

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. 21605, 21606, 21607

Application of Marathon Oil
Permian, LLC to Amend Orders
R-21105, R-21106, R-21113
Lea County, New Mexico

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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A P P E A R A N C E S

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LATE PARTICIPANT: JONATHAN SAMANDIEGO
(By phone at 3:48 p.m.)

C O N T E N T S

CASE NOS. 21605, 21606, 21607

| CASES CALLED: | PAGE |
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| STATEMENT BY MS. BENNETT: | 3 |
| LANDMAN CHASE RICE BY AFFIDAVIT: | 3 |
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E X H I B I T I N D E X

| APPLICANT MARATHON OIL PERMIAN EXHIBITS | ADMITTED |
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| 1 Applications | 5 |
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1 (Time noted 9:16 a.m.)

2 HEARING EXAMINER BRANCARD: So now moving on,
3 No. 25 on the list, Case No. 21605, Marathon Oil.

4 MS. BENNETT: Thank you. Deana Bennett on
5 behalf of Marathon Oil Permian, LLC, and I would like to
6 consolidate Case Nos. 21605, 21606 and 21607 for hearing
7 this morning. Those are Cases 25, 26 and 27 and the Excel
8 spreadsheet.

9 HEARING EXAMINER BRANCARD: All right. Any
10 other appearances for these three cases 21605, 21606,
11 21607.

12 Hearing none, you may proceed, Ms.
13 Bennett.

14 MS. BENNETT: Thank you. These cases are,
15 again, applications I will file on Marathon Oil Permian,
16 LLC's behalf for two limited purposes: 1, seeking to
17 conform the Form of Order to the Amended Order template;
18 and 2, seeking an extension Texas of time for drilling
19 under the Orders.

20 Again these orders were issued, I think in
21 February 2020, and Marathon is seeking an extension of
22 time through place February, 2022 for drilling.

23 That's all set out on Mr. Rice's affidavit.
24 Mr. Rice is a landman at Marathon, and he's previously
25 testified before the Division, and his credentials have

1 been accepted as a matter of record.

2 In his affidavit he explained the need for
3 the extension of time, including the downturn in the oil
4 and industry due to Covid, and the request for additional
5 time to drill the wells.

6 Exhibits 1-A, -B and -C to his affidavit
7 are the applications that we filed in these cases for the
8 Division's convenience.

9 Exhibit 2 is the OCD April 9, 2020 letter,
10 which outlines the process for seeking to conform Orders
11 to the new Order template.

12 And Exhibit 3 my Notice Affidavit, and that
13 Notice Affidavit includes the Notice Letter that I sent
14 out. It also includes the names of folks to whom I sent
15 the Notice Letter and the status of mailing, and as you
16 will see from Exhibit 3 all parties entitled to Notice
17 received actual Notice. They received the mailing.

18 And so with that I would move the admission
19 of the exhibits behind -- or Tab A and the exhibits behind
20 Tab A in Case Nos. 21605, 21606 and 21607 and I would ask
21 those cases be taken under advisement.

22 Thank you.

23 HEARING EXAMINER BRANCARD: Thank you. Hearing
24 examiners, do you have any questions?

25 EXAMINER ROSE-COSS: No questions from Examiner

1 Coss on these cases.

2 EXAMINER McCCLURE: No questions from me either.

3 HEARING EXAMINER BRANCARD: Okay. So once more
4 we have three cases before us, 21605, 21606, 21607. Last
5 call for are any comments on these cases.

6 Hearing none, these cases will be
7 consolidated, the witnesses accepted as experts, and we
8 will admit the exhibits and take these three cases under
9 advisement.

10 Thank you.

11 MS. BENNETT: Thank you.

12 (Time noted 9:19 a.m.)

13 (Note: Other cases were heard.)

14 (Note: Hearing in Case No. 21557 commenced.)

15 HEARING EXAMINER BRANCARD: Sorry everyone. I
16 need to simply interrupt for one moment. I know we are in
17 the middle of a stream of thought, but one moment here. I
18 see a call-in user, and I wanted to verify...

19 I've unmuted you now call-in user.

20 I have a Mr. Samaniego on the phone, on the
21 call.

22 MR. SAMANIEGO: Yes, sir.

23 HEARING EXAMINER BRANCARD: Mr. Samaniego, I'm
24 aware of the email exchanges that have gone on, and we
25 would like to take up any issues you might have after we

1 quit this case. I'll leave you on mute until then.

2 MR. SAMANIEGO: Yes, sir. Thank you.

3 HEARING EXAMINER BRANCARD: You're welcome.

4 MS. LUCK: I'm sorry, could you clarify who
5 that person is and are they related to this case?

6 HEARING EXAMINER BRANCARD: No. It's a member
7 of the public who has called in respect to Cases -1605,
8 -1606 and 21607.

