

of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

267. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
278. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
289. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- ~~3029.~~ Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
323. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.

334. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

345. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.

35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

**ADRIENNE SANDOVAL  
DIRECTOR**

AES/xxx

Date: \_\_\_\_\_

CASE NO. \_\_\_\_\_  
ORDER NO. R-\_\_\_\_\_

**EXHIBIT 2**

<b>ORDER</b>	<b>CASE</b>	<b>APPLICANT</b>
R-21168	21002	MEWBOURNE
R-21167	21001	MEWBOURNE
R-21166	21000	MEWBOURNE
R-21165	20869	MARATHON
R-21164	20811	MEWBOURNE
R-21162	21036	DEVON
R-21161	21035	DEVON
R-21160	21021	CIMAREX
R-21159	20997	DEVON
R-21158	20996	DEVON
R-21157	20995	DEVON
R-21156	20994	DEVON
R-21155	20990	DEVON
R-21154	20987	DEVON
R-21153	20986	DEVON
R-21152	20968	KAISER-FRANCIS
R-21151	20966	KAISER-FRANCIS
R-21150	20960	BTA
R-21149	20959	BTA
R-21148	20872	DEVON
R-21141	21030	MARATHON
R-21140	21028	APACHE
R-21139	21027	APACHE
R-21138	21026	APACHE
R-21137	20981	COG
R-21136	20980	COG
R-21135	20979	COG
R-21134	20597	TAP ROCK
R-21133	20596	TAP ROCK
R-21132	20468	MARATHON
R-21131	20993	CIMAREX
R-21130	20915	BTA
R-21129	20914	BTA
R-21128	20938	CHISHOLM
R-21127	20871	MARATHON
R-21136	20870	MARATHON
R-20924-A	20809	MEWBOURNE
R-21125	20946	MARATHON
R-21124	20936	MATADOR
R-21123	20858	SPC RESOURCES
R-21122	20708	MARATHON
R-21113	20864	MARATHON
R-21112	20822	MARATHON
R-21111	16210	MATADOR

R-21110	16209	MATADOR
R-21107	20903	COG
R-21106	20868	MARATHON
R-21105	20867	MARATHON
R-21104	20860	SPC RESOURCES
R-21103	20823	MARATHON
R-21102	20935	COG
R-21101	20934	COG
R-21100	20859	SPC RESOURCES
R-21099	20820	MARATHON
R-21098	20819	SEP PERMIAN
R-21097	20818	SEP PERMIAN
R-21096	20762	SPC RESOURCES
R-21095	20889	NOVO
R-21094	20888	NOVO
R-21093	20887	NOVO
R-21092	20886	NOVO
R-21091	20855	COG
R-21090	20854	COG
R-21089	20836	COG
R-21088	20826	XTO
R-21087	20813	OXY
R-21086	20789	OXY
R-21085	20788	OXY
R-21084	20786	OXY
R-21083	20863	COG
R-21082	20794	DEVON
R-21081	20793	DEVON
R-21080	20791	IMPETRO
R-21079	20790	IMPETRO
R-21078	20767	MATADOR
R-21077	20999	COG
R-21076	20998	COG
R-21075	20950	MARATHON
R-21074	20948	MARATHON
R-21073	20932	COG
R-21072	20931	COG
R-21071	20839	B.C. OPERATING
R-21070	20838	B.C. OPERATING
R-21069	20837	B.C. OPERATING
R-21066	20943	CENTENNIAL

### **Exhibit 3: Notice Affidavit**

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

**APPLICATION OF MARATHON OIL PERMIAN LLC  
TO AMEND ORDERS, LEA COUNTY, NEW MEXICO**

**CASE NOS. 21571, 21594, 21595, and 21596**


**AFFIDAVIT**

STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF BERNALILLO        )

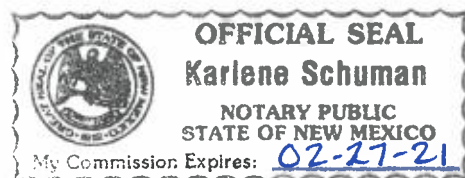
Deana M. Bennett, attorney in fact and authorized representative of Marathon Oil Permian LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were sent under a notice letter, provided herewith, and that proof of receipt is attached hereto.

