

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Franklin Mountain Energy LLC 2401 E 2nd Avenue Denver, CO 80206		2. OGRID Number 373910
4. Property Code 326234		3. API Number 30-025-46506
5. Property Name PARADE STATE COM		6. Well No. 704H

7. Surface Location

UL - Lot	B	Section	2	Township	25S	Range	35E	Lot Idn	2	Feet From	321	N/S Line	N	Feet From	1355	E/W Line	E	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	O	Section	11	Township	25S	Range	35E	Lot Idn	O	Feet From	150	N/S Line	S	Feet From	1690	E/W Line	E	County	Lea
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9. Pool Information

WC-025 G-09 S253502D;UPR WOLFCAMP	98187
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3258
16. Multiple N	17. Proposed Depth 22172	18. Formation Wolfcamp	19. Contractor	20. Spud Date 2/1/2020
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program


Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	825	803	0
Int1	12.25	9.625	40	5400	1523	0
Int2	8.5	7.625	29.7	12000	272	4400
Prod	6.75	5.5	20	22172	426	11000

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	10000	18000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: Printed Name: Title: Email Address: Date:	OIL CONSERVATION DIVISION	
	Approved By: 	
	Title:	
	Approved Date: 11/15/2019	Expiration Date: 11/15/2021
	Conditions of Approval Attached	

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-46506		² Pool Code WC-98187		³ Pool Name WC025 G09 S253502D;UPR WOLFCAMP	
⁴ Property Code 326234		⁵ Property Name PARADE STATE			⁶ Well Number 704H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3258.6'

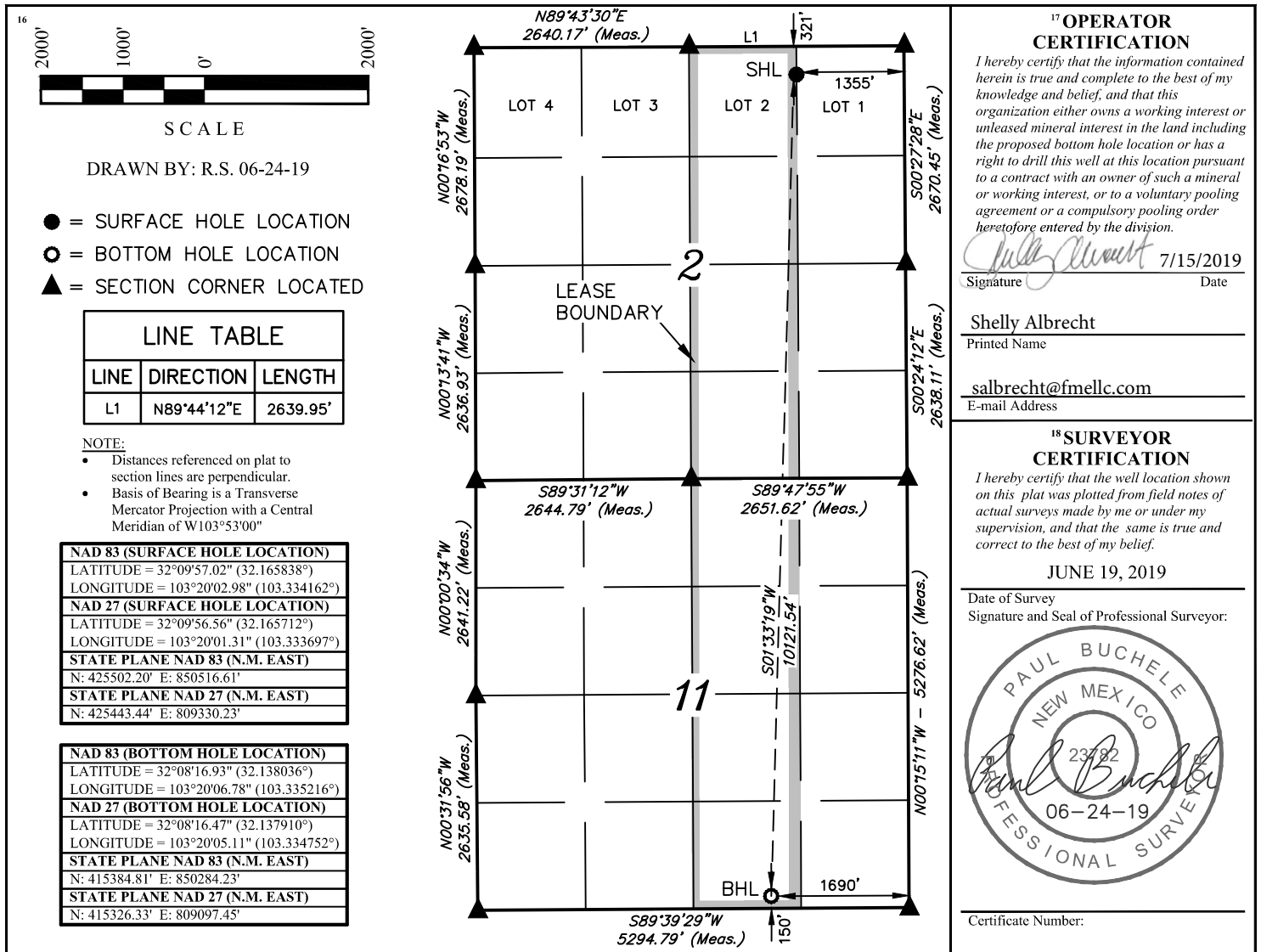
¹⁰ Surface Location

UL or lot no. LOT 2	Section 2	Township 25S	Range 35E	Lot Idn	Feet from the 321	North/South line NORTH	Feet from the 1355	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. O	Section 11	Township 25S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 1690	East/West line EAST	County LEA
¹² Dedicated Acres 320.85		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Franklin Mountain Energy

Project: Lea County, NM (NAD83)
 Site: Parade State/Beauty Queen
 Well: Parade State 704H
 Wellbore: OH
 Design: Plan #1



