STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 21608

Application of Marathon Oil Permian, LLC to Amend Order R-21141, Eddy 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, Dean McClure, Technical Examiner, via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane New Mexico CCR No. 122

PAUL BACA PROFESSIONAL COURT REPORTERS

500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102

(505) 843-9241

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| 1 | APPEARANCES | |
| 2 | For the Applicant: Deana Bennett, Esc Modrall, Sperling | |
| 3 | 500 4th Street NW, Albuquerque, NM 87 | |
| 4 | (505) 848-1834 deana.bennett@modr | rall.com |
| 5 | | |
| 6 | I N D E X | |
| 7 | CASE NUMBER 21608 | PAGE |
| 8 | CASE CALLED: | 3 |
| 9 | STATEMENT BY MS. BENNETT: | 3 |
| 10 | LANDMAN CLAYTON RICE BY AFFIDAVIT: | 3 |
| 11 | TAKEN UNDER ADVISEMENT | 5 |
| 12 | | |
| 13 | | |
| 14 | EXHIBIT INDEX | |
| 15 | MARATHON OIL PERIAN, LLC, EXHIBITS: | ADMITTED |
| 16 | 1 Application | 5 |
| 17 | OCD Letter of April 9, 2020 | 5 |
| 18 | 3 Notice affidavit | 5 |
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- 1 (Time noted 9:19 a.m.)
- 2 HEARING EXAMINER BRANCARD: And I believe we
- 3 have one more Marathon Oil Permian, LLC case before us,
- 4 No. 28, 21608.
- 5 MS. BENNETT: Deana Bennett for Marathon Oil
- 6 Permian in Case No. 21608.
- 7 HEARING EXAMINER BRANCARD: Thank you. Do we
- 8 have any other appearances in Case 21608?
- 9 Hearing none, you may proceed, Ms.
- 10 Bennett.
- MS. BENNETT: Thank you.
- 12 In Case 21608 Marathon is seeking the
- 13 limited relief of re-opening the Order that was previously
- 14 issued by the Division to allow additional time for
- 15 Marathon to drill the wells under the Order, as well as to
- 16 conform the Order to the Amended Order template.
- 17 You'll see that Tab A in the exhibits
- 18 packet that emailed to the Division has Mr. Rice's
- 19 affidavit, and as I mentioned a moment ago Mr. Rice has
- 20 previously testified before the Division and his
- 21 credentials have been accepted as a matter of record. In
- 22 in his affidavit he explains the need for the extension of
- 23 time, which is due to the downturn in the oil and gas
- 24 industry, among other events, and his affidavit also
- 25 outlines the requested extension of time.

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1 Attached to his appli -- excuse me, his

- 2 affidavit as Exhibit 1 is the application that I filed on
- 3 Marathon's behalf in this case for the Division's
- 4 convenience.
- 5 Exhibit 2 is OCD's 9, 2020 letter, which
- 6 outlines the process for seeking to conform Orders to the
- 7 new Order template.
- 8 And Exhibit 3 is the Notice Affidavit that
- 9 I prepared, and it includes the Notice Letter that I sent
- 10 out to the parties entitled to Notice, and it also
- 11 includes the names of the parties to whom I sent Notice
- 12 and the status of the mailings. And as you will see from
- 13 Exhibit 3, all parties entitled to Notice received the
- 14 letters that I sent out. So they received actual Notice.
- 15 With that, I would ask that admission of
- 16 Exhibits Tab A and the materials behind Tab A be admitted
- in case No. 21608, and that case No. 21608 be taken under
- 18 advisement.
- 19 HEARING EXAMINER BRANCARD: Thank you.
- 20 Examiners, any questions?
- 21 EXAMINER ROSE-COSS: No questions in this case.
- 22 Thank you.
- 23 EXAMINER McCLURE: I have no questions either.
- 24 HEARING EXAMINER BRANCARD: Excellent. Once
- 25 more, any opportunity for comments from anyone in the

Page 5 audience to Case 21608. Hearing none, we will admit the exhibits offered by Marathon Oil in this case and take Case 21608 under advisement. MS. BENNETT: Thank you very much. HEARING EXAMINER BRANCARD: Thank you, Ms. Bennett for all those amendments. It's disappointing, because always thought our Orders were perfect, so I don't know why anyone wants to amend them. (Time noted 9:23 a.m.)

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| 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 | 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 | | |
| 20 | Mary Therese Macfarlane, CCR NM Certified Court Reporter No. 122 | |
| 21 | License Expires: 12/31/2021 | |
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