

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: 20870 and 20871

APPLICATION OF MARATHON OIL PERMIAN
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 14, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, KATHLEEN MURPHY, PHILLIP GOETZE, and LEGAL EXAMINER ERIC AMES, on Thursday, November 14, 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
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1 A P P E A R A N C E S

2 For the Applicant:

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7 I N D E X

9 CASE NO. 20870 and 20871 CALLED

10 RYAN GYLLENBAND (By Affidavit) 03

11 THOMAS LOCKWOOD (By Affidavit) 03

12 TAKEN UNDER ADVISEMENT: 05

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

15 Admitted

16 Exhibit A and Attachments 04

17 Exhibit B and Attachments 04

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1 HEARING EXAMINER LOWE: We will call case Number
2 20870 and 20971. Call for appearance.

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

5 THE COURT: You may proceed.

6 MS. BENNETT: I placed before you a packet that
7 is combined packet of exhibit the for case 20870 and 20871.
8 These cases involve Third Bone Spring wells, and there are
9 two wells at issue in these two cases, one in each case, and
10 Marathon is seeking a horizontal spacing unit in each case.

11 I have the same layout in these affidavits as I
12 did in the prior cases, which is Tab Number A has the
13 affidavit of the landman, Mr. Ryan Gyllenband and Tab B has
14 the affidavit of the geologist, Mr. Tom Lockwood.

15 Behind Tab A are the usual suspects, the
16 application for both cases, the lease tract map, as well as
17 the breakdown of ownership for both cases, a summary of
18 contacts.

19 Then behind Tab 4 are the C-102s for each of
20 wells; behind Tab 5, the proposal letters; behind Tab 6, the
21 AFEs and Mr. Gyllenband testifies that these wells are in
22 line with the cost charged by other operators for wells of
23 similar length and depth in this area of New Mexico.

24 Behind Tab 7 is my affidavit of notice.

25 Behind Tab B are the geology affidavits. Again

1 we have a locator map, a gun barrel, and then a structure
2 map, cross reference map, the cross section slide,
3 isopach -- maybe it's an isochore, I can't remember right
4 now -- isochore, and then the citation to the Snee and
5 Zoback paper justifying the geologist conclusion about the
6 preferred well orientation.

7 Marathon would ask for expedited orders in these
8 two cases as well and I'll be preparing Exhibit A's for the
9 case and submitting those when I submit the PDF of the
10 exhibits.

11 With that I would ask that Exhibits A and B and
12 their attachments be accepted into the record for case
13 Number 20870 and 20871.

14 HEARING EXAMINER LOWE: Exhibits A through B and
15 their attachments will be accepted for this case.

16 MS. BENNETT: Thank you.

17 (Exhibits A and B admitted.)

18 MS. BENNETT: I stand for questions if there are
19 any.

20 EXAMINER GOETZE: No complicated terms in this
21 one.

22 MS. BENNETT: No.

23 EXAMINER MURPHY: No questions.

24 HEARING EXAMINER LOWE: Okay.

25 MR. AMES: Nothing.

1 EXAMINER GOETZE: No questions.

2 HEARING EXAMINER LOWE: I have no questions.

3 MS. BENNETT: Thank you. At this time I would
4 ask that Case Number 20870 and 20871 be taken under
5 advisement.

6 HEARING EXAMINER LOWE: Case Number 20870 and
7 20871 will be taken under advisement.

8 MS. BENNETT: Thank you very much.

9 (Cases 20870 and 20871 taken under advisement.)

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1 STATE OF NEW MEXICO)
2 COUNTY OF SANTA FE)SS

3 I, IRENE DELGADO, certify that I reported the
4 proceedings in the above-transcribed pages, that pages
5 numbered 1 through 5 are a true and correct transcript of my
6 stenographic notes and were reduced to typewritten
7 transcript through Computer-Aided Transcription, and that on
8 the date I reported these proceedings I was a New Mexico
9 Certified Court Reporter.

10 Dated at Santa Fe, New Mexico, this 14th day of
11 November 2019.

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14 Irene Delgado, NMCCR 253
15 Expires: 12-31-19

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