Azimuths to Grid North
 True North: -0.53°
 Magnetic North: 6.07°

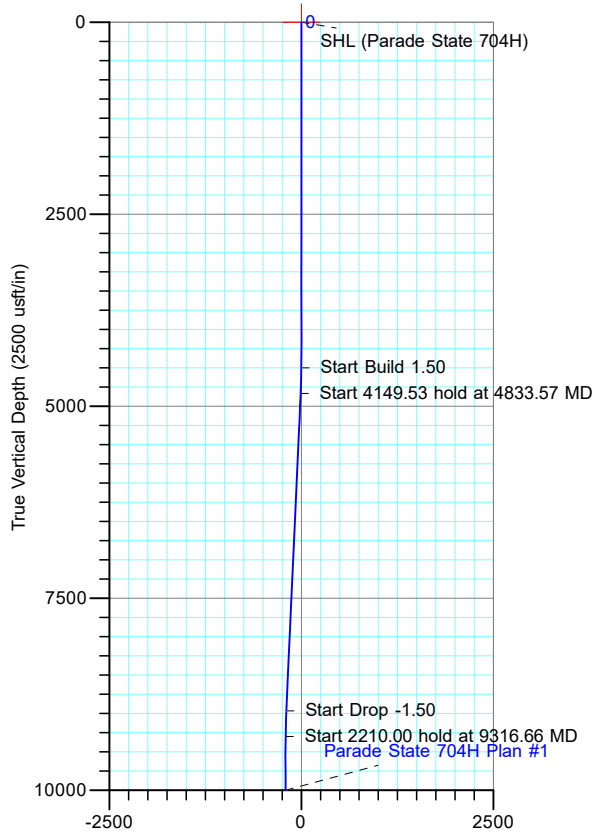
Magnetic Field
 Strength: 47733.0nT
 Dip Angle: 60.02°
 Date: 8/8/2019
 Model: IGRF2015

PROJECT DETAILS: Lea County, NM (NAD83)

Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Eastern Zone



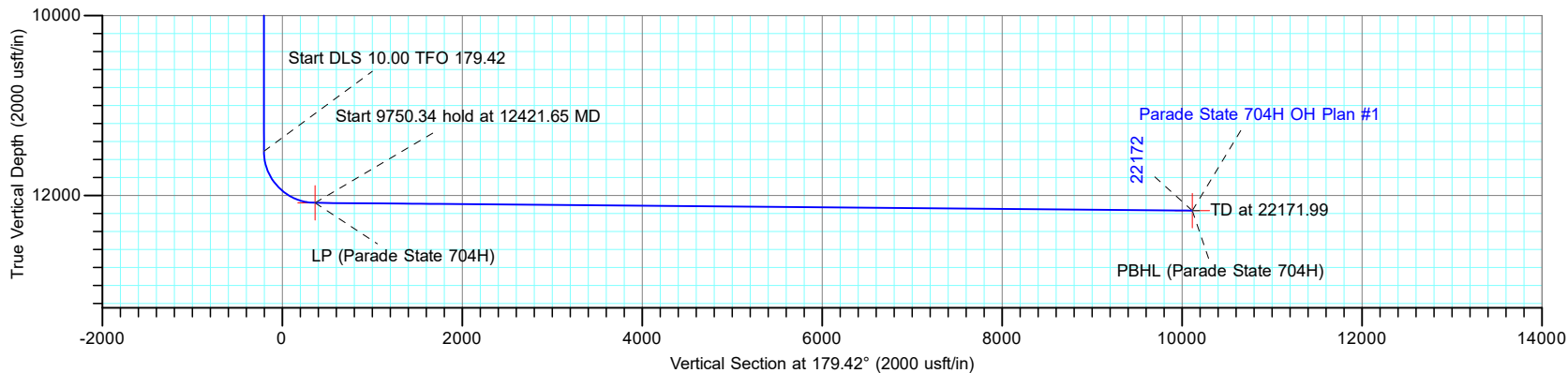
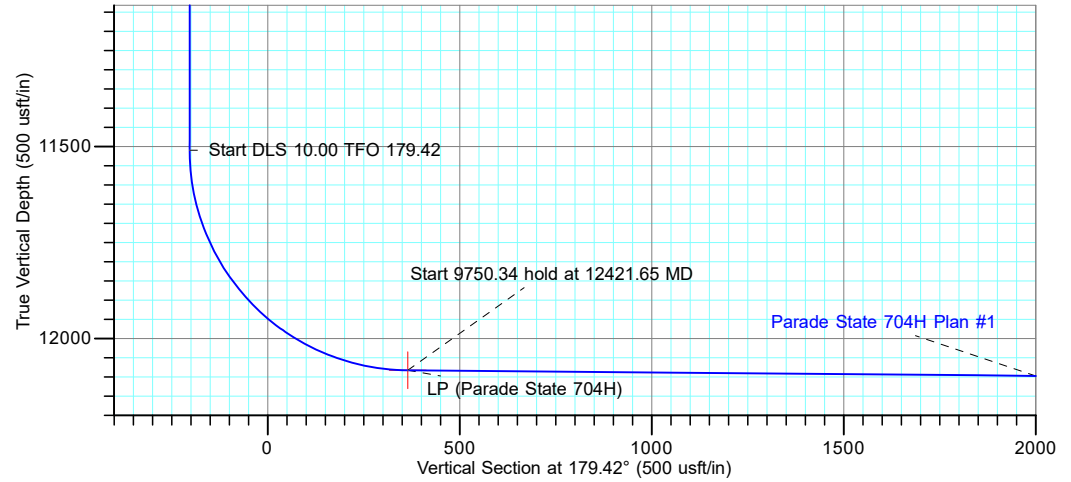
3258.6' GE + 21' KB @ 3279.60usft



SECTION DETAILS									
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4500.00	0.00	0.00	4500.00	0.00	0.00	0.00	0.00	0.00	Start Build 1.50
4833.57	5.00	300.76	4833.14	7.44	-12.51	1.50	300.76	-7.57	Start 4149.53 hold at 4833.57 MD
8983.09	5.00	300.76	8966.86	192.56	-323.49	0.00	0.00	-195.82	Start Drop -1.50
9316.66	0.00	0.00	9300.00	200.00	-336.00	1.50	180.00	-203.39	Start 2210.00 hold at 9316.66 MD
11526.66	0.00	0.00	11510.00	200.00	-336.00	0.00	0.00	-203.39	Start DLS 10.00 TFO 179.42
12421.65	89.50	179.42	12082.94	-367.91	-330.30	10.00	179.42	364.55	Start 9750.34 hold at 12421.65 MD
22171.99	89.50	179.42	12168.27	-10117.39	-232.38	0.00	0.00	10114.52	TD at 22171.99

