

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, LLC
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

Case No. 22820

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 2, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing
before the New Mexico Oil Conservation Division,
HEARING OFFICER WILLIAM BRANCARD and TECHNICAL
HEARING OFFICER JOHN GARCIA on Thursday, June 2,
2022, through the Webex Platform.

Reported by: 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, LLC:

3 MODRALL SPERLING ROEHL HARRIS & SISK PA
 4 PO Box 2168
 Albuquerque, New Mexico 87103-2168
 5 505-848-1800
 BY: BRYCE H. SMITH
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1 HEARING OFFICER BRANCARD: So let's try
2 Case 22820.

3 Any other interested persons for Case
4 22820?

5 Hearing none, Mr. Smith, you may proceed.

6 MR. SMITH: Thanks, Mr. Examiner.

7 Bryce Smith with Modrall Sperling on
8 behalf of the applicant, Franklin Mountain Energy,
9 LLC.

10 As mentioned this is another companion
11 case to the standing Bone Spring and Wolfcamp orders
12 issued in this same acreage by the Division.

13 In Case Number 22820, Franklin seeks an
14 order from the Division pooling all uncommitted
15 mineral interests in a 360-acre Leonard horizontal
16 spacing unit underlying the west half of the east
17 half of Sections 1 and 12 as well as the northwest
18 quarter of the northeast quarter of Section 13,
19 Township 26 South, Range 35 East, Lea County.

20 We timely filed exhibits on Tuesday,
21 May 31st. The first Exhibit A is the compulsory
22 pooling checklist.

23 Behind that is Tab B, which is the
24 declaration of professional landman Ilona Hoang. As
25 to moments ago, Ms. Hoang has previously testified

1 before the Division. Her credentials have been
2 accepted as a matter of record. With her
3 declaration is the applications and C102 for the
4 well, as well as the lease tract map and the summary
5 of interest.

6 Again the change there being to
7 Exhibit B4, COG -- make sure I have it right now.
8 COG Operating, LLC has entered into a voluntary
9 agreement with -- and I believe it's both. I think
10 this case may have both COG entities, but in any
11 case, COG has entered into a voluntary agreement
12 with Franklin with respect to this acreage and so it
13 will be -- we'll file an amended exhibit reflecting
14 that fact.

15 Also, with the land exhibits is the
16 summary of contacts with the working interest owners
17 and a sample proposal and the AFEs.

18 The notice affidavit included with this
19 case shows that notice was timely mailed on May 12th
20 and out of an abundance of caution we published on
21 May 15th.

22 Lastly is Tab C which is the declaration
23 of expert petroleum geologist Mr. Kessel.
24 Mr. Kessel has previously testified before the
25 Division and his credentials have been accepted as a

1 matter of record.

2 And included with Mr. Kessel's declaration
3 is the typical suite of geology exhibits including
4 the locator map, the well bore schematic, the
5 geology study for the well and the optimal stress
6 orientation showing that north-south is optimal.

7 So with that, Mr. Examiner, I would ask
8 that exhibits in Case Number 22820 be admitted into
9 the record and that this case be taken under
10 advisement.

11 HEARING OFFICER BRANCARD: Thank you.

12 Any questions, Mr. Garcia?

13 TECHNICAL HEARING OFFICER GARCIA: Same
14 comment of stranded acreage affidavit.

15 MR. SMITH: Mr. Garcia, we will follow-up
16 with the Division on that.

17 TECHNICAL HEARING OFFICER GARCIA: Thank
18 you.

19 HEARING OFFICER BRANCARD: Thank you.

20 Any other interested persons for
21 Case 22820?

22 Hearing none, the exhibits will be
23 admitted into the record.

24 (Matter concluded.)

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REPORTER'S CERTIFICATE

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 2, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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