

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. 21392

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

THURSDAY, SEPTEMBER 24, 2020

This matter came on for hearing before the
New Mexico Oil Conservation Division, Felicia
Orth, Hearing Examiner, Kathleen Murphy and
Scott Cox, Technical Examiners, via the Cisco
Webex Video Conferencing Platform

Reported by: Mary T. Macfarlane, CCR
PAUL BACA PROFESSIONAL COURT REPORTERS
500 4TH STREET NW, SUITE 105
Albuquerque, NM 87102
(505) 843-9241

A P P E A R A N C E S

For 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

For EOG Resources, Inc. and MRC Permian, LLC:

Kaitlyn luck, Esq.
Holland & Hart.
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501
(505) 954-7286
kaluck@hollandhart.com

C O N T E N T S

CASE NUMBER 21392	PAGE
CALLED	3
TAKEN UNDER ADVISEMENT	8
APPLICANT MARATHON OIL PERMIAN, LLC WITNESSES:	
BY AFFIDAVIT:	
CHASE RICE (Landman)	6
MATT BAKER (Geologist)	6

1	E X H I B I T I N D E X		
2	APPLICANT MARATHON OIL PERMIAN, LLC EXHIBITS		
3	NO.	DESCRIPTION	ADMITTED
4	A	Compulsory Pooling Checklist	7
5	B	Affidavit of Chase Rice	7
6	B-1	Application	7
7	B-2	C-102s	7
8	B-3	Lease Tract Map and Summary of Interests	7
9	B-4	Summary of Contacts	7
10	B-5	Sample Proposal Letter	7
11	B-6	AFEs	7
12	B-7	Notice Affidavit	7
13	C	Affidavit of Matt Baker	7
14	C-8	Locator Map	7
15	C-9	Well Bore Schematic	7
16	C-10	Geology Study	7
17	C-11	Orientation Justification	7
18			
19			
20			
21			
22			
23			
24			
25			

1 (Time noted 8:19 a.m.)

2 HEARING EXAMINER ORTH: All right. I'd like to
3 call Case 21392. The Applicant is Marathon Oil,
4 Compulsory Pooling Application. The well name is Fiddle
5 Fire.

6 Applicant's counsel is Modrall Sperling.
7 Who here will be entering an appearance on behalf of the
8 Applicant?

9 MS. BENNETT: Good morning, Madam Examiner.
10 This is Deana Bennett at Modrall Sperling on behalf of
11 Marathon Oil Permian, LLC.

12 HEARING EXAMINER ORTH: Thank you, Ms. Bennett.
13 Other parties entering their appearance are
14 EOG and MRC Permian. Who will be entering an appearance
15 from Holland & Hart?

16 MS. LUCK: Good morning, Madam Examiner.
17 Kaitlyn Luck with the Santa Fe office of Holland & Hart on
18 behalf of EOG Resources, Inc. and MRC Permian, LLC.

19 HEARING EXAMINER ORTH: Good morning, Ms. Luck.
20 Let me pause a moment to see if there are
21 any other appearances. No.

22 We do have a prehearing statement from the
23 Applicant. Will this matter be presented by affidavit?

24 MS. BENNETT: Madam Examiner, that is my intent,
25 to present it by affidavit, and I have conferred with

1 counsel for EOG and MRC Permian, and it's my understanding
2 that -- I'll let Ms. Luck confirm -- they do not object to
3 putting this case on by affidavit.

4 HEARING EXAMINER ORTH: ALL right. Thank you.

5 Ms. Luck?

6 MS. LUCK: That's correct, Madam Examiner. No
7 objection.

8 MS. BENNETT: Thank you.

9 HEARING EXAMINER ORTH: Go ahead.

10 MS. BENNETT: As Madam Hearing Examiner may
11 recall, this case was originally set for hearing on
12 September 10th. We filed a Prehearing Statement prior to
13 that hearing, and I had submitted our exhibits prior to
14 that hearing, as well, and then due to some Notice issues
15 we continued the case to December (sic) 24th, and so I
16 filed an Amended Prehearing Statement that only added MRC
17 Permian. And then I, on Tuesday, submitted an amended or
18 updated exhibit packet, and that exhibit packet only
19 changed two things from the original exhibit packet, which
20 was to change the cover sheet to reflect a September 24th
21 hearing, and also I changed the track- -- or I substituted
22 a tracking spreadsheet for the Certified Mail to reflect
23 the mailings as they have occurred through September 22nd.

24 Other than that, though, the materials are
25 the same as what I submitted previously.

1 In this case Marathon is applying for
2 compulsory pooling. This is in Eddy County. And what I
3 have prepared or what I have submitted to the Division are
4 the typical exhibits.

5 I've included as Tab A the Compulsory
6 Pooling Checklist;

7 Tab B is the landman's affidavit and
8 supporting exhibits;

9 and Tab C is the affidavit of the geologist
10 and his supporting exhibits. Both the landman and the
11 geologist have previously testified before the Division.

12 Included with Tab B is the Notice Affidavit
13 showing that Notice of this hearing was mailed to the
14 parties Marathon seeks to pool and that publication was
15 also done out of an abundance of caution, and that
16 includes the tracking spreadsheet.

17 With that I think that -- I mean I filled
18 out the Compulsory Pooling Checklist; it's pretty
19 straightforward. So with that I would ask that the
20 exhibits in Case No. 21392 be admitted into the record,
21 and that Case No. 21392 be taken under advisement

22 HEARING EXAMINER ORTH: Thank you, Ms. Bennett.

23 Ms. Luck, do you have any questions?

24 MS. LUCK: We have no questions. Thank you.

25 HEARING EXAMINER ORTH: All right.

1 Ms. Murphy, do you have any questions of
2 Ms. Bennett?

3 HEARING EXAMINER MURPHY: The (inaudible)
4 capitulation table.

5 MS. BENNETT: I'm sorry, you were muted for the
6 first few seconds of the question.

7 MS. MURPHY: On page 18 is the Recapitulations
8 Table. So Marathon has 33 percent, and their -- really
9 the bulk of it is Kaiser-Francis and EOG?

10 MS. BENNETT: That's right. So it's on page 16,
11 and that's right, Marathon has 33 percent and then
12 Kaiser-Francis -- well Kaiser-Francis and MRC Permian have
13 the same amount, it looks like. But the primary, the bulk
14 of it is EOG.

15 MS. MURPHY: Okay. And were there any unknowns?

16 MS. BENNETT: No, there wasn't a statement we
17 did publish for the estate. So we published -- but they
18 had an address for the estate so we mailed them a letter,
19 too.

20 MS. MURPHY: All righty.

21 MS. MURPHY: Thanks. I have no more questions.

22 MS. BENNETT: Thank you.

23 HEARING EXAMINER ORTH: Thank you, Ms. Murphy.

24 If there's nothing further, the amended
25 documents are accepted and the matter will be taken under

1 advisement.

2 MS. BENNETT: Thank you very much.

3 HEARING EXAMINER ORTH: Thank you.

4 (Time noted 8:23 a.m.)

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

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 24, 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 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
22 License Expires: 12/31/2020
23
24
25