

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: 21803 - 21805

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
APRIL 22, 2021
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER DYLAN ROSE COSS on
Thursday, April 22, 2021, 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
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For Max and Starboard:

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For Burlington:

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I N D E X

CASE CALLED

STATUS CONFERENCE 03

REPORTER CERTIFICATE 08

1 HEARING EXAMINER BRANCARD: So now we are looking
2 at item, what appears to be Items 10, 11, 12, Franklin
3 Mountain, this would be Case Numbers 21803, 21804, 21805 for
4 Franklin.

5 MS. BENNETT: Good morning, Mr. Examiner. This
6 is Deana Bennett on behalf of Franklin Mountain Energy LLC.

7 HEARING EXAMINER BRANCARD: Thank you. And then
8 I see Max and Starboard.

9 MR. RANKIN: Good morning, Mr. Examiner, Adam
10 Rankin with the law firm of Holland & Hart appearing on
11 behalf of both Max Permian and Starboard.

12 HEARING EXAMINER BRANCARD: Thank you.
13 Burlington?

14 MS. HARDY: Yes, Mr. Examiner, Dana Hardy with
15 the Santa Fe office of Hinkle Shanor on behalf of Burlington
16 Resources Oil & Gas Company LLP.

17 HEARING EXAMINER BRANCARD: Any other entries of
18 appearance in these three matters?

19 (No audible response.)

20 HEARING EXAMINER BRANCARD: Hearing none, Ms.
21 Bennett?

22 MS. BENNETT: These three cases were originally
23 set for the April 8 docket, and Burlington, Max Permian and
24 Starboard requested that we continue the cases to the April
25 22 docket. And Franklin Mountain Energy has been in ongoing

1 negotiations with all three parties, and I don't think that
2 there is any further objection from Burlington, but I will
3 let Ms. Hardy weigh in on that.

4 They didn't ask for a continuance or object to
5 the cases going by affidavit today. But Max Permian and
6 Starboard Permian did object to the cases going by affidavit
7 today, and my understanding is that there is some final
8 negotiations to be worked out with the parties. And it is
9 for that reason that Max Permian and Starboard objected to
10 the cases going by affidavit today.

11 And Franklin Mountain Energy's position is that
12 the cases, while, their goal is to have these cases heard as
13 early as possible, and I heard Mr. Examiner saying a moment
14 ago saying the earliest date is in June, but hopefully what
15 I would like to propose, and I'm obviously interested
16 hearing from the other parties and the Division, is a May 20
17 date would be my expectation or hope that we would be able
18 to put the cases on by affidavit on May 20.

19 But I understand that Mr. Rankin's clients aren't
20 available on the 20th if there was a contested hearing which
21 would be short, then that they would be on May 21. So
22 that's sort of where we are from my perspective.

23 HEARING EXAMINER BRANCARD: Mr. Rankin?

24 MR. RANKIN: Thank you, Mr. Examiner. Yes, at
25 this point the parties are working towards a resolution and

1 with the expectation that we'll achieve an agreement in
2 advance of any hearing date. Ms. Bennett is correct that my
3 witnesses will not be available for a May 20 hearing,
4 however, they would be available for a May 21 hearing.

5 I do not expect that a hearing, because there are
6 no competing counter-proposals or well development plans,
7 that it would be a long, drawn-out hearing if it were
8 necessary to, to present the case with live witnesses or
9 contested. So I do expect, even if it were contested, that
10 it wouldn't take too long, which we should be able to do it
11 in a relatively short order.

12 So with that said, we would be willing to
13 accommodate Franklin Mountain to try to get the case set on
14 the 21st with the expectation that if it were not contested,
15 that it could be heard by affidavit on the 20th.

16 HEARING EXAMINER BRANCARD: Okay. That's a
17 little confusing here. Ms. Hardy, do you have any
18 objections to proceeding in this manner?

19 MS. HARDY: No, Mr. Examiner, not from
20 Burlington.

21 HEARING EXAMINER BRANCARD: Okay. Well, then we
22 will set the case for May 20 on the assumption that you all
23 will work it out and it will go by affidavit. And if not,
24 we will figure it out. If it's not going to go by
25 affidavit, we need to have plenty of advance notice in

1 advance of May 20 because right now nothing is scheduled for
2 May 21.

3 MR. RANKIN: To be clear, in the past, and it's
4 not common, but because that second day of hearing on Friday
5 is reserved, we have set a contested case for the 20th where
6 if that first day of hearing where the witnesses are not
7 available, the expectation or understanding it would be
8 heard on the second day of that hearing.

9 HEARING EXAMINER BRANCARD: Okay. We will set it
10 on the 20th with an option to continue it to the 21st. How
11 is that?

12 MR. RANKIN: Thank you.

13 MS. BENNETT: Thank you.

14 MS. HARDY: Thank you.

15 HEARING EXAMINER BRANCARD: So, Ms. Bennett, you
16 will file the continuances for the 20th?

17 MS. BENNETT: I'm actually going to rely on Mr.
18 Rankin to file the continuances for the 20th, but if we need
19 to talk about that, we will talk about it off the record.
20 But I do appreciate the confirmation that we do need to file
21 continuances because I was going to ask that very question.

22 HEARING EXAMINER BRANCARD: Thank you. Anything
23 else on these cases?

24 MS. BENNETT: Not for me. Thank you very much.

25 HEARING EXAMINER BRANCARD: Thank you.

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(Concluded.)

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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

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

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

16 Dated this 22nd day of April 2021.

17

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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