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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:
Case Nos. 24198, 24206, 24199,
24205, 24467-24668, 24369-24370,
24195, 24197, 24196, 24207

HEARING

DATE: Tuesday, August 27, 2024
TIME: 10:30 a.m.
BEFORE: Hearing Examiner Gregory A. Chakalian
LOCATION: Remote Proceeding
Pecos Hall
1220 South St. Francis Drive
1st Floor
Santa Fe, NM 87505

REPORTED BY: Douglass Breshin
JOB NO.: 6762883

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A P P E A R A N C E S

ON BEHALF OF FRANKLIN MOUNTAIN ENERGY 3 LLC:

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A P P E A R A N C E S (Cont'd)

ON BEHALF OF MARATHON OIL PERMIAN:

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(505) 946-2091

ALSO PRESENT:

Freya Tschantz, Law Clerk, New Mexico Oil
Conservation Division (by videoconference)
Dean McClure, Petroleum Specialist (by
videoconference)

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I N D E X

OPENING STATEMENT By Mr. Feldewert 8

OPENING STATEMENT By Ms. Pena 29

WITNESS(ES): DX CX RDX RCX

DAVID JOHNSON

By Mr. Feldewert 17

E X H I B I T S

NO.	DESCRIPTION	ID/EVD
Cases 24198, 24199, 24205, 2420C:		
Exhibit A	Checklist	11/16
Exhibit B	Don Johnson's Affidavit	11/16
Exhibit B3	Ownership Comparison Overview	13/16
Exhibit B4	Development Comparison of Plans	13/16
Exhibit B5	West Half Development Map	13/16
Exhibit B6	Development Plan Re Surface Disturbance	13/16
Exhibit B7	West Half Development Plan	13/16
Exhibit B8	FME's Address to Takeaway Constraints	14/16
Exhibit B9	Water Takeaway Overview	14/16
Exhibit B10	Gas Takeaway Overview	14/16
Exhibit B11	Document Re Existing Pipeline Tie In	14/16
Exhibit B13	Timeline of Ball Development	14/16
Exhibit B14	Summary of Contacts	15/16
Exhibit B15(b)	Pool Party List	18/
Exhibit B15(d)	Pool Party List Continued	19/
Exhibit C	Ben Kessel's Self-Affirmed Declaration	12/16
Exhibit D	Corey McCoy's Affidavit	12/16

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E X H I B I T S (Cont'd)

NO.	DESCRIPTION	ID/EVD
Cases 24195, 24196, 24197, 24207:		
Exhibit A	Compulsory Pooling Checklist	30/33
Exhibit A1	Applications	30/33
Exhibit A2	Don Johnson's Affidavit	30/33
Exhibit A3	Don Johnson's Affidavit	30/33
Exhibit A4	Don Johnson's Affidavit	30/33
Exhibit A5	Don Johnson's Affidavit	30/33
Exhibit A6	Don Johnson's Affidavit	30/33
Exhibit A7	Don Johnson's Affidavit	30/33
Exhibit B	Ben Kessel's Affidavit	30/33
Exhibit C	Declaration of Deana Bennett, Affidavit of Publications, Sample Notice Letter, Mailing List, Certified Tracking List	32/33

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P R O C E E D I N G S

MR. DEBRINE: Good morning, Mr. Hearing Examiner. Earl DeBrine, with the Modrall Sperling Firm, on behalf of Franklin Mountain Energy 3, LLC, in case numbers 24198, 24199, 24205, and 24206.

MR. FELDEWERT: Michael Feldewert, for the Office of Holland & Hart, appearing on behalf of MRC Permian.

THE HEARING EXAMINER: Morning.

MS. PENA: And Yarithza Pena, on behalf of Modrall Sperling, with Franklin Mountain Energy in cases 24195, 96, 97, and 207.

MS. LUCK: And good morning, Mr. Hearing Examiner. Kaitlyn Luck, with the Santa Fe Office of Beatty and Wozniak, on behalf of Marathon Oil Permian.

THE HEARING EXAMINER: Thank you. Good morning. So I want to go to Marathon and MRC first. What is your involvement in these cases?

