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:

AMENDED APPLICATION OF MARATHON OIL PERMIAN, LLC FOR A NONSTANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 16424, 16425

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 20, 2018

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, September 20, 2018, 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: Mary C. Hankins, CCR, RPR New Mexico CCR #20

Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105

Albuquerque, New Mexico 87102

(505) 843-9241

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1	APPEARANCES		
2	FOR APPLICANT MARATHON OIL PERMIAN, LLC:		
3	DEANA M. BENNETT, ESQ.		
4	JENNIFER L. BRADFUTE, ESQ. MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.		
5	500 4th Street, Northwest, Suite 1000 Albuquerque, New Mexico 87102		
6	(505) 848-1800 jlb@modrall.com		
7	deanab@modrall.com		
8	FOR INTERESTED PARTY DEVON ENERGY:		
9	SETH C. McMILLAN, ESQ.		
10	MONTGOMERY & ANDREWS LAW FIRM 325 Paseo de Peralta		
11	Santa Fe, New Mexico 87501 (505) 982-3873		
12	smcmillan@montand.com		
13			
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- 1 (3:13 p.m.)
- 2 EXAMINER JONES: Let's go back on the
- 3 record.
- 4 Call Cases 16424 and 16425, amended
- 5 application of Marathon Oil Permian, LLC for a
- 6 nonstandard spacing unit and compulsory pooling, Lea
- 7 County both cases.
- 8 MS. BENNETT: Deana Bennett on behalf of
- 9 Marathon.
- 10 MR. McMILLAN: Seth McMillan on behalf of
- 11 Devon.
- MS. BENNETT: I'd like to present these two
- 13 cases by affidavit, please.
- I have given you one packet for both cases,
- 15 and the first pages of this packet is the applications
- 16 and an overview map. Again, Marathon amended its
- 17 applications to request alternative relief in the event
- 18 that the new rule is stayed. And for that reason, we
- 19 also notified offset owners.
- I'm going start with Case 16424, which
- 21 involves a Bone Spring well, which is TB 14H. And so
- 22 behind Tab 1 in the packet is the affidavit of Ryan
- 23 Gyllenband, the --
- 24 EXAMINER BROOKS: Which well is this?
- MS. BENNETT: This is the Charles Murphy --

- 1 sorry. This is the --
- 2 EXAMINER JONES: 16424, right?
- MS. BENNETT: Yes. But I see now --
- 4 EXAMINER BROOKS: The 12, 14, 15 and 18 are
- 5 all identified.
- 6 MS. BENNETT: Uh-huh. Just one second
- 7 while I look at the affidavit that I have here. I
- 8 apologize. I think I put the affidavits in the wrong
- 9 order.
- 10 Yeah. I put the Wolfcamp first. So if you
- 11 don't mind, I'd like to start with the Wolfcamp first.
- 12 I think that'll make it easier than flipping to the back
- 13 of the packet first.
- 14 EXAMINER JONES: Okay.
- MS. BENNETT: So with that in mind, I'll be
- 16 starting with Case 16425 -- sorry -- 424.
- 17 Thank you, Jennifer.
- 18 EXAMINER BROOKS: Okay. Which case is
- 19 which?
- 20 EXAMINER JONES: 425 is the Bone Spring.
- MS. BENNETT: Right.
- 22 EXAMINER JONES: So 424 first.
- MS. BENNETT: 424, yes.
- 24 EXAMINER BROOKS: 424 is the Wolfcamp. And
- 25 how many wells?