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Latitude	Longitude
LP (704H)	12082.94	-367.91	-330.30	32.164835	-103.335241
PBHL (704H)	12168.27	-10117.39	-232.38	32.138036	-103.335216
SHL (704H)	0.00	0.00	0.00	32.165838	-103.334162



TOTAL DIRECTIONAL SERVICES LLC
 671 Academy Ct, Windsor, CO 80550
 Phone: (970) 460-9402

Plan: Plan #1 (Parade State 704H/OH)
 Parade State/Beauty Queen
 Created By: Dustin Ault Date: 15:05, August 12 2019
 Date: _____
 Approved: _____ Date: _____

Franklin Mountain Energy

Project: Lea County, NM (NAD83)
 Site: Parade State/Beauty Queen
 Well: Parade State 704H
 Wellbore: OH
 Design: Plan #1



Azimuths to Grid North
 True North: -0.53°
 Magnetic North: 6.07°

Magnetic Field
 Strength: 47733.0nT
 Dip Angle: 60.02°
 Date: 8/8/2019
 Model: IGRF2015

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 Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Eastern Zone

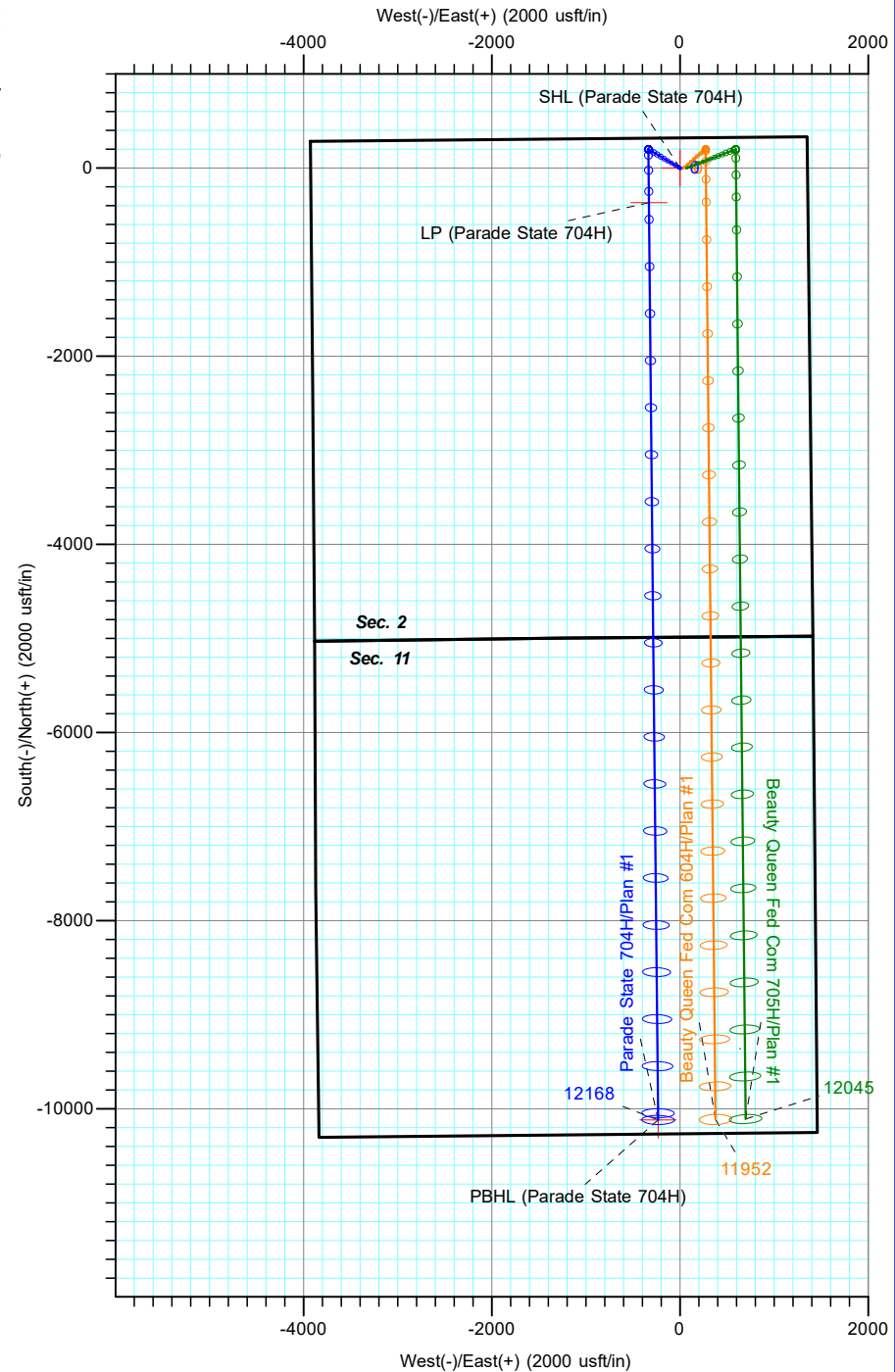
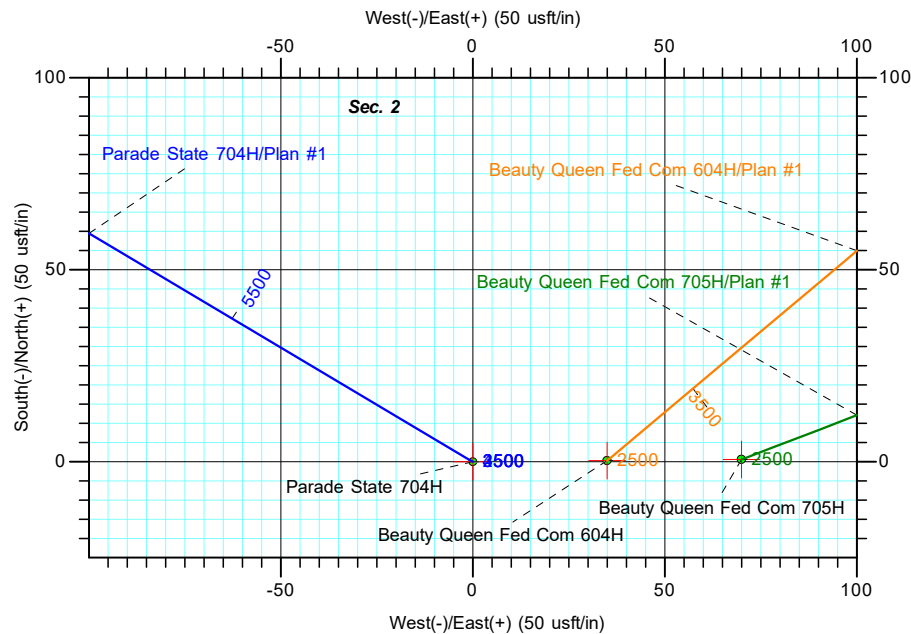


DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
LP (704H)	12082.94	-367.91	-330.30	425134.29	850186.31	32.164835	-103.335241
PBHL (704H)	12168.27	-10117.39	-232.38	415384.81	850284.23	32.138036	-103.335216
SHL (704H)	0.00	0.00	0.00	425502.20	850516.61	32.165838	-103.334162

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSec	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4500.00	0.00	0.00	4500.00	0.00	0.00	0.00	0.00	0.00	Start Build 1.50
4833.57	5.00	300.76	4833.14	7.44	-12.51	1.50	300.76	-7.57	Start 4149.53 hold at 4833.57 MD
8983.09	5.00	300.76	8966.86	192.56	-323.49	0.00	0.00	-195.82	Start Drop -1.50
9316.66	0.00	0.00	9300.00	200.00	-336.00	1.50	180.00	-203.39	Start 2210.00 hold at 9316.66 MD
11526.66	0.00	0.00	11510.00	200.00	-336.00	0.00	0.00	-203.39	Start DLS 10.00 TFO 179.42
12421.65	89.50	179.42	12082.94	-367.91	-330.30	10.00	179.42	364.55	Start 9750.34 hold at 12421.65 MD
22171.99	89.50	179.42	12168.27	-10117.39	-232.38	0.00	0.00	10114.52	TD at 22171.99



TOTAL DIRECTIONAL SERVICES LLC
 671 Academy Ct, Windsor, CO 80550
 Phone: (970) 460-9402

Plan: Plan #1 (Parade State 704H/OH)
 Parade State/Beauty Queen
 Created By: Dustin Ault Date: 15:06, August 12 2019
 Approved: _____ Date: _____



Franklin Mountain Energy

Lea County, NM (NAD83)
Parade State/Beauty Queen
Parade State 704H

OH

Plan: Plan #1

Standard Planning Report

12 August, 2019





Total Directional Services

Planning Report



Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well Parade State 704H
Company:	Franklin Mountain Energy	TVD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Project:	Lea County, NM (NAD83)	MD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Site:	Parade State/Beauty Queen	North Reference:	Grid
Well:	Parade State 704H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Project	Lea County, NM (NAD83)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Parade State/Beauty Queen				
Site Position:	Northing:	425,502.20 usft	Latitude:	32.165838	
From: Map	Easting:	850,516.61 usft	Longitude:	-103.334163	
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.53 °

Well	Parade State 704H					
Well Position	+N/-S	0.00 usft	Northing:	425,502.20 usft	Latitude:	32.165838
	+E/-W	0.00 usft	Easting:	850,516.61 usft	Longitude:	-103.334163
Position Uncertainty		0.00 usft	Wellhead Elevation:		Ground Level:	3,258.60 usft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	8/8/2019	6.61	60.02	47,733.01606934

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	179.42

Plan Survey Tool Program	Date	8/9/2019			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	0.00	22,171.99 Plan #1 (OH)	OWSG (Rev2) MWD		
			OWSG MWD - Standard		

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,833.57	5.00	300.76	4,833.14	7.44	-12.51	1.50	1.50	0.00	300.76	
8,983.09	5.00	300.76	8,966.86	192.56	-323.49	0.00	0.00	0.00	0.00	
9,316.66	0.00	0.00	9,300.00	200.00	-336.00	1.50	-1.50	0.00	180.00	
11,526.66	0.00	0.00	11,510.00	200.00	-336.00	0.00	0.00	0.00	0.00	
12,421.65	89.50	179.42	12,082.94	-367.91	-330.30	10.00	10.00	20.05	179.42	
22,171.99	89.50	179.42	12,168.27	-10,117.39	-232.38	0.00	0.00	0.00	0.00	PBHL (Parade State 7



Total Directional Services

Planning Report



Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well Parade State 704H
Company:	Franklin Mountain Energy	TVD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Project:	Lea County, NM (NAD83)	MD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Site:	Parade State/Beauty Queen	North Reference:	Grid
Well:	Parade State 704H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SHL (Parade State 704H)										
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Build 1.50										
4,600.00	1.50	300.76	4,599.99	0.67	-1.12	-0.68	1.50	1.50	0.00	0.00
4,700.00	3.00	300.76	4,699.91	2.68	-4.50	-2.72	1.50	1.50	0.00	0.00
4,800.00	4.50	300.76	4,799.69	6.02	-10.12	-6.12	1.50	1.50	0.00	0.00
4,833.57	5.00	300.76	4,833.14	7.44	-12.51	-7.57	1.50	1.50	0.00	0.00
Start 4149.53 hold at 4833.57 MD										



