

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: 21439, 21440

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

OCTOBER 8, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINERS LEONARD LOWE and KURT SIMMONS on Thursday, October 8, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

DEANA BENNETT
MODRALL SPERLING ROEHL HARRIS & SISK PA
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505-848-9710

For Marathon:

JENNIFER BRADFUTE
MARATHON OIL COMPANY
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I N D E X

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1 HEARING EXAMINER ORTH: Let's move then to the
2 next two matters. The case numbers are 21349 and 21440.
3 Franklin Mountain is the applicant. These are compulsory
4 pooling applications, and the well name is LHS Wildcat.

5 Ms. Bennett, is that you from Modrall Sperling
6 appearing for the applicant?

7 MS. BENNETT: Good morning, Madam Hearing
8 Examiner. This is Deana Bennett on behalf of Franklin
9 Mountain Energy LLC.

10 HEARING EXAMINER ORTH: Good morning. And let's
11 see, I saw Ms. Bradfute join us on behalf of Marathon.

12 MS. BRADFUTE: Yes, good morning, Madam Examiner.
13 I am here to represent Marathon Oil in these matters.

14 HEARING EXAMINER ORTH: Good morning. Is there
15 any objection, Ms. Bradfute, to the applicant -- oh, sorry.
16 Are there any other entries of appearance this morning?

17 (No audible response.)

18 HEARING EXAMINER ORTH: Hearing none, Ms.
19 Bradfute, do you have any objection to the applicant
20 proceeding by affidavit?

21 MS. BRADFUTE: No, we do not.

22 HEARING EXAMINER ORTH: Thank you. Ms. Bennett,
23 if you would.

24 MS. BENNETT: Thank you, Madam Examiner. I
25 appreciate these two cases being consolidated for purposes

1 of hearing. Case Number 21439 and 21440 both involve
2 applications by Franklin Mountain Energy seeking compulsory
3 pooling, and they both involve the E/2 E/2 of Sections 1 and
4 12, Township 26 South, Range 35 East in Lea County, New
5 Mexico.

6 Case Number 21439 is the case for the LHS Wildcat
7 Fed Com 604H, which is a Bone Spring well. And Case Number
8 21440 is the case of the LHS Wildcat Fed Com 705H well,
9 which is a Wolfcamp well.

10 Those two packets are set out exactly the same.
11 I will just walk you through the first packet, recognizing
12 that the second packet is the same, and then we can address
13 any questions you or the technical examiners may have or
14 that Ms. Bradfute may have.

15 The packets contain a Tab A, the compulsory
16 pooling checklist which I filled out and signed.

17 Exhibit B is the affidavit of the Landman Shelly
18 Albrecht, and Ms. Albrecht has previously testified before
19 the Division and her credentials have been accepted as a
20 matter of record.

21 Page 9 of her -- of the packet identifies and
22 outlines the development overview. Franklin Mountain Energy
23 has filed a total of seven applications to this development
24 plan, four of which will be heard today, and three of which
25 will be heard October 22. So Page 9 gives the examiners and

1 the Division an overview of all of the wells that Franklin
2 Mountain (unclear).

3 Behind Ms. Albrecht's affidavit are the usual
4 exhibits, the lease tract map C-103, the proposal letter and
5 AFEs, as well as the summary of contacts.

6 Also behind her affidavit is my mailing affidavit
7 at Page 23 -- I'm sorry -- at Page 24, and you will see that
8 I do testify that I sent out notice letters. They were
9 timely and I also published out of an abundance of caution.

10 And Mr. Kessel's affidavit begins at Page 35.
11 Mr. Kessel is Franklin Mountain Energy's geologist. He's
12 previously testified before the Division and his credentials
13 were accepted as a matter of record.

14 His affidavit contains the locator map, a
15 gunbarrel, and then the usual geology slides for his
16 geologic study including the structure map, cross section
17 and gross interval isochore, as well as specifications for
18 the proposed orientation. That's the overview of the
19 exhibits in Case Number 21439.

20 The packet for 21440 is the same. So with that I
21 would like to request the admission of the exhibits in Case
22 Number 21439 and admission of the exhibits in Case number
23 21440.

24 HEARING EXAMINER ORTH: Thank you very much, Ms.
25 Bennett. Ms. Bradfute, do you have any questions?

1 MS. BRADFUTE: No. No questions at this time.

2 Thank you.

3 HEARING EXAMINER ORTH: All right. Let me see if
4 the technical examiners have any questions. Mr. Simmons?

5 TECHNICAL EXAMINER SIMMONS: No. Everything
6 seems to be in order. I appreciate it. Thank you.

7 HEARING EXAMINER ORTH: Thank you. Mr. Lowe?

8 TECHNICAL EXAMINER LOWE: Good morning, Ms.
9 Bennett. I have a question as far as referencing your, your
10 exhibits. Your exhibits that you submit -- did you submit,
11 I guess, one packet of exhibits all identified by different
12 indexing, I guess?

13 I'm trying to read your exhibits at the same time
14 while you were presenting it. You indicated a gunbarrel
15 exhibit in the 439 case, what page is that on?

16 MS. BENNETT: That's on Page B-10. It's a wine
17 rack -- I'm sorry -- on Page 40.

18 TECHNICAL EXAMINER LOWE: On 40, okay, I got it.

19 MS. BENNETT: Exhibit 10.

20 HEARING EXAMINER ORTH: I'm trying to look at the
21 same information that you are presenting here. That's all I
22 have for now, thank you.

23 MS. BENNETT: Thank you.

24 HEARING EXAMINER ORTH: Thank you, Mr. Lowe. In
25 that case, Ms. Bennett, your exhibits are admitted and the

1 matter will be taken under advisement.

2 MS. BENNETT: Thank you very much.

3 HEARING EXAMINER ORTH: That was 21439 and 21440.

4 (Exhibits admitted.)

5 (Taken under advisement.)

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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, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

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

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

17 Dated this 8th day of october 2020.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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