

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NOS: 20922

APPLICATION OF RIDGE RUNNER RESOURCES
OPERATING LLC FOR COMPULSORY POOLING,
NON-STANDARD SPACING AND PRORATION UNIT,
EDDY COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING
December 12, 2019
SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, DEAN McCLURE, DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, December 12, 2019, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253
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A P P E A R A N C E S

For the Applicant:

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For Marathon Oil Permian:

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I N D E X

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E X H I B I T I N D E X

	Admitted
A through C (All attachments)	05

1 HEARING EXAMINER COSS: At this point the
2 Division would like to call Case Number 20922, Ridge Runner
3 Resources for compulsory pooling.

4 MR. PADILLA: Mr. Examiner, Ernest L. Padilla for
5 the applicant, Ridge Runner Resources.

6 MS. BENNETT: Good morning, Mr. Examiner. Deana
7 Bennett on behalf of Marathon Oil Permian LLC.

8 Marathon does not object to this case being put
9 on by affidavit, but Marathon has reached an agreement with
10 Ridge Runner where Ridge Runner agrees to allow the
11 cash-call provision in any order that the Division issues in
12 case to be amended to allow non-operators up to 90 days to
13 remit payment in place of the standard 30-day language.

14 MR. PADILLA: Mr. Examiner, I'm going to hand out
15 Exhibit A for this case, which summarizes the application.

16 Mr. Examiner, this is a compulsory pooling case,
17 pooling Wolfcamp and Third Bone Spring or Bone Spring wells
18 in Sections 32 and 33 of 19 South, Range 30 East.

19 I think if you -- I won't repeat or try to read
20 Exhibit A which summarizes everything here. So of note,
21 there are no depth severances. We also have three
22 affidavits, which is the affidavit of the landman Bob
23 Shelton, which is Exhibit A.

24 Exhibit B is affidavit of a geologist.

25 And the third exhibit, Exhibit C, is my affidavit

1 regarding notice.

2 I will note that with regard to the last three
3 pages of my affidavit, that contains returned letters
4 that -- that I think there are four. And we have not
5 received an affidavit of publication regarding the -- those
6 four interest owners, but as soon as that is submitted, or
7 we receive it, we will submit it to the OCD as part of this
8 case.

9 MR. AMES: Mr. Padilla, was notice accomplished
10 by newspaper as well.

11 MR. PADILLA: That's what the parties asked, but
12 I did not include our request to publish, as opposed to
13 those four, but we are waiting for the certificate of
14 publication from the newspaper.

15 MR. AMES: Are you saying that the notice was
16 published timely, but you just have not received the
17 affidavit of publication?

18 MR. PADILLA: Yes.

19 MR. AMES: Thank you.

20 MR. PADILLA: Other than that, we ask that
21 Exhibits A, B and C be admitted, and the case be taken under
22 advisement.

23 (Exhibits A, B and C admitted.)

24 HEARING EXAMINER COSS: Yeah, Case Number 20922
25 will be taken under advisement with the caveat that the

1 affidavit of publication from the newspaper will be
2 submitted once you receive it.

3 MR. PADILLA: Thank you.

4 HEARING EXAMINER COSS: And the Division would
5 also ask that Marathon Oil and Ms. Bennett, if you can
6 submit a supplemental pleading explaining the cash-call
7 agreement?

8 MR. AMES: It sometimes can be hard to find these
9 things in the transcript, so if we have a pleading in the
10 file, it's easier for the Hearing Examiner to make sure that
11 we have captured all the additional statements and
12 agreements to submit evidence. Thank you.

13 (Case 20922 taken under advisement. Adjourned.)
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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 proceedings that were reduced to printed form by me to the
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of
13 the proceedings truly and accurately reflects the exhibits,
14 if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither employed by
16 nor related to any of the parties or attorneys in this case
17 and that I have no interest in the final disposition of this
18 case.

19 Dated this 12th day of December 2019.

20

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Irene Delgado, NMCCR 253
License Expires: 12-31-19

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