- 1 MS. BENNETT: Three wells.
- 2 EXAMINER BROOKS: Okay. And which ones are
- 3 those?
- 4 MS. BENNETT: It's the 6 WXY 12H, the 6A
- 5 15H and the WXY 18H.
- 6 EXAMINER BROOKS: 12, 15 and 18H.
- 7 MS. BENNETT: That's right. I apologize
- 8 for the confusion.
- 9 EXAMINER BROOKS: Okay. Go ahead.
- MS. BENNETT: Thank you.
- So the affidavit from the landman is from
- 12 Ryan Gyllenband, and he has been previously qualified by
- 13 the Division as an expert petroleum landman. And in
- 14 this case, Marathon seeks an order pooling all mineral
- 15 interests in the Wolfcamp spacing unit underlying the
- 16 east half of Sections 6 and 7, Township 26 South, Range
- 17 35 East, Lea County. This proposed spacing unit will be
- dedicated to the Charles Murphy 12H, 15H and 18H wells,
- 19 to be drilled horizontally. And a plat outlining the
- 20 unit being pooled is attached as Exhibit A, and that
- 21 plat shows the wells' locations within the unit, the
- 22 parties being pooled and the nature and percent of the
- 23 their interests, as well as their last known addresses.
- 24 And that exhibit also includes information about the
- 25 override -- overriding interest owners and offsets.

1 There are no depth severances in the Wolfcamp Formation.

- 2 Mr. Gyllenband testifies that he has
- 3 conducted a diligent search of public records in the
- 4 county where the wells are located and conducted phone
- 5 directory and computer searches to locate contact
- 6 information for the parties entitled to notification and
- 7 mailed all parties well proposals, including an AFE. In
- 8 his opinion, Marathon has made a good-faith effort to
- 9 obtain voluntary joinder of the working interest owners
- in the proposed wells.
- 11 Attached as Exhibit B are the proposed
- 12 C-102s for the wells. These wells will develop a
- 13 wildcat pool. It's WC-025 G-09 S263504N, Wolfcamp Pool,
- 14 Pool Code 98117, which is an oil pool. The producing
- 15 intervals for these wells will be orthodox and will
- 16 comply with the Division setback requirements.
- 17 Exhibits C and D are a sample proposal
- 18 letter and AFE for the proposed wells. In
- 19 Mr. Gyllenband's opinion, the estimated cost of the
- 20 wells set forth in the AFE are fair and reasonable and
- 21 comparable to the cost of other wells of similar depths
- 22 and length drilled in this area of New Mexico. Marathon
- 23 requests overhead and administrative rates of 7,000 per
- 24 month for drilling a well and 700 a month for producing
- 25 a well. These rates are fair and comparable to the

1 rates charged by other operators for wells of this type

- 2 in this area, and Marathon requests that these rates be
- 3 adjusted periodically as provided in the COPAS
- 4 accounting procedure. Marathon requests the maximum
- 5 cost plus 200 percent risk charge be assessed against
- 6 nonconsenting working interest owners and that it be
- 7 designated operator of the wells.
- 8 Mr. Gyllenband testifies that the
- 9 attachments to this affidavit were prepared by him or
- 10 compiled under his direction and that the information
- 11 contained in his affidavit and exhibits is accurate and
- 12 complete to the best of his knowledge. He also
- 13 testifies that the granting of this application is in
- 14 the interest of conservation and the prevention of
- 15 waste.
- 16 With that, we can turn to Exhibit A. And
- 17 Exhibit A is a lease tract map, and it shows, in this
- 18 case, three tracts. And I do have the ownership
- 19 information for each of the three tracts.
- 20 Tract Number 1 is owned 100 percent by
- 21 Pintail. Tract Number 2, Marathon and Occidental have
- 22 ownership interests; Marathon, 75 percent; Occidental,
- 23 25 percent. And Tract 3 is owned 50 percent Chevron, 50
- 24 percent Devon. The overall summary of their interest is
- 25 on the next page.

1 EXAMINER JONES: Now, Tract 2 was what

- 2 again?
- MS. BENNETT: Tract 2 is 75 percent
- 4 Marathon, 25 percent Occidental.
- 5 EXAMINER JONES: And Tract 1?
- 6 MS. BENNETT: 100 percent Pintail.
- 7 Pintail. Pintail.
- 8 (Laughter.)
- 9 MS. BENNETT: Pintail, P-I-N-T-A-I-L. Yup.
- 10 Pintail Production Company is the full name.
- 11 EXAMINER BROOKS: As in pin the tail on the
- 12 donkey.
- MS. BENNETT: Yup.
- 14 The next page does identify their overall
- 15 summary of interests.
- 16 The next page is the names and addresses of
- 17 the working interest owners, the overriding interest
- 18 owners and the offsets.
- 19 And then the next page is a summary of
- 20 Mr. Gyllenband's attempted contacts.
- 21 Exhibit B is the proposed C-102s for the
- 22 wells, and there are three here, one for the 12H, one
- 23 for the 15H and one for the 18H. And these wells --
- 24 these C-102s identify the pool name, the pool code of
- 25 98117 and also the surface-hole location and the last