  
\_\_\_\_\_  
Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 5th day of January, 2021 by Deana M. Bennett.

  
\_\_\_\_\_  
Notary Public

My commission expires: 02-27-21







December 16, 2020

Deana M. Bennett  
505.848.1834  
[dmb@modrall.com](mailto:dmb@modrall.com)

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF MARATHON OIL PERMIAN LLC TO  
AMEND ORDER NO. R-21125, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21571**

**APPLICATION OF MARATHON OIL PERMIAN LLC TO  
AMEND ORDER NO. R-21122, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21594**

**APPLICATION OF MARATHON OIL PERMIAN LLC TO  
AMEND ORDER NO R-21074, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21595**

**APPLICATION OF MARATHON OIL PERMIAN LLC TO  
AMEND ORDER NO. R-21075, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21596**

**TO: AFFECTED PARTIES**

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

In Case No. 21571, Marathon seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21125 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21125 to allow for an extension of time to commence drilling the well under the Order.

In Case No. 21594, Marathon seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21122 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory

Modrall Sperling  
Roehl Harris & Sisk P.A.  
500 Fourth Street NW  
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New Mexico 87103-2168  
Tel: 505.848.1800  
[www.modrall.com](http://www.modrall.com)

Pooling Order Template); and 2) amending Order No. R-21122 to allow for an extension of time to commence drilling the well under the Order.

In Case No. 21595, Marathon seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21074 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21074 to allow for an extension of time to commence drilling the well under the Order.

In Case No. 21596, Marathon seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21075 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21075 to allow for an extension of time to commence drilling the well under the Order.

**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 January 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-21125, LEA COUNTY, NEW MEXICO**

**CASE NO. 21571  
ORDER NO. R-21125  
(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-21125 as follows: 1) conforming Division Order No. R-21125 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21125 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21125 is one of eight orders relating to Marathon's "Mead" well group.
2. Order No. R-21125 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21125 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20946 was held on December 12, 2019.

5. The Division entered Order No. R-21125 in Case No. 20946 on February 17, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21125 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21125 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21125, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21125, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also 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.” Amended Order Template, ¶ 20.

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

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21125, Marathon would be required to commence drilling the well by February 17, 2021.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 17, 2021 to February 17, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21125 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21125 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 17, 2022.

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

By: Deana M. Bennett

Deana M. Bennett  
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-21125, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21125 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21125 to allow for an extension of time to commence drilling the well under the Order.

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21122, LEA COUNTY, NEW MEXICO**

**CASE NO. 21594  
ORDER NO. R-21122  
(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-21122 as follows: 1) conforming Division Order No. R-21122 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21122 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21122 is one of eight orders relating to Marathon's "Mead" well group.
2. Order No. R-21122 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21122 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20708 was held on September 19, 2019.

5. The Division entered Order No. R-21122 in Case No. 20708 on February 17, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21122 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21122 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21122, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21122, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also 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.” Amended Order Template, ¶ 20.

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

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21122, Marathon would be required to commence drilling the well by February 17, 2021.



14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 17, 2021 to February 17, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21122 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21122 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 17, 2022.

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

By: Deana M. Bennett  
Deana M. Bennett  
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-21122, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21122 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21122 to allow for an extension of time to commence drilling the well under the Order.

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21074, LEA COUNTY, NEW MEXICO**

**CASE NO. 21595  
ORDER NO. R-21074  
(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-21074 as follows: 1) conforming Division Order No. R-21074 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21074 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21074 is one of eight orders relating to Marathon's "Mead" well group.
2. Order No. R-21074 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21074 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20948 was held on December 12, 2019.

5. The Division entered Order No. R-21074 in Case No. 20948 on February 10, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21074 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21074 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21074, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21074, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also 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.” Amended Order Template, ¶ 20.

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

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21074, Marathon would be required to commence drilling the well by February 10, 2021.

14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 10, 2021 to February 10, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21074 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21074 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 10, 2022.

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

By: Deana M. Bennett  
Deana M. Bennett  
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-21074, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21074 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21074 to allow for an extension of time to commence drilling the well under the Order.