MR. FELDEWERT: Mr. Examiner, we have -- MRC has dismissed its competing pooling cases. We've also rescinded our objection to the matter proceeding by affidavit. I do have just a couple of questions for their land witness.

THE HEARING EXAMINER: Thank you.

1 Ms. Luck?

2 MS. LUCK: And the same is true for
3 Marathon. There were previously competing pooling
4 applications, but Marathon has now withdrawn its
5 application and the competing pooling applications and
6 is simply here to monitor the case. No questions will
7 be asked.

8 THE HEARING EXAMINER: Have you had a
9 chance to review the exhibits, Ms. Luck?

10 MS. LUCK: Yes. And there is no
11 objection to any of the exhibits.

12 THE HEARING EXAMINER: Okay. I
13 appreciate that. All right. Do the parties want to
14 work on the east half or the west half first?

15 MR. FELDEWERT: We'll proceed with the
16 west half first.

17 THE HEARING EXAMINER: Okay. So which
18 case numbers are the west half?

19 MR. FELDEWERT: That's 24198, 24199,
20 24205, and 24206.

21 THE HEARING EXAMINER: All right.
22 Please proceed.

23 MR. FELDEWERT: Good morning, Mr.
24 Hearing Examiner. In these four cases, FME3 seeks to
25 pool uncommitted interest for 320-acre horizontal

1 spacing units comprised of the east half of the west
2 half of sections 20 and 29 in townships 18 south,
3 range 35 east in Lea County, which is located
4 approximately 17 miles west of Hobbs.

5 These cases cover both Bone Spring and
6 Wolfcamp formations and are companion cases to the
7 ones Ms. Pena is going to present with regard to the
8 east half of sections 20 and 29.

9 In the case number 24198, it's a
10 Wolfcamp case in the east half west half for the Ball
11 State 702H and Ball State 802H wells. The 24199 case
12 is a Bone Spring case for the east half west half for
13 the Ball State 302H and Ball State 602H wells.

14 And for these two wells, although the
15 horizontal spacing unit will be orthodox, it's going
16 to overlap with an existing Bone Spring spacing unit
17 located in the east half west half of section 20 for
18 160-acre horizontal spacing unit dedicated to COG
19 operating's Condor State 002 well.

20 In case 24205, it's a Bone Spring case
21 in the west half of the west half, involving the Ball
22 State 301H and Ball State 601H wells to be
23 horizontally drilled.

24 And that will also overlap two existing
25 Bone Spring spacing units, which are 160 acres, HS

1 Hughes, comprised of the west half of the west half of
2 section 20 dedicated to the COG Condor State 001 well
3 and Marathon Oil Permian's Nighthawk State COM 001H
4 well.

5 And the last case 24206 is a Wolfcamp
6 in the west half for the west half, the Ball State
7 Comm 701H well and for the Ball State Comm 801H well.

8 For these cases, FME3 timely filed its
9 exhibits on August 20. They were set for contested
10 hearing cases, and I'd frankly like to express our
11 frustration. We have here today to testify live, even
12 though these will be affidavit cases, Don Johnson,
13 FME3's landman and, Ben Kessel, FME3's geologist.

14 And this is the third time where we've
15 had to come before the division where MRC Permian had
16 filed competing cases. And then just like Charlie
17 Brown and Lucy with the football, right when exhibits
18 are due, the football gets pulled out.

19 And then even though we put a lot of
20 time and effort into a contested case, it ends up
21 being an affidavit case. So just wanted to express
22 that frustration, but we're here today to present
23 these cases by affidavit and also make our witnesses
24 available.

25 They wanted to come down to show the

1 division they are. This is an important area of
2 development for the company, and they wanted to be
3 here to express their commitment to this location and
4 the development plan that they put forward for these
5 cases and the other cases in the same general area
6 that we've appeared before the division over the last
7 three months.

8 So we have today -- we presented an
9 exhibit package with the standard exhibits.

10 Exhibit B is the land -- Exhibit A is
11 the checklist.

12 (Exhibit A was marked for
13 identification.)

