

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. 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  
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Albuquerque, New Mexico 87102  
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1	I N D E X   o f   E X H I B I T S		
2	NO.	DESCRIPTION	ADMITTED
3	CASE NO. 21438		
4	A		9
	B		9
5	B-1 through 8		9
	C		9
6	C-9 through 12		9
7	CASE NO. 21441		
	A		9
8	B		9
	B-1 through 8		9
9	C		9
	C-9 through 12		9
10	CASE NO. 21443		
11	A		13
	B		13
12	B-1 through 8		13
	C		13
13	C-9 through 12		13
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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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