

OIL CONSERVATION DIVISION HEARING

CASE NO. 24472

AMENDED EXHIBIT PACKET SUBMITTED FOR:

NORTH FORK OPERATING COMPANY, LP

NORTH FORK LAND MANAGEMENT, LP

AGUILA OPERATING COMPANY, LLC

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**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

SELF-AFFIRMED STATEMENT OF AARON HOAK

Aaron Hoak, of lawful age and being duly sworn, declares as follows:

1. My name is Aaron Hoak. I am a Registered Petroleum Engineer. I have been retained by North Fork Operating, LP (“North Fork”) (OGRID No. 329399).
2. I have personal knowledge of the matters stated herein.
3. I have not previously testified before the Oil Conservation Division (“Division”) as an expert witness in regulatory matters. My credentials as an expert in drilling and completion of oil and gas wells are hereby submitted to the Division and made a matter of record. Attached is a copy of my resume.
4. My area of expertise includes the area of Eddy and Lea Counties in New Mexico.
5. I am familiar with Franklin Mountain's application in this matter and with the status of the lands in the subject area.
6. The horizontal component of Franklin Mountain’s proposed Treble State Com 703H is planned to be within 260 feet of the bottomhole location of the North Fork and Aguila well, which is located in the Wolfcamp formation at approximately the same depth. See Exhibit 1 for the approximate bottomhole location in relation to Franklin Mountain’s proposed well path.
7. When drilling with survey tools, a degree of measurement uncertainty, known as the



“Ellipse of Uncertainty,” arises due to natural tool measurement errors caused by magnetic and gravitational forces. With each successive measurement, the precise location of the drill bit becomes increasingly uncertain.

8. The vertical Toro 27 State 5 well does not have a wellbore deviation survey, only an inclination survey. Without a directional survey to accurately determine the bottomhole location, the Toro 27 State 5, at approximately 11,000 feet deep, and the Treble State Com 703H, at an approximate measured depth of 20,000 feet, are within a potential collision distance of 260 feet.
9. Consultations with multiple well planners advised on a horizontal separation of 330 feet between the wellbores.
10. There have been instances of wells in the immediate area being damaged or destroyed by fractures within similar proximity.
11. North Fork and Aguila should receive notice of Franklin Mountain's drilling operations at least 30 days before the commencement of drilling.
12. Additionally, North Fork and Aguila should be notified of the completion and hydraulic fracturing operations of the Franklin Mountain well no later than 30 days before these activities begin.
13. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is accurate and complete to the best of my knowledge and belief.

Aaron Hoak

8/5/2024

Aaron Hoak

Date

AARON HOAK

PO Box 14221, Oklahoma City, OK 73113

aaronthoak@gmail.com

SUMMARY

Experienced Petroleum Engineer with 9 years of expertise in Drilling, Completion, Production, and Reservoir. Holds a B.S. in Chemical Engineering and a minor in Petroleum Engineering from Oklahoma State University, as well as a Professional Engineer license.

EXPERIENCE

CONSTANTINOPLE LLC, Oklahoma City, OK, **Petroleum Engineer Consulting**, 2018-2024

- Prepared drilling and completions procedures for numerous operators in New Mexico, Texas, and Oklahoma.
- Conducted field operations as Company Man for drilling, completions, and workover operations.

RILEY PERMIAN EXPLORATION INC, Oklahoma City, OK, **Operations Engineer**, 2020-2022

- Planned and executed field operations for Completions and Production in the Permian and Eagle Ford.
- Initiated and managed production uplift projects to improve financial metrics and increase overall profitability.

DEVON ENERGY CORPORATION, Oklahoma City, OK

Drilling and Completions Engineer, 2018

- Provided key insights and recommendations based on data analysis to support decisions for operations.
- Employed processes for data extraction and analysis, reducing manual labor and improving data accuracy.

Reservoir Engineer, 2017

- Created type curves and performed reserve forecasting for Rockies formations, utilizing various reservoir engineering tools and techniques to develop accurate and reliable predictions.
- Conducted economic evaluations for capital projects to determine feasibility and ROI.

