

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. 22819

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  
500 4th 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, LLC:

MODRALL SPERLING ROEHL HARRIS & SISK PA  
PO Box 2168  
Albuquerque, New Mexico 87103-2168  
505-848-1800  
BY: BRYCE H. SMITH  
bryce.smith@modrall.com

I N D E X

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| CASE CALLED             |      |
| HEARING                 | 3    |
| CERTIFICATE OF REPORTER | 7    |

EXHIBITS

| NUMBER | PAGE ADMITTED |
|--------|---------------|
| A      | 6             |
| B      | 6             |
| C      | 6             |

1 HEARING OFFICER BRANCARD: We will move on  
2 to Case 22819.

3 Are there any other interested persons  
4 here for Case 22819?

5 Hearing none, Mr. Smith you may move  
6 forward.

7 MR. SMITH: Thank you, Mr. Examiner.

8 Again, Bryce Smith with Modrall Sperling  
9 on behalf of the applicant Franklin Mountain Energy,  
10 LLC. As previously mentioned this is a companion  
11 case to active Bone Spring and Wolfcamp orders in  
12 the same acreage.

13 In this case, 22189, Franklin is seeking  
14 an order from the Division pooling all committed  
15 mineral interests in a 360-acre Leonard horizontal  
16 spacing unit underlying the east half of the west  
17 half of Sections 1 and 12 and then the northeast  
18 quarter of the northwest quarter of Section 13,  
19 Township 26 South, Range 35 East, Lea County.

20 Franklin timely filed its affidavit on  
21 May 31st and Tab A is the compulsory pooling  
22 checklist.

23 Along with that is Tab B which is the  
24 declaration of expert professional landman Ilona  
25 Hoang and as a few moments ago, her credentials were

1 accepted as a matter of record.

2 Behind her declaration you will find the  
3 applications and C102s for the well. You'll also  
4 find the lease tract map, summary of interest and  
5 the parties to be pooled.

6 Again, with this case, Franklin recently  
7 entered into a voluntary agreement with COG  
8 Operating, LLC. So we'll be submitting an updated  
9 Exhibit B4 to reflect that.

10 Included with the exhibits is -- the  
11 landman exhibits is the summary of contacts with the  
12 working interest owner as well as a sample of the  
13 well proposal letter and the AFEs.

14 Lastly is a notice affidavit prepared by  
15 this firm which shows notice was timely mailed on  
16 May 12, 2022. And out of an abundance of caution,  
17 we also published in the newspaper on May 15 and the  
18 affidavit from -- the newspaper affidavit of  
19 publication is included as well.

20 Lastly in the exhibit packet is Tab C,  
21 which is the declaration of expert petroleum  
22 geologist Ben Kessel. Mr. Kessel has previously  
23 testified before the Division and his credentials  
24 have been accepted as a matter of record.

25 With Mr. Kessel's declaration is the

1 typical suite of geology exhibits including the  
2 locator map, the well bore schematic, the geology  
3 study of the well and the optimal stress orientation  
4 showing that north-south is the optimal orientation  
5 of the area.

6 With that, Mr. Examiner, I would stand for  
7 questions and ask that exhibits in Case Number 22819  
8 be admitted into the record and that the case be  
9 taken under advisement.

10 HEARING OFFICER BRANCARD: Thank you.

11 Mr. Garcia, any questions?

12 TECHNICAL HEARING OFFICER GARCIA: One  
13 question. Is there any stranded acreage south of  
14 this proposed unit, because it only takes up 40  
15 acres of the south section.

16 MR. SMITH: Mr. Garcia, I don't -- I'm not  
17 aware of whether there is stranded acreage in the --  
18 south of this proposed spacing unit. But we can  
19 follow-up with the Division on that after we talk to  
20 Franklin, but I would just mention that there is the  
21 companion cases with the exact same spacing unit in  
22 the Bone Spring and Wolfcamp, which have been  
23 improved in this area.

24 TECHNICAL HEARING OFFICER GARCIA: Please  
25 follow-up, though, still.

1 MR. SMITH: Yes, Mr. Garcia.

2 TECHNICAL HEARING OFFICER GARCIA: No  
3 other questions.

4 HEARING OFFICER BRANCARD: Thank you.

5 Mr. Smith, do you any idea why 819 and 820  
6 are different shapes, lengths than 818, 821?

7 MR. SMITH: Mr. Examiner, I believe it's  
8 just to capture Franklin's acreage down in that  
9 southern part of their ownership in that area. It  
10 is part of the greater development plan, as I  
11 mentioned, with the Wolfcamp and the Bone Spring  
12 units.

13 HEARING OFFICER BRANCARD: Okay. Thank  
14 you.

15 Are there any interested persons, then,  
16 for Case 22819?

17 And hearing none, the exhibits will be  
18 admitted into the record.

19 (Matter concluded.)

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REPORTER'S CERTIFICATE

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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

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EDWINA CASTILLO, RPR, CCR  
Certified Court Reporter #407  
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