14 Exhibit B is the landman, Don
15 Johnson's, affidavit or self-declaration, who has
16 previously testified before the division and his
17 credentials accepted as a matter of record.

18 (Exhibit B was marked for
19 identification.)

20 Also is Exhibit C, which is the
21 geologist's self-affirmed declaration of Ben Kessel,
22 who is FME's director of geology, who has also
23 previously testified before the division, whose
24 credentials as a petroleum geologist were accepted as
25 a matter of record.

1 (Exhibit C was marked for
2 identification.)

3 And also, because this was going to be
4 a contested hearing, we presented an affidavit of a
5 petroleum engineer, Mr. Corey McCoy, and that is
6 Exhibit D in the exhibit package.

7 (Exhibit D was marked for
8 identification.)

9 And he has also testified before the
10 division and his credentials accepted as a matter of
11 record. The suite of exhibits consists of the
12 standard exhibits of the landman, the location map,
13 the development plan.

14 And because this was going to be a
15 contested case, some of the exhibits have a broader
16 development plan in comparison of the plan that was
17 put forward by MRC, which I think are helpful for the
18 division to understand why this is a sound development
19 plan and is going to be protective of correlative
20 rights and that FME is a recognized, experienced
21 operator in the area.

22 They have invested a substantial amount
23 of money, \$24 million and another \$20 million in both
24 water and gas takeaway infrastructure because there
25 are constraints in this area.

1 They've invested substantial amounts of
2 money and are committed to their development plan for
3 this area. Exhibit B3 is an ownership comparison
4 overview.

5 (Exhibit B3 was marked for
6 identification.)

7 B4 is a development comparison of the
8 two plans.

9 (Exhibit B4 was marked for
10 identification.)

11 Exhibit B5 was a development map for
12 the west half.

13 (Exhibit B5 was marked for
14 identification.)

15 B6 is a development plan showing that
16 it minimizes surface disturbances.

17 (Exhibit B6 was marked for
18 identification.)

19 B7 is the west half development plan,
20 shows it's going to clean up assets as part of the
21 plan. A well is going be plugged and an old tank
22 battery is going to be taken out.

23 (Exhibit B7 was marked for
24 identification.)

25 And Exhibit B8 shows how FME is going

1 to be addressing tech takeaway constraints.

2 (Exhibit B8 was marked for
3 identification.)

4 B9 is an exhibit demonstrating the
5 water takeaway overview and how that's going to be
6 alleviated.

7 (Exhibit B9 was marked for
8 identification.)

9 B10 is a gas takeaway overview and
10 shows how those constraints are going to be
11 alleviated.

12 (Exhibit B10 was marked for
13 identification.)

14 Exhibit B11 shows that this is going to
15 tie into an existing oil pipeline, which is going to
16 minimize the trucking of the oil product and result in
17 fewer trucks on the roads down there.

18 (Exhibit B11 was marked for
19 identification.)

20 Exhibit B3 is an overview of the number
21 of wells that FME3 has recently drilled out in this
22 area. Exhibit B13 is a timeline of the Ball
23 development.

24 (Exhibit B13 was marked for
25 identification.)

1 And Exhibit B14 is a summary of
2 contacts for all four cases.

3 (Exhibits B14 was marked for
4 identification.)

5 When we start with Exhibit B3, A
6 through D, these are the case specific exhibits for
7 each case. They consist of the application for each
8 case, the C102s, a lease track map and summary of
9 interest, the well proposal and AFEs, the pool parties
10 list, and then we go with the exhibits that I
11 described earlier.

12 The Exhibit C is the geologist
13 self-affirmed statement and the suite of exhibits.
14 Exhibit D is a self-affirmed statement of the
15 reservoir engineer with his suite of exhibits.

16 And we ask that the exhibits in case
17 numbers 24198, 24199, 24205 and 2420C be admitted into
18 evidence and the case taken under advisement. And we
19 will present Mr. Johnson and Mr. Kessel for any
20 questions the division might have or MRC's counsel
21 might have.