Drilling Engineer, 2016

- Established drilling plan for Anadarko Basin rigline, leveraging advanced techniques to accurately predict drilling performance and reduce operational risks.
- Collaborated closely with service providers and company man to develop and implement cost-saving measures, resulting in significant reductions in drilling costs and improved spud-to-rig release times.

Production Engineer, 2015-2016

- Enacted optimization strategies that increased production and reduced operating costs in the Anadarko Basin, including optimization of submersible pumps, gas lift, rod lift, and plunger lift systems.
- Maintained effective communication with stakeholders, including lease operators, production technicians, and management, to ensure alignment and achieve production targets within budgetary constraints.

EDUCATION

OKLAHOMA STATE UNIVERSITY, Stillwater, Oklahoma

- **B.S., Chemical Engineering**; 2015.
Minor: Petroleum Engineering.

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District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APT Number	² Pool Code 96989	³ Pool Name KLEIN RANCH; WOLF CAMP
⁴ Property Code	⁵ Property Name TREBLE STATE COM	
⁷ OGRID No. 331595	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	⁶ Well Number 703H ⁹ Elevation 3730.1'

¹⁰ Surface Location

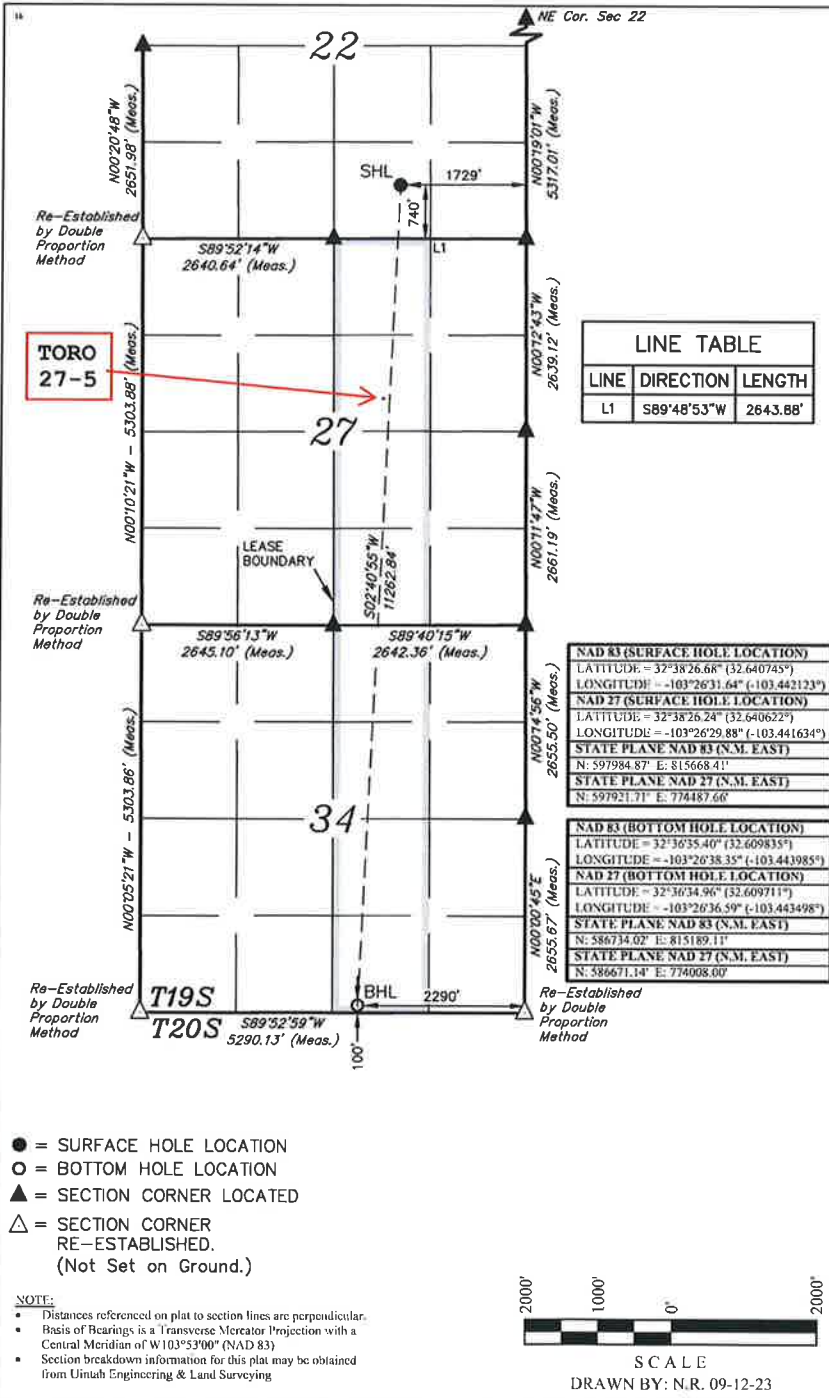
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	22	19S	35E		740	SOUTH	1729	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	34	19S	35E		100	SOUTH	2290	EAST	LEA