Total Directional Services

Planning Report



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Wellbore:	OH		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,900.00	5.00	300.76	4,899.32	10.41	-17.49	-10.58	0.00	0.00	0.00
5,000.00	5.00	300.76	4,998.94	14.87	-24.98	-15.12	0.00	0.00	0.00
5,100.00	5.00	300.76	5,098.56	19.33	-32.48	-19.66	0.00	0.00	0.00
5,200.00	5.00	300.76	5,198.18	23.79	-39.97	-24.19	0.00	0.00	0.00
5,300.00	5.00	300.76	5,297.80	28.25	-47.46	-28.73	0.00	0.00	0.00
5,400.00	5.00	300.76	5,397.42	32.71	-54.96	-33.27	0.00	0.00	0.00
5,500.00	5.00	300.76	5,497.04	37.17	-62.45	-37.80	0.00	0.00	0.00
5,600.00	5.00	300.76	5,596.66	41.64	-69.95	-42.34	0.00	0.00	0.00
5,700.00	5.00	300.76	5,696.27	46.10	-77.44	-46.88	0.00	0.00	0.00
5,800.00	5.00	300.76	5,795.89	50.56	-84.94	-51.41	0.00	0.00	0.00
5,900.00	5.00	300.76	5,895.51	55.02	-92.43	-55.95	0.00	0.00	0.00
6,000.00	5.00	300.76	5,995.13	59.48	-99.93	-60.49	0.00	0.00	0.00
6,100.00	5.00	300.76	6,094.75	63.94	-107.42	-65.02	0.00	0.00	0.00
6,200.00	5.00	300.76	6,194.37	68.40	-114.91	-69.56	0.00	0.00	0.00
6,300.00	5.00	300.76	6,293.99	72.86	-122.41	-74.10	0.00	0.00	0.00
6,400.00	5.00	300.76	6,393.61	77.32	-129.90	-78.63	0.00	0.00	0.00
6,500.00	5.00	300.76	6,493.23	81.78	-137.40	-83.17	0.00	0.00	0.00
6,600.00	5.00	300.76	6,592.85	86.25	-144.89	-87.71	0.00	0.00	0.00
6,700.00	5.00	300.76	6,692.46	90.71	-152.39	-92.24	0.00	0.00	0.00
6,800.00	5.00	300.76	6,792.08	95.17	-159.88	-96.78	0.00	0.00	0.00
6,900.00	5.00	300.76	6,891.70	99.63	-167.38	-101.32	0.00	0.00	0.00
7,000.00	5.00	300.76	6,991.32	104.09	-174.87	-105.85	0.00	0.00	0.00
7,100.00	5.00	300.76	7,090.94	108.55	-182.36	-110.39	0.00	0.00	0.00
7,200.00	5.00	300.76	7,190.56	113.01	-189.86	-114.93	0.00	0.00	0.00
7,300.00	5.00	300.76	7,290.18	117.47	-197.35	-119.46	0.00	0.00	0.00
7,400.00	5.00	300.76	7,389.80	121.93	-204.85	-124.00	0.00	0.00	0.00
7,500.00	5.00	300.76	7,489.42	126.39	-212.34	-128.54	0.00	0.00	0.00
7,600.00	5.00	300.76	7,589.03	130.86	-219.84	-133.07	0.00	0.00	0.00
7,700.00	5.00	300.76	7,688.65	135.32	-227.33	-137.61	0.00	0.00	0.00
7,800.00	5.00	300.76	7,788.27	139.78	-234.83	-142.15	0.00	0.00	0.00
7,900.00	5.00	300.76	7,887.89	144.24	-242.32	-146.68	0.00	0.00	0.00
8,000.00	5.00	300.76	7,987.51	148.70	-249.81	-151.22	0.00	0.00	0.00
8,100.00	5.00	300.76	8,087.13	153.16	-257.31	-155.76	0.00	0.00	0.00
8,200.00	5.00	300.76	8,186.75	157.62	-264.80	-160.29	0.00	0.00	0.00
8,300.00	5.00	300.76	8,286.37	162.08	-272.30	-164.83	0.00	0.00	0.00
8,400.00	5.00	300.76	8,385.99	166.54	-279.79	-169.37	0.00	0.00	0.00
8,500.00	5.00	300.76	8,485.60	171.00	-287.29	-173.90	0.00	0.00	0.00
8,600.00	5.00	300.76	8,585.22	175.47	-294.78	-178.44	0.00	0.00	0.00
8,700.00	5.00	300.76	8,684.84	179.93	-302.28	-182.98	0.00	0.00	0.00
8,800.00	5.00	300.76	8,784.46	184.39	-309.77	-187.51	0.00	0.00	0.00
8,900.00	5.00	300.76	8,884.08	188.85	-317.27	-192.05	0.00	0.00	0.00
8,983.09	5.00	300.76	8,966.86	192.56	-323.49	-195.82	0.00	0.00	0.00
Start Drop -1.50									
9,000.00	4.75	300.76	8,983.70	193.29	-324.73	-196.57	1.50	-1.50	0.00
9,100.00	3.25	300.76	9,083.46	196.86	-330.72	-200.20	1.50	-1.50	0.00
9,200.00	1.75	300.76	9,183.36	199.09	-334.47	-202.46	1.50	-1.50	0.00
9,300.00	0.25	300.76	9,283.34	199.98	-335.97	-203.37	1.50	-1.50	0.00
9,316.66	0.00	0.00	9,300.00	200.00	-336.00	-203.39	1.50	-1.50	0.00
Start 2210.00 hold at 9316.66 MD									
9,400.00	0.00	0.00	9,383.34	200.00	-336.00	-203.39	0.00	0.00	0.00
9,500.00	0.00	0.00	9,483.34	200.00	-336.00	-203.39	0.00	0.00	0.00
9,600.00	0.00	0.00	9,583.34	200.00	-336.00	-203.39	0.00	0.00	0.00
9,700.00	0.00	0.00	9,683.34	200.00	-336.00	-203.39	0.00	0.00	0.00
9,800.00	0.00	0.00	9,783.34	200.00	-336.00	-203.39	0.00	0.00	0.00



