

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. 20775  
20776

APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC, FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO:

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

October 17, 2019

Santa Fe, New Mexico

BEFORE: LEONARD LOWE, HEARING EXAMINER  
PHILLIP GOETZE, EXAMINER  
DEAN MCCLURE, EXAMINER  
BILL BRANCARD, LEGAL EXAMINER

ALSO PRESENT: Marlene Salvidrez

This matter came on for hearing before the New Mexico Oil Conservation Division, Leonard Lowe, Chief Examiner; Phillip Goetze, Technical Examiner; and Dean McClure, Examiner, on Thursday, October 17, 2019, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Belen A. Soto, CSR, RMR  
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Paul Baca Professional Court Reporters  
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# APPEARANCES

FOR FRANKLIN MOUNTAIN ENERGY:

MS. DEANA M. BENNETT, ESQ.  
MODRALL SPERLING ROEHL HARRIS & SISK, P.A.  
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# I N D E X

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# EXHIBITS OFFERED AND ADMITTED

Franklin Mountain Energy Exhibit 9SUPP	3/4
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1 (Commenced at 8:40 a.m.)

2 EXAMINER LOWE: We will now call Cases  
3 Number 20775 and 20776. We will combine those two  
4 cases.

5 Call for appearance.

6 MS. BENNETT: Good morning, Mr. Examiner.  
7 Deana Bennett Modrall Sperling on behalf of Franklin  
8 Mountain Energy.

9 EXAMINER LOWE: Any other appearances?  
10 (Exhibit Number 9SUPP, marked for  
11 identification.)

12 MS. BENNETT: Good morning, Mr. Examiner.  
13 Again, Deana Bennett on behalf of Franklin Mountain  
14 Energy. These cases were put on on September 5th and  
15 were continued for notice purposes only to allow for  
16 completion of notice on the overriding royalty interest  
17 owners. And so what you have before you is an  
18 affidavit, same affidavit that I presented to you a  
19 moment ago. But in this -- because the exhibit packet  
20 was numbered differently for these cases which were  
21 consolidated at hearing, I felt that it would be easiest  
22 for the record to prepare a second separate exhibit  
23 number for this these two cases.

24 So for Cases Number 20775 and 20776, the  
25 exhibit is Number 9SUPP, because the exhibit packets

1     that I presented at the September 5th hearing were  
2     numbered slightly fewer than exhibits than the prior  
3     three cases.

4                     EXAMINER LOWE:   Okay.

5                     MS. BENNETT:   And so this affidavit,  
6     though, does show that we identified the overriding  
7     royalty interest owners, that we provided notice by  
8     certified mail.  It includes the delivery confirmation,  
9     and then a copy of the affidavit of publication showing  
10    that notice of this hearing was published in the  
11    newspaper.

12                    With that, I'd ask that the affidavit  
13    Exhibit Number 9SUPP be admitted into the record in Case  
14    Numbers 20775 and 20776.

15                    EXAMINER LOWE:   So Exhibit 9 will be  
16    accepted for the cases.

17                    (Exhibit Number 9SUPP moved into  
18    evidence.)

19                    MS. BENNETT:   Thank you.

20                    And with the other -- as with the other  
21    Franklin Mountain Energy cases, at the hearing Franklin  
22    Mountain Energy testified that their drilling schedule  
23    requires a December spud date.  And as I mentioned a  
24    moment ago, I have provided the Exhibit As to Kathleen  
25    Murphy for these orders.  And I would, again, request

1     that to the extent possible the orders in these cases  
2     been issued expeditiously.

3                   EXAMINER GOETZE:   Can we ask the applicant  
4     to identify which ones in priority of cases would be the  
5     highest to the less.

6                   MS. BENNETT:   I will certainly ask,  
7     although this is --

8                   EXAMINER GOETZE:   I would ask.   So we can  
9     benefit both sides if we can get one out if -- and I  
10    don't know how many rigs you're going to be running.  
11    But chances are even if you're running two, we can  
12    accommodate you in the process.   It's much easier if we  
13    know which one is going to be first.

14                  MS. BENNETT:   Certainly.   I'll --

15                  EXAMINER GOETZE:   Send us an email.   Okay?

16                  MS. BENNETT:   Yeah.

17                  EXAMINER LOWE:   You can send it to me, and  
18    I'll probably work on that to get it to you.

19                  MS. BENNETT:   Okay.   And I did email, like  
20    I said, the Exhibit As to Kathleen, but I can forward  
21    those to you too, Mr. Lowe.

22                  EXAMINER LOWE:   That's okay.

23                  MS. BENNETT:   Okay.

24                  EXAMINER LOWE:   I'll probably review it  
25    online whenever she gets.   She usually uploads quick

1     enough for me to review.

2                   MS. BENNETT:   Okay.   Thank you very much.

3                   With that, then, I'd ask that Case Numbers  
4     20775 and 20776 be taken under advisement.

5                   EXAMINER LOWE:   Okay.   Cases Number 20775  
6     and 20776 will be taken under advisement.

7                   MS. BENNETT:   Thank you.

8                   (Concluded at 8:45 a.m.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, BELEN A. SOTO, New Mexico Certified Court  
6 Reporter No. 106, and Registered Merit Reporter, do hereby  
7 certify that I reported the following proceedings in  
8 stenographic shorthand and that the foregoing pages are a  
9 true and correct transcript of those proceedings that were  
10 reduced to printed form by me to the best of my ability.

11 I FURTHER CERTIFY that the Reporter's Record of  
12 the Proceedings truly and accurately reflects the exhibits,  
13 if any, offered by the respective parties.

14 I FURTHER CERTIFY that I am neither employed by  
15 nor related to any of the parties or attorneys in this case  
16 and that I have no interest in the final disposition of  
17 this case.

18 DATED THIS 31st day of October, 2019.

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BELEN A.SOTO, CSR, RMR  
Certified Court Reporter  
New Mexico CCR No. 106  
Date of CCR Expiration: 12/31/2019  
Paul Baca Professional Court Reporters