

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: 20840 20841 20842
20843 20844 20848

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

CASE NOS: 21383 21384 21385
21386 21436 21437

APPLICATION OF MATADOR PRODUCTION COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

OCTOBER 8, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINERS LEONARD LOWE and KURT SIMMONS on Thursday, October 8, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

DEANA BENNETT
MODRALL SPERLING ROEHL HARRIS & SISK PA
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For Foran:

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For Matador:

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I N D E X

CASE CALLED	
STATUS CONFERENCE	04
REPORTER CERTIFICATE	07

1 HEARING EXAMINER ORTH: Let's move then to a
2 rather large set of cases, there are 15 of them that I will
3 call, which are all part of the same status conference. We
4 have 20840, 20841 and 20842. Marathon Oil is the applicant
5 in each of those three cases, compulsory pooling
6 applications related to a well named Shake-N-Bake.

7 Then I'm just going to call all the cases at
8 once, and then I will ask for appearances. Then 20843,
9 20844, and 20848, Marathon Oil the applicant, compulsory
10 pooling applications. Those three cases relate to a well
11 named Cerberus 3.

12 And then in 20845, 20846 and 20847, Marathon Oil
13 is the applicant, compulsory pooling applications related to
14 a well named Trojan Horse.

15 21383, 21384, 21385 and 21386, Matador Production
16 is the applicant, compulsory pooling applications relating
17 to a well named Warrior.

18 And finally, 21436, and 21437, Matador Production
19 is the applicant, compulsory pooling applications related to
20 a well named Gladiator. So we have Modrall Sperling on
21 behalf of Marathon Oil. Is that you, Ms. Bennett?

22 MS. BENNETT: Good morning, Madam Examiner. It
23 is Deana Bennett on behalf of Marathon Oil Permian LLC.

24 HEARING EXAMINER ORTH: Thank you, Ms. Bennett.
25 And then we have appearances by Foran Oil. Let's see.

1 Mr. Moellenberg, are you here for Foran? I saw Mr.
2 Moellenberg earlier.

3 MR. MOELLENBERG: Let me try again and get the
4 right mute button. Can you hear me now?

5 HEARING EXAMINER ORTH: I can hear you.

6 MR. MOELLENBERG: Very good. Dal Moellenberg of
7 Gallagher and Kennedy for Foran Oil Company.

8 HEARING EXAMINER ORTH: Thank you. And then we
9 we have MRC Explorers, MRC Spiral and MRC Delaware. Who
10 here is from Holland & Hart for the MRCs?

11 MR. FELDEWERT: Michael Feldewert with the
12 Santa Fe office of Holland & Hart here on behalf of the MRC
13 entities, which would be Matador Production.

14 HEARING EXAMINER ORTH: Thank you. And is there
15 anyone else entering an appearance this morning?

16 (No audible response.)

17 HEARING EXAMINER ORTH: I hear nothing. All
18 right. So we are down for a status conference. Ms.
19 Bennett, would you like to kick off the discussion?

20 MS. BENNETT: Certainly. Thank you, Madam
21 Examiner. These cases are competing cases, and there has
22 been a number of iterations of the applications, and we have
23 had several different hearing dates set. And, most
24 recently, as you recall, a hearing date was set for
25 yesterday through tomorrow.

1 And the parties are working diligently together,
2 it's my understanding, to reach some resolution, so that's
3 why we asked for the hearing that was set yesterday, today
4 and possibly into tomorrow to be set aside and today be used
5 for a status conference to update the Division and to ask
6 for an additional status conference.

7 And Mr. Feldewert can correct me if I'm wrong
8 here, but our preliminary discussions yesterday were to
9 request a status conference in January 2021 to allow the
10 parties additional time to negotiate and be able to come
11 back to the Division in 2021 with some further information.

12 Mr. Feldewert, feel free to add to that as you
13 see fit.

14 MR. FELDEWERT: That's correct. I think, you
15 know, you will see from the filings that there has been some
16 gyrations to get Matador substituted as -- for Ridge Runner,
17 a number of these applications that has now been
18 accomplished with the prehearing order, I think we have been
19 able to sort out the cases so we can all keep them straight
20 in the prehearing order and what cases are related and
21 what -- in terms of what acreage is involved.

22 But Ms. Bennett is right. My understanding in
23 speaking with Matador is that since they are now in a
24 position that used to be held with Ridge Runner, that they
25 have been able to have some productive discussions with

1 Marathon, they are hopeful that an agreement can be reached.

2 Everybody recognizes that we have the holidays
3 coming up here in November and December, and so we thought
4 it would be -- the most prudent thing to do would be to move
5 this case for a status conference in January. Hopefully by
6 that time we can have a positive report, if not before. If
7 not, at that time we can schedule a hearing for sometime
8 next year.

9 HEARING EXAMINER ORTH: All right. Thank you.
10 Anything to to add, Mr. Moellenberg?

11 MR. MOELLENBERG: Thanks, Madam Hearing Officer.
12 I have nothing to add to that. That's all fine.

13 HEARING EXAMINER ORTH: All right. Thank you.
14 So the two regular docket dates in January are January 7 and
15 January 21. Which of those dockets would you like to be on
16 for another status conference?

17 MR. FELDEWERT: I would suggest January 7.

18 HEARING EXAMINER ORTH: All right. I don't hear
19 any, any objection. Ms. Bennett?

20 MS. BENNETT: That's fine. Thank you.

21 HEARING EXAMINER ORTH: Okay, thank you. Thank
22 you all very much, and we will add your matter on January 7
23 for a status conference. Thank you.

24 (Concluded.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 8th day of October 2020.

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/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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