

DOCKET: OIL CONSERVATION DIVISION HEARINGS - Tuesday, August 27, 2024

**8:30 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505
and via MS Teams (login information below)**

Virtual Attendance:

Click [HERE](#) to be connected to the meeting.

Dial-in by phone:

(505) 312-4308

Phone conference ID: 680 896 082#

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. Presenting parties are required to submit a pre-hearing statement no later than the Thursday before the hearing. The pre-hearing statement shall include: 1) a list of disputed facts and issues; 2) identification of witnesses and their qualifications; and 3) all exhibits and written testimony a party intends to enter into evidence at the hearing and a full narrative for each.

NOTICE: The hearing examiner may call the following cases in any order at their discretion.

Note: Cases 24198-24199, 24205-24206 and 24367-24370 to proceed together prior to hearing in related cases: 24195-24197 & 24207

	Case Number	Description
1.	24198	Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 702H and Ball State Com 802H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico. Setting: Contested Hearing
2.	24199	Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 302H and Ball State Com 602H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles West of Hobbs, New Mexico. Setting: Contested Hearing
3.	24205	Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks

		<p>an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 301H and Ball State Com 601H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:</p> <ul style="list-style-type: none"> • A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814); • A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519). <p>Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles West of Hobbs, New Mexico.</p> <p>Setting: Contested Hearing</p>
4.	24206	<p>Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 701H and Ball State Com 801H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.</p> <p>Setting: Contested Hearing</p>
5.	24367	<p>Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2W2 of Sections 20 and 29, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Condor State Com 111H well to be horizontally drilled from a surface location in the SW4 of Section 29, with a first take point in the SW4SW4 (Unit M) of Section 29 and a last take point in the NW4NW4 (Unit D) of Section 20. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:</p> <ul style="list-style-type: none"> • A 160-acre spacing unit comprised of the W2W2 of Section 20 dedicated to the Condor State 1H well (API 30-025-40814) operated by Matador Production Company and assigned to the WC-025 G-06 S183518A; Bone Spring Pool (97930). • A 160-acre spacing unit comprised of the W2W2 of Section 29 dedicated to the Nighthawk State Com 1H well (API 30-025-41519) operated by Marathon Oil Permian LLC, and assigned to the Airstrip; Bone Spring Pool (960). <p>Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 17 miles west of Hobbs, New Mexico.</p> <p>Setting: Contested Hearing</p>
6.	24368	<p>Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2W2 of Sections 20 and 29, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Condor</p>

		State Com 112H well to be horizontally drilled from a surface location in the SW4 of Section 29, with a first take point in the SE4SW4 (Unit N) of Section 29 and a last take point in the NE4NW4 (Unit C) of Section 20. This proposed horizontal well spacing unit will overlap a 160-acre horizontal spacing unit comprised of the E2W2 of Section 20 dedicated to the Condor State 2H well (API 30-025-41025) operated by COG Operating, LLC, and assigned to the WC-025 G-06 S183518A; Bone Spring Pool (97930). Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 17 miles west of Hobbs, New Mexico. Setting: Contested Hearing
7.	24369	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W2W2 of Sections 20 and 29, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Condor State Com 241H well to be horizontally drilled from a surface location in the SW4 of Section 29, with a first take point in the SW4SW4 (Unit M) of Section 29 and a last take point in the NW4NW4 (Unit D) of Section 20. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 17 miles west of Hobbs, New Mexico. Setting: Contested Hearing
8.	24370	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2W2 of Sections 20 and 29, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Condor State Com 242H well to be horizontally drilled from a surface location in the SW4 of Section 29, with a first take point in the SE4SW4 (Unit N) of Section 29 and a last take point in the NE4NW4 (Unit C) of Section 20. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 17 miles west of Hobbs, New Mexico. Setting: Contested Hearing
9.	24195	Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to following wells: the Ball State Com 703H well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and the Ball State Com 803H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico. Setting: Contested Hearing
10.	24196	Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the following wells: the Ball State Com 303H well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of

		<p>Section 20; and the Ball State Com 603H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:</p> <ul style="list-style-type: none"> • A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #001H #001H well (API 30-025-40611); and • A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #003H well (API 30-025-41950). <p>Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles West of Hobbs, New Mexico.</p> <p>Setting: Contested Hearing</p>
11.	24197	<p>Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 704H and Ball State Com 804H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.</p> <p>Setting: Contested Hearing</p>
12.	24207	<p>Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 304H and Ball State Com 604H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #002H well (API 30-025-40748). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles West of Hobbs, New Mexico.</p> <p>Setting: Contested Hearing</p>