

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY 3, LLC FOR COMPULSORY POOLING,  
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN  
OVERLAPPING SPACING UNIT  
LEA COUNTY, NEW MEXICO**

**CASE NO. 24472**

**PRE-HEARING STATEMENT**

This Pre-hearing Statement is submitted by North Fork Land Management, LP (“North Fork”) and Aguila Operating Company, LLC (“Aguila”) by and through its undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

APPLICANT:	Franklin Mountain Energy 3, LLC
ATTORNEY:	Deana M. Bennett Earl E. DeBrine Yarithza Peña MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. P. O. Box 2168 Albuquerque, New Mexico 87103- 2168 (505) 848-1800
OPPOSITION OR OTHER PARTY:	North Fork Operating Company, LP North Fork Land Management, LP Aguila Operating Company, LLC (“North Fork and Aguila”)
ATTORNEY:	Ernest L. Padilla Padilla Law Firm, P.A. P.O. Box 2523 Santa Fe, NM 87504 505-988-7577 padillalawnm@outlook.com

**STATEMENT OF CASE**

**APPLICANT:**

**OPPOSITION OR OTHER PARTY:**

North Fork and Aguila objection is that Franklin Mountain’s proposed horizontal well will traverse the SW/4NE/4 of Section 27 in the Wolfcamp formation, the same interval where North Fork and Aguila’s vertical well is located and completed. Without safeguards to avoid a collision of the wellbores, damage to North Fork and Aguila’s well may occur. Additionally, without safeguards as to Franklin Mountain’s hydraulic fracturing and completion procedures, damage to North Fork and Aguila’s well may occur. North Fork and Aguila have already lost one of their vertical wells, the Toro 21 State 2 well, due to hydraulic fracturing where no safeguards were in place nor was notice of the hydraulic fracturing given to North Fork and Aguila. The loss of this well is now in litigation against Mewbourne. Additionally, the Toro State Com 1 well was negatively affected by Franklin Mountain frac where no notice of drilling operations was given to North Fork and Aguila and less than 48 hours of notice of commencement of Franklin Mountain’s hydraulic frac.

**PROPOSED EVIDENCE**

**APPLICANT**

**OPPOSITION**

WITNESSES		EST. TIME	EXHIBITS
Name	Title	Topic	Exhibits
Aaron Houk	Petroleum Engineer	Collision Risks and Damage to existing well from hydraulic fracturing	2

David Bolton	Manager of North Fork Management LP and North Fork Operating, LLC	Destruction of well from hydraulic fracturing of a horizontal well	See self-affirmed statement.

WITNESSES

EST. TIME

EXHIBITS

None

**PROCEDURAL MATTERS**

PADILLA LAW FIRM, P.A.

/s/ Ernest L. Padilla

Ernest L. Padilla

Attorney for North Fork Operating, LP and  
Aguila Operating Company, LLC

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Santa Fe, New Mexico 87504

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was served by e-mail to the following listed below on this 25th day of July, 2024:

Deana M. Bennett  
Earl E DeBrine, Jr.  
Yarithza Peña

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/s/ Ernest L. Padilla

Ernest L. Padilla

**OIL CONSERVATION DIVISION HEARING**

**CASE NO. 24472**

**EXHIBIT PACKET SUBMITTED FOR:**

**NORTH FORK OPERATING COMPANY, LP**

**NORTH FORK LAND MANAGEMENT, LP**

**AGUILA OPERATING COMPANY, LLC**

**CONTENTS**

**Exhibit A—Self-Affirming Statement of Aaron Houk with Exhibit 1.**

**Exhibit B--Self-Affirming Statement of David W. Bolton**

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 367511

**QUESTIONS**

Operator: North Fork Operating, LP 1000 W. Wilshire Boulevard Nichols Hills, OK 73116	OGRID: 329399
	Action Number: 367511
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>