

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:

Case Nos. 21438, 21441, 21443

Application of Franklin Mountain
Energy for compulsory pooling,
Lea County, New Mexico.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

THURSDAY, OCTOBER 22, 2020

This matter came on for hearing before the
New Mexico Oil Conservation Division, FELICIA ORTH,
Hearing Examiner, LEONARD Lowe, Technical Examiner,
via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1 A P P E A R A N C E S.

2 For FRANKLIN MTN. PERMIAN: Deana Bennett, Esq.
3 Modrall, Sperling
4 500 4th Street NW, #1000
5 Albuquerque, NM 87102
6 (505) 848-1834
7 deana.bennett@modrall.com

8 FOR COG OPERATING, LLC: Michael Rodriguez, Esq.
9 1048 Paseo de Peralta
10 Santa Fe, NM 87501
11 (505) 780-8000
12 mrodriguez@concho.com

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1 (Time noted: 8:21 a.m.)

2 HEARING EXAMINER ORTH: Let's move to the next
3 three matters 21438. Franklin Mountain is the applicant.
4 It's Compulsory Pooling Applications. Bus Driver is the
5 well.

6 And who here is from Modrall Sperling on
7 behalf of Franklin Mountain for the Bus Driver well?

8 MS. BENNETT: Good Morning, Madam Examiner.
9 This is Deana Bennett of Modrall Sperling on behalf of
10 Franklin Mountain Energy.

11 HEARING EXAMINER ORTH: Then 21441 and 21443,
12 still Franklin Mountain is the Applicant and another
13 compulsory pooling application in this case is the Judge
14 Baylor --

15 (Note: Reporter interruption.)

16 HEARING EXAMINER ORTH: Thank you, Ms.
17 Macfarlane. I've been trying to pay attention to the
18 muting here but let me make sure I still have my finger on
19 the button.

20 All right. Let's see. Where was I? 21441
21 and 21443, Franklin Mountain is the applicant, and the
22 well name is Judge Baylor.

23 Ms. Bennett, I take it you are still
24 representing Franklin Mountain Energy.

25 MS. BENNETT: That's correct, Madam Examiner.

1 Deana Bennett on behalf of Franklin Mountain Energy.

2 HEARING EXAMINER ORTH: All right. Thank you.

3 Then COG entered an appearance. Mr.

4 Rodriguez, I see you out here.

5 MR. RODRIGUEZ: Yes, ma'am. Michael Rodriguez
6 with COG operating, LLC.

7 HEARING EXAMINER ORTH: All right. Thank you.

8 Let me pause for a moment to see if there
9 are any other appearances. No?

10 If you would, Ms. Bennett. Are we
11 proceeding by affidavit?

12 MS. BENNETT: Yes, Madam Examiner, I am. And
13 it's my understanding that Concho does not oppose these
14 cases going by affidavit.

15 MR. RODRIGUEZ: That is correct.

16 HEARING EXAMINER ORTH: All right. Thank you,
17 Mr. Rodriguez.

18 If you would, please, Ms. Bennett.

19 MS. BENNETT: Thank, you Madam Examiner. These
20 three cases are companion cases to the four cases that I
21 put on on behalf of Franklin Mountain Energy on October
22 8th, 2020, and these three cases were continued at
23 Concho's request to today's docket. So they are part and
24 parcel of Franklin Mountain Energy's development plan that
25 I presented on October 8th.

1 These three cases -- well, I'll go through
2 each of the three packets individually, but each of the
3 three packets is set up the same way. The packets have
4 the affidavit of the landman, Shelley Albrecht. And Ms.
5 Albrecht has testified before the Division and her
6 credentials have been accepted as a matter of record. The
7 exhibits also contain the geology study prepared by Ben
8 Kessel, and Ben Kessel is the Franklin Mountain Energy
9 geologist who has testified before the Division, and his
10 credentials have been accepted as a matter of record.

11 The packets also each contain a compulsory
12 pooling checklist which is Tab A of each of the packets,
13 and you'll see that I have signed a receipt of the
14 compulsory pooling checklist.

