

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:

APPLICATION OF MARATHON OIL PERMIAN, LLC
APPROVAL OF NON-STANDARD SPACING UNIT
AND COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

Case No. 22741

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
NOTICES REGARDING NONSTANDARD SPACING UNIT
June 16, 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
HEARING OFFICER DYLAN ROSE-COSS on Thursday, June
16, 2022, through the Webex Platform.

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

For Marathon Oil Permian, LLC:

MODRALL SPERLING ROEHL HARRIS & SISK PA
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I N D E X

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1 HEARING OFFICER BRANCARD: We're now on
2 Item 17. We're now in cases that have been
3 continued from prior hearings. This is Case 22741.
4 Marthon Oil Permian, LLC.

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

8 HEARING OFFICER BRANCARD: Thank you.
9 Are there any other entries for
10 Case 22741?

11 Hearing none, Ms. Bennett, I think we
12 continued this for notice issues regarding a
13 nonstandard spacing unit?

14 MS. BENNETT: That's correct. We
15 continued this case from a prior hearing for the
16 limited purpose of completing notice for the
17 nonstandard unit application part of this case. And
18 I did send -- well, I provided exhibits on Tuesday,
19 Supplemental Notice Exhibits, and in the notice
20 exhibits first is an self-affirmed declaration from
21 Jeff Broussard who's the landman in this case and
22 his credentials have been accepted as a matter of
23 the record by the division. And he included with
24 his application -- I'm sorry, with his declaration a
25 map showing the offsetting operators where Marathon

1 is the offsetting operator of the working interest
2 owners. And then -- that's Exhibit B8.

3 And then he provided notice or address
4 information to me and I've included with the
5 materials my declaration showing that I sent a
6 notice letter to the parties Mr. Broussard had
7 identified and I sent those notices by certified
8 mail.

9 During the -- or a couple of weeks ago I
10 looked at the certificated mailings to see if they
11 had been delivered and one of the certified mailings
12 had not been delivered, so we sent a FedEx,
13 overnight FedEx to Titus at the same address where I
14 had understood the letter was not delivered to. But
15 in subsequent email communications between
16 Mr. Broussard and Titus, it turned out that Titus
17 had received the original letter that I sent out.
18 So Titus had multiple letters.

19 In addition, Mr. Broussard emailed
20 each of the offsets the same day I mailed the
21 letters. So he emailed the offsets, the same letter
22 I mailed out, plus an email describing the
23 application, what Marathon was seeking, and I've
24 attached that email as an exhibit to his materials
25 as well.

1 I did note in my -- in both
2 Mr. Broussard's materials and my declaration that I
3 inadvertently left out the application when I sent
4 out the letters by certified mailed and
5 Mr. Broussard sent, emailed the application to the
6 offsets as soon as I realized that, which was two
7 days ago. And he heard back from two of the offsets
8 saying that have no issues and he hasn't heard back
9 from the other two offsets yet.

10 But as I mentioned in my -- as
11 Mr. Broussard mentioned in his declaration, his
12 email to the offsets did give them a comprehensive
13 overview of what Marathon was seeking as well the
14 case number. So I'm hoping that the inadvertent
15 omission of leaving out the application is not an
16 issue requiring a further continuance.

17 So with that, I would ask that this
18 supplemental notice exhibits in Case Number 22741 be
19 admitted into the record. And I'm happy to answer
20 any questions the Division has.

21 HEARING OFFICER BRANCARD: Thank you.

22 Mr. Rose-Coss, any questions?

23 MR. ROSE-COSS: No questions.

24 HEARING OFFICER BRANCARD: Okay. I get a
25 little lost in that explanation, Ms. Bennett, but I

1 assume you're not asking for a further continuance
2 at this point.

3 MS. BENNETT: I would -- I am not asking
4 for a further continuance at this point. I think
5 the materials we submitted satisfy the spirit of the
6 rule.

7 HEARING OFFICER BRANCARD: We're not big
8 on spirit here. We like compliance. All right.
9 With that, we will take Case 22741 under
10 advertisement.

11 MS. BENNETT: Thank you, very much. If
12 there any further efforts I need to undertake,
13 please let me know. I appreciate the Division.

14 HEARING OFFICER BRANCARD: Thank you.

15 All counsel should be aware that the Oil
16 Conservation Commission is in the midst of a
17 rulemaking. I don't know when it will be finalized,
18 regarding procedures and electronic filing. As part
19 of that, there will be a new definition of what it
20 means to achieve certified mail compliance under our
21 rules. And it will allow for other forms of mailing
22 as long as it can be tracked. And that's the big
23 question.

24 So you may want to familiarize yourself
25 with that. It's a new definition that will appear

1 in 1915.2.7. Probably not effective until August or
2 so.

3 (Proceedings concluded at 8:39 a.m.)
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REPORTER'S CERTIFICATE

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I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 16, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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