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

**APPLICATION OF MARATHON OIL  
PERMIAN LLC TO AMEND ORDER  
NO. R-21075, LEA COUNTY, NEW MEXICO**

**CASE NO. 21596  
ORDER NO. R-21075  
(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-21075 as follows: 1) conforming Division Order No. R-21075 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21075 to allow for an extension of time for drilling the well under the Order. In support of this application, Marathon states as follows:

1. Order No. R-21075 is one of eight orders relating to Marathon's "Mead" well group.
2. Order No. R-21075 pooled uncommitted interest owners in a 160-acre, more or less, Wolfbone horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21075 designated Marathon as the operator of the well and the unit.
4. The Division Hearing for Case No. 20950 was held on December 12, 2019.

5. The Division entered Order No. R-21075 in Case No. 20950 on February 10, 2020. This order was issued under the “interim form of order” and does not conform to the Amended Order Template.

6. Marathon requests that Order No. R-21075 be re-opened to conform this order to the terms of the Amended Order Template.

7. Marathon further requests that Order No. R-21075 be re-opened and amended to allow Marathon additional time to commence drilling the well under the Order.

8. Order No. R-21075, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21075, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also 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.” Amended Order Template, ¶ 20.

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

11. Marathon requests this extension because there have been changes in Marathon’s drilling schedule due to COVID-19 and current market conditions.

12. Marathon’s operations and drilling activity have been impacted by COVID-19 and oil and gas market conditions.

13. Under Order No. R-21075, Marathon would be required to commence drilling the well by February 10, 2021.



14. Marathon asks that the deadline to commence drilling the well be extended for a year from February 10, 2021 to February 10, 2022.

WHEREFORE, Marathon requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21075 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21075 to extend the time for Marathon to commence drilling the well under the Order for a year, through February 10, 2022.

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

By: Deana M. Bennett

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*Attorneys for Applicant*

**CASE NO. \_\_\_\_\_: (Re-Open) Application of Marathon Oil Permian LLC to Amend Order No. R-21075, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21075 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21075 to allow for an extension of time to commence drilling the well under the Order.

Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
500 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
12/16/2020

Firm Mailing Book ID: 200478

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0077 7521 58	ConocoPhillips PO Box 2197 Houston TX 77252	\$1.40	\$3.55	\$1.70	\$0.00	81363.0201 Mead
Totals:			\$1.40	\$3.55	\$1.70	\$0.00	
				Grand Total:		\$6.65	

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January 4, 2021

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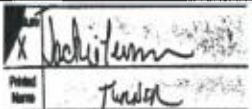

#### Item Details

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<b>Location:</b>	HOUSTON, TX 77002
<b>Postal Product:</b>	First-Class Mail®
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# Transaction Details

<b>Recipient:</b> ConocoPhillips PO Box 2197 Houston, TX 77252	<b>Date Created:</b> 12/16/2020 2:47 PM <b>USPS Article Number:</b> 9314869904300077752158 <b>Return Receipt Article Number:</b> Not Applicable
<b>Sender:</b> Karlene Schuman Modrall Spering Roehl Harris & Sisk P.A. PO Box 2168  Albuquerque, NM 87103	<b>Service Options:</b> Return Receipt - Electronic Certified Mail <b>Mail Service:</b> Certified <b>Reference #:</b> 81363.0201 Mead <b>Postage:</b> \$1.40 <b>Certified Mail Fees:</b> \$5.25 <b>Status:</b> Delivered <b>Custom Field 1:</b> 81363.0201 Mead
<b>Transaction created by:</b> Karlenes <b>User ID:</b> 20660 <b>Firm Mailing Book ID:</b> 200478 <b>Batch ID:</b>	

# Transaction History

Event Description	Event Date	Details
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USPS® Certified Mail	12-16-2020 07:31 PM	[USPS] - ORIGIN ACCEPTANCE at ALBUQUERQUE,NM
USPS® Certified Mail	12-16-2020 08:46 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-16-2020 09:40 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	12-22-2020 09:08 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at NORTH HOUSTON,TX
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USPS® Certified Mail	12-29-2020 07:09 AM	[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT USPS at HOUSTON,TX