- 1 take point, bottom-hole location.
- 2 EXAMINER JONES: It seems they're spaced
- 3 out pretty regularly there, those three wells.
- 4 MS. BENNETT: Yes. They are very regularly
- 5 spaced between the three of them, between the three
- 6 Wolfcamp wells.
- 7 EXAMINER JONES: And they're all standard
- 8 locations?
- 9 MS. BENNETT: They are standard locations.
- 10 Exhibit C is a sample of the proposal
- 11 letter that was sent to the working interest owners.
- 12 This sample proposal letter also contains the TVDs.
- And then Exhibit D is the AFE for the three
- 14 wells, the 12H, 15H and 18H, respectively.
- 15 EXAMINER JONES: Okay. There is not going
- 16 to be much vertical spacing between your Bone Spring and
- 17 Wolfcamp well, but I guess that's the name of the game
- 18 here.
- 19 MR. BRADFUTE: Yeah. And they will be
- 20 completed together, zipper frac.
- 21 EXAMINER JONES: Okay. That sounds good.
- 22 EXAMINER BROOKS: The spacing unit is the
- east half of 6 and the east half of 7?
- MS. BENNETT: That's correct. Uh-huh.
- 25 EXAMINER BROOKS: And the defining well is

- 1 the #15H, which is 992 feet from --
- 2 MS. BENNETT: That's right. 15H is --
- 3 EXAMINER BROOKS: 992 from the east line?
- 4 MS. BENNETT: That's right.
- 5 EXAMINER JONES: You're giving your
- 6 drilling engineer a tough assignment. They can't miss
- 7 it by more than 2 feet.
- 8 MS. BENNETT: And we did -- I believe we
- 9 asked them to move the lateral by 50 feet, didn't we?
- 10 It might have been in one of the other applications.
- 11 Let me just take a quick look at this to
- 12 make sure I'm giving you the right information here,
- 13 because we had talked about moving it more than 10 feet.
- 14 (Consultation off the record.)
- 15 EXAMINER BROOKS: You said this was an oil
- 16 pool, so it's 40-acre spacing?
- MS. BRADFUTE: Yeah.
- 18 EXAMINER JONES: You're exactly right,
- 19 yeah.
- 20 MS. BENNETT: Yes. But I'm almost positive
- 21 that --
- 22 EXAMINER JONES: Yeah. It's pretty close.
- 23 EXAMINER BROOKS: Well, it's okay if they
- 24 can do it. If they miss it on the as-drilled, we've got
- 25 a questionable issue that, of course, probably what we'd

1 do is grant a nonstandard unit. But that's -- you know,

- 2 we'd rather not --
- 3 EXAMINER JONES: If the legal people will
- 4 let us, right? But if it was intended that way --
- 5 MS. BRADFUTE: The rule actually states "as
- 6 proposed" -- there is some ambiguity in the language in
- 7 the new horizontal well rule.
- 8 EXAMINER BROOKS: Amazing.
- 9 MS. BRADFUTE: Yes. But it does have
- 10 "proposed," if it's proposed within 330 feet. So here
- 11 it's proposed within 330 feet, so --
- 12 EXAMINER BROOKS: Okay. Well it's not my
- 13 problem, so I will not raise any objection to it. I
- 14 just thought I'd point it out.
- MS. BRADFUTE: Thank you. I appreciate it.
- 16 MS. BENNETT: Any other questions on the
- 17 landman's affidavit or exhibits before I move on?
- 18 EXAMINER BROOKS: No.
- 19 EXAMINER JONES: No.
- MS. BENNETT: Thank you.
- 21 Turning next to the geologist's affidavit,
- 22 again for Case 16424, which are the Wolfcamp wells, the
- 23 geologist prepared three exhibits, A, B and C.
- 24 Exhibit A is the structure map. It's the
- 25 top of the Wolfcamp, and here we're looking at wells