15 And then included in each of Ms. Albrecht's
16 Albrecht's affidavit are the Notice materials, and the
17 Notice materials contain my affidavit where I certify that
18 I did provide Notice of this hearing along with a copy of
19 the application, as required by the Division's rules, as
20 well as a Notice of Publication. And the Publication
21 Notices were all timely filed.

22 So with that overview, I'll start with Case
23 No. 21438 which is the Bus Driver Fed. Com 602H well.

24 This is a Bone Spring well, and in this
25 case Franklin Mountain Energy is seeking to pool the Bone

1 Spring interest underlying the east half/west half of
2 Sections 1 and 12, and the northeast quarter/northwest
3 quarter of Section 13, Township 26 South, Range 35 East.
4 And this is will be 360-acre spacing unit. It's a
5 standard unit.

6 Exhibit B contains Ms. Albrecht's
7 affidavit, and behind Exhibit B are the exhibits you would
8 expect to see. We have included a development overview, a
9 copy of the application, the C-102s.

10 Exhibit B-4 contains the lease tract map,
11 along with the unit recapitulation showing the owners and
12 their various percentages in the unit.

13 Exhibit B-5 is the summary of contacts.

14 B-6 is the Proposal Letter.

15 B-7 is the AFE.

16 B-8 is my Affidavit of Notice.

17 And again here you'll see the specs. We
18 have a locator map, a Gun Barrel view of the development
19 plan, and then the geology study for this specific well,
20 which includes a structure map, a cross section locator
21 map, the cross section itself showing the logs that the
22 geologist used. He testifies that he -- in his opinion
23 the wells that he selected are representative of the Bone
24 Spring.

25 And then the Snee-Zoback excerpt which is

1 his justification for the orientation of the well in this
2 area.

3 I think I'll stop there and ask that the
4 exhibits in Case No. 21438 be accepted into the record and
5 that this case be taken under advisement.

6 HEARING EXAMINER ORTH: All right. Thank you,
7 Ms. Bennett.

8 Mr. Lowe, do you have questions?

9 EXAMINER LOWE: No, I do not at this time.
10 Thank you.

11 HEARING EXAMINER ORTH: All right. Thank you.
12 The exhibits are accepted and Matter 21438 is taken under
13 advisement.

14 MS. BENNETT: Thank you, Madam Examiner.

15 With that I'll turn to Case No. 21441,
16 which is also a Bone Spring well. This well, though, is
17 in the west half/west half of Sections 1 and 12, Township
18 26 South, Range 35 East, in Lea County

19 This packet contains the same materials.
20 Behind Tab B are the exhibits prepared by the landman,
21 Shelley Albrecht, including the lease tract map, unit
22 recapitulation, summary of contacts, proposal letter and
23 AFEs, and my Notice affidavit.

24 And then Tab C has the exhibits of the
25 geologist. And again there we have the locator map, the

1 Gun Barrel, the structure map, the cross reference wells
2 that Mr. Kessel used, the cross section that he prepared
3 based on those wells, an isopach, and the excerpt from the
4 Snee-Zoback paper providing his justification for the
5 orientation of the well.

6 If there are no questions about this
7 packet, I would ask that the exhibits in Case No. 21441 be
8 admitted into the record and that this case be taken under
9 advisement.

10 HEARING EXAMINER ORTH: All right. Thank you,
11 Ms. Bennett.

12 Mr. Rodriguez, I forgot to call on you in
13 connection with the last packet. Did you have any
14 questions about Matter 21438 or 21441?

15 MR. RODRIGUEZ: No questions, Madam Examiner.

16 HEARING EXAMINER ORTH: Thank you.

17 Mr. Lowe, do you have questions around
18 21441?

19 EXAMINER LOWE: No, I do not. Thank you.

20 HEARING EXAMINER ORTH: All right. Thank you.

21 The exhibits are admitted and the matter is
22 taken under advisement.

23 MS. BENNETT: Thank you, Madam Examiner. I'll
24 now turn to Case No. 21443, which is the Judge Baylor Fed.
25 Com 701H well, and this is a Wolfcamp well.

