

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. 22821

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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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
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EXHIBITS

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1 HEARING OFFICER BRANCARD: Let's move on
2 to the final case, then, Case 22821, Franklin
3 Mountain Energy.

4 Marathon Oil Permian. Going once, going
5 twice.

6 All right. Mr. Smith, you may proceed.

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

8 And as mentioned, our understanding is
9 that Marathon and Franklin have worked it out and
10 there is no opposition in case at this point. But
11 Bryce Smith with Modrall Sperling on behalf of the
12 applicant, Franklin Mountain Energy, LLC.

13 So this is the final companion case to the
14 standing Bone Spring and Wolfcamp orders in the same
15 acreage.

16 In Case 22821 Franklin seeks an order from
17 the Division pooling all uncommitted mineral
18 interests within a 320-acre Leonard horizontal
19 spacing unit underlying the east half of the east
20 half of Sections 1 and 12, Township 26 South,
21 Range 35 East, Lea County.

22 And Franklin timely filed its exhibits on
23 May 31st. Tab A is the compulsory pooling
24 checklist.

25 Tab B, the declaration of professional

1 landman Ilona Hoang. Ms. Hoang has previously
2 testified before the Division and her credentials
3 have been been accepted of matter of record.

4 Behind Ms. Hoang's declaration you will
5 find the application and C102 for the well. You'll
6 also find the lease tract map, summary interest, and
7 parties to be pooled, the change being that Franklin
8 has entered into a voluntary agreement with COG
9 Production, and so we will be filing a revised
10 affidavit to reflect that fact.

11 With the land exhibits as well as the
12 notice affidavit prepared by this firm showing
13 notice was timely mailed on May 12th and publication
14 occurred out of an abundance of caution on May 15th.

15 Lastly Tab C, which is the declaration of
16 expert petroleum geologist, Ben Kessel. Mr. Kessel
17 has also previously testified before the Division
18 and his credentials have been accepted as a matter
19 of record.

20 And included with Mr. Kessel's declaration
21 are the typical suite of geology exhibits including
22 the locator map showing the wells in relation to the
23 Captan, the location in relation to the Captan Reef,
24 the well bore schematic, the geology study and the
25 stress orientation showing that north-south is

1 optimal.

2 So with that, Mr. Examiner, I would ask
3 that the exhibits in Case Number 22821 be admitted
4 into the record and that these cases be taken under
5 advisement.

6 HEARING OFFICER BRANCARD: Thank you.

7 Mr. Garcia, any questions?

8 TECHNICAL HEARING OFFICER GARCIA: I have
9 no questions.

10 HEARING OFFICER BRANCARD: Thank you.

11 Are there any other interested persons,
12 then, for Case 22821?

13 Hearing none, the exhibits will be
14 admitted into the record. Cases 22818, 22819,
15 22820, 22821 will be taken under advisement with the
16 stipulation that, I believe, Mr. Smith, you have
17 offered to updated Exhibit B4 for each of these
18 cases; is that correct?

19 MR. SMITH: That's correct, Mr. Examiner.

20 HEARING OFFICER BRANCARD: And the
21 Division is requesting some sort of affidavit to
22 explain the sort of unique land holdings in
23 Section 13 and why that is not causing stranded
24 acreage.

25 MR. SMITH: Okay. Thank you,

1 Mr. Examiner.

2 HEARING OFFICER BRANCARD: And it can be
3 the same application for all cases --

4 MR. SMITH: Okay. Thanks.

5 HEARING OFFICER BRANCARD: -- displaying
6 the whole situations at once.

7 MR. SMITH: Of course.

8 HEARING OFFICER BRANCARD: You don't need
9 to do it every unit. All right. Thank you.

10 (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

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
License Expires: 12-31-2022