22 THE HEARING EXAMINER: Are there any
23 objections?

24 MR. DEBRINE: No, sir.

25 THE HEARING EXAMINER: And, Ms. Luck, I

1 believe you said no.

2 MS. LUCK: I'm sorry. No objections
3 from Marathon. Thank you.

4 THE HEARING EXAMINER: That's fine.
5 And, Ms. Luck, did you enter an appearance on the east
6 four or the east half?

7 MS. LUCK: Only the east half cases.

8 THE HEARING EXAMINER: All right, thank
9 you. Okay. Not hearing any objections, these
10 exhibits are admitted into evidence.

11 (Exhibits A, B, B3 through B11, B13,
12 B14, C, and D were received in
13 evidence.)

14 Mr. DeBrine, is Mr. McCoy also
15 available in case our technical examiner has
16 questions?

17 MR. DEBRINE: Yes, he's available
18 online for any questions.

19 THE HEARING EXAMINER: Okay, perfect.
20 All right. Let's begin with Mr. Feldewert.

21 Mr. Feldewert, you said you had
22 questions for the landman. Is that right?

23 MR. FELDEWERT: Yeah, I just have a
24 couple questions.

25 THE HEARING EXAMINER: All right, so

1 that's Mr. Johnson.

2 Mr. Johnson, would you come on up to
3 the microphone? Have a seat at the witness stand and
4 turn on the microphone. You've been here before, so I
5 think you know the routine.

6 Would you raise your right hand?

7 WHEREUPON,

8 DAVID JOHNSON,

9 called as a witness and having been first duly sworn
10 to tell the truth, the whole truth, and nothing but
11 the truth, was examined and testified as follows:

12 THE HEARING EXAMINER: All right.

13 Thank you, sir.

14 Okay, Mr. Feldewert?

15 DIRECT EXAMINATION

16 BY MR. FELDEWERT:

17 Q Good morning, Mr. Johnson. I want to ask
18 first off -- I mean, I heard your counsel complain
19 that we decided not to file or continue with our
20 competing applications. We dismissed them last week.

21 Were you aware that the examiner indicated
22 that you did not need to come to Santa Fe and that you
23 could appear by virtually if that's what you chose to
24 do?

25 A Yes --

1 MR. DEBRINE: I'll object that this
2 line of question is irrelevant to any of the issues in
3 the case.

4 MR. FELDEWERT: Well, it goes to your
5 statement at the beginning. They didn't have to show
6 up. They chose to show up.

7 THE HEARING EXAMINER: Okay. Hold on,
8 hold on. Mr. Feldewert, that comment made was during
9 an opening statement. It was not -- it had no
10 evidentiary weight whatsoever.

11 So I do sustain the objection. I don't
12 find it relevant, and I'm going to ask the court
13 reporter to strike the question and the answer.
14 Please proceed, Mr. Feldewert.

15 MR. FELDEWERT: Okay.

16 BY MR. FELDEWERT:

17 Q Mr. Johnson, I've looked at the exhibits
18 here this morning, and what I noticed was that when I
19 look at your pool party list, so if I look, for
20 example, on page 53 of your 154-page PDF, which is
21 B15(b), I don't see MRC Permian listed as an interest
22 owner in any of the tracts.

23 (Exhibit B15(b) was marked for
24 identification.)

25 And then when I look at page 59 of your PDF,

1 which is Exhibit B15(d), as in David, I don't see MRC
2 Permian listed as a party to be pooled. Can you
3 explain to me what's going on?

4 (Exhibit B15(d) was marked for
5 identification.)

6 A Let's see the exhibits.

7 MR. FELDEWERT: If I may approach the
8 witness to show him the exhibits, or I can share.
9 Whichever's easier.

10 THE HEARING EXAMINER: No, thank you,
11 Mr. Feldewert.

12 So, Mr. Johnson, when you look at that
13 document, would you explain the exhibit number that
14 you're looking at before you answer the question?

15 THE WITNESS: Can you tell me which
16 pages you were looking at again?

17 BY MR. FELDEWERT:

18 Q Sure. I'm looking at Exhibit B15(b), as in
19 boy, which is page number 24205. It's page 53 of your
20 154-page PDF. It involves the west half of the west
21 half of the acreage.

