

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

Application of Marathon Oil Permian
to Amend Order No. R-20329,
Lea County, New Mexico Case No. 22167

Application of Marathon Oil Permian
to Amend Order No. R-20330,
Lea County, New Mexico Case No. 22168

Application of Marathon Oil Permian
to Amend Order No. R-20331,
Lea County, New Mexico Case No. 22169

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, OCTOBER 7, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard, Esq. Hearing Examiner, Dylan Rose-Coss,
Technical Examiner, on Thursday, October 7, 2021,
via Webex Virtual Conferencing Platform hosted
by the New Mexico Department of Energy, Minerals and
Natural Resources

Reported by: Mary Therese Macfarlane.
New Mexico CCR #122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

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A P P E A R A N C E S

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1 (Time noted 8:52 a.m.)

2 EXAMINER BRANCARD: All right. And I will now
3 call Items 18, 19 and 20, Cases 22167, 22168, 22169,
4 Marathon Oil Permian.

5 MS. BENNETT: Good morning, Mr. Examiner. Deana
6 Bennett, Modrall Sperling, on behalf of Marathon Oil
7 Permian, LLC.

8 EXAMINER BRANCARD: Thank you. And I think I
9 have EOG Resources, Beatty & Wozniak.

10 MR. RITTENHOUSE: Thank you, Mr. Examiner. Toby
11 Rittenhouse with Beatty & Wozniak appearing on behalf of
12 EOG.

13 EXAMINER BRANCARD: Mr. Rittenhouse, do you any
14 objection about this case going forward by affidavit?

15 MR. RITTENHOUSE: I do not.

16 EXAMINER BRANCARD: Are there any other
17 interested parties in Case 22167, -168, -169?

18 Hearing none, Ms. Bennett you may proceed.

19 MS. BENNETT: Thank you very much.

20 I submitted exhibits on Tuesday and I
21 submitted separate exhibit packets for each case through
22 the e-filing portal, but I am intending to consolidate
23 these cases for hearing purposes.

24 In each of these three cases Marathon is
25 seeking an extension of time to complete its drilling

1 operations to complete drilling, and -- I'm sorry,
2 commence completion operations. And Marathon has
3 previously started drilling the wells that are the subject
4 of these three cases and previously requested a similar
5 extension of time, which was granted through October,
6 2021. And due to Covid and the delays in market
7 conditions, Marathon's Development Plan was interrupted
8 and delayed, and so Marathon has requested an additional
9 one-year extension of time to commence completion
10 operations, and that would be through October 10, 2022.

11 As Mr. Bruce indicates in his affidavit,
12 Marathon does intend to complete this well, the wells that
13 are at issue in these three cases, and so Marathon --
14 that's Marathon's goal. It just needs extra time to
15 complete them due to the unforeseen circumstances caused
16 by Covid and the downturn in economic conditions.

17 So in each of the three packets I've
18 included the same materials, which are the Self-Affirmed
19 Declaration of Mr. Jeff Broussard. Mr. Broussard has
20 previously testified before the Division and his
21 credentials have been accepted as a matter of record.

22 The next exhibit in each packet is the
23 Order that Marathon is seeking to re-open and have amended
24 to allow for the additional extension of time.

25 The third exhibit in each packet is the

1 OCD's grant of Marathon's first request for an additional
2 extension of time, and that was done under the prior
3 process of submitting written requests and receiving
4 extensions of time via letter from OCD. So I have
5 included that letter in each of the packets.

6 And finally Exhibit 4 is the Notice
7 Affidavit showing that Notice of this hearing was sent,
8 and the status of Notice and the fact that Notice of these
9 hearings was published timely.

10 So with that, I would stand for -- well, I
11 would ask that the exhibits in Cases 22167, 22168 and
12 22169 be admitted into the record, and I would stand for
13 any questions that the Division may have.

14 Thank you.

15 MR. BRANCARD: Thank you. Mr. Rittenhouse, any
16 questions?

17 MR. RITTENHOUSE: No questions from EOG.

18 EXAMINER BRANCARD: Mr. Rose-Coss, any
19 questions?

20 EXAMINER ROSE-COSS: No questions from me at
21 this time. Thank you.

22 EXAMINER BRANCARD: Thank you.

23 So as I understand it, Ms. Bennett, your
24 client Marathon has met the first deadline in the Order by
25 drilling the well, and now we are talking about the second

1 deadline in the Order, which is completion of the well,
2 and it's that second deadline you want the extension on.

3 MS. BENNETT: That's correct. Thank you for
4 clarifying that. Marathon did timely spud the wells but
5 it's seeking an extension of time for the second deadline
6 in the Order, that's correct.

7 EXAMINER BRANCARD: Okay. You have given us
8 some reasons, although they are sort of the same reasons
9 everybody uses. I'm not so sure about the economic
10 downturn, I think things are kind of booming out there,
11 but I understand the ripple effect from the Covid period
12 has impacted everybody.

13 With that, are there any other parties that
14 are interested in Cases 22167, -168, -169? (Note:
15 Pause.)

16 Hearing none, these cases will be taken
17 under advisement and the exhibits will be admitted into
18 the record. Thank you.

19 MS. BENNETT: Thank you very much.

20 (Time noted 8:57 a.m.)

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1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

October 7, 2021, the proceedings in the above-captioned

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matter were taken before me; that I did report in

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stenographic shorthand the proceedings set forth herein,

11

and the foregoing pages are a true and correct

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transcription to the best of my ability and control.

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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

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

License Expires: 12/31/2021

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