

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, 21804,
21805

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
MAY 20, 2021
SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER WILLIAM BRANCARD and TECHNICAL EXAMINER KURT SIMMONS, on Thursday, May 20, 2021, through the Webex Virtual Platform.

REPORTED BY: Carrie Hewerdine, RDR, NMCCR #512
PAUL BACA COURT REPORTERS
500 4th Street, Suite 105
Albuquerque, New Mexico 87102

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Admitted

Exhibits and Attachments

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1 HEARING EXAMINER BRANCARD: Next up on our
2 list, then, is Cases 21803, 21804, 21805, Franklin
3 Mountain represented by Modrall Sperling.

4 DEANA BENNETT: Good morning, Mr. Examiner.
5 Deana Bennett on behalf of the Franklin
6 Mountain Energy.

7 HEARING EXAMINER BRANCARD: Thank you,
8 Ms. Bennett.

9 And I have Max and Starboard listed as
10 parties.

11 Holland & Hart?

12 ADAM RANKIN: Good morning, Mr. Hearing
13 Officer.

14 Adam Rankin appearing on behalf of the Max
15 Permian and Starboard Permian Resources, Holland &
16 Hart.

17 HEARING EXAMINER BRANCARD: All right. And
18 Burlington Resources?

19 MICHAEL RODRIGUEZ: Michael Rodriguez of
20 Hinkle Shanor on behalf of the Burlington Resources Oil
21 and Gas Company, LP.

22 HEARING EXAMINER BRANCARD: Thank you.

23 Mr Rankin, I believe you do not have an
24 objection to this case going forward by affidavit; is
25 that correct?

1 ADAM RANKIN: No objections.

2 HEARING EXAMINER BRANCARD: Mr. Rodriguez?

3 MICHAEL RODRIGUEZ: No objection. The
4 motion -- the appearance is actually entered just to
5 preserve our right to a de novo hearing at a later
6 date.

7 HEARING EXAMINER BRANCARD: Thank you.

8 Are there any other parties in Cases 21803,
9 21804, 21805?

10 Hearing none, Ms. Bennett, you may proceed.

11 DEANA BENNETT: Thank you very much,
12 Mr. Examiner.

13 These three cases are companion cases to cases
14 that were heard on April 8th and -- for which orders
15 have already been issued.

16 And I really appreciate the expediency with
17 which the division is issuing orders these cases. So
18 thank you for that.

19 These three cases involve the east half of
20 Sections 1 and 12, and the three cases speak -- units
21 are proposed wells in two Bone Spring units and a
22 Wolfcamp unit.

23 I'll briefly go through the packet, what's
24 included in each packet. But each packet is the same
25 except for the information related to the various

1 formations in each packet.

2 But the layout is the same of each packet.

3 So in the packet before you, for -- in each
4 case, we have included the compulsory pooling checklist
5 as Exhibit A -- or tab A.

6 Tab B includes the affidavit of Shelley
7 Albrecht, the land man who has previously testified
8 before the division, and her credentials have been
9 accepted as a matter of record.

10 Behind her exhibit, you'll find -- or behind
11 her affidavit, you'll find the development overview
12 which, again, outlines both the west half and east half
13 development for this acreage.

14 Exhibit 2 is the application that we filed.

15 Exhibit 3 contains the C102 or C102s,
16 depending which case you're looking at.

17 Exhibit 4 has the lease tract map and
18 interest. And you'll see that the committed interests
19 here are in the 90 percent range. So Franklin has
20 either its interest or has obtained commitments from
21 others, putting it up in the 96 percent range.

22 Exhibit 5 is a summary of contacts.

23 Exhibit 6 contains the proposal letter.

24 Exhibit 7 is the AFE.

25 And Exhibit 8 is the notice of affidavit

1 prepared by my office showing that notice letters were
2 timely sent and that publication was done timely.

3 Behind Tab C is the affidavit of Ben Kessel.
4 He's the geologist for Franklin Mountain Energy, and
5 he's previously testified. And his credentials have
6 been as a matter of record.

7 And his -- behind his affidavit, are the usual
8 exhibits: a locator map; a well board schematic; then
9 a structure map; cross-reference locator map; the
10 cross-reference logs themselves; the cross -- I'm sorry
11 -- a gross interval isacore; and then finally, an
12 excerpt from the (audio interference) that paper,
13 showing the justification for the orientation.

14 So each of the exhibit packets are the same.

15 I did just want to point out that in Case
16 Number 21804, which involves the Wolfcamp formation,
17 there is a proximity tract well involved in that case.
18 It's the Mission Fed Com 705H well, and it's proposed
19 to be located closer than 330 feet from the east half,
20 east half section line, which allows Franklin to bring
21 in the full 640 acres of the east half.

22 Franklin has -- the land man testifies in --
23 in the case and in her declaration that she's
24 undertaking good faith efforts to obtain voluntary
25 joinder. And Franklin will continue to engage with

1 folks.

2 And if they were able to reach an agreement,
3 then Franklin will inform the division that parties can
4 be removed from the list of parties to be pooled, which
5 is included in the materials as well.

6 With that, I'd ask the admission of case --
7 the exhibits in Case 21803, 21804, and 21805 be
8 admitted into the record, and that these cases be taken
9 under advisement.

10 HEARING EXAMINER BRANCARD: Thank you.

11 First, I'll check with Max Starboard.

12 Any questions or concerns?

13 ADAM RANKIN: No questions, concerns, and no
14 objections.

15 HEARING EXAMINER BRANCARD: Thank you.

16 And then Burlington Resources?

17 MICHAEL RODRIGUEZ: No objection.

18 HEARING EXAMINER BRANCARD: Thank you.

19 Mr. Simmons? Any questions?

20 TECHNICAL EXAMINER SIMMONS: Everything
21 appears to be in order. Thank you.

22 HEARING EXAMINER BRANCARD: Okay. I'll ask,
23 once again: Are there any other interested persons in
24 Cases 21803, '804, or '805?

25 Hearing and seeing none, the exhibits in these

1 cases will be taken -- admitted into the record.

2 And cases 21803, 21804 and 21805 will be taken
3 under advisement.

4 Thank you.

5 DEANA BENNETT: Thank you very much.

6 (Hearing concluded)

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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, CARRIE HEWERDINE, RDR, New Mexico Certified
7 Court Reporter, CCR 521, do hereby certify that I
8 reported the foregoing virtual proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings to
11 the best of my ability.

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

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

18 Dated this 24th day of May, 2021.

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21 /s/ Carrie Hewerdine

22 Carrie Hewerdine, RDR, NMCCR 521
23 License Expires: 12-31-21

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