22 And you have tracts listed and then you have
23 uncommitted working interest donors. I'm not sure
24 where they own in a particular track, but what caught
25 my attention is I don't see MRC Permian listed.

1 A Okay. So COG Operating is listed, and when
2 we originally proposed these wells, COG Operating
3 owned the interest in there.

4 It looks like these exhibits were not
5 updated with the MRC Permian name that they acquired
6 from COG Operating. So it doesn't look like that part
7 of the exhibit was updated.

8 Q So then that would explain if I go down to
9 B15(d) as in David, which is page 59 of the PDF --

10 THE HEARING EXAMINER: Can we hold on
11 just a second because I don't see these exhibit
12 numbers that Mr. Feldewert is referring to.

13 So, Mr. DeBrine, can you explain to me
14 where would I find B15 -- I see B15C, and I know
15 that he was discussing B15(b), but where is B15(d)?

16 MR. DEBRINE: It is page 48 in the
17 exhibit package.

18 THE HEARING EXAMINER: It's above?

19 MR. DEBRINE: It's on page 53 of the as
20 filed numbers --

21 THE HEARING EXAMINER: Okay.

22 MR. DEBRINE: -- under divisions.

23 THE HEARING EXAMINER: Okay. Give me a
24 minute to get there. Hold on. So you're saying that
25 D is above B as in boy?

1 MR. DEBRINE: Oh, I thought you said --
2 D is actually on page 59.

3 THE HEARING EXAMINER: Yes. That's
4 what I'm looking for, so let me get to page 59. I'm
5 on page 59 of page 154, but I don't see where it's
6 marked as B.

7 MR. DEBRINE: Down at the bottom, it
8 says Exhibit B15(d) --

9 THE HEARING EXAMINER: It doesn't have
10 a black exhibit sticker on it then --

11 MR. DEBRINE: It does, at least in what
12 I'm looking at.

13 THE HEARING EXAMINER: Okay. Let me
14 get there.

15 Okay. I'm here now, and it is page 59
16 of 154. Okay. I'm with you now.

17 MR. DEBRINE: And the top is it says
18 Ball west half west half full party.

19 THE HEARING EXAMINER: I see it.
20 Okay. Mr. Johnson, did you hear the
21 question?

22 THE WITNESS: Yes, I did. Well, not on
23 the 15C exhibit.

24 THE HEARING EXAMINER: Well, we're on
25 15D. Yeah.

1 THE WITNESS: Yep.

2 THE HEARING EXAMINER: So, Mr.
3 Feldewert, would you repeat your question?

4 MR. FELDEWERT: Certainly.

5 So since we're on B15(d), in looking at
6 that exhibit --

7 THE HEARING EXAMINER: You said B as in
8 boy or D as in David? Because I'm on D now as in
9 David.

10 MR. FELDEWERT: Yeah, D, 15(d) as in
11 David.

12 THE HEARING EXAMINER: Okay, thank you.
13 BY MR. FELDEWERT:

14 Q I see, I think Mr. Johnson, if I'm
15 understanding it, the exhibits had not been updated to
16 replace COG Operating with MRC Permian. Is that
17 right?

18 A That is what it looks like, yes.

19 Q Okay.

20 A I'm not sure where that happened, but when
21 we originally prepared these exhibits, it was March of
22 this year, and we have updated it. It just didn't
23 show up in these exhibits.

24 MR. DEBRINE: And, Mr. Hearing
25 Examiner, we'd be happy to submit a new exhibit if one

1 is needed or just amended as indicated in the record.
2 MRC obviously was provided notice of the hearing, and
3 there's no issue with regard to notice.

4 THE HEARING EXAMINER: Okay. We'll
5 talk about how you're going to submit an amended
6 exhibit packet at the end of the hearing. Thank you,
7 Mr. DeBrine.

