

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: 21663 - 21665

APPLICATION OF MARATHON OIL PERMIAN LLC
TO AMEND ORDER NOS R-21222, R-21223, R-21224
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
March 4, 2021
Santa Fe, New Mexico

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on
Thursday, March 4, 2021, 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
CHRIS KILLION
MODRALL SPERLING ROEHL HARRIS & SISK PA
500 4th Street, NW, Suite 1000
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I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS	03
TAKEN UNDER ADVISEMENT	05
REPORTER CERTIFICATE	06

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

	Admitted
All Exhibits and Attachments	06

1 HEARING EXAMINER ORTH: Let's see. The next
2 three cases, 21663, 21664, 21665, Marathon Oil is the
3 applicant. The application is to amend a previous order. I
4 think I saw Ms. Bennett from Modrall Sperling.

5 MS. BENNETT: Good morning, Madam Examiner. This
6 is Deana Bennett from Modrall Sperling.

7 HEARING EXAMINER ORTH: Good morning. And I did
8 not see another entry of appearance here. I do see another
9 gentleman, Mr. Killion.

10 MS. BENNETT: Yes, Madam Examiner. Mr. Killion
11 is a partner in my office, and I would like to introduce him
12 today, Chris Killion. And Chris is going to be helping me,
13 assisting me with Marathon cases going forward, and so I
14 wanted to introduce him to you and to everyone on the call,
15 and also to let you know that he actually will be presenting
16 these two cases today.

17 HEARING EXAMINER ORTH: Oh, terrific. Thank you.
18 Well, welcome, Mr. Killion.

19 MR. KILLION: Thank you, Madam Hearing Examiner.

20 These three applications seek to extend the time
21 within which to commence drilling the wells that were
22 approved by Orders R-21222, R-21223 and R-21224. All three
23 orders relate to wells on Section 35, Township 24 South,
24 Range 28 East in Eddy County.

25 The target -- they relate to the Ripley Prospect

1 for Marathon Oil. The two applications -- two orders relate
2 to the Second Bone Spring Sand. The third order relates to
3 seven wells which variously will produce from the Wolfcamp Y
4 Sand, Wolfcamp A and the Wolfcamp D. The orders were issued
5 on April 2, 2020. They require that Marathon commence
6 drilling within one year or the order terminates.

7 The one-year period expires April 2, 2020, and
8 Marathon will not be able to meet that deadline because of
9 Covid and the price of oil, so we would like to get an
10 extension to commence drilling until April 2, 2022.

11 We have notified the affected parties. Those
12 affected parties are Chevron USA, RKC, Inc., and XTO
13 Holding. Notice letters were sent out on February 2, 2021.
14 We published notice in the Carlsbad Current Argus on
15 February 3, 2021. We have received no response from the
16 affected parties.

17 We filed a prehearing statement last Thursday.
18 We filed an exhibit packet a couple of days ago. The
19 exhibit packet contains an affidavit by Clayton Rule whose
20 credentials have previously been accepted. He is a landman
21 at Marathon Oil. He testifies that the extensions are
22 requested because of Covid and market conditions, and he
23 also testifies that no opposition to these applications have
24 been received.

25 The exhibit packet contains Mr. Rule's affidavit.

1 It contains the three applications, and it contains my
2 notice affidavit verifying that the notices have been sent
3 out.

4 So if there are no questions, I ask that these
5 applications be taken under advisement.

6 HEARING EXAMINER ORTH: Thank you, Mr. Killion.
7 Mr. Lamkin, do you have any questions of Mr. Killion?

8 TECHNICAL EXAMINER LAMKIN: I don't have any
9 questions. Thank you.

10 HEARING EXAMINER ORTH: Thank you, Mr. Killion.
11 Your exhibits are accepted and the matters will be taken
12 under advisement.

13 MR. KILLION: Thank you, Madam Hearing Examiner.

14 (Exhibits admitted.)

15 (Taken under advisement.)

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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 4th day of March 2021.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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