1 And in this case Franklin Mountain Energy
2 seeks to pool interests underlying the west half/west half
3 of Sections 1 and 12, Township 26 South, Range 35 East,
4 Lea County, New Mexico. Again this is a standard spacing
5 unit.

6 In this packet, like the other two packets
7 I just discussed, we have Exhibit B, which is the
8 affidavit of the landman Shelley Albrecht, and behind her
9 Exhibit B are the land -- excuse me the land exhibits,
10 including the lease tract map and unit recapitulation. It
11 also includes a Summary of Contacts, the Proposal Letter,
12 AFE, C-102. And then behind all of that is my
13 affidavit showing that Notice was timely provided

14 Exhibit C contains the affidavit of the
15 geologist as well as his geology study, which includes a
16 locator map, a gun barrel view of the development plan.
17 It also includes his geology study for this particular
18 well, which includes a structure map, a map showing the
19 cross section wells that he used, which he testifies are
20 representative of the Wolfcamp in this area, the logs and
21 cross section that he prepared from the wells, as well as
22 isopach or isocore.

23 And finally he includes an excerpt from the
24 Snee-Zoback paper which provides the basis for his
25 justification for the orientation of the well.

1 I forgot to mention that each of these
2 packets also includes a list of the parties Franklin
3 Mountain Energy is seeking to pool in these matters.

4 With that, Madam Examiner, I will stand for
5 questions but I also ask that the exhibits in Case No.
6 21443 be admitted into the record and that case 21443 be
7 taken under advisement.

8 HEARING EXAMINER ORTH: Thank you, Ms.
9 Bennett.

10 Mr. Rodriguez, did you have any questions
11 around 21443?

12 MR. RODRIGUEZ: No questions, Madam Examiner.

13 HEARING ORTH: Thank you.

14 Mr. Lowe.

15 EXAMINER LOWE: I have -- I just went to the
16 exhibits super fast, what I'm trying to look at here.

17 Uhm, on your -- your exhibits, page 11
18 which is indicated as B-1, which is basically your -- the
19 one I'm looking at is your Bone Springs unit and your
20 Wolfcamp unit. Just for clarification on my end, that
21 area in white which is the -- appears to be, I'm assuming
22 80 acres,--

23 MS. BENNETT: Uh-huh.

24 EXAMINER LOWE: -- is that area being excluded?
25 Is that what you're indicating there?

1 MS. BENNETT: No, that area is not being
2 excluded. That is just to indicate that Franklin Mountain
3 does not have a leasehold interest in those 80 acres but
4 they are seeking to pool those, that acreage. But that's
5 the subject of the cases that went on October 8th.

6 EXAMINER LOWE: Okay. All right.

7 Another question, more like a request. In
8 your exhibits, when you submit them, can you -- are you
9 able to add marks or bookmark your exhibits so it will be
10 easier to, when you reference Exhibit A, Exhibit B, C,
11 whatever, that they are easily bookmarked? Is that
12 something that you can do?

13 MS. BENNETT: I could definitely give that a
14 shot. I'm always happy to make our exhibits in any way
15 easier to work through, especially in these digital times,
16 so I'm happy to give that a shot.

17 And what you're asking, just so I'm clear,
18 Mr. Lowe, is that if I mention Exhibit A you could just
19 click on a bookmark that would take you directly to
20 Exhibit A --

21 EXAMINER LOWE: Yes.

22 MS. BENNETT: -- or Exhibit B or Exhibit C.

23 EXAMINER LOWE: Yes.

24 MS. BENNETT: I'm sure I can do that. Well, I'm
25 not sure but I'm sure I'll try.

1 EXAMINER LOWE: All right. That's all the
2 questions I have. Thank you.

3 MS. BENNETT: Thank you.

4 HEARING EXAMINER ORTH: Thank you, Mr. Lowe and
5 Ms. Bennett.

6 Your exhibits are admitted and the matter
7 of 21443 is taken under advisement.

8 MS. BENNETT: Thank you very much.

9 (Time noted 8:33 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, October
8 22, 2020, the proceedings in the above-captioned matter
9 were 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

19

20

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NM Certified Court Reporter No. 122
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