8 Mr. Feldewert?

9 BY MR. FELDEWERT:

10 Q So then just to wrap things up, Mr. Johnson,
11 if I go back to B15(b) as in boy. Let me know when
12 you're there.

13 A I'm there.

14 Q And I see a 25 percent interest in the
15 proposed west half, west half spacing unit for COG
16 Operating. That would be the interest that your title
17 records show MRC holding in that particular spacing
18 unit?

19 A Yes.

20 Q And would the same then be true for the
21 exhibits for the east half of the west half spacing
22 unit that we would -- if we see COG Operating with an
23 interest, that that is the interest attributable based
24 on your title to MRC?

25 A That is correct. MRC acquired all of their

1 interest in this unit from COG Operating.

2 MR. FELDEWERT: Okay, all right. Thank
3 you very much.

4 Mr. Examiner, that's all the questions
5 I had.

6 THE HEARING EXAMINER: Okay. So, Mr.
7 Feldewert, that last question, did that pertain to
8 different cases that we're not dealing with right now?

9 MR. FELDEWERT: No, it should pertain
10 to all four cases that you called here for a hearing.

11 THE HEARING EXAMINER: I thought I
12 heard something about instead of the west half of the
13 west half, I thought that your last question went to
14 the east half.

15 MR. FELDEWERT: It went to the east
16 half of the west half.

17 THE HEARING EXAMINER: I thought that
18 the east half of the west half was different case
19 numbers. Is that not correct?

20 MR. FELDEWERT: That is --

21 MR. DEBRINE: No. These are all the
22 west half, but it's the west half of the west half and
23 east half of the west half. Ms. Pena is going to
24 present cases just involving the east half of the
25 section.

1 THE HEARING EXAMINER: Right. And
2 didn't Mr. Feldewert just ask a question about the
3 east half interest?

4 MR. DEBRINE: Of the west half. Right.

5 MR. FELDEWERT: Yes.

6 THE HEARING EXAMINER: So doesn't that
7 pertain to different case numbers?

8 MR. DEBRINE: It's these cases though.

9 THE HEARING EXAMINER: It's these cases
10 though?

11 MR. DEBRINE: Yes. It's still in the
12 west half. It's just the east half of the west half.

13 THE HEARING EXAMINER: Okay, all right.
14 Thank you. Okay, Mr. Feldewert, thank you.

15 I have a question, Mr. Johnson, before
16 we go to our technical examiner. So these two
17 exhibits were not updated. What other exhibits in
18 this packet for these four cases could possibly be
19 affected with old information?

20 THE WITNESS: All the information that
21 we have has not changed besides MRC being the owner.

22 THE HEARING EXAMINER: So that's the
23 only change?

24 THE WITNESS: Yes. Yes, that we're
25 aware of in title.

1 THE HEARING EXAMINER: Okay. All
2 right.

3 Let's turn now to Mr. McClure.

4 MR. MCCLURE: I have no questions for
5 any of these four cases, Mr. Hearing Examiner.

6 THE HEARING EXAMINER: Okay, thank you.
7 Mr. DeBrine, any redirect?

8 MR. DEBRINE: No.

9 THE HEARING EXAMINER: Okay, very good.
10 So the hearing record will remain open
11 now, and we can't take these cases under advisement
12 until you submit corrected exhibits. Please mark the
13 document as amended exhibits, first amended, however
14 you want but amended exhibits.

15 We're going to remove this 154-page
16 document once we get your amended exhibits. Please
17 include a cover letter.

18 MR. DEBRINE: Okay. We'll submit the
19 full suite --

20 THE HEARING EXAMINER: Yes.

21 MR. DEBRINE: -- with amended exhibits.

22 THE HEARING EXAMINER: With a cover
23 letter explaining what you're changing.

24 MR. DEBRINE: We'll do so.

25 THE HEARING EXAMINER: Okay. Now, Mr.

1 Feldewert, were there any questions for the geologist,
2 Mr. Kessel, who's here? I think you said no. And --

3 MR. FELDEWERT: No, sir. Sorry about
4 that --

5 THE HEARING EXAMINER: Okay. And what
6 about the reservoir engineer?

7 MR. FELDEWERT: I have no questions
8 for --

9 THE HEARING EXAMINER: Very good.

10 Mr. McClure, before we move on from
11 these cases, are there any questions for Mr. Kessel or
12 the reservoir engineer?

