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: 21128

APPLICATION OF TITUS OIL & GAS LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MARCH 5, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH KATHLEEN MURPHY, PHILLIP GOETZE on Thursday, March 5, 2020 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 1 A P P E A R A N C E S For the Applicant: 2 3 MONTGOMERY & ANDREWS SHARON SHAHEEN 4 325 Paseo de Peralta Santa Fe, NM 87501 5 6 For Franklin Mountain: 7 DEANA BENNETT MODRALL SPERLING ROEHL HARRIS & SISK PA 500 4th Street, NW, Suite 1000 8 Albuquerque, NM 87102 9 505-848-9710 deana.bennett@modrall.com 10 11 12 INDEX 13 CASE CALLED 03 SUMMARY OF CASE AND EXHIBITS 03 14 05 15 TAKEN UNDER ADVISEMENT 16 REPORTER CERTIFICATE 06 17 EXHIBIT INDEX Admitted 18 19 All Exhibits and Attachments 05 20 21 22 23 24 25

Page 3 HEARING EXAMINER ORTH: Move 21128, Titus Oil & 1 2 Gas, compulsory pooling, matter related to a well named El Campeon. We have -- we do have a few appearances, but I 3 4 understand you reached agreement to present it by affidavit. 5 MS. SHAHEEN: That's correct. Sharon Shaheen, Montgomery and Andrews for Titus Oil & Gas Production. 6 7 MS. BENNETT: Deana Bennett, Modrall Sperling, on 8 behalf of Franklin Mountain Energy LLC. 9 MS. SHAHEEN: Providing packets here. This is 10 another example of where we used numbered tabs, but the exhibits are letters. If you take a look at the table of 11 12 contents it's helpful. 13 The checklist is behind Tab 1, the application 14 behind Tab 2, the landman affidavit which is Exhibit A, is behind Tab 3, the landman exhibits are behind Tab 4, the 15 geologist affidavit behind Tab 5. That's Exhibit B. 16 17 Geologist exhibit behind Tab 6, and last but not least, Exhibit C is our affidavit of notice that illustrates 18 our service of the application. There are only two parties 19 being force pooled. That's two Franklin Mountain Energy 20 entities, and they received notice by mail and they also 21 received notice by publication. 22 23 One thing I did want to mention is the legal 24 description is a little bit odd for this well. So this is a 25 request to drill a well in the Wolfcamp, and that's standard

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

Page 4 160 acre unit comprised of the W/2 of the SW/4 of Section 1 2 29, in Township 26 South, and Range 35 East. And then it's described as the NW/4 of the NW/43 4 and Lot 4 of Section 32, Township 26 South, Range 35 East. That's a little odd because lot 4 is the NW/4 of NW/4, but 5 there is an irregular section on the Texas border, and when 6 you look at the GIS map, that's how it's described. But 7 8 it's basically the W/2 of the SW/4 and then the W/2 of the 9 NW/4. If that makes sense. 10 EXAMINER MURPHY: We like hearing that you looked at the GIS map. 11 12 MS. SHAHEEN: I like looking at the GIS map. 13 HEARING EXAMINER ORTH: Questions, Ms. Murphy? 14 EXAMINER MURPHY: How many wells are there, two? 15 MS. SHAHEEN: I believe there is just one well well in this application. Paragraph 2 of the application 16 behind Tab 2. 17 18 EXAMINER MURPHY: Number one in the checklist, 19 there you go. 20 MS. SHAHEEN: That is confusing, but there is 21 only one well. 22 EXAMINER MURPHY: That's not confusing. MS. SHAHEEN: Well, good. 23 24 EXAMINER MURPHY: We have plenty to be confused 25 about with Well Number 1. I have no more questions. Thank

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

							Page 5
1	you.						
2	MS. S	HAHEEN: Th	lank you.				
3	HEARI	NG EXAMINER	ORTH:	Thank	you, N	ls.	Shaheen.
4	The packet is ac	cepted and	will be	taken	under	adv	isement.
5	(Exhi	bits admitt	.ed.)				
6	(Take	n under adv	isement.				
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							

	Page 6					
1	STATE OF NEW MEXICO					
2	COUNTY OF BERNALILLO					
3						
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 5th of March 2020.					
20						
21	Irene Delgado, NMCCR 253					
22	License Expires: 12-31-20					
23						
24						
25						

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102