

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 ASCENT ENERGY, LLC CASE NOS. 16484,
FOR COMPULSORY POOLING, LEA COUNTY, 16486
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 11, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
TERRY WARNELL, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Terry Warnell, Technical Examiner, and David K. Brooks, Legal Examiner, on Friday, January 11, 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: Mary C. Hankins, CCR, RPR
New Mexico CCR #20
Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1 APPEARANCES

2 FOR APPLICANT ASCENT ENERGY, LLC:

3 JAMES G. BRUCE, ESQ.
 4 Post Office Box 1056
 5 Santa Fe, New Mexico 87504
 (505) 982-2043
 jamesbruc@aol.com

6

7 FOR INTERESTED PARTY MARATHON OIL PERMIAN, LLC:

8 DEANA M. BENNETT, ESQ.
 9 MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.
 500 4th Street, Northwest, Suite 1000
 Albuquerque, New Mexico 87102
 10 (505) 848-1800
 deanab@modrall.com

11

12 INDEX

13		PAGE
14	Case Numbers 16484 and 16486 Called	3
15	Cases Presented by Affidavit	3
16	Proceedings Conclude	6
17	Certificate of Court Reporter	7

18

19 EXHIBITS OFFERED AND ADMITTED

20	Ascent Energy, LLC Exhibit Numbers 1 through 3	6
----	--	---

21 REPORTER'S NOTE: These exhibits were not supplied
 22 to the court reporter and are not
 attached to this record.

23

24

25

1 (2:20 p.m.)

2 EXAMINER JONES: Okay. So now we're left
3 with Kaiser-Francis and Mewbourne. And I think
4 that's --

5 MR. BRUCE: No. Ascent -- although they
6 were continued, Marathon has withdrawn its opposition.
7 They're companion cases to the ones I just mentioned.

8 EXAMINER BROOKS: Okay. Now, this last
9 group was in the east half-west half?

10 MR. BRUCE: And this is in the west
11 half-east half --

12 EXAMINER BROOKS: West half-east half.

13 MR. BRUCE: -- of those same sections.

14 EXAMINER BROOKS: So you're moving across
15 the centerline?

16 MR. BRUCE: Yeah.

17 MS. BENNETT: Yes. And we -- Deana Bennett
18 again on behalf of Marathon Oil Permian, LLC.

19 We did withdraw our opposition to these two
20 cases so that they could be heard by affidavit during
21 this docket if it was possible, and Mr. Bruce was able
22 to get them together, and so here we are.

23 And as I mentioned, though, a moment ago,
24 Marathon is still opposing the Gavilon wells in the east
25 half-east half, as those compete with pending Marathon

1 wells.

2 EXAMINER JONES: But you're not opposed to
3 an affidavit presentation?

4 MS. BENNETT: Not on these because these
5 are the west half of the east half.

6 EXAMINER BROOKS: So you're only opposed to
7 the east half of the east half?

8 MS. BENNETT: That's right.

9 EXAMINER BROOKS: You're not opposed to
10 the west half of the east half?

11 MS. BENNETT: Marathon, for the record, had
12 proposed wells in the west half of the east half. And
13 yesterday I asked that our application for the west half
14 of the east half be dismissed, and I amended one of our
15 applications to remove any confusion and to remove the
16 well that was planned to be in the west half of the east
17 half.

18 EXAMINER BROOKS: Okay. Very good.

19 EXAMINER JONES: For the record, we're
20 talking about Cases 16484 and 16486.

21 Call for appearances.

22 MR. BRUCE: Jim Bruce for Ascent Energy,
23 LLC.

24 MS. BENNETT: Deana Bennett, from Modrall,
25 Sperling, on behalf of Marathon Oil Permian, LLC.

1 MR. BRUCE: Mr. Examiner, I handed you
2 Exhibits 1 through 3. They're virtually a mirror image
3 of what I've just sent you. They were just discussed in
4 the prior cases. And the landman's affidavit discusses
5 the land matters. You can see by looking at Attachments
6 B and/or C to his affidavit the well unit orientation
7 and the interest. Marathon owns 25 percent in both the
8 Bone Spring and the Wolfcamp in this well unit. And
9 Ascent intends to drill both Bone Spring wells -- that's
10 Case 16484 -- and Wolfcamp wells, 16486. And it
11 contains the usual, affidavits, overhead rates -- I mean
12 AFEs and overhead rates. And if you have any questions,
13 you can ask me.

14 Again, Exhibit 2 is my Affidavit of Notice.
15 Once again, John Benedict did not claim his mail, and so
16 it's the same thing. I've got a publication. I
17 published notice and would ask that the case be
18 taken -- be continued for two weeks so that I can get
19 the Affidavit of Publication hopefully from the
20 vacationing "Hobbs News Sun."

21 EXAMINER JONES: Okay. They must work for
22 the federal government or something.

23 MR. BRUCE: And the geologist, his
24 affidavit contains both Wolfcamp and Bone Spring
25 geology. And, you know, the geology, in whatever

1 formation, the zones are continuous. They contribute
2 more or less equally to production.

3 And we would simply ask that Exhibits 1
4 through 3 be taken under advisement and that the matters
5 be continued for two weeks only to receive the
6 publication of this.

7 EXAMINER JONES: Any objection?

8 MS. BENNETT: None. Thank you.

9 EXAMINER JONES: In Cases 16484 and 16486,
10 the exhibits are admitted, and the cases are continued
11 to January 24th.

12 (Ascent Energy, LLC Exhibit Numbers 1
13 through 3 are offered and admitted into
14 evidence.)

15 (Case Numbers 16484 and 16486 conclude,
16 2:23 p.m.)

17

18

19

20

21

22

23

24

25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

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

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

20 DATED THIS 29th day of January 2019.
21

22
23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters