

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: 22332

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
MAY 19, 2022  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
WILLIAM BRANCARD and TECHNICAL EXAMINER LEONARD LOWE on  
Thursday, May 19, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

For the Applicant:

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I N D E X

CASE CALLED

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1 HEARING EXAMINER BRANCARD: We are back on the  
2 record. This is the Oil Conservation Division hearing of  
3 May 19, 2022. We have moved down our worksheet, we are now  
4 on Item Number 49. I will call Cases 22332 and 22741,  
5 marathon Oil Permian.

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

8 HEARING EXAMINER BRANCARD: Are there any other  
9 interested persons here for cases 22332 or 22741?

10 (No audible response.)

11 HEARING EXAMINER BRANCARD: Hearing none, you may  
12 proceed, Ms. Bennett.

13 MS. BENNETT: Thank you, Mr. Hearing Examiner.  
14 In my prehearing statement I did ask that these two cases be  
15 consolidated for hearing, but I would like to present them  
16 separately. There is going to be some further to come out  
17 about Number 22471, the notice discussion, and I would  
18 rather not have that discussion trickle into Case 22332.

19 So with the Division's permission, I would like  
20 to present them separately.

21 HEARING EXAMINER BRANCARD: So we are just going  
22 to proceed with Case 22332, correct?

23 MS. BENNETT: For the moment.

24 HEARING EXAMINER BRANCARD: We are on Case 22332.  
25 Any other interested persons for Case 22332?

1 (No audible response.)

2 HEARING EXAMINER BRANCARD: Hearing none, please  
3 proceed.

4 MS. BENNETT: Thank you. In Case 22332, Marathon  
5 is seeking (inaudible) to pool owners in a horizontal  
6 spacing unit comprised of the E/2 of Sections 18 and 19,  
7 Township 26 South, Range 35 East, and this (inaudible.)

8 HEARING EXAMINER BRANCARD: Ms. Bennett, you are  
9 cutting out a bit, I don't know if it's because you are  
10 moving your head and your microphone is attached.

11 MS. BENNETT: Let me try moving my hair out of  
12 the way. Is that any better?

13 HEARING EXAMINER BRANCARD: Well, we'll try.

14 MS. BENNETT: I will keep going, let me know, and  
15 I will stop moving my head so much. So in this horizontal  
16 spacing (inaudible) pool uncommitted owners in a standard  
17 640 acre (inaudible) the Wolfcamp and it's comprised of the  
18 E/2 of Sections 18 and 19, Township 26 South, Range 35 East  
19 in Lea County.

20 HEARING EXAMINER BRANCARD: Ms. Delgado, are you  
21 getting this?

22 REPORTER: She's still cutting in and out.

23 MS. BENNETT: Well, I'm using my phone for my --

24 HEARING EXAMINER BRANCARD: Audio?

25 MS. BENNETT: -- audio so let me try a different

1 pair of headsets or different pair of headphones. Hold on a  
2 second. I'm trying a different set of headphones. Is that  
3 any better -- well, let me go a little bit and see if it's  
4 any better.

5 HEARING EXAMINER BRANCARD: Sounds better.

6 MS. BENNETT: Okay. So in this case in the  
7 materials I have prepared a compulsory pooling checklist  
8 which is Exhibit A.

9 Exhibit B is the self-affirmed declaration of  
10 Jeff Broussard who has previously testified before the  
11 Division and his credentials have been accepted as a matter  
12 of record. And behind his declaration we have included the  
13 usual land exhibits, including the application, the C-102  
14 for the proposed well, the lease tract map with a summary of  
15 interest, which includes the parties that Marathon is  
16 seeking to pool in this case, the summary of contacts,  
17 proposal letter and AFE, and also a notice declaration  
18 prepared by me which shows that a copy of the application  
19 was sent to the parties entitled to notice, as well as  
20 timely publication was made. And included with my notice  
21 affidavit is information about the status of the delivery,  
22 the notice letters.

23 I was saying when I introduced this case that  
24 this is a 640 acre standard spacing unit, and that's because  
25 the well that Marathon is proposing in this case is a

1 proximity tract well and that's discussed in Mr. Broussard's  
2 affidavit or declaration and also included in our compulsory  
3 pooling checklist.

4 Tab C is the declaration of Matt Baker. He is  
5 the geologist for Marathon, and he has previously testified  
6 before the Division, and his credentials have been accepted  
7 as a matter of record.

8 And he includes with his exhibits a locator map,  
9 wellbore schematic, structure map, cross reference well,  
10 locator map, stratigraphic cross section, gross interval  
11 isochore and the -- an excerpt from the Snee Zoback paper  
12 supporting his conclusion about the well orientation in this  
13 area.

14 With that I would ask the admission of the  
15 exhibits in Case 22332, and I'm prepared to answer or try to  
16 answer any questions the Division may have about this case.

17 HEARING EXAMINER BRANCARD: Thank you. Mr. Lowe,  
18 any questions.

19 TECHNICAL EXAMINER LOWE: I will have questions  
20 after both of these cases are presented. I'm not sure if  
21 that's doable, even though you want to separate them, Deana,  
22 but I have general questions for both cases together.

23 HEARING EXAMINER BRANCARD: I think we can do  
24 that. All right. Case 22332 -- this was originally part of  
25 a packet with 22330, 331, those cases have been dismissed

1 and refiled combined as 22741; is that correct?

2 MS. BENNETT: That's correct.

3 HEARING EXAMINER BRANCARD: All right. I have no  
4 further questions on 22332, and we will admit your exhibits  
5 into the record. The case will be under advisement subject  
6 to any further questions that may come up at the end of  
7 22471.

8 MS. BENNETT: Thank you very much.

9 (Exhibits admitted.)

10 (Taken under advisement pending Case 22741.)

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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 do hereby certify that I reported the  
7 foregoing virtual proceedings in stenographic shorthand and  
8 that the foregoing pages are a true and correct transcript  
9 of those proceedings to the best of my ability.

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

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

16 Dated this 19th day of May 2022.

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Court Reporter  
License Expires: 12-31-22

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