1 Number 1, 3 and 4, are the Wolfcamp wells. And you can

- 2 see again he's put a black-dashed box around the project
- 3 area. And the horizontal locations are identified by
- 4 blue lines.
- 5 Exhibit A also identifies wells in the
- 6 vicinity of the proposed wells with a line of cross
- 7 section running from A to A prime, and Exhibit A shows
- 8 that the structure dips down to the south.
- 9 Exhibit B is a Wolfcamp cross section.
- 10 It's a stratigraphic cross section hung on the base of
- 11 the 3rd Bone Spring Sand. The well logs on the cross
- 12 section give a representative sample of the Wolfcamp
- 13 Formation in the area. The target zone for the wells is
- 14 the Wolfcamp Y Sand and the Wolfcamp A, as identified by
- 15 the words "Producing Zone" and the shaded areas across
- 16 the cross section. And the geologist testifies that
- 17 this zone is continuous across the well unit.
- 18 EXAMINER JONES: Okay. We usually say hung
- 19 on the top instead of hung on the bottom. But it's hung
- 20 on the top of the Wolfcamp, right?
- MS. BRADFUTE: Yes. Yes.
- 22 MS. BENNETT: Yes. And I did ask him about
- 23 that because I had seen some difference between hung on
- 24 the top and hung on the bottom. And what he told me in
- 25 our conversation, which I'm happy to modify going

1 forward, is that the straight line is the line from

- which it's hung, for whatever that's worth from him.
- 3 EXAMINER JONES: Yeah. But right below it
- 4 is the Wolfcamp.
- 5 MS. BENNETT: The Wolfcamp, yeah. So I
- 6 could have said hung on the top of the Wolfcamp
- 7 versus --
- 8 EXAMINER JONES: Whatever he wants to say,
- 9 that's fine with me. He's the professional. I'm just a
- 10 government worker right now.
- 11 (Laughter.)
- MS. BENNETT: Well, I appreciate your
- 13 question because I certainly tried to understand that
- 14 myself in my conversations with him, and I appreciate
- 15 your question. It makes me feel better.
- 16 Exhibit C is a gross interval isochore of
- 17 the Wolfcamp B. And the Wolfcamp B is uniform across
- 18 the proposed unit, according to the geologist. He
- 19 concluded from these maps -- I should say on this gross
- 20 interval isochore, his contour interval is 20 feet. He
- 21 concluded from the maps that the horizontal spacing unit
- 22 is justified from a geologic standpoint, that there are
- 23 no impediments or faulting that will interfere with the
- 24 horizontal development and that each quarter-quarter
- 25 section in the unit will contribute more or less equally

- 1 to production. He noted that the preferred well
- 2 orientation in this area is north-south because of the
- 3 inferred orientation of the -- I'm sorry -- because the
- 4 inferred orientation of the maximum horizontal stress is
- 5 roughly east-west.
- Any questions about the geologist's
- 7 exhibits?
- 8 EXAMINER BROOKS: No.
- 9 EXAMINER JONES: Did they say anything
- 10 about which well they want to drill first?
- 11 MS. BENNETT: He did not.
- 12 EXAMINER JONES: They're going to complete
- 13 them all at once. I guess that's what matters.
- 14 MS. BENNETT: Yes. That's what he told me.
- 15 These would all be codeveloped.
- 16 EXAMINER JONES: Okay. Codeveloped.
- 17 And just for reiteration, one of them is
- 18 Wolfcamp A and -- let's see here.
- 19 MS. BENNETT: Yes. One of them is Wolfcamp
- 20 A, and one of them is Wolfcamp Y or Wolfcamp X-Y, in
- 21 Marathon's internal nomenclature.
- 22 EXAMINER JONES: Okay. There is an A and
- 23 two X-Y's. Okay. Thanks.
- MS. BENNETT: The next exhibit in the
- 25 materials is my affidavit. It's behind Tab 3. And this