Total Directional Services

Planning Report



Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well Parade State 704H
Company:	Franklin Mountain Energy	TVD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Project:	Lea County, NM (NAD83)	MD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Site:	Parade State/Beauty Queen	North Reference:	Grid
Well:	Parade State 704H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
9,900.00	0.00	0.00	9,883.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,000.00	0.00	0.00	9,983.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,100.00	0.00	0.00	10,083.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,200.00	0.00	0.00	10,183.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,300.00	0.00	0.00	10,283.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,400.00	0.00	0.00	10,383.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,500.00	0.00	0.00	10,483.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,600.00	0.00	0.00	10,583.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,700.00	0.00	0.00	10,683.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,800.00	0.00	0.00	10,783.34	200.00	-336.00	-203.39	0.00	0.00	0.00
10,900.00	0.00	0.00	10,883.34	200.00	-336.00	-203.39	0.00	0.00	0.00
11,000.00	0.00	0.00	10,983.34	200.00	-336.00	-203.39	0.00	0.00	0.00
11,100.00	0.00	0.00	11,083.34	200.00	-336.00	-203.39	0.00	0.00	0.00
11,200.00	0.00	0.00	11,183.34	200.00	-336.00	-203.39	0.00	0.00	0.00
11,300.00	0.00	0.00	11,283.34	200.00	-336.00	-203.39	0.00	0.00	0.00
11,400.00	0.00	0.00	11,383.34	200.00	-336.00	-203.39	0.00	0.00	0.00
11,500.00	0.00	0.00	11,483.34	200.00	-336.00	-203.39	0.00	0.00	0.00
11,526.66	0.00	0.00	11,510.00	200.00	-336.00	-203.39	0.00	0.00	0.00
Start DLS 10.00 TFO 179.42									
11,550.00	2.33	179.42	11,533.33	199.52	-336.00	-202.92	10.00	10.00	0.00
11,600.00	7.33	179.42	11,583.14	195.31	-335.95	-198.70	10.00	10.00	0.00
11,650.00	12.33	179.42	11,632.39	186.78	-335.87	-190.17	10.00	10.00	0.00
11,700.00	17.33	179.42	11,680.71	173.98	-335.74	-177.37	10.00	10.00	0.00
11,750.00	22.33	179.42	11,727.73	157.02	-335.57	-160.41	10.00	10.00	0.00
11,800.00	27.33	179.42	11,773.09	136.03	-335.36	-139.42	10.00	10.00	0.00
11,850.00	32.33	179.42	11,816.45	111.16	-335.11	-114.55	10.00	10.00	0.00
11,900.00	37.33	179.42	11,857.48	82.61	-334.82	-86.00	10.00	10.00	0.00
11,950.00	42.33	179.42	11,895.86	50.60	-334.50	-53.98	10.00	10.00	0.00
12,000.00	47.33	179.42	11,931.31	15.36	-334.15	-18.74	10.00	10.00	0.00
12,050.00	52.33	179.42	11,963.55	-22.84	-333.76	19.46	10.00	10.00	0.00
12,100.00	57.33	179.42	11,992.33	-63.70	-333.35	60.32	10.00	10.00	0.00
12,150.00	62.33	179.42	12,017.45	-106.91	-332.92	103.53	10.00	10.00	0.00
12,200.00	67.33	179.42	12,038.71	-152.15	-332.46	148.77	10.00	10.00	0.00
12,250.00	72.33	179.42	12,055.94	-199.06	-331.99	195.69	10.00	10.00	0.00
12,300.00	77.33	179.42	12,069.02	-247.30	-331.51	243.94	10.00	10.00	0.00
12,350.00	82.33	179.42	12,077.84	-296.50	-331.01	293.14	10.00	10.00	0.00
12,400.00	87.33	179.42	12,082.34	-346.28	-330.51	342.92	10.00	10.00	0.00
12,421.64	89.50	179.42	12,082.94	-367.91	-330.30	364.55	10.00	10.00	0.00
Start 9750.34 hold at 12421.65 MD - LP (Parade State 704H)									
12,500.00	89.50	179.42	12,083.62	-446.26	-329.51	442.90	0.00	0.00	0.00
12,600.00	89.50	179.42	12,084.50	-546.25	-328.51	542.90	0.00	0.00	0.00
12,700.00	89.50	179.42	12,085.37	-646.24	-327.50	642.90	0.00	0.00	0.00
12,800.00	89.50	179.42	12,086.25	-746.24	-326.50	742.89	0.00	0.00	0.00
12,900.00	89.50	179.42	12,087.12	-846.23	-325.49	842.89	0.00	0.00	0.00
13,000.00	89.50	179.42	12,088.00	-946.22	-324.49	942.88	0.00	0.00	0.00
13,100.00	89.50	179.42	12,088.87	-1,046.21	-323.48	1,042.88	0.00	0.00	0.00
13,200.00	89.50	179.42	12,089.75	-1,146.20	-322.48	1,142.88	0.00	0.00	0.00
13,300.00	89.50	179.42	12,090.62	-1,246.19	-321.48	1,242.87	0.00	0.00	0.00
13,400.00	89.50	179.42	12,091.50	-1,346.18	-320.47	1,342.87	0.00	0.00	0.00
13,500.00	89.50	179.42	12,092.37	-1,446.17	-319.47	1,442.87	0.00	0.00	0.00
13,600.00	89.50	179.42	12,093.25	-1,546.16	-318.46	1,542.86	0.00	0.00	0.00
13,700.00	89.50	179.42	12,094.12	-1,646.16	-317.46	1,642.86	0.00	0.00	0.00
13,800.00	89.50	179.42	12,095.00	-1,746.15	-316.45	1,742.85	0.00	0.00	0.00
13,900.00	89.50	179.42	12,095.87	-1,846.14	-315.45	1,842.85	0.00	0.00	0.00