¹² Dedicated Acres: 320
¹³ Joint or Infill:
¹⁴ Consolidation Code:
¹⁵ Order No.:

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



LINE TABLE

LINE	DIRECTION	LENGTH
L1	S89°48'53"W	2643.88'

"OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well as this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement, a compulsory pooling order, or otherwise approved by the division.

Rachael Grebey
Signature
10/11/2023
Date
Rachael Grebey
Printed Name

roverbey@fmlc.com
E-mail Address

EXHIBIT
1

NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°38'26.68" (32.640745°) LONGITUDE = -103°26'31.64" (-103.442123°)
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°38'26.24" (32.640622°) LONGITUDE = -103°26'29.89" (-103.441634°)
STATE PLANE NAD 83 (N.M. EAST) N: 597984.87' E: 815668.41'
STATE PLANE NAD 27 (N.M. EAST) N: 597921.71' E: 774487.66'
NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°36'55.40" (32.609835°) LONGITUDE = -103°26'38.35" (-103.441985°)
NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°36'54.96" (32.609711°) LONGITUDE = -103°26'36.59" (-103.443498°)
STATE PLANE NAD 83 (N.M. EAST) N: 586734.02' E: 815189.11'
STATE PLANE NAD 27 (N.M. EAST) N: 586671.14' E: 774008.00'

"SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

August 30, 2023
Date of Survey
Signature and Seal of Professional Surveyor:



● = SURFACE HOLE LOCATION
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
△ = SECTION CORNER RE-ESTABLISHED (Not Set on Ground.)

NOTE:
• Distances referenced on plat to section lines are perpendicular.
• Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
• Section breakdown information for this plat may be obtained from Utah Engineering & Land Surveying



Received by OCD: 1/17/2024 1:58:53 PM

Released to Imaging: 1/23/2024 2:39:57 PM

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35425	Pool Code 96989	Pool Name Klein Ranch; Wolfcamp
Property Code 24885-	Property Name TORO "27"	Well Number 5
OGRD No. 025773	Operator Name LOUIS DREYFUS NATURAL GAS CORPORATION	Elevation 3720'