- 1 exhibit identifies the names and addresses of the
- 2 parties to whom we sent notice. The next -- the small
- 3 spreadsheet identifies the names of parties and the
- 4 status of the notice, and you will see that there are
- 5 two parties -- two names who did not receive notice.
- 6 Their mailings were returned to us. And those two
- 7 parties were overriding interest owners. And we did
- 8 publish notice of this hearing in the "Hobbs News-Sun,"
- 9 as evidenced by the Affidavit of Publication that's the
- 10 final page of my affidavit.
- 11 Turning now to Exhibit 4, Exhibit 4 is an
- 12 affidavit prepared by Marathon's engineer, Jacob Rotolo,
- 13 who we have discussed in earlier cases today. And his
- 14 affidavit is here again to explain the reasoning behind
- 15 Marathon's request for additional time between the
- 16 drilling of the well and completion of the well and also
- 17 to make clear that in this case, as in the Elizabeth
- 18 Reed cases, Marathon is only asking for 240 days as
- 19 opposed to the 365 days that was identified in our
- 20 application.
- 21 With that, I would like to move the
- 22 admission of Exhibits 1 through 4, along with their
- 23 attachments into the record.
- 24 EXAMINER JONES: Do you have any questions?
- MR. McMILLAN: I have neither questions nor

- 1 objections. Thank you.
- 2 EXAMINER JONES: Okay. Exhibits 1 through
- 3 4 with all their attachments are admitted.
- 4 (Marathon Oil Permian, LLC Exhibit Numbers
- 5 1 through 4 are offered and admitted into
- 6 evidence.)
- 7 MS. BENNETT: Thank you.
- 8 Turning now to Case 16425, which is the
- 9 next case in our materials, same packet, this is the
- 10 Bone Spring case. In this case -- in this application,
- 11 Marathon seeks an order pooling all mineral interests in
- 12 the Bone Spring Formation underlying the east half of
- 13 Sections 6 and 7, Township 26 South, Range 35 East.
- 14 Again, this is an affidavit prepared by Ryan Gyllenband
- 15 who has been qualified by the Division as an expert
- 16 petroleum landman.
- 17 This proposed spacing unit will be
- 18 dedicated to the Charles Murphy Federal Com 26-35-6 TB
- 19 14H well to be horizontally drilled. A plat outlining
- 20 the unit being pooled is attached hereto as Exhibit A,
- 21 and that plat, also attached to Exhibit A, are
- 22 information about the parties being pooled, the nature
- 23 and percent of their interests and their last known
- 24 addresses, as well as information for the overriding
- 25 interest owners and the offsets. And Exhibit A also

1 shows the proposed well's location within the unit.

- 2 There are no depth severances within the Bone Spring
- 3 Formation.
- 4 Mr. Gyllenband testifies that he has
- 5 conducted a diligent search of the public records in the
- 6 county where the well is located and conducted phone
- 7 directory and computer searches to locate contact
- 8 information for parties entitled to notice and mailed
- 9 all parties well proposals, including an authorization
- 10 for expenditure. In his opinion, Marathon has made a
- 11 good-faith effort to obtain the voluntary joinder of the
- 12 working interest owners.
- 13 Exhibit B is the proposed C-102 for the
- 14 well. This well will develop a wildcat pool, WC-025
- 15 G-08 S235340, Pool Code 97088, which is an oil pool.
- 16 Mr. Gyllenband testifies that the producing interval for
- 17 this well will be orthodox and will comply with the
- 18 Division setback requirements.
- 19 Exhibits C and D are a sample proposal
- 20 letter and an AFE that was sent with the letter.
- 21 Mr. Gyllenband testifies that the estimated cost of the
- 22 well set forth in his letter and the attached AFE is
- 23 fair and reasonable and comparable to the cost of other
- 24 wells of similar depths and length drilled in this area
- 25 of New Mexico. Marathon requests overhead and

