

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:

Application of Franklin Mountain
Energy for Compulsory Pooling,
Lea County, New Mexico Case No. 22078

Application of Franklin Mountain.
Energy for Compulsory Pooling,
Lea County, New Mexico Case No. 22081

Application of Franklin Mountain.
Energy for Compulsory Pooling,
Lea County, New Mexico Case No. 22082

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

AUGUST 5, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard, Esq. Hearing Examiner, Baylen Lamkin,
Technical Examiner, on August 5, 2021 through
the Webex Virtual Conferencing Platform hosted
by the New Mexico Department of Energy, Minerals
and Natural Resources.

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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1 A P P E A R A N C E S

2 FOR FRANKLIN MOUNTAIN ENERGY:

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7 C O N T E N T S

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10	INQUIRY BY EXAMINER BRANCARD:	6
11	INFORMATION REQUESTED:	7

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1	E X H I B I T I N D E X		
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15		(Geologist)	
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1 (Time noted 8:47 a.m.)

2 EXAMINER BRANCARD: With that we move to Item
3 No. 20 on today's final docket. It is Cases Nos. 22078,
4 22081 and 22082, Franklin Mountain Energy.

5 MS. BENNETT: Good morning, Mr. Examiner. Deana
6 Bennett of the Modrall Sperling law firm on of behalf of
7 Franklin Mountain Energy.

8 EXAMINER BRANCARD: All right. Are there any
9 other interested persons in Cases 22078, 22081? (Note:
10 Pause.) Hearing none, you may proceed Ms. Bennett.

11 MS. BENNETT: Thank you. I am presenting these
12 cases on affidavit today, and I did submit the cases
13 timely on Tuesday. There hasn't been any other Entries of
14 Appearance in these cases.

15 In Case No. 22078, 22081 and 22082,
16 Franklin Mountain Energy is seeking Orders pooling
17 uncommitted interest owners in three units, two Bone
18 Spring Units and a Wolfcamp Unit. And the three units
19 cover each half of Section 13, Township -- sorry, Section
20 13 and 24, Township 25 South, Range 25 East.

21 And these -- uhm, Case No. 22078 is the
22 Wolfcamp case, and that's the case that covers the east
23 half of those sections. Case 22081 is a Bone Spring case,
24 and the unit in that case is the east half/east half unit.
25 And Case 22082 is another Bone Spring case, and that's the

1 west half/east half unit.

2 The exhibit packets I have submitted, they
3 are identical in form. The first exhibit in each packet
4 is Exhibit A, which is the compulsory pooling checklist.

5 The next exhibit is the affidavit, actually
6 Self-Affirmed Declaration of Shelley Albrecht, the land
7 professional who has previously testified before the
8 Division and her credentials have been accepted as a
9 matter of record.

10 Behind her affidavit are the usual
11 exhibits. She includes the development overview, the
12 application, C-102, lease tracts maps and interests, a
13 Summary of Contacts, a sample Proposal Letter, AFEs.

14 And then behind her affidavit is also my
15 Notice Affidavit.

16 Tab C contains the materials prepared by
17 Franklin Mountain Energy's geologist, Ben Kessel. Mr.
18 Kessel has previously testified before the Division and
19 his credentials have been accepted as a matter of record.

20 In his materials he includes a Locator Map,
21 a Wellbore Schematic, a Structure Map, a
22 Cross-Section Reference Map, the Cross-Section itself, a
23 Gross Interval Isochore, and then an excerpt from the
24 Snee-Zoback paper supporting the regional stress
25 orientation.

1 And those same exhibits are provided for
2 each case, Case No. 22078, 22081, and 22082.

3 In terms of Notice, I did want to alert the
4 Division to the facts that before the hearing Franklin
5 Mountain Energy identified that Marathon Permian is a
6 working interest owner, and so I reached out to Marathon
7 and we discussed the fact that these cases were going to
8 hearing. And Marathon was fine with these cases going to
9 hearing and did not enter an appearance or otherwise
10 object to these cases being presented by affidavit. So
11 although they did not get written notice of the hearing,
12 they did get actual notice of the hearing from myself in
13 the communications with Marathon's counsel.

14 With that I would ask the Division accept
15 for admission the exhibits in Case Nos. 22078, 22081 and
16 22082, and ask that the cases be taken under advisement.

17 EXAMINER BRANCARD: Are there any other
18 interested -- well, so let's go with Mr. Lamkin. Any
19 questions?

20 EXAMINER LAMKIN: No questions from me. Thanks.

21 EXAMINER BRANCARD: All right. So let me get
22 this straight. You had a party you did not give notice
23 to. Is that what you're saying, Ms. Bennett?

24 MS. BENNETT: That's correct, they did not
25 receive the written notice by Certified Mail but they

1 received actual notice from me.

2 EXAMINER BRANCARD: You have nothing in writing
3 from them?

4 MS. BENNETT: I can submit the email
5 correspondence that I had with Ms. Bradfute to the
6 Division, as a supplemental exhibit.

7 EXAMINER BRANCARD: Mr. Lamkin do you have any
8 suggestions on this?

9 EXAMINER LAMKIN: I would assume it would be
10 sufficient as long as the, you know, the hearing day and
11 the cases are referenced, but you might know better than
12 me.

13 EXAMINER BRANCARD: Okay. Ms. Bennett, why
14 don't we leave the record open for you to get something
15 from Marathon that identifies that they do not object to
16 this case, and, as Mr. Lamkin notes, that they were
17 notified of the date and time of the hearing and that they
18 are fine with going ahead with this.

19 So if you need something a little more
20 detailed, please obtain it and enter it in the record. We
21 need that to go forward.

22 MS. BENNETT: I will do that. Thank you.

23 EXAMINER BRANCARD: All right. So once again
24 I'll ask if there are any other interested persons, and I
25 hope I get the numbers right this time, Cases 22078,

1 22081, 22082, applications of Franklin Mountain Energy.

2 (Note: Pause.) All right. Hearing none, the exhibits
3 will be admitted into the record. The record will be left
4 open to clarify the status of Marathon as a party that
5 apparently did not receive Notice but apparently does not
6 object to this case.

7 So we will leave the record open, and when
8 that is clarified we can take the case under advisement.
9 Thank you.

10 MS. BENNETT: Thank you.

11 (Time noted 9:01 a.m.)

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1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, August 5,
8 2021, the proceedings in the above-captioned matter were
9 taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

18

 /s/ Mary Macfarlane

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20 _____
21 MARY THERESE MACFARLANE, CCR
 NM Certified Court Reporter No. 122
 License Expires: 12/31/2021

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