13 MR. MCCLURE: Mr. Hearing Examiner, I
14 have no questions for either of the other two
15 witnesses.

16 THE HEARING EXAMINER: Okay, very good.
17 Mr. Johnson, thank you.

18 Okay. Mr. DeBrine, we're in recess on
19 these on these four cases, and we will take them under
20 advisement once we've received the amended exhibit
21 packet. How long would it take to submit it?

22 MR. DEBRINE: We'll definitely get
23 those to you by Friday.

24 THE HEARING EXAMINER: And today's
25 Tuesday.

1 MR. DEBRINE: Yes.

2 THE HEARING EXAMINER: So you need
3 until Friday to change these two exhibits? Okay, all
4 right.

5 MR. DEBRINE: It's only because the
6 witnesses are going to be traveling back to Denver.

7 THE HEARING EXAMINER: No problem. So
8 that would be close of business on the 30th of August.

9 And, Freya, would you do a calendar
10 reminder for that?

11 MS. TSCHANTZ: Yeah.

12 THE HEARING EXAMINER: Okay, thank you.

13 We're in recess on these four cases.

14 I'm now going to call the other cases today. So Ms.
15 Pena, I think I've already called the cases, and
16 you've entered an appearance. Why don't you tell the
17 division which cases you're handling?

18 MS. PENA: Of course, thank you. These
19 cases are the east half, and it is 24195, 24196,
20 24197, and 24207.

21 THE HEARING EXAMINER: Do you want to
22 give an opening statement?

23 MS. PENA: Yes, I can just do a brief
24 rundown of these pieces.

25 THE HEARING EXAMINER: Please.

1 MS. PENA: These are companion cases
2 that encompass the east half of sections 20 and 29 in
3 Township 18 South, Branch 35 East, in Lea County, New
4 Mexico. And their companion cases with the west half
5 that Mr. DeBrine presented earlier.

6 In case 24195, Franklin seeks an order
7 pooling all uncommitted interest in a Wolfcamp
8 standard horizontal spacing unit in the west half east
9 half of sections 20 and 29 and will be dedicated to
10 the Ball State Comm 703H and 803H wells.

11 In 24196, Franklin seeks also approval
12 of an overlapping spacing unit, and an order pooling
13 all uncommitted interest in the Bone Spring standard
14 horizontal spacing unit, in the west half east half of
15 sections 20 and 29, and this will be dedicated to the
16 Ball State Comm 303H and 603H wells.

17 In 24197, Franklin seeks an order
18 pooling all uncommitted interest in a Wolfcamp
19 horizontal spacing unit in the east half east half of
20 sections 20 and 29 and seek to dedicate the spacing
21 unit to the Ball State 704H and 804H wells.

22 And finally, in 24207, Franklin seeks
23 approval of an overlapping spacing unit and an order
24 pooling all uncommitted interest in another Bone
25 Spring standard horizontal spacing unit in the east

1 half east half of sections 20 and 29 and dedicate the
2 spacing unit to the Ball State Comm 304H and 604H
3 wells.

4 We timely filed four exhibit packets
5 last week for these cases and in each exhibit packet,
6 we included the standard set of exhibits. Exhibit A
7 contains the compulsory pooling checklist.

8 (Exhibit A was marked for
9 identification.)

10 Exhibit A1 contains the applications.

11 (Exhibit A1 was marked for
12 identification.)

13 Exhibits A2 through A7 contain the
14 affidavit of Don Johnson, the landman for Franklin who
15 has previously testified before the division.

16 (Exhibits A2 through A7 were marked for
17 identification.)

18 And his exhibits include the standard
19 set of land exhibits. Exhibits in tab B contain the
20 affidavit of Ben Kessel, the director of geology for
21 Franklin, who has also previously testified before the
22 division.

23 (Exhibit B was marked for
24 identification.)

