

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

IN THE MATTTTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

Application of Franklin Mountain  
Energy, LLC, to Amend Order  
No.R-20946,  
Lea County, New Mexico

Case No. 22121  
Order No. R-20946  
(Re-Open)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, SEPTEMBER 23, 2021

EXAMINER HEARING

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William  
Brancard, Esq. Hearing Examiner, Leonard Lowe,  
Technical Examiner, on Thursday, September 23, 2021,  
via 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  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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A P P E A R A N C E S

FOR FRANKLIN MOUNTAIN ENERGY:

Deana M. Bennett, Esq.  
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N T E N T S.

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TAKEN UNDER ADVISEMENT:	8

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2 FRANKLIN MOUNTAIN ENERGY EXHIBITS: PAGE

3 A Declaration of Shelly Albrecht 8  
 (Land professional)

4 1 Application 8

5 2 Order R-20946 8

6 3 C-102 8

7 4 Lease Tract Map/Summary of Interests 8

8 5 Sample Well Proposal Letter 8

9 6 Relevant excerpts of Spur Hearing transcript 8

10 7 August 27, 2020 Extension Order 8

11 8 Notice Affidavit 8

12 9 Propossed Compulsory Pooling Checklist 8

13 10 Proposed Revised Exhibit A 8

14 B Declaration of Ben Kessel (Geologist) 8

15 10 Locator Map 8

16 11 Wellbore Schematic 8

17 12 Geology Study 8

18 13 Regional Stress Orientation Justification 8

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1 (Time noted 9:04 a.m.)

2 EXAMINER BRANCARD: Now I call will Item No. 18,  
3 Case 22121, Franklin Mountain Energy.

4 Are there any other interested persons for  
5 Case 22121? (Note: Pause.) Hearing none, you may  
6 proceed, Ms. Bennett.

7 MS. BENNETT: Thank you very much. Again this  
8 is Deana Bennett on behalf of Franklin Mountain Energy.

9 In Case No. 22121 -- Case No. 22121 is very  
10 similar to Case 22120 that I just explained. In Case  
11 22121 Franklin Mountain Energy is seeking to reopen an  
12 Order to add an additional well and to request an  
13 extension of time to commence drilling the initial well  
14 under the Order.

15 As with Case No. 22120, I submitted  
16 exhibits on Tuesday and the exhibits include Tab A, which  
17 is the Declaration of Shelley Albrecht, Franklin Mountain  
18 Energy's land professional, who has previously testified  
19 before the Division and whose credentials have been  
20 accepted as a matter of record.

21 Behind Ms. Albrecht's declaration you will  
22 find the usual suite of exhibits, which are the  
23 Application that we filed in this case, the Order, Order  
24 No. 20946, which is the Order Franklin Mountain Energy  
25 seeks to have reopened today to add an additional well and

1 for an extension of time to commence drilling under the  
2 Order.

3 Exhibit 3 is the C-102 for the Ouray Fed.  
4 Com 302H well, which is the well that Franklin Mountain  
5 Energy is seeking to add to the existing Order today.  
6 Again that's the Ouray Fed Com 302H well.

7 Behind Exhibit 4 is the Lease Tract Map and  
8 the Summary of Interests.

9 In this unit Franklin Mountain Energy has  
10 approximately 75 percent of the working interest committed  
11 to the unit, and as you will see from Exhibit 4, there are  
12 two, arguably two uncommitted interest owners. The first  
13 is Chevron USA, Inc., and the second that Ms. Albrecht has  
14 identified as undetermined title is either Chevron USA or  
15 XTO Holdings. And that's because there is a title dispute  
16 or -- I think between XTO and Chevron, actually, so we've  
17 identified XTO out of an abundance of caution; however, as  
18 you will see from Ms. Albrecht's Declaration, XTO has  
19 consistently disclaimed any interest in this unit and in  
20 this acreage, but we include them here out of an abundance  
21 of caution, and we also provided Notice to XTO, as well as  
22 Chevron, of this case, of the Applications and of this  
23 hearing, and both Chevron and XTO received actual Notice.