9 MS. LUCK: Okay. Thank you.

10 (Note: Case No. 21567 resumed and completed.)

11 (Time noted 3:48 p.m.)

12 HEARING EXAMINER BRANCARD: And so let's get
13 back to the agenda here, and I believe we have someone
14 wanting to comment on some of the earlier cases that were
15 presented today.

16 MR. SAMANIEGO: Yes, sir.

17 HEARING EXAMINER BRANCARD: Could you identify
18 yourself for the record, and which cases you would like to
19 comment on.

20 MR. SAMANIEGO: My name is Jonathon Samaniego,
21 and I'd like to comment on the Case No. 21605, I believe.
22 There's three on there; I'm pretty sure that that's the
23 one that I fell into.

24 I'm a mineral owner on this land and that
25 particular case, they're not talking a couple of acres.

1 It's a huge pool.

2 The minerals I've had have been tied up
3 over and over through other mineral -- or other oil
4 companies, and with nothing, no one drilling. This will
5 be the second time. The permits that they are asking for
6 extensions on is the second time permits have been pulled;
7 it's not the second time they've asked. So the second
8 time. OXY had it before.

9 Anyway, what I'm saying is there are
10 mineral owners here, I'm one of them, and these oil
11 companies are tossing around our minerals to each other,
12 and there are billion-dollar balloons that we are not
13 getting nothing for. They are not paying. Nobody here is
14 getting rich. Everybody here is still poor except the
15 municipalities.

16 What I'm saying is they've had their
17 chances. Two years has come up, they didn't drill. I
18 want to let the permits expire. They're going to expire
19 in June or July. I want to let them expire and let
20 somebody, let a company come and fish them out again.

21 They didn't perform. These -- the one well
22 that held it all together has been plugged by OXY, and all
23 these minerals should be freed.

24 The publication -- I mean, the people who
25 own these minerals are big shots in **, and the

1 publication, they even missed it. I don't think that
2 publication came out fair.

3 But basically what I'm saying is I oppose
4 an extension of those permits, of those drilling permits.

5 I mean, that's just a trivia to them. They
6 don't even get the -- they should come and try to buy the
7 minerals is what they should do, not keep dragging us
8 through the mud.

9 In all due honesty, there's none of your
10 constituents down here that made money. It's -- it's
11 shameful. And we -- our neighbors haven't learned. They
12 are still letting this happen.

13 Please, please let these permits expire.
14 They didn't perform, they are not going to perform. In
15 fact, that particular company their stock is upside down.
16 It's lost 90 percent of its value.

17 It's -- please. That's all I wanted to say
18 at this meeting was: Please do not extend their permits.
19 They didn't perform. They're done. Please.

20 I oppose, and I strongly oppose extending
21 their permits. Not just this one. All of them. All of
22 them.

23 They are not going to perform. They
24 already moved their rigs out of New Mexico. They are not
25 drilling here. All they're trying to do is package this

1 up and flip it to somebody. And that's all that's been
2 happening here.

3 I've said my piece. I don't know a
4 sophisticated way to say it. All I know is I'm still
5 driving my '84 Ford and there's all kind of big duallies
6 driving around my land.

7 HEARING EXAMINER BRANCARD: Mr. Samaniego, I
8 just want to confirm with you that you have tried earlier
9 today get into this hearing and could not. I know you
10 called our office and we eventually got you into this, but
11 it took a while to even get you into this hearing. Is
12 that correct?

13 MR. SAMANIEGO: Yes, sir, that's correct.

14 And thank you.

15 HEARING EXAMINER BRANCARD: Okay. Just
16 confirming why you were not here when this came up earlier
17 today.

18 MR. SAMANIEGO: Yes, since this morning we've
19 been working on it, and almost gave up. Just it's hard.
20 But it's depressing.

21 HEARING EXAMINER BRANCARD: Okay.

22 MR. SAMANIEGO: They shouldn't be able to keep
23 dragging our minerals around like they're nobody's
24 minerals. They shouldn't. They didn't perform.

25 And then if you stop and look at all the

1 messes they have in our state that they are not going to
2 clean up. Make them clean up their messes before they
3 start making new ones. They got all kinds of -- of --
4 of...

5 Yes, I strongly oppose this company getting
6 extensions.

7 HEARING EXAMINER BRANCARD: Thank you.

8 Mr. Coss is with me here. Do you have any
9 questions for Mr. Samaniego, Mr. Coss?

10 EXAMINER ROSE-COSS: No. I just want to thank
11 him for his comments and time today, and apologize that
12 you weren't able to get in earlier.

