

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NOS. 21597, 21598

Application of marathon Oil Permian, LLC.
to amend OCD Orders R-21112 and R-21103,
Lea County, New Mexico

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 7, 2020

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard, Hearing Examiner, Dylan Rose-Coss,
Technical Examiner and Dean McClure, Technical
Examiner, via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
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1 A P P E A R A N C E S.

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6 CASE NOS. 21597 and 21598 PAGE

7 CASE CALLED: 3

8 STATEMENT BY MS. BENNETT: 3

9 INQUIRY BY EXAMINER ROSE-COSS: 5

10 INQUIRY BY EXAMINER McCLURE: 6

11 TAKEN UNDER ADVISEMENT: 7

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

14 MARATHON OIL PERMIAN, LLC, EXHIBITS ADMITTED

15 1 Self-affirmed statement of Landman Jeff 7
 Broussard w/attachments

16 2 April 9, 2020 OCD letter 7

17 3 Notice Affidavits 7

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1 (Time noted 9:04 a.m.)

2 HEARING EXAMINER BRANCARD: The next few cases
3 we have already handled, so we will skip over to a series
4 of cases, starting with No. 17 on our list, and I believe
5 we have a bunch of Marathon Oil proposed amendments.

6 So we will start with No. 17, Case 21597,
7 Marathon Oil.

8 Who is here for Marathon?

9 MS. BENNETT: Good morning, Mr. Hearing
10 Examiner. This is Deana Bennett on behalf of Marathon Oil
11 Permian, LLC.

12 I would like to consolidate Case Nos. 21597
13 and 21598, 17 and 18 on the Excel spreadsheet, for hearing
14 this morning.

15 HEARING EXAMINER BRANCARD: Okay. So ordered.

16 Are there any other appearances in these
17 matters?

18 Hearing non, you may proceed.

19 MS. BENNETT: Thank you. These two cases
20 involve applications by Marathon to reopen two Orders.
21 Again, these Orders were previously issued. These Orders
22 involve Marathon's Frizzle Fry units, and Marathon is
23 seeking in these two applications to re-open the Orders
24 for two purposes: 1, to amend the Orders to conform to
25 the new order template; and 2, to allow for an extension

1 of time for drilling the wells under the Orders.

2 So I have included in the exhibit packet --
3 I did email this exhibit packet, as well. I included in
4 the exhibit packet the self-affirmed statement of Jeff
5 Broussard who is a landman for Marathon, and he's
6 previously been qualified by the Division.

7 He explains in his affidavit, which is
8 behind Tab 1, the need for the extensions of time.

9 Then behind Tab 2 is the Division's
10 April 9, 2020 letter.

11 And then also included in this packet is my
12 Affidavit of Notice, which is Exhibit 2. In this
13 Affidavit of Notice, I included the Notice Letters that I
14 sent out, as well as the status of the mailings. And on
15 Tuesday when I submitted the packet we didn't yet have the
16 Affidavit of Publication but we did have have proof that
17 it was published in the newspaper, so I included the
18 excerpt from the newspaper itself. And then yesterday we
19 received the Affidavit of Publication, so yesterday I
20 emailed a revised version of the exhibit packet to show
21 the Affidavit of Publication, or to include the Affidavit
22 of Publication.

23 So the Affidavit of Publication was
24 attached to what I sent, what I emailed in yesterday, we
25 just hadn't received it from the newspaper at the time

1 that the exhibit packets were due.

2 Then behind Tab 2, I have included for the
3 Division's benefit the two applications that we filed in
4 these two matters. And, again, Marathon is seeking an
5 extension of time in these two matters due to the downturn
6 in the oil and gas industry because of Covid and other
7 circumstances, and they're requesting an extension of time
8 from February 13, 2021, to February 13, 2022.

9 And with that I would ask that the exhibits
10 I prepared for Case Nos. 21597 and 21598 be submitted into
11 the record for those two cases, and that these two cases
12 be taken under advisement.

13 And I stand for any questions that the
14 Division may have.

15 HEARING EXAMINER BRANCARD: Thank you, Ms.
16 Bennett.

17 I'll go to the hearing examiners here. Can
18 we clarify whether we have all the exhibits that Ms.
19 Bennett has referred to?

20 EXAMINER ROSE-COSS: I'm seeing the exhibits
21 that were referred to.

22 I wanted to make sure that the Notice was
23 submitted timely, that it was done in time and it was
24 required to...

25 MS. BENNETT: The publication affidavit was not

1 actually required; all the parties were locatable.

2 We did -- we do publish out of an abundance
3 of caution, and in this case there was one entity that is
4 locatable but for whom the Notice Letter was returned, so
5 I included the Notice of Publication, the Affidavit of
6 Publication for that purpose, but that party technically
7 wasn't even -- I technically didn't need to publish
8 because that party was locatable.

9 But notice was timely given.

10 EXAMINER ROSE-COSS: That was my only question,
11 then. And I do see the exhibits. I'm scanning through
12 them as we speak.

13 No more questions.

14 EXAMINER McCLURE: Uhm, Examiner McClure here.

15 You mentioned that one of the Noticed
16 persons did not receive the initial packet. And then did
17 you -- following that, then you did Public Notice, or did
18 you do Public Notice at the time that you sent out the
19 original Certified Letters, I guess.

20 MS. BENNETT: Our normal practice is to publish
21 at the same time that we send out Notice Letters.

22 So we published -- or we -- what we try to
23 do, anyway, and what we did in this case is we submitted
24 Notice information to the newspaper on the same day we
25 sent out the Notice Letters but it takes a day or two for

1 the newspaper then to publish.

2 But that's usually okay, because the
3 publication deadline is 10 business days, whereas the
4 Notice Letter deadline is 20 calendar days.

5 But we do -- it's our general practice to
6 submit the materials to the newspaper the same day we send
7 out our Notice Letters.

8 EXAMINER McCLURE: Okay. Sounds good.

9 I hadn't reviewed the exhibits to confirm
10 when exactly Public Notice had went out, but that there
11 answers my question. In current day and age with the
12 postal system it's good practice to do the Public Notice.
13 I've definitely taken note of that.

14 But that's all my questions. Thank you.

15 MS. BENNETT: Thank you.

16 HEARING EXAMINER BRANCARD: Thank you. Are
17 there any other comments on these two consolidated matters
18 21597, 21598?

19 Hearing none, we will take this --
20 admit the exhibits and take Cases 21597 and 21598 under
21 advisement.

22 (Time noted 9:10 a.m.)

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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,

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January 7, 2021, the proceedings in the above-captioned

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matter were taken before me; that I did report in

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stenographic shorthand the proceedings set forth herein,

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and the foregoing pages are a true and correct

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transcription to the best of my ability and control.

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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

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