Total Directional Services

Planning Report



Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well Parade State 704H
Company:	Franklin Mountain Energy	TVD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Project:	Lea County, NM (NAD83)	MD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Site:	Parade State/Beauty Queen	North Reference:	Grid
Well:	Parade State 704H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
14,000.00	89.50	179.42	12,096.75	-1,946.13	-314.45	1,942.85	0.00	0.00	0.00	
14,100.00	89.50	179.42	12,097.62	-2,046.12	-313.44	2,042.84	0.00	0.00	0.00	
14,200.00	89.50	179.42	12,098.50	-2,146.11	-312.44	2,142.84	0.00	0.00	0.00	
14,300.00	89.50	179.42	12,099.38	-2,246.10	-311.43	2,242.83	0.00	0.00	0.00	
14,400.00	89.50	179.42	12,100.25	-2,346.09	-310.43	2,342.83	0.00	0.00	0.00	
14,500.00	89.50	179.42	12,101.13	-2,446.08	-309.42	2,442.83	0.00	0.00	0.00	
14,600.00	89.50	179.42	12,102.00	-2,546.08	-308.42	2,542.82	0.00	0.00	0.00	
14,700.00	89.50	179.42	12,102.88	-2,646.07	-307.42	2,642.82	0.00	0.00	0.00	
14,800.00	89.50	179.42	12,103.75	-2,746.06	-306.41	2,742.82	0.00	0.00	0.00	
14,900.00	89.50	179.42	12,104.63	-2,846.05	-305.41	2,842.81	0.00	0.00	0.00	
15,000.00	89.50	179.42	12,105.50	-2,946.04	-304.40	2,942.81	0.00	0.00	0.00	
15,100.00	89.50	179.42	12,106.38	-3,046.03	-303.40	3,042.80	0.00	0.00	0.00	
15,200.00	89.50	179.42	12,107.25	-3,146.02	-302.40	3,142.80	0.00	0.00	0.00	
15,300.00	89.50	179.42	12,108.13	-3,246.01	-301.39	3,242.80	0.00	0.00	0.00	
15,400.00	89.50	179.42	12,109.00	-3,346.01	-300.39	3,342.79	0.00	0.00	0.00	
15,500.00	89.50	179.42	12,109.88	-3,446.00	-299.38	3,442.79	0.00	0.00	0.00	
15,600.00	89.50	179.42	12,110.75	-3,545.99	-298.38	3,542.79	0.00	0.00	0.00	
15,700.00	89.50	179.42	12,111.63	-3,645.98	-297.37	3,642.78	0.00	0.00	0.00	
15,800.00	89.50	179.42	12,112.50	-3,745.97	-296.37	3,742.78	0.00	0.00	0.00	
15,900.00	89.50	179.42	12,113.38	-3,845.96	-295.37	3,842.77	0.00	0.00	0.00	
16,000.00	89.50	179.42	12,114.25	-3,945.95	-294.36	3,942.77	0.00	0.00	0.00	
16,100.00	89.50	179.42	12,115.13	-4,045.94	-293.36	4,042.77	0.00	0.00	0.00	
16,200.00	89.50	179.42	12,116.00	-4,145.93	-292.35	4,142.76	0.00	0.00	0.00	
16,300.00	89.50	179.42	12,116.88	-4,245.93	-291.35	4,242.76	0.00	0.00	0.00	
16,400.00	89.50	179.42	12,117.75	-4,345.92	-290.34	4,342.75	0.00	0.00	0.00	
16,500.00	89.50	179.42	12,118.63	-4,445.91	-289.34	4,442.75	0.00	0.00	0.00	
16,600.00	89.50	179.42	12,119.50	-4,545.90	-288.34	4,542.75	0.00	0.00	0.00	
16,700.00	89.50	179.42	12,120.38	-4,645.89	-287.33	4,642.74	0.00	0.00	0.00	
16,800.00	89.50	179.42	12,121.26	-4,745.88	-286.33	4,742.74	0.00	0.00	0.00	
16,900.00	89.50	179.42	12,122.13	-4,845.87	-285.32	4,842.74	0.00	0.00	0.00	
17,000.00	89.50	179.42	12,123.01	-4,945.86	-284.32	4,942.73	0.00	0.00	0.00	
17,100.00	89.50	179.42	12,123.88	-5,045.85	-283.31	5,042.73	0.00	0.00	0.00	
17,200.00	89.50	179.42	12,124.76	-5,145.85	-282.31	5,142.72	0.00	0.00	0.00	
17,300.00	89.50	179.42	12,125.63	-5,245.84	-281.31	5,242.72	0.00	0.00	0.00	
17,400.00	89.50	179.42	12,126.51	-5,345.83	-280.30	5,342.72	0.00	0.00	0.00	
17,500.00	89.50	179.42	12,127.38	-5,445.82	-279.30	5,442.71	0.00	0.00	0.00	
17,600.00	89.50	179.42	12,128.26	-5,545.81	-278.29	5,542.71	0.00	0.00	0.00	
17,700.00	89.50	179.42	12,129.13	-5,645.80	-277.29	5,642.70	0.00	0.00	0.00	
17,800.00	89.50	179.42	12,130.01	-5,745.79	-276.29	5,742.70	0.00	0.00	0.00	
17,900.00	89.50	179.42	12,130.88	-5,845.78	-275.28	5,842.70	0.00	0.00	0.00	
18,000.00	89.50	179.42	12,131.76	-5,945.77	-274.28	5,942.69	0.00	0.00	0.00	
18,100.00	89.50	179.42	12,132.63	-6,045.77	-273.27	6,042.69	0.00	0.00	0.00	
18,200.00	89.50	179.42	12,133.51	-6,145.76	-272.27	6,142.69	0.00	0.00	0.00	
18,300.00	89.50	179.42	12,134.38	-6,245.75	-271.26	6,242.68	0.00	0.00	0.00	
18,400.00	89.50	179.42	12,135.26	-6,345.74	-270.26	6,342.68	0.00	0.00	0.00	
18,500.00	89.50	179.42	12,136.13	-6,445.73	-269.26	6,442.67	0.00	0.00	0.00	
18,600.00	89.50	179.42	12,137.01	-6,545.72	-268.25	6,542.67	0.00	0.00	0.00	
18,700.00	89.50	179.42	12,137.88	-6,645.71	-267.25	6,642.67	0.00	0.00	0.00	
18,800.00	89.50	179.42	12,138.76	-6,745.70	-266.24	6,742.66	0.00	0.00	0.00	
18,900.00	89.50	179.42	12,139.63	-6,845.69	-265.24	6,842.66	0.00	0.00	0.00	
19,000.00	89.50	179.42	12,140.51	-6,945.69	-264.23	6,942.66	0.00	0.00	0.00	
19,100.00	89.50	179.42	12,141.38	-7,045.68	-263.23	7,042.65	0.00	0.00	0.00	
19,200.00	89.50	179.42	12,142.26	-7,145.67	-262.23	7,142.65	0.00	0.00	0.00	
19,300.00	89.50	179.42	12,143.13	-7,245.66	-261.22	7,242.64	0.00	0.00	0.00	



