Page 1

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: 20951

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

> REPORTER'S TRANSCRIPT OF PROCEEDINGS EXAMINER HEARING December 12, 2019 SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, DEAN McCLURE, DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, December 12, 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:

Irene Delgado, NMCCR 253 PAUL BACA PROFESSIONAL COURT REPORTERS 500 Fourth Street, NW, Suite 105 Albuquerque, NM 87102 505-843-9241

Page 2 APPEARANCES For the Applicant: DEANA BENNETT MODRALL SPERLING ROEHL HARRIS & SISK PA 500 4th Street, NW, Suite 1000 Albuquerque, NM 87102 505-848-9710 deana.bennett@modrall.com INDEX CASE NO. 20951 CALLED SUMMARY OF CASE TAKEN UNDER ADVISEMENT: REPORTER CERTIFICATE EXHIBIT INDEX Admitted A and B (All attachments)

Page 3 HEARING EXAMINER COSS: At this point, 20951, 1 2 Franklin Mountain Energy for compulsory pooling. Mr. AMES: Ms. Bennett, will this case be 3 4 consolidated with 20953, which is also the County Fair well 5 family? 6 MS. BENNETT: Actually what I have done here, Mr. 7 Examiners, is I have consolidated 20952 and 20953 as those 8 are both Wolfcamp cases. And I have prepared separate 9 materials for Case Number 20951, which is a Bone Spring 10 case. With the Examiners' permission, my name is Deana 11 12 Bennett, on behalf of Franklin Mountain Energy LLC and I 13 intend to present case Number 20951 by affidavit. 14 HEARING EXAMINER COSS: You may proceed. 15 MS. BENNETT: Thank you. HEARING EXAMINER COSS: And there is no other 16 entries in this case? 17 18 (No response.) MS. BENNETT: In case Number 20051, Franklin 19 Mountain Energy is -- this is a compulsory pooling case. 20 And Franklin Mountain Energy is seeking to compulsory pool 21 parties into the County Fair Fed Com 602H Well, which is a 22 23 Bone Spring well. 24 In this particular case -- well, all three cases 25 that I'm going to present today cover the W/2 of Sections 2

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102 and 11, Township 25 South, Range 35 East, Lea County, New
Mexico.

This particular spacing unit is, for the Bone Spring well, is the entire W/2. The County Fair Fed Com 602H Well, as you will see in the materials, is -- falls within the proximity tract rule which is what authorizes Franklin Mountain Energy to seek a 360 acre spacing unit.

8 The notice materials here are behind Tab 6. That 9 includes an affidavit signed by me, a copy of the notice 10 letter that we provided to the parties entitled to notice of 11 this hearing. It also includes the status of mailing, as 12 well as an affidavit of publication.

I do want to just point out, I think it's my duty to point out that the newspaper was not able to publish my notice of affidavit of publication ten business days in advance of today's hearing, although I provided it to them approximately 15 days, 15 business days in advance of the hearing.

19 The newspaper was only able to publish the notice 20 of hearing on December 1, which is a Sunday, which is nine 21 days before today. Otherwise, though, we sent letters to 22 everyone for whom we had good addresses. Some of those 23 letters were returned, but we did send letters to everyone 24 for whom we had addresses. And I did publish with the 25 exception of the newspaper being unable to timely publish.

Page 4

Page 5 I would also point out that in my -- in other 1 packets that you have seen from me, we have an actual PDF 2 from the newspaper. In this particular instance we weren't 3 4 able to get a mailed copy of the PDF. Even as of last night we were still trying to get a copy of the PDF from the 5 6 newspaper, and all they were able to do was e-mail us a copy, rather than mail us a copy. They will be mailing us 7 8 the hard copy, but what I have reproduced for you in the 9 materials is the e-mailed copy that the newspaper sent to 10 us. So we did undertake diligent efforts for the past 11 12 three days trying to get the newspaper to mail us copies of 13 the affidavit of publication, but we simply were unable to 14 get that from the newspaper. 15 HEARING EXAMINER COSS: Okay. MS. BENNETT: At this time I would ask that the 16 17 exhibits -- again, this packet that I placed before you has exhibits from the landman and from the geologist, and at 18 this time I would ask that Exhibit A and B and their 19 attachments in Case Number 20951 be admitted into the record 20 for Case Number 20951. 21 22 HEARING EXAMINER COSS: Wonderful. With that we will take Case Number 20951, but further evaluate the notice 23 24 issue and determine how to proceed at that point, but will it will be taken under advisement. 25

	Page 6
1	MS. BENNETT: Thank you. And the exhibits are
2	are admitted into the record?
3	HEARING EXAMINER COSS: They are admitted into
4	the record.
5	(Exhibits A and B admitted.)
б	(Case 20951 taken under advisement. Adjourned.)
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	Page 7
1	STATE OF NEW MEXICO
2	COUNTY OF BERNALILLO
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4	REPORTER'S CERTIFICATE
5	
6	I, IRENE DELGADO, New Mexico Certified Court
7	Reporter, CCR 253, do hereby certify that I reported the
8	foregoing proceedings in stenographic shorthand and that the
9	foregoing pages are a true and correct transcript of those
10	proceedings that were reduced to printed form by me to the
11	best of my ability.
12	I FURTHER CERTIFY that the Reporter's Record of
13	the proceedings truly and accurately reflects the exhibits,
14	if any, offered by the respective parties.
15	I FURTHER CERTIFY that I am neither employed by
16	nor related to any of the parties of attorneys in this case
17	and that I have no interest in the final disposition of this
18	case.
19	Dated this 12th day of December 2019.
20	
21	Irene Delgado, NMCCR 253
22	License Expires: 12-31-19
23	
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