

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 NOS: 20976, 20977, 20978

APPLICATION OF MARATHON OIL PERMIAN LLC  
TO RE-OPEN CASE NO. 16144,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING  
December 12, 2019  
SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, DEAN McCLURE, DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, December 12, 2019, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 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:

DEANA BENNETT  
MODRALL SPERLING ROEHL HARRIS & SISK PA  
500 4th Street, NW, Suite 1000  
Albuquerque, NM 87102  
505-848-9710  
deana.bennett@modrall.com

I N D E X

CASE NO. 20976 through 20978 CALLED

SUMMARY OF CASE AND MATERIALS	03
TAKEN UNDER ADVISEMENT	05
REPORTER CERTIFICATE	07

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

	Admitted
A (All attachments)	05

1 HEARING EXAMINER COSS: And now the Division will  
2 call Case Number 20976, Marathon Oil for compulsory pooling,  
3 and ask if you would -- if it's going to be combined with  
4 Case Numbers 20976, 20977 and 20978, and if there is any  
5 additional entries of appearance.

6 (No response.)

7 MS. BENNETT: Good morning, Mr. Examiner. Deana  
8 Bennett on behalf of Marathon Oil Permian LLC. I intend to  
9 present these three cases by affidavit.

10 HEARING EXAMINER COSS: You may proceed.

11 MS. BENNETT: Thank you.

12 HEARING EXAMINER COSS: Three cases.

13 MS. BENNETT: Yes. It's three cases, 20976,  
14 20977, and 20978.

15 Case Number 20976, 20977 and 20978 are reopened  
16 cases that relate back to the original case numbers that I  
17 have identified in the caption of Affidavit A, which are  
18 Case Numbers 16144, 16145 and 16146. So when you are  
19 reviewing the materials in this case, the bulk of the  
20 materials will be under those case numbers, but due to the  
21 system requirements, these three cases were assigned new  
22 case numbers.

23 In these three cases Marathon -- these three  
24 cases already went to hearing, twice, 16144 16145 and 16146  
25 have already been to hearing twice. An order was issued in

1 all three cases, a separate order for each case. Marathon  
2 requests that those three orders be consolidated into a  
3 single order. That all happened before today.

4           Between the time that Marathon requested those  
5 three orders be consolidated into a single order and today,  
6 Marathon identified additional royalty interest owners that  
7 Marathon seeks to pool. So the only purpose for today's  
8 hearing is to provide notice to those additional parties  
9 that Marathon seeks to pool them. And that is all set out  
10 in Mr. Ryan Gyllenband's affidavit.

11           The parties to be pooled are on Page 5. My  
12 notice affidavit is behind Page 2, and it has my letter --  
13 my affidavit, the letter that we sent out for each of the  
14 three cases. It also includes the names and addresses of  
15 the folks to whom I sent notice, the status of the mailing  
16 and a copy of the affidavit of publication.

17           If there are no questions about these cases, I  
18 understand it's a little bit more unusual than the cases we  
19 have been discussing earlier today, I would ask that the  
20 exhibits that I have just tendered for you in Case in 20976,  
21 20977 and 20978 be admitted into the record in those cases,  
22 and to the extent possible, be admitted into the record for  
23 the cases to which they relate.

24           EXAMINER LOWE: Are these the cases -- are these  
25 the cases that are old? Is it the one I e-mailed you about

1 yesterday? Do you know?

2 MS. BENNETT: We will talk about that later. I  
3 can't remember if it is one of the ones you sent me about  
4 yesterday, but these are old. But the orders, like I said,  
5 have already been issued.

6 And in fact, I did prepare an Exhibit A, which I  
7 have submitted to Kathleen Murphy for the consolidated  
8 order. So Ms. Murphy has an Exhibit A already for the  
9 consolidated order. So this is really more of a ministerial  
10 step than anything substantive at all.

11 HEARING EXAMINER COSS: Okay. Well, thanks for  
12 the clarification, and we will admit the exhibits into the  
13 record and take Cases 20976 through 20978 under advisement.

14 (Exhibit A admitted.)

15 MS. BENNETT: Thank you. Before I return to my  
16 seat, may I make one point of clarification about the  
17 Franklin Mountain pooling cases I discussed a moment ago?  
18 Which is, in Case 20952, which I consolidated for hearing  
19 with Case Number 20953, I did want to point out for  
20 Mr. Lowe's benefit, and the transcript's benefit, that in  
21 Case 20952, one well out of the two wells that are proposed  
22 is proposed to be unorthodox, and I have already submitted a  
23 separate NSL administrative application through the fee  
24 portal.

25 So I wanted to make it clear for the record that,

1 given our earlier conversations today or Examiner  
2 conversations about the NSL process, that there is an NSL  
3 involved in this case, but I have already submitted the NSL  
4 application through the fee portal.

5 HEARING EXAMINER COSS: Thank you for that  
6 clarification.

7 (Cases taken under advisement. Adjourned.)

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

6 I, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing proceedings in stenographic shorthand and that the  
9 foregoing pages are a true and correct transcript of those  
10 proceedings that were reduced to printed form by me to the  
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of  
13 the proceedings truly and accurately reflects the exhibits,  
14 if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither employed by  
16 nor related to any of the parties or attorneys in this case  
17 and that I have no interest in the final disposition of this  
18 case.

19 Dated this 12th day of December 2019.

20

21

\_\_\_\_\_  
Irene Delgado, NMCCR 253  
License Expires: 12-31-19

22

23

24

25