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STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

Application of EOG Resources, Inc. for Compulsory Pooling, Lea County, New Mexico

Case No. 20424

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 17, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, Legal Examiner William Brancard, Technical Examiner Leonard Lowe, on Thursday, June 17, 2021, via the Webex virtual Conferencing platform.

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

Page 2 1 APPEARANCES. 2 For EOG Resources, Inc.: 3 Kaitlyn Luck, Esq. Holland & Hart 4 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 5 kaluck@hollandandhart.com б 7 For Marathon Oil: Jennifer L. Bradfute, Esq. Modrall Sperling 8 P.O Box 2168 Albuquerque, NM 9 (505) 848-1845 jb@modrall.com 10 11 CONTENTS CASE No. 20424 12 PAGE 13 CASE CALLED: 3 Status Conference Scheduled for 8/19/21 14 6 15 16 17 18 19 20 21 22 23 24 25

Page 3 1 (Time noted 8:58 a.m.) 2 EXAMINER BRANCARD: I'm going to call No. 8 on 3 the agenda, Case 20424 EOG Resources, Holland & Hart. 4 MS. LUCK: Good morning. Kaitlyn Luck with the Santa fe office of Holland & Hart for EOG. 5 6 EXAMINER BRANCARD: And we've an entry from 7 Marathon Oil. MS. BRADFUTE: Yes. Good morning, Mr. Examiner. 8 Jennifer Bradfute on behalf of Marathon Oil Permian, LLC. 9 10 EXAMINER BRANCARD: Good to see you. 11 MS. BRADFUTE: Same. 12 EXAMINER BRANCARD: We have a motion for 13 continuance here, unopposed, but my question, Ms. Luck, and I'll throw this out to both parties, I guess: This 14 15 application was filed April, 2019, 26 months ago. Why 16 should we continue this? Why shouldn't the Division just dismiss this? 17 MS. LUCK: These cases are wrapped up with 18 another set of cases called the Silver Train and Marathon 19 PI cases. Those are 20344 through -47, as well as 20309 20 21 through 20310. 22 These cases were meant to be continued all together, including 20424; however, this case was 23 24 inadvertently left off. It's my understanding the parties 25 are still working towards a deal, and that's why we would

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1 like to go ahead and keep the case at this point. 2 MS. BRADFUTE: Mr. Examiner, the parties have 3 been engaged in productive negotiations related to all of 4 these cases. Those negotiations did pause during Covid 5 in 2020, and have recommenced, and the parties have been 6 making good progress. 7 EXAMINER BRANCARD: Okay. So why are we not combining all these cases? 8 9 MS. LUCK: They should all be consolidated, essentially, but they are not under the Prehearing Order 10 at this point. They have all been continued at each 11 12 subsequent hearing date. And so that's why we would like 13 to go ahead and continue this case for the remainder. 14 I can provide you with those case numbers 15 again, if you would like. 16 EXAMINER BRANCARD: Yes. I think they were on 17 the docket and they filed earlier motions; is that 18 correct? MS. LUCK: That's right. And this one should 19 have been filed at the same time but we overlooked the 20 21 case number on our motions. EXAMINER BRANCARD: So when were those cases 22 continued to and when do you propose continuing this case 23 24 to? MS. LUCK: August 18th for all of them, and the 25

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Page 5 original motions I think for the other cases have already 1 2 been approved by Marlene, and so --3 (Note: Reporter inquiry.) 4 MS. LUCK: Let me see if I can turn on my 5 microphone on my computer and see if that helps. 6 Can you hear me now? 7 EXAMINER BRANCARD: Okay. MS. LUCK: Again, those case numbers for the 8 other cases are 20344 through 20347. Those are the EOG 9 Silver Trains. And then the Marathon companion cases are 10 20309 and 20310. Those are the PI wells. 11 12 EXAMINER BRANCARD: Ms. Bradfute, do you agree 13 these cases all should be heard together if they ever get heard? 14 15 MS. BRADFUTE: Yes, Mr. Hearing Examiner, I do. 16 EXAMINER BRANCARD: So since the mode seems to 17 be negotiation rather than heading toward a big hearing, why don't I issue a Scheduling Order For August 19th but 18 we will call it a status conference. 19 20 MS. BRADFUTE: That would work for the parties. 21 EXAMINER BRANCARD: At this point when these cases are so old I think we kind of need to keep track of 22 23 them and find out whether they really should be continued 24 or dismissed or whatever. 25 Marlene does a phenomenal job of tracking

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Page 6 all these cases, but, you know, at some point it's a lot. 1 2 MS. BRADFUTE: Mr. Examiner, may I ask a 3 question? 4 EXAMINER BRANCARD: Sure. MS. BRADFUTE: Do we continue to file 5 continuances, even though its on the status report that 6 7 the parties do negotiate a further continuation? EXAMINER BRANCARD: No, you will come into the 8 status conference and discuss the next date and tell me 9 how you're doing in your negotiations. 10 11 MS. BRADFUTE: Okay. Thank you. Great. 12 EXAMINER BRANCARD: All right. So I will issue a Scheduling Order, and this will be a status conference 13 for August 19th for all these cases. 14 15 MS. LUCK: Thank you. 16 MS. BRADFUTE: Thank you. 17 EXAMINER BRANCARD: Thanks. 18 (Time noted 9:01 a.m.) 19 20 21 22 23 24 25

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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, June 17,
8	2021, the proceedings in the above-captioned matter were
9	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 NM Certified Court Reporter No. 122
21	License Expires: 12/31/2021
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