

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: 20976, 20977, 20978

APPLICATION OF MARATHON OIL PERMIAN LLC
TO RE-OPEN CASE NO. 16144,
LEA 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
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

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I N D E X

CASE NO. 20976 through 20978 CALLED

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

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A (All attachments)	05

1 HEARING EXAMINER COSS: And now the Division will
2 call Case Number 20976, Marathon Oil for compulsory pooling,
3 and ask if you would -- if it's going to be combined with
4 Case Numbers 20976, 20977 and 20978, and if there is any
5 additional entries of appearance.

6 (No response.)

7 MS. BENNETT: Good morning, Mr. Examiner. Deana
8 Bennett on behalf of Marathon Oil Permian LLC. I intend to
9 present these three cases by affidavit.

10 HEARING EXAMINER COSS: You may proceed.

11 MS. BENNETT: Thank you.

12 HEARING EXAMINER COSS: Three cases.

13 MS. BENNETT: Yes. It's three cases, 20976,
14 20977, and 20978.

15 Case Number 20976, 20977 and 20978 are reopened
16 cases that relate back to the original case numbers that I
17 have identified in the caption of Affidavit A, which are
18 Case Numbers 16144, 16145 and 16146. So when you are
19 reviewing the materials in this case, the bulk of the
20 materials will be under those case numbers, but due to the
21 system requirements, these three cases were assigned new
22 case numbers.

23 In these three cases Marathon -- these three
24 cases already went to hearing, twice, 16144 16145 and 16146
25 have already been to hearing twice. An order was issued in

1 all three cases, a separate order for each case. Marathon
2 requests that those three orders be consolidated into a
3 single order. That all happened before today.

4 Between the time that Marathon requested those
5 three orders be consolidated into a single order and today,
6 Marathon identified additional royalty interest owners that
7 Marathon seeks to pool. So the only purpose for today's
8 hearing is to provide notice to those additional parties
9 that Marathon seeks to pool them. And that is all set out
10 in Mr. Ryan Gyllenband's affidavit.

11 The parties to be pooled are on Page 5. My
12 notice affidavit is behind Page 2, and it has my letter --
13 my affidavit, the letter that we sent out for each of the
14 three cases. It also includes the names and addresses of
15 the folks to whom I sent notice, the status of the mailing
16 and a copy of the affidavit of publication.

17 If there are no questions about these cases, I
18 understand it's a little bit more unusual than the cases we
19 have been discussing earlier today, I would ask that the
20 exhibits that I have just tendered for you in Case in 20976,
21 20977 and 20978 be admitted into the record in those cases,
22 and to the extent possible, be admitted into the record for
23 the cases to which they relate.

24 EXAMINER LOWE: Are these the cases -- are these
25 the cases that are old? Is it the one I e-mailed you about

1 yesterday? Do you know?

2 MS. BENNETT: We will talk about that later. I
3 can't remember if it is one of the ones you sent me about
4 yesterday, but these are old. But the orders, like I said,
5 have already been issued.

6 And in fact, I did prepare an Exhibit A, which I
7 have submitted to Kathleen Murphy for the consolidated
8 order. So Ms. Murphy has an Exhibit A already for the
9 consolidated order. So this is really more of a ministerial
10 step than anything substantive at all.

11 HEARING EXAMINER COSS: Okay. Well, thanks for
12 the clarification, and we will admit the exhibits into the
13 record and take Cases 20976 through 20978 under advisement.

14 (Exhibit A admitted.)

15 MS. BENNETT: Thank you. Before I return to my
16 seat, may I make one point of clarification about the
17 Franklin Mountain pooling cases I discussed a moment ago?
18 Which is, in Case 20952, which I consolidated for hearing
19 with Case Number 20953, I did want to point out for
20 Mr. Lowe's benefit, and the transcript's benefit, that in
21 Case 20952, one well out of the two wells that are proposed
22 is proposed to be unorthodox, and I have already submitted a
23 separate NSL administrative application through the fee
24 portal.

25 So I wanted to make it clear for the record that,

1 given our earlier conversations today or Examiner
2 conversations about the NSL process, that there is an NSL
3 involved in this case, but I have already submitted the NSL
4 application through the fee portal.

5 HEARING EXAMINER COSS: Thank you for that
6 clarification.

7 (Cases 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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