25 THE HEARING EXAMINER: Ms. Pena?

1 MS. PENA: Yes.

2 THE HEARING EXAMINER: It says Ben
3 Metz.

4 MS. PENA: Yes. I included a typo in
5 the table of contents in these four cases. So if
6 needed, we would also amend the table of contents, but
7 the statement is by Mr. Kessel and his exhibits.

8 THE HEARING EXAMINER: What page number
9 is it?

10 MS. PENA: The table of contents or?

11 THE HEARING EXAMINER: What page number
12 is Mr. --

13 MS. PENA: Mr. Kessel's?

14 THE HEARING EXAMINER: -- Kessel's?
15 Yeah.

16 MS. PENA: Yes. That is on page 24 of
17 60 of each exhibit packet. Yes, or the page numbers
18 that we include are 26 at the bottom of the page, but
19 the OCD imaging numbers are 28 of 60.

20 THE HEARING EXAMINER: Okay. Is there
21 a reason why this document is not signed by Mr. Kessel
22 or dated?

23 MS. PENA: I think we included the
24 signature page, but following the blank page, it's his
25 signature page.

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1 THE HEARING EXAMINER: Okay, I see it
2 now. Okay, we're fine still.

3 MS. PENA: Okay, thank you.

4 THE HEARING EXAMINER: Nothing requires
5 amendment.

6 MS. PENA: Okay, thank you. After his
7 affidavit on tab B of each exhibit packet are the
8 standard set of geology exhibits for each formation.

9 And finally, in -- exhibits in tab C
10 contain the standard notice exhibits, including the
11 declaration of Ms. Deana Bennett and the affidavit of
12 publication, sample notice letter, mailing list, and
13 certified tracking list.

14 (Exhibit C was marked for
15 identification.)

16 At this point I would ask that the
17 exhibits for all four cases 24195 through 24197 and
18 24207 be admitted into the record and that these cases
19 be taken under advisement.

20 And our landman and geologists are here
21 today if there are any questions.

22 THE HEARING EXAMINER: Okay. Are there
23 any objections? Hearing none, your exhibits are
24 admitted into evidence with the corrections noted that
25 you just made.

1 (Exhibits A, A1, A2 through A7, B, and
2 C were received in evidence.)

3 Let's start with any of the parties.

4 Well, Ms. Luck, you withdrew your
5 appearance, so I guess you're not -- you're just
6 monitoring, so we'll leave that alone.

7 MS. LUCK: That's correct.

8 THE HEARING EXAMINER: Mr. Feldewert, I
9 don't know that you have an interest in this half. Do
10 you? Maybe you're not here anymore. Okay, you're
11 gone.

12 Okay, let's go to Mr. McClure. Mr.
13 McClure, are there any questions in these set of
14 cases?

15 MR. MCCLURE: Mr. Hearing Examiner, I
16 have no questions for any of these four cases.

17 THE HEARING EXAMINER: Okay, fantastic.
18 Thank you.

19 Okay, Ms. Pena, these cases will be
20 taken under advisement. Thank you.

21 MS. PENA: Thank you.

22 THE HEARING EXAMINER: You're welcome.

23 And thank you to the witnesses for
24 traveling to Santa Fe, and unless there's anything
25 else we'll be in -- we're off the record then.

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THE REPORTER: I am off the record.
It's 10:58.

(Whereupon, at 10:58 a.m., the
proceeding was concluded.)

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CERTIFICATE

I, DOUGLASS BRESHIN, the officer before whom the foregoing proceedings were taken, do hereby certify that any witness(es) in the foregoing proceedings, prior to testifying, were duly sworn; that the proceedings were recorded by me and thereafter reduced to typewriting by a qualified transcriptionist; that said digital audio recording of said proceedings are a true and accurate record to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

September 10, 2024



DOUGLASS BRESHIN
Notary Public in and for the
State of New York

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CERTIFICATE OF TRANSCRIBER

I, ALEXIS GALLO, do hereby certify that this transcript was prepared from the digital audio recording of the foregoing proceeding, that said transcript is a true and accurate record of the proceedings to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.
September 10, 2024



ALEXIS GALLO

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[four - included]

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