

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:

Application of MARATHON OIL
PERMIAN, LLC to Amend Order
No. R-21122-A
Lea County, New Mexico Case No. 22385

Application of MARATHON OIL
PERMIAN, LLC to Amend Order
No. R-21075-A
Lea County, New Mexico Case No. 22386

Application of MARATHON OIL
PERMIAN, LLC to Amend Order
No. R-21074-A
Lea County, New Mexico Case No. 22387

Application of MARATHON OIL
PERMIAN, LLC to Amend Order
No. R-21050-A
Lea County, New Mexico Case No. 22388

Application of MARATHON OIL
PERMIAN, LLC to Amend Order
No. R-21054-A
Lea County, New Mexico Case No. 22389

Application of MARATHON OIL
PERMIAN, LLC to Amend Order
No. R-21049
Lea County, New Mexico Case No. 22390

Application of MARATHON OIL
PERMIAN, LLC to Amend Order
No. R-21045
Lea County, New Mexico Case No. 22391

Application of MARATHON OIL
PERMIAN, LLC to Amend Order
No. R-21125-A
Lea County, New Mexico Case No. 22392

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 6, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, January 6, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

A P P E A R A N C E S

FOR MARATHON OIL PERMIAN, LLC.

Bryce Smith, Esq.
Modrall Spering.
P.O Box 2168
Albuquerque, NM
(505) 848-1845
bryce.smith@modrall.com

C O N T E N T S

CASE NOS. 22385, 22386, 22387, 22388 22389, 22390, 22391, 22392	PAGE
CASE CALLED:	4
TAKEN UNDER ADVISEMENT:	8

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

I N D E X O F E X H I B I T S

MARATHON OIL PERMIAN, LLC EXHIBITS	ADMITTED
A Affidavit of Jeff Broussard, Landman	8
1 Application	8
2 -A Orders pertinent to each case	8
3 Original Order pertinent to each case	8
4 Notice Affidavit	8

1 (Time noted 9:48 a.m.)

2 EXAMINER BRANCARD: With that, we've got a whole
3 slew of amendments ahead of us here. I guess we can do
4 these all together, but you'll let me know. Cases 46
5 through 53, Case Nos. 22385, 22386, 22387, 22388, 22389,
6 22390, 22391, 22392, Marathon Oil Permian, LLC.

7 MS. BENNETT: Good morning.

8 MR. SMITH: Good morning, Mr. Examiner. Bryce
9 Smith with Modrall Sperling appearing on behalf of the
10 applicant, Marathon Oil Permian, LLC.

11 EXAMINER BRANCARD: Thank you.

12 So is it Mr. Smith or Ms. Bennett?

13 MS. BENNETT: Mr. Hearing Examiner, at this
14 point I would like to introduce Mr. Smith. He is an
15 associate at Modrall, and I'm happy to have him helping me
16 and helping Earl DeBrine. So we are really glad that he
17 joined the firm, and he will be presenting the next two
18 suites of Marathon cases.

19 EXAMINER BRANCARD: Thank you. So let me ask if
20 there are any other interested persons for Cases 22385,
21 -386, -387, -388, -389, -390, -391, -392.

22 UNIDENTIFIED SPEAKER: Those numbers were said
23 pretty quick. Did you mention 20470 or Case 20563?

24 EXAMINER BRANCARD: No, these are 22385 through
25 -392.

1 UNIDENTIFIED SPEAKER: Okay.

2 EXAMINER BRANCARD: Hearing none, Mr. Smith do
3 you want to present these one at a time or try to do them
4 all together?

5 MR. SMITH: Mr. Examiner, I'd like to
6 consolidate these eight cases.

7 EXAMINER BRANCARD: All right. Please proceed.

8 MR. SMITH: Thank you, Mr. Examiner.

9 So these cases, Cases 22385 through 22392
10 all pertain to Marathon's second request for an extension
11 of time to commence drilling the initial well under the
12 orders. We timely filed our exhibits Tuesday, January
13 4th.

14 You will find as Tab A the Declaration of
15 Jeffrey Broussard, a professional landman for Marathon.
16 Jeff Broussard has testified before the Division and his
17 credentials have been accepted as a matter of record.

18 In his Declaration he explains why Marathon
19 is requesting this second extension; namely, Covid and the
20 pandemic has continued to impact Marathon's drilling
21 schedule; and market conditions, although things are
22 improving, there continues to be a lag in getting drilling
23 caught up as market conditions have changed.

24 Behind his declaration is Marathon's --

25 (Note: Audio drop.)

1 (Note: Pause.)

2 EXAMINER BRANCARD: Mr. Smith, I think you're
3 cutting out. Perhaps you should get rid of your video and
4 just do audio. Can you hear me?

5 Mr. Garcia, are you hearing Mr. Smith?

6 EXAMINER GARCIA: No. It shows he's having
7 bandwidth issues according to Webex, so he is virtually on
8 hold, essentially, until his Internet gets better.

9 Turning off the video for him possibly may
10 help him.

11 EXAMINER BRANCARD: I think he may have gotten
12 dropped.

13 Ms. Bennett, can you contact Mr. Smith?

14 MS. SMITH: My Internet. I guess I'll try
15 calling in.

16 Can you hear me now?

17 EXAMINER BRANCARD: You're back on.

18 MS. BENNETT: This is Deana Bennett. I just
19 spoke with Mr. Smith and he's calling in. He's having
20 some Internet issues, so he's calling in, and he should be
21 on in just a few minutes.

22 MR. SMITH: Can you hear me now? You said you
23 could hear me.

24 EXAMINER BRANCARD: We can hear you.

25 MR. SMITH: Okay. I'm not sure where I got cut

1 off but I was discussing the exhibits to our application
2 which follow Jeff Broussard's Affidavit or Declaration.

3 First is his -- the Applications in this
4 case for Marathon and, that's followed by our Orders that
5 we're seeking to pool.

6 And the final exhibit in each packet is the
7 Notice Affidavit prepared by our firm. And in the Notice
8 Affidavit you will find that Notice was timely given to
9 all the required parties in this case. Also included out
10 of a matter of habit and abundance of caution is our
11 Affidavit of Publication.

12 So with that I would ask that exhibits in
13 Cases 22385, 22386, 22387, 22388, 22389, 22390, 22391 and
14 22392 be admitted into the record and that these cases be
15 taken under advisement.

16 EXAMINER BRANCARD: Thank you.

17 Mr. Garcia, did you have any questions?

18 EXAMINER GARCIA: Mr. Smith, is this your first
19 time before the Division?

20 MR. SMITH: It is, Mr. Garcia.

21 EXAMINER GARCIA: Well, I just wanted to make
22 you nervous on your first time.

23 MR. SMITH: I think so.

24 EXAMINER GARCIA: I have no questions.

25 EXAMINER BRANCARD: I assume, Mr. Smith, Ms.

1 Bennett informed you you have to send doughnuts to the
2 hearing examiners.

3 MR. SMITH: She failed to inform me of that but
4 I'll make sure to follow up.

5 EXAMINER BRANCARD: Are there any other
6 interested person for Cases 22385, 386, 387 388, 389, 390,
7 391 and 392?

8 Hearing none, the exhibits in these cases
9 will be admitted into the record and these cases will be
10 taken under advisement.

11 Thank you.

12 (Time noted 9:55 a.m.)

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,

8

January 6, 2022, the proceedings in the above-captioned

9

matter were taken before me; that I did report in

10

stenographic shorthand the proceedings set forth herein,

11

and the foregoing pages are a true and correct

12

transcription to 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
License Expires: 12/31/2022

21

22

23

24

25