13 And everything is being taken down on the
14 record and under consideration.

15 HEARING EXAMINER BRANCARD: We thank you for
16 your persistence in trying to get into this hearing. It
17 took a while there but you kept with it.

18 MS. BENNETT: Mr. Brancard. Hearing Examiner
19 Brancard.

20 HEARING EXAMINER BRANCARD: Mr. Samaniego, the
21 presenter for Marathon Oil is also in the hearing and I
22 think she wants to just say a few words here.

23 Ms. Bennett.

24 MS. BENNETT: Thank you very much. Thanks for
25 contacting me letting me know that the hearing would be

1 resumed.

2 I did want to just clarify, though, that
3 Mr. Samaniego's comments should be considered public
4 comment. He didn't enter an appearance in this case,
5 didn't move to intervene in this case, and so while I
6 appreciate the Division's time and taking the opportunity
7 to listen to his comments, he's not a party to the case.

8 And I did just wants to clarify one
9 statement that Mr. Samaniego made, which is that he's a
10 mineral interest owner. I have asked Mr. Samaniego to
11 provide me with information supporting his mineral
12 interest and I have not yet received that.

13 So at this point it's my position and
14 Marathon's position that Notice was proper, and we don't
15 have -- excuse me, I have a frog in my throat today.

16 We don't have any information that Mr.
17 Samaniego is a mineral interest owner in this area.

18 I'm perfectly happy to accept any
19 information he provides to me on that point, and I'm happy
20 to pass that along to Marathon, too, so if we need to
21 correct Marathon's records we will do that.

22 But at this point I don't have any record,
23 as far as I know, based upon my communications with
24 Marathon and Mr. Samaniego that he has mineral interests
25 in this area.

1 Thank you.

2 HEARING EXAMINER BRANCARD: Thank you, Ms.
3 Bennett.

4 Mr. Samaniego, please if you have interest
5 that you can provide to Marathon, that would be very
6 helpful, I think.

7 MR. SAMANIEGO: Okay. Yes.

8 I would ask that they -- I mean because in
9 all due honesty, and we thought everybody knows how this
10 is played. They didn't send the landman to update the
11 mineral owners, and that place they're changing mineral
12 owners like crazy. So really their template as to renew
13 this was with old mineral owners.

14 So for them, for Marathon not only wants to
15 steal my minerals, but to do their landman work? They
16 need to go down to the clerk's office. They're filed.
17 They have so many henchmen calling me wanting to buy them.
18 They are there.

19 You know, whatever they are asking for,
20 they could simply call down and -- it's just -- I think
21 their attorney just proved that they are not on the ball.
22 They just want to rush it through, like all the other
23 ones, and now that somebody opposes them, I want to
24 make -- I want to ask that I do be on the record. I tried
25 diligently all morning. I don't have these expensive

1 devices for communication. The town we live in used to be
2 400, now they say it's 20,000. There's so many people
3 here, and you picture that in a little 400 population.
4 The Internet is taken by the oil field, just like they
5 have take our oil.

6 And I couldn't get on. So I ask that I be
7 on record.

8 Just to erase the owner, a property owner,
9 Jeez, that's too Texan. That's too Texan. We are in New
10 Mexico here.

11 And I ask that I be -- stay on the record,
12 and consider letting these permits expire for the good of
13 New Mexico, for the good of the locals here, and really,
14 in all due honesty, for the good of the oil company that's
15 never going to drill 'em. They got to move on.

16 HEARING EXAMINER BRANCARD: We appreciate you,
17 Mr. Samaniego. And yes, I have reopened this Case 21605,
18 and your comments are now part of the record and so they
19 will be considered with this case.

20 MR. SAMANIEGO: Thank you. Thank you for
21 allowing an owner to be heard. Thank you.

22 HEARING EXAMINER BRANCARD: All right.

23 And with that I think we are done for the
24 day.

25 I appreciate everyone taking the time.

1 Thank you for your persistence, Mr. Samaniego. We
2 appreciate that. We're glad we could get you in and
3 we're glad we could get you in and we were still going
4 here.

5 Thank you, Ms. Bennett, for hopping back on
6 to hear this testimony.

7 MS. BENNETT: Thank you.

8 HEARING EXAMINER BRANCARD: Appreciate it

9 If there's nothing further, I'm going to
10 close today's hearings. If there's nothing further, I
11 think we may be done for the day.

12 MS. BENNETT: Thanks, everyone.

13 (Time noted 3:59 p.m.)

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1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday,
8 January 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

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