24 Because Franklin Mountain Energy is seeking  
25 to pool working interest owners in this case I also

1 included with Ms. Albrecht's Declaration the Sample Well  
2 Proposal Letter and the AFE for the new well, and because  
3 Franklin Mountain Energy is seeking an extension of time  
4 to drill the initial well in this case, I have also  
5 included the extensive materials from the last time  
6 Franklin Mountain Energy requested an extension, as well  
7 as some reporting information.

8 I have also included as Exhibit 9, my  
9 Notice Affidavit, which says that Notice of this hearing  
10 was timely mailed and published.

11 Behind Exhibit 11 is a proposed -- I'm  
12 sorry, behind Exhibit 10 is the Proposed Revised Exhibit  
13 A, and behind Exhibit 11 is a Proposed Compulsory Pooling  
14 Checklist. Again I submit both of those for the  
15 Division's election as to which form it prefers to add  
16 this initial well.

17 Behind Tab B is the Declaration of Ben  
18 Kessel, Franklin Mountain Energy's geologist, who has  
19 previously testified before the Division and whose  
20 credentials have been accepted as a matter of record.

21 Behind his exhibits I have included the  
22 locator map, wellbore schematic, and the usual suite of  
23 geology exhibits, as well as an excerpt from the Snee,  
24 Zoback paper showing the reasons for the justification for  
25 the orientation of the wells.

1                   With that, I would ask that the exhibits  
2 for Case No. 22121 be admitted into the record, and I  
3 stand for any questions that the Division may have.

4                   EXAMINER BRANCARD: Thank you. Mr. Lowe,  
5 questions?

6                   EXAMINER LOWE: I have no questions. Thank you.

7                   EXAMINER BRANCARD: Ms. Bennett, somewhere in  
8 your exhibits, might have been Ms. Albrecht's, there is a  
9 note that you-all made a mistake in the Application.

10                  MS. BENNETT: That's correct.

11                  EXAMINER BRANCARD: Would you discuss that.

12                  MS. BENNETT: Yes. So in the Application, in  
13 the body of the Application I inadvertently -- I was using  
14 one template to create all of the applications and I  
15 inadvertently left the word Wolfcamp in the Application.  
16 But in all of the Notice materials I corrected that. So  
17 in the blurb that's provided on OCD's website it says Bone  
18 Springs, in the Notice Letters themselves it says a Bone  
19 Spring unit and Bone Spring wells, and in the Publication  
20 Notice I also included the word Bone Spring and Bone  
21 Spring well and unit rather than Wolfcamp.

22                               So it was a relic from one of the prior  
23 applications that I had used, but every piece of publicly  
24 available -- you know, like all of the public Notices were  
25 all correct and all said Bone Spring.

1                   EXAMINER BRANCARD: Thank you. I guess two  
2 points here. One, people need to be more careful when  
3 they file their Applications. Don't worry you're not the  
4 worst of the lot today.

5                   And second, if you do find mistakes, please  
6 put us on notice as soon as possible about that, however  
7 you want to do it. If you think you need to file a new  
8 Application, fine, if you think you can just file an  
9 addendum of some sort, that's fine, but let us know so  
10 we're not suddenly discovering at hearing that there is an  
11 issue here. Thank you.

12                   Are there any other questions or comments  
13 on Case 22121? (Note: Pause.) Hearing none, the  
14 exhibits are admitted into the record and Case 22121 will  
15 be taken under advisement. Thank you.

16                   MS. BENNETT: Thank you very much.

17                   (Time noted 9:12 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,  
8 September 23, 2021, the proceedings in the above-captioned  
9 matter were taken before me; that I did report in  
10 stenographic shorthand the proceedings set forth herein,  
11 and the foregoing pages are a true and correct  
12 transcription to 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.

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/s/ Mary Macfarlane

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

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