

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, LLC  
to Amend Order R-21099-A  
Lea County, New Mexico Case No. 22440

Application of MARATHON OIL, LLC  
to Amend Order R-21126-A  
Lea County, New Mexico Case No. 22441

Application of MARATHON OIL, LLC  
to Amend Order R-21169-A  
Lea County, New Mexico Case No. 22442

Application of MARATHON OIL, LLC  
to Amend Order R-21165-A  
Lea County, New Mexico Case No. 22443

Application of MARATHON OIL, LLC  
to Amend Order R-21127-A  
Lea County, New Mexico Case No. 22444

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

1 Reported by: Mary Therese Macfarlane  
 New Mexico CCR #122  
 2 PAUL BACA COURT REPORTERS  
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A P P E A R A N C E S

6 FOR MARATHON OIL PERMIAN, LLC:

7 Bryce Smith, Esq.  
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C O N T E N T S

12	CASE NOS: 22440, 22441, 22442, 22443, 22444	PAGE
13	CASES CALLED:	3
14	TAKEN UNDER ADVISEMENT:	5

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

16	MARATHON OIL PERMIAN, LLC EXHIBITS	ADMITTED
17	A Affidavit of Jeff Broussard, Landman	5
18	1 Application	5
19	2 -A Orders pertinent to each case	5
20	3 Original Order pertinent to each case	5
21	4 Notice Affidavit	5

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

2 EXAMINER BRANCARD: Thank you. With that I will  
3 call Case Nos. 22440, 22441, 22442, 22443, 22444, Marathon  
4 Oil Permian.

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

8 EXAMINER BRANCARD: Thank you. Are there any  
9 other interested persons for Cases 22440 441, 442, 443 or  
10 444?

11 Hearing none, Mr. Smith you may proceed.

12 MS. SMITH: Thank you, Mr. Examiner.

13 With these cases, we are asking they all be  
14 consolidated for hearing, Cases 22440 through 22444.

15 All of these cases pertain to Marathon's  
16 second request for an extension of time to commence  
17 drilling the initial well under the Orders. This to  
18 Marathon's Ender Wiggins well group.

19 Our exhibits were timely filed on Tuesday,  
20 January 4th, this week. You will find as Tab A in the  
21 exhibit packet is the Declaration of Professional Landman  
22 Jeff Broussard. Jeff Broussard has previously testified  
23 before the Division and his credentials have been accepted  
24 as a matter of record.

25 In his Declaration he elaborates on why

1 Marathon is requesting the second extension, namely those  
2 reasons be the continued impact of the pandemic and the  
3 effect it has had on Marathon's drilling schedule, in  
4 combination with the changing market conditions.

5 Behind Mr. Broussard's Declaration you'll  
6 find the applications that Marathon filed in this case,  
7 and behind that are the Orders which Marathon is seeking  
8 to amend.

9 The final exhibit in each packet is the  
10 Notice Affidavit prepared by this firm, and in the Notice  
11 Affidavit you will find that Notice was timely given to  
12 all required parties. In addition to that, we made --  
13 included the Affidavit of Publication as a matter of  
14 course.

15 The last thing to mention is that Marathon  
16 has been in discussions with COG Operating, LLC, who is  
17 now a part of ConocoPhillips, and COG/ConocoPhillips is  
18 not a party to this case and should not be considered a  
19 full party under the Order. This is discussed more  
20 thoroughly in Jeff Broussard's Declaration in paragraph  
21 21, and the reason being that COG had previously entered  
22 into a Joint Operating Agreement with Marathon before the  
23 original Order was entered in this case, and my  
24 understanding is that something happened to the JOA.  
25 Since that time I think it's expired, but I believe the

1 parties are working together now to execute a new JOA, so  
2 for that reason COG, to the extent it still exists as an  
3 entity, and ConocoPhillips are not considered pooled  
4 parties, under this Order.

5 With that I would ask that exhibits in  
6 Cases 22440, 22441, 22442, 22443 and 22444 be admitted  
7 into the record and that these cases be taken under  
8 advisement.

9 EXAMINER BRANCARD: Mr. Garcia, any questions?

10 EXAMINER GARCIA: Yes.

11 I was looking at application. So this is  
12 just an extension of time for these cases, though. You  
13 are not asking for anything to be amended, because that  
14 would be between the parties if you came to an agreement.  
15 Is that correct?

16 MS. SMITH: That's correct, Mr. Examiner.

17 EXAMINER GARCIA: Sorry. Just making sure I  
18 hired that correctly. Thank you.

19 EXAMINER BRANCARD: That was my question.

20 Are there any other interested persons for  
21 Cases 22440 441 442, 443 444 four?

22 Hearing none, the exhibits in these cases  
23 will be admitted into the record and Cases 22440, 22441,  
24 22442, 22443, 22444 will be taken under advisement.

25 (Time noted 10:00 a.m.)

1 STATE OF NEW MEXICO )

2 : ss

3 COUNTY OF TAOS )

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

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

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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

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MARY THERESE MACFARLANE, CCR

21

NM Certified Court Reporter No. 122

License Expires: 12/31/2022

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