

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:

Application of Marathon Oil Permian, LLC.
to Amend Order No. 21113,
Eddy County, New Mexico Case No. 22194

Application of Marathon Oil Permian, LLC
to Amend Order No. 21106,
Eddy County, New Mexico Case No. 22195

Application of Marathon Oil Permian LLC.
to Amend Order No. 21105,
Eddy County, New Mexico Case No. 22196

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, OCTOBER 7, 2021

EXAMINER HEARING

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard, Esq. Hearing Examiner, Dylan Rose-Coss,
Technical Examiner, on Thursday, October 7, 2021,
via Webex Virtual Conferencing Platform hosted
by the New Mexico Department of Energy, Minerals and
Natural Resources

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

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 MARATHON OIL PERMIAN:

Deana M. Bennett, Esq.
Modrall, Sperling, Roehl,
Harris & Sisk
Post Office Box 2168
Albuquerque, NM 87103-2168
deana.bennett@modrall.com

C O N T E N T S

CASE NOS. 22194, 22195, 22196 PAGE

CASE CALLED: 3

TAKEN UNDER ADVISEMENT: 5

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

MARATHON OIL PERMIAN, LLC EXHIBITS PAGE

CASE NO. 22194

A Self-Affirmed Declaration of Chase F. Rice 5
A-1 Application 5
A-2 Order No. R-21113A 5
A-3 Order No. R-21113 5
A-4 Notice Affidavit 5

CASE NO. 22195

A Self-Affirmed Declaration of Chase F. Rice 5
A-1 Application 5
A-2 Order No. R-21106 5
A-3 Order No. R-21106A 5
A-4 Notice Affidavit 5

CASE NO. 22196

A Self-Affirmed Declaration of Chase F. Rice 5
A-1 Application 5
A-2 Order No. R-21105 5
A-3 Order No. R-21105A 5
A-4 Notice Affidavit 5

1 (Time noted 8:57 a.m.)

2 EXAMINER BRANCARD: Don't leave, Ms. Bennett.
3 We have Cases 22194, 22195, 22196, Marathon Oil Permian.

4 MS. BENNETT: Good morning again. Deana Bennett
5 on behalf of Marathon Oil Permian, LLC.

6 EXAMINER BRANCARD: Are there any other
7 interested persons for Cases 22194, -195, -196?

8 Hearing none, you may proceed, Ms. Bennett.

9 MS. BENNETT: Thank you. These three cases,
10 22195, 22195, 22196, all involve Marathon's Valkyrie
11 wells, and in these cases Marathon is seeking a second
12 extension of time to commence drilling the wells, to
13 commence drilling the initial wells under the Order.

14 These cases -- again I submitted exhibit
15 packets for each of three cases separately via the portal
16 on Tuesday, but I would like to combine them for hearing
17 today just because of the similarity in the cases.

18 In each of the packets you have as Tab A
19 the Self-Affirmed Declaration of Chase Rice. Chase Rice
20 has previously testified before the Division and his
21 credentials have been accepted as a matter of record. In
22 his Declaration he discusses the reasons for needing this
23 second extension of time, and as we just talked about, the
24 Covid and market conditions and the delays occasioned by
25 that are still being felt through the industry, and so

1 Marathon's development plans are getting back up to speed
2 but they still need some more time.

3 In addition, in this series of cases
4 Marathon needs an APD from BLM, and Marathon has not yet
5 obtained that APD and so is waiting for that, which is an
6 additional reason for Marathon's request for an extension
7 of time in these three cases.

8 I have also included Order No. -- the
9 Orders where the Division granted Marathon's first request
10 for an extension of time and the original Order in each
11 case, and then I've included my Notice Affidavit, which
12 shows that Notice Letters were timely sent and that
13 publication was done timely.

14 And so in these cases Marathon is
15 requesting an extension of time for one year. In these
16 cases the time for the initial wells to commence drilling
17 is February 13, 2022, and Marathon is requesting an
18 extension of time to February 13, 2023.

19 With that I would ask that the exhibits in
20 Cases 22194, 22195 and 22196 be admitted into the record,
21 and am happy to answer any questions that I can.

22 EXAMINER BRANCARD: Thank you. Mr. Rose-Coss,
23 any questions.

24 EXAMINER ROSE-COSS: None from me.

25 EXAMINER BRANCARD: Okay. Are there any other

1 interested persons for Cases 22194, -195, -196, the
2 Valkyrie wells? (Note: Pause.)

3 Hearing none, your exhibits there can be
4 admitted into the record and Cases 22194, 22195 and 22196
5 will be taken under advisement.

6 (Time noted 9:01 a.m.)

7
8
9
10
11
12
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 October 7, 2021, 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

MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
License Expires: 12/31/2021

20

21

22

23

24

25