Total Directional Services

Planning Report



Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well Parade State 704H
Company:	Franklin Mountain Energy	TVD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Project:	Lea County, NM (NAD83)	MD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Site:	Parade State/Beauty Queen	North Reference:	Grid
Well:	Parade State 704H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
19,400.00	89.50	179.42	12,144.01	-7,345.65	-260.22	7,342.64	0.00	0.00	0.00	
19,500.00	89.50	179.42	12,144.89	-7,445.64	-259.21	7,442.64	0.00	0.00	0.00	
19,600.00	89.50	179.42	12,145.76	-7,545.63	-258.21	7,542.63	0.00	0.00	0.00	
19,700.00	89.50	179.42	12,146.64	-7,645.62	-257.20	7,642.63	0.00	0.00	0.00	
19,800.00	89.50	179.42	12,147.51	-7,745.61	-256.20	7,742.62	0.00	0.00	0.00	
19,900.00	89.50	179.42	12,148.39	-7,845.61	-255.20	7,842.62	0.00	0.00	0.00	
20,000.00	89.50	179.42	12,149.26	-7,945.60	-254.19	7,942.62	0.00	0.00	0.00	
20,100.00	89.50	179.42	12,150.14	-8,045.59	-253.19	8,042.61	0.00	0.00	0.00	
20,200.00	89.50	179.42	12,151.01	-8,145.58	-252.18	8,142.61	0.00	0.00	0.00	
20,300.00	89.50	179.42	12,151.89	-8,245.57	-251.18	8,242.61	0.00	0.00	0.00	
20,400.00	89.50	179.42	12,152.76	-8,345.56	-250.17	8,342.60	0.00	0.00	0.00	
20,500.00	89.50	179.42	12,153.64	-8,445.55	-249.17	8,442.60	0.00	0.00	0.00	
20,600.00	89.50	179.42	12,154.51	-8,545.54	-248.17	8,542.59	0.00	0.00	0.00	
20,700.00	89.50	179.42	12,155.39	-8,645.53	-247.16	8,642.59	0.00	0.00	0.00	
20,800.00	89.50	179.42	12,156.26	-8,745.53	-246.16	8,742.59	0.00	0.00	0.00	
20,900.00	89.50	179.42	12,157.14	-8,845.52	-245.15	8,842.58	0.00	0.00	0.00	
21,000.00	89.50	179.42	12,158.01	-8,945.51	-244.15	8,942.58	0.00	0.00	0.00	
21,100.00	89.50	179.42	12,158.89	-9,045.50	-243.15	9,042.57	0.00	0.00	0.00	
21,200.00	89.50	179.42	12,159.76	-9,145.49	-242.14	9,142.57	0.00	0.00	0.00	
21,300.00	89.50	179.42	12,160.64	-9,245.48	-241.14	9,242.57	0.00	0.00	0.00	
21,400.00	89.50	179.42	12,161.51	-9,345.47	-240.13	9,342.56	0.00	0.00	0.00	
21,500.00	89.50	179.42	12,162.39	-9,445.46	-239.13	9,442.56	0.00	0.00	0.00	
21,600.00	89.50	179.42	12,163.26	-9,545.46	-238.12	9,542.56	0.00	0.00	0.00	
21,700.00	89.50	179.42	12,164.14	-9,645.45	-237.12	9,642.55	0.00	0.00	0.00	
21,800.00	89.50	179.42	12,165.01	-9,745.44	-236.12	9,742.55	0.00	0.00	0.00	
21,900.00	89.50	179.42	12,165.89	-9,845.43	-235.11	9,842.54	0.00	0.00	0.00	
22,000.00	89.50	179.42	12,166.77	-9,945.42	-234.11	9,942.54	0.00	0.00	0.00	
22,100.00	89.50	179.42	12,167.64	-10,045.41	-233.10	10,042.54	0.00	0.00	0.00	
22,171.99	89.50	179.42	12,168.27	-10,117.39	-232.38	10,114.52	0.00	0.00	0.00	
TD at 22171.99 - PBHL (Parade State 704H)										

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
SHL (Parade State 704H) - hit/miss target - Shape - Point	0.00	0.00	0.00	0.00	0.00	425,502.20	850,516.61	32.165838	-103.334163	
LP (Parade State 704H) - plan misses target center by 0.01usft at 12421.64usft MD (12082.94 TVD, -367.91 N, -330.30 E) - Point	0.00	0.00	12,082.94	-367.91	-330.30	425,134.29	850,186.31	32.164835	-103.335241	
PBHL (Parade State 704) - plan hits target center - Point	0.00	0.00	12,168.27	-10,117.39	-232.38	415,384.81	850,284.23	32.138036	-103.335217	



Total Directional Services

Planning Report



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Project:	Lea County, NM (NAD83)	MD Reference:	3258.6' GE + 21' KB @ 3279.60usft
Site:	Parade State/Beauty Queen	North Reference:	Grid
Well:	Parade State 704H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
4,500.00	4,500.00	0.00	0.00	Start Build 1.50
4,833.57	4,833.14	7.44	-12.51	Start 4149.53 hold at 4833.57 MD
8,983.09	8,966.86	192.56	-323.49	Start Drop -1.50
9,316.66	9,300.00	200.00	-336.00	Start 2210.00 hold at 9316.66 MD
11,526.66	11,510.00	200.00	-336.00	Start DLS 10.00 TFO 179.42
12,421.65	12,082.94	-367.91	-330.30	Start 9750.34 hold at 12421.65 MD
22,171.99	12,168.27	-10,117.39	-232.38	TD at 22171.99

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

GAS CAPTURE PLAN

Date: 11/15/2019

Original Operator & OGRID No.: [373910] Franklin Mountain Energy LLC

Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility.

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
PARADE STATE COM #704H	30-025-000-1	B-2-25S-35E	0321N 1355E	1100	None	After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Lucid Energy's system at that time. Based on current informatio

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to LUCID ENERGY DELAWARE, LLC and will be connected to LUCID ENERGY DELAWARE, LLC Low Pressure gathering system located in Lea County, New Mexico. It will require 200' of pipeline to connect the facility to Low Pressure gathering system. Franklin Mountain Energy LLC provides (periodically) to LUCID ENERGY DELAWARE, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Franklin Mountain Energy LLC and LUCID ENERGY DELAWARE, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at LUCID ENERGY DELAWARE, LLC Processing Plant located in Sec. 13, Twn. 24S, Rng. 33E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on LUCID ENERGY DELAWARE, LLC system at that time. Based on current information, it is Franklin Mountain Energy LLC's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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District IV

**State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

Form APD Conditions

Permit 273624

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Franklin Mountain Energy LLC [373910] 2401 E 2nd Avenue Denver, CO 80206	API Number: 30-025-000-1
	Well: PARADE STATE COM #704H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Will require a administrative order for non-standard location prior to placing the well on production.
pkautz	1) SURFACE & INTERMEDIATE1 CASING - Cement must circulate to surface -- 2) INTERMEDIATE2 CASING - Cement must tie back into intermediate1 casing -- 3) PRODUCTION CASING - Cement must tie back into intermediate2 casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1)- The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 45 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD. If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 5753703186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.