Surface Location

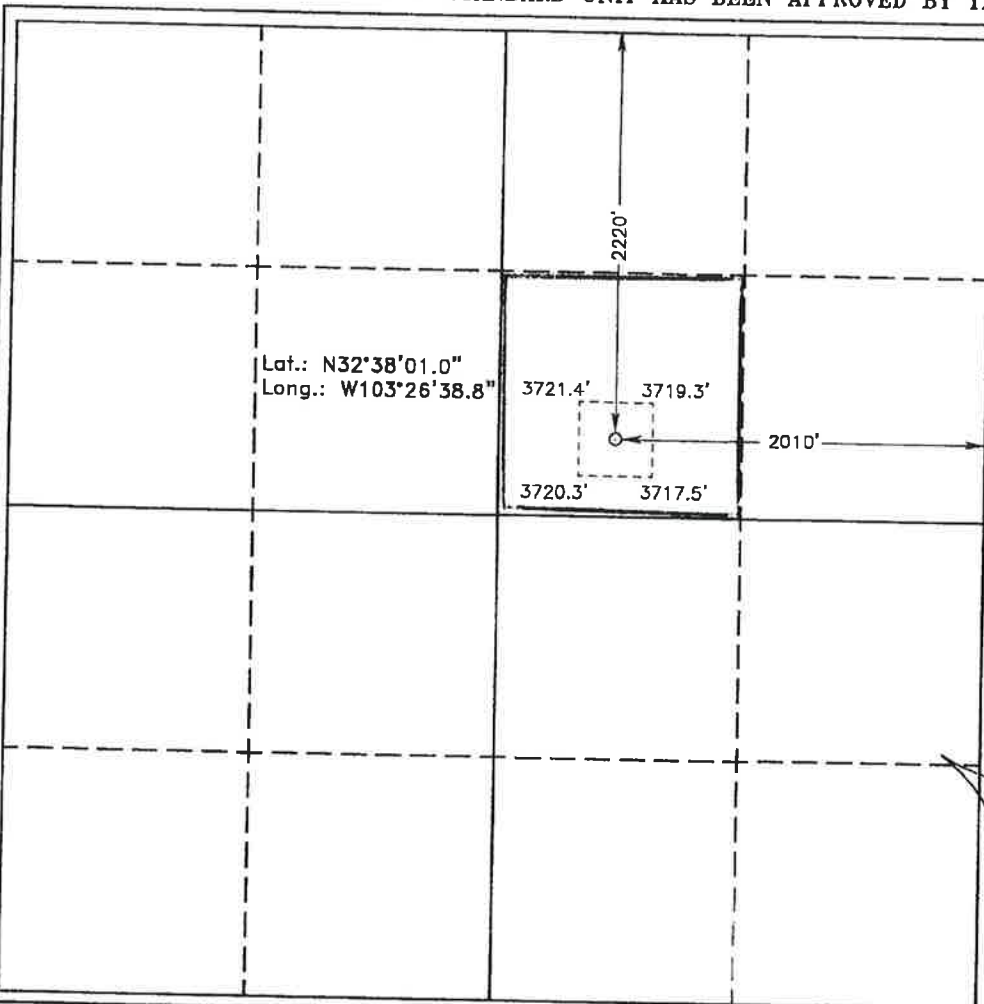
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	27	19 S	35 E		2220	NORTH	2010	EAST	LEA

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40	N		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Carla Christian
Signature

Carla Christian
Printed Name

Regulatory Technician
Title

February 21, 2001
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

December 22, 2000
Date Surveyed

MARY L. JONES
Signature & Seal of Professional Surveyor

7977
W.G. No. 07/18/00

7977
Certificate No. Cert. Professional Land Surveyor

BASIN SURVEYS

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

SELF AFFIRMED STATEMENT OF DAVID W. BOLTON

David W. Bolton, of lawful age and being duly sworn, declares as follows:

1. My name is David W. Bolton. I am the Manager of North Fork Land Management LP and North Fork Operating, LP.
2. I have personal knowledge of the matters stated herein.
3. I am testifying in this case as a fact witness dealing with the effect of our experience with frac hits from the drilling and completion of wells in the immediate area of wells operated by North Fork Operating, LP.
4. North Fork Operating, LP operates three wells in this immediate area of Lea County.
5. Franklin Mountain proposes to drill and complete less than 330 feet from the well bore of our Toro 27-5. Given our recent experiences with Mewbourne and Franklin Mountain in this immediate area, this wellbore will certainly be damaged and perhaps even destroyed by Franklin Mountain's operations.
6. Franklin Mountain failed to notify North Fork Operating, LP, North Fork Land Management, LP and Aguila Operating, LLC when they initially filed this proceeding with NMOCD.



7. North Fork Operating, LP, North Fork Land Management, LP and Aguila Operating, LLC have incurred and continue to incur financial damages, loss of production and waste of reserves because of the wanton disregard for their rights by Franklin Mountain.

8. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.



DAVID W. BOLTON

8/5/2024

Date