1 administrative rates of 7,000 per month for a drilling

- 2 well and 700 a month for a producing well. And
- 3 Mr. Gyllenband states that these rates are fair and
- 4 comparable to the rates charged by other operators in
- 5 this area. And Marathon requests that these rates be
- 6 adjusted periodically as provided in the COPAS
- 7 accounting procedure and that Marathon be -- Marathon
- 8 requests the maximum cost plus 200 percent risk charge
- 9 be assessed against nonconsenting working interest
- 10 owners and that Marathon be designated as operator of
- 11 the wells.
- 12 Mr. Gyllenband testifies that the
- 13 attachments to his affidavit were prepared by him or
- 14 under his direction and that the information therein is
- 15 accurate and complete and that the granting of this
- 16 application is in the interest of conservation and the
- 17 prevention of waste.
- 18 So we can look at Mr. Gyllenband's exhibits
- 19 now. Exhibit A is the lease tract map, again showing
- 20 Tracts 1, 2 and 3 in the east half of Sections 6 and 7.
- 21 The ownership information is the same, so I'm going to
- 22 skip through that.
- 23 Exhibit B is the C-102 for the 14H well.
- 24 It shows the pool name and the pool code, 97088. It
- 25 also shows the surface location and the last take point.

1 Exhibit C is the well-proposal letter. It

- 2 shows the TVD as well.
- 3 And Exhibit D are the -- is the AFE for the
- 4 well.
- 5 Any questions for me about the landman's
- 6 affidavit or his exhibits?
- 7 EXAMINER BROOKS: This is also 40-acre
- 8 spacing, I assume?
- 9 MS. BRADFUTE: It is.
- 10 EXAMINER BROOKS: You're only, at this
- 11 point, proposing one well?
- MS. BRADFUTE: One well at this point in
- 13 time, and it's going to be located approximately 166,
- 14 168 feet from the center of the half section.
- 15 EXAMINER BROOKS: Okay. So you're
- 16 proposing a full half-section horizontal spacing unit?
- 17 MS. BRADFUTE: Uh-huh, under the proximity
- 18 tract rule.
- 19 EXAMINER BROOKS: Okay. Very good.
- 20 EXAMINER JONES: It's not crossing any
- 21 other horizontal spacing unit that already exists?
- 22 MS. BRADFUTE: No, not that I'm aware of at
- 23 all.
- 24 EXAMINER JONES: Do you have any idea where
- 25 the Feds are as far as permitting this or -- if you

- 1 don't, that's fine.
- MS. BRADFUTE: I don't know where the Feds
- 3 are in permitting. I think everything's been submitted
- 4 and it's pending, but I don't know where it is.
- 5 MS. BENNETT: So the next exhibit is
- 6 Exhibit 2. It's the exhibit of the geologist, Ethan
- 7 Perry, who has been qualified by the Division as an
- 8 expert petroleum geologist. He prepared three exhibits
- 9 for this case, Exhibits A, B and C.
- 10 Exhibit A is a structure map of top of the
- 11 Wolfcamp, and the project area is again identified by a
- 12 black-dashed box. And the proposed horizontal locations
- 13 are identified by a blue line, and the proposed Bone
- 14 Spring well is number two on the list. Exhibit A
- 15 identifies wells in the vicinity of the proposed wells
- 16 with a line of cross section running from A to A prime.
- 17 And Exhibit A shows that the structure dips to the
- 18 south.
- 19 Exhibit B is the cross section. It's a
- 20 stratigraphic cross section hung on the top of the
- 21 Wolfcamp Formation. And the well logs on the cross
- 22 section give a representative sample of the 3rd Bone
- 23 Spring Formation in the area. The target for the 3rd
- 24 Bone Spring 14H well is the 3rd Bone Spring Sand, as
- 25 identified by the words "Producing Zone" and the shaded

1 area across the cross section. Mr. Perry's testimony is

- 2 the unit is continuous across the well unit.
- 3 Exhibit C is the gross sand isochore map
- 4 for the 3rd Bone Spring. Mr. Perry testifies that the
- 5 3rd Bone Spring is uniform across the proposed well
- 6 unit. And here, the contour interval is 50 feet.
- 7 Mr. Perry has concluded from the maps that the
- 8 horizontal spacing unit is justified from a geologic
- 9 standpoint, that there are no structural impediments or
- 10 faulting that will interfere with the horizontal
- 11 development, that each quarter-quarter section in the
- 12 unit will contribute more or less equally to production.
- 13 As with the other wells we've discussed today, he noted
- 14 that the preferred well orientation in this area is
- 15 north-south. This is because the inferred orientation
- 16 of the maximum horizontal stress is roughly east-west.
- 17 Any questions on his affidavit or exhibits?
- 18 EXAMINER JONES: No.
- 19 Charles Murphy? Who was Charlie Murphy?
- 20 MS. BRADFUTE: That's a good question.
- 21 (Laughter.)
- 22 EXAMINER JONES: He's got to be somebody.
- 23 EXAMINER BROOKS: He's not as well known as
- 24 Pliny The Elder.
- MS. BRADFUTE: That's right.

