

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 NO. 21388

APPLICATION OF MARATHON OIL PERMIAN LLC  
FOR A COMPULSORY POOLING APPLICATION,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

THURSDAY, SEPTEMBER 10, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Felicia Orth  
Examiner, Scott Cox Technical Examiner, on Thursday,  
September 10, 2020 via the Webex Virtual Event Platform.

Reported by: Mary Therese Macfarlane  
New Mexico CCR NO. 122  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

# A P P E A R A N C E S

For the Applicant Marathon Oil Permian, LLC:

Deana Bennett, Esq.  
Modrall, Sperling  
500 4th Street NW, Suite 1000  
Albuquerque, NM 87102  
(505) 848-1834  
deana.bennett@modrall.com

# C O N T E N T S

CASE NUMBER 21388	PAGE
CALLED	3
APPLICANT WITNESSES BY AFFIDAVIT:	
CHASE RICE (Landman):	4
MATT BAKER (Geologist):	4
TAKEN UNDER ADVISEMENT:	5

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

APPLICANT EXHIBITS	PAGE
A (With attachments)	5
B (With attachments)	5
C (With attachments)	5

1 (Time noted 8:31 a.m.)

2 HEARING EXAMINER ORTH: Moving then to case  
3 21388, Marathon Oil is the Applicant, Compulsory Pooling  
4 Application. The well is Maximus 5.

5 Who is here from Modrall Sperling for the  
6 Applicant? Is that you, Ms. Bennett?

7 MS. BENNETT: Yes, it is. Thank you, Madam  
8 Examiner.

9 HEARING EXAMINER ORTH: Let me pause for a  
10 moment to ask if there are any other entries of  
11 appearance.

12 No. Please go ahead.

13 MS. BENNETT: Thank you. This is Deana Bennett  
14 on behalf of Marathon Oil Permian, LLC, in Case 21388.

15 In this case Marathon is seeking to pool  
16 uncommitted mineral interest owners in a Wolfcamp spacing  
17 unit that underlies the north half of Sections 5 and 6,  
18 Township 23 South, Range 28 East in Eddy County. It's the  
19 Purple Sage Wolfcamp, so it's governed by the Purple Sage  
20 Wolfcamp Order for setbacks.

21 Originally -- one thing I did want to point  
22 out that's different from our Application and Proposal  
23 Letters vs. the materials that are in front of you, is  
24 originally Marathon was considering seeking an NSL  
25 approval for nonstandard setbacks, but Marathon has

1 decided to go with standard setbacks instead. And so the  
2 C-102s that are in the packet identify the setbacks  
3 correctly and are standard.

4 So that's explained in the affidavit of the  
5 landman, Mr. Rice, and his affidavit is behind or is  
6 Exhibit B, and the C-102s are behind his affidavit.

7 This packet also contains the affidavit of  
8 a geologist with all the standard geology materials.  
9 That's behind Exhibit C.

10 Exhibit A is the Compulsory Pooling  
11 Checklist, which I filled out.

12 And the landman's affidavit has the Notice  
13 materials, which includes my affidavit as Exhibit 7, as  
14 well as Proof of Mailing, and although there weren't any  
15 unlocatable interest owners, we also published as a matter  
16 of course, and so the Exhibit 7 also includes the  
17 Affidavit of Publication

18 And all the materials were provided to the  
19 Division, before 5:00 o'clock on Tuesday.

20 So with that I'd ask that the examiner  
21 admit Exhibits A, B and C and their attachments into the  
22 record for Case No. 21388 and take Case No. 21388 under  
23 advisement.

24 Thank you.

25 HEARING HEARING EXAMINER ORTH: Thank you, Ms.

1 Bennett.

2 I made a note here that there was one  
3 special request for that Order regarding a year to  
4 complete the first well.

5 MS. BENNETT: Yes. That's a request that  
6 Marathon has been making in its applications for some time  
7 now. And I think that it might actually be obsolete at  
8 this point, because I think the new form of Order actually  
9 allows a year, whereas the prior form of Order did not  
10 allow a year.

11 And so I think I can actually take that  
12 request out of my applications at this point. It might  
13 be -- I think it's just a relic from before we went to the  
14 new form of Order.

15 HEARING HEARING EXAMINER ORTH: All right.  
16 Mr. Cox, do you have any questions of Ms. Bennett?

17 MR. COX: No, ma'am. No questions. That makes  
18 sense to me now.

19 HEARING HEARING EXAMINER ORTH: All right.  
20 Thank you. Thank you, Ms. Bennett. The exhibits are  
21 admitted and the matter will be taken under advisement.

22 MS. BENNETT: Thank you.

23 (Time noted 8:34 A.M.)

24

25

1     STATE OF NEW MEXICO             )  
2   : SS  
3     COUNTY OF TAOS                 )

4

5   REPORTER'S CERTIFICATE

6                         I, MARY THERESE MACFARLANE, New Mexico Reporter  
7     CCR No. 122, DO HEREBY CERTIFY that on Thursday, September  
8     10, 2020, the proceedings in the above-captioned matter  
9     were taken before me; that I did report in stenographic  
10    shorthand the proceedings set forth herein, and the  
11    foregoing pages are a true and correct transcription to  
12    the best of my ability and control.

13                        I FURTHER CERTIFY that I am neither employed by  
14    nor related to nor contracted with (unless excepted by the  
15    rules) any of the parties or attorneys in this case, and  
16    that I have no interest whatsoever in the final  
17    disposition of this case in any court.

18

                                      /s/ Mary Macfarlane

19

20   \_\_\_\_\_  
21   MARY THERESE MACFARLANE, CCR  
  NM Certified Court Reporter No. 122  
  License Expires: 12/31/2020

22

23

24

25