1 MS. BENNETT: Then the next exhibit is my

- 2 affidavit, which shows the names and addresses of the
- 3 folks to whom we sent notice. The next page is the
- 4 spreadsheet showing to whom notice was actually
- 5 delivered. Same two parties did not receive notice.
- 6 Same two parties are overriding interest owners. And as
- 7 evidenced by the Affidavit of Publication, we did
- 8 publish in the "Hobbs News-Sun."
- 9 EXAMINER JONES: It looks like -- huh. Who
- 10 is Thomas Deason? Is that the brother of Richard
- 11 Deason? They're probably related.
- MS. BENNETT: They might be related. I did
- 13 notice in some of these -- I'm not sure if it's this
- 14 one. Well, Richard and Thomas -- some brothers -- it
- 15 must have been in the other one -- they actually had the
- 16 same address. But these two have different addresses.
- 17 EXAMINER JONES: Yeah. One of them --
- 18 yeah. One of them is West Hollywood, and one of them is
- 19 Lubbock. That's quite a difference.
- 20 (Laughter.)
- 21 MS. BENNETT: The final exhibit in this
- 22 packet is the same affidavit of the engineer, Jacob
- 23 Rotolo, again explaining why Marathon needs additional
- 24 time from the drilling of the well to the completion of
- 25 the well, which is because they have one rig and one

1 crew -- one completion crew. And, again, this affidavit

- 2 discusses the fact that while Marathon originally had
- 3 requested 365 days, Marathon is amending its request to
- 4 240 days rather than a year.
- 5 EXAMINER JONES: Okay.
- 6 MS. BENNETT: If there are no further
- 7 questions for these exhibits, I would move the admission
- 8 of Exhibits 1 through 4 with their attachments into the
- 9 record.
- MR. McMILLAN: No objection.
- 11 EXAMINER JONES: Exhibits 1 through 4 with
- 12 attachments are admitted.
- 13 (Marathon Oil Permian, LLC Exhibit Numbers
- 14 1 through 4 are offered and admitted into
- 15 evidence.)
- MS. BENNETT: If there are no further
- 17 questions, I would ask that Cases 16424 and 16425 be
- 18 taken under advisement.
- 19 EXAMINER JONES: Cases 16424 and 16425 are
- 20 taken under advisement.
- MS. BENNETT: Thank you.
- 22 EXAMINER JONES: Thank you very much.
- 23 (Case Numbers 16424 and 16425 conclude,
- 24 3:43 p.m.)
- 25

- 1 STATE OF NEW MEXICO
- 2 COUNTY OF BERNALILLO

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- 4 CERTIFICATE OF COURT REPORTER
- 5 I, MARY C. HANKINS, Certified Court
- 6 Reporter, New Mexico Certified Court Reporter No. 20,
- 7 and Registered Professional Reporter, do hereby certify
- 8 that I reported the foregoing proceedings in
- 9 stenographic shorthand and that the foregoing pages are
- 10 a true and correct transcript of those proceedings that
- 11 were reduced to printed form by me to the best of my
- 12 ability.
- I FURTHER CERTIFY that the Reporter's
- 14 Record of the proceedings truly and accurately reflects
- 15 the exhibits, if any, offered by the respective parties.
- 16 I FURTHER CERTIFY that I am neither
- 17 employed by nor related to any of the parties or
- 18 attorneys in this case and that I have no interest in
- 19 the final disposition of this case.
- 20 DATED this 7th day of October 2018.

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MARY C. HANKINS, CCR, RPR Certified Court Reporter

New Mexico CCR No. 20
24
Date of CCR Expiration

Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters

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