District IV

87505

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410

1220 S. St Francis Dr, Santa Fe, NM

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATIO	N FOR SURFACE	COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME: Frank	lin Mountain Energy, LL	.C			
OPERATOR ADDRESS: 44 Co	ool Street, Suite 1000, De	nver, CO 80206			
APPLICATION TYPE:					
☐ Pool Commingling ☐ Lease Commi	ngling Pool and Lease Co	ommingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE:	☐ State ☐ Fede				
Is this an Amendment to existing O Have the Bureau of Land Managem ☐Yes ☐No					ingling
		OL COMMINGLIN ets with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
[98185] WC-025 G-09 S253502B; LW BONE SPRING	R 43.2° / 1347 BTU/CF	43.2° / 1234 BTU/CF		\$50/bbl oil \$1.00/MCF	330 BOPD 400 MCFD
[97088] WC-025 G-08 S253534O; BO	NE 43.2° / 1347	43.2° / 1234		\$50/bbl oil	330 BOPD
SPRING	BTU/CF 43.2° / 1347	BTU/CF 43.2° / 1234		\$1.00/MCF \$50/bbl oil	400 MCFD 330 BOPD
[33813] JAL; WOLFCAMP, WEST	8TU/CF	BTU/CF		\$50/bbl oil \$1.00/MCF	400 MCFD
(4) Measurement type: ☑Metering (5) Will commingling decrease the va				ng should be approved	
		ASE COMMINGLING ts with the following in			
 Pool Name and Code. Is all production from same source. Has all interest owners been notified. Measurement type: Metering 	d by certified mail of the pro		⊠Yes □N	0	
	(C) POOL and	d LEASE COMMIN	GLING		
		ts with the following in			
(1) Complete Sections A and E.					
	(D) OFF-LEASE ST				
(1) Is all production from same source		eets with the following	mivi mativii		
(2) Include proof of notice to all inter					
(E)	ADDITIONAL INFO			vpes)	
		ets with the following in	nformation		
(1) A schematic diagram of facility, in(2) A plat with lease boundaries show		tions Include lease weeks	ure if Fadamal on Sta	nta lande ara involved	
(3) Lease Names, Lease and Well Nu	•	nons. Include lease humbe	15 II FOUCTALOF SE	ne idiius die ilivoived.	
I hereby certify that the information above	e is true and complete to the	best of my knowledge and	belief.		
SIGNATURE: John Weber	Tľ	TLE: Director Ops Plannii	ng & Regulatory	DATE: 10/6/	2021
TYPE OR PRINT NAME Rachael Ove	rbey	- <u></u>		HONE NO.: <u>720-414-</u>	
E-MAIL ADDRESS:roverbey@fmell	c.com				



October 6, 2021

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: C-107B Application for Surface Commingling (diverse ownership) for Franklin Mountain Energy, LLC

To Whom It May Concern:

Franklin Mountain Energy, LLC, OGRID No. 373910, requests to commingle future oil and gas production from 10 wells. Production would come from multiple Federal leases and zones (pool numbers 33813, 97088 and 98185). All wells will go through individual three-phase separators and each stream (oil, gas, water) will be measured as it exits the three-phase separator. Oil will be measured at the three-phase separator with a Coriolis meter, Gas will be measured with an orifice meter, and water will be measured with a mag meter.

Commingling will happen after the three-phase separator. The gas will flow into a common line after the three-phase separator, flow is directed through an additional two-phase separator to remove any excess liquids before gas is sent into a 3rd party gas gathering system. The oil will be commingled after the three-phase separator into a common line, where it then flows into oil tanks before it is pumped into a 3rd party crude gathering system. The water will be commingled after the three-phase separator into a common line, where it then flows into a gun barrel before it is pumped into a 3rd party water gathering system. Oil and gas sales will be allocated against sales meter volumes. All meters will be calibrated according to manufacturer's recommendations.

Sincerely,

Rachael Overbey

Director Operations Planning and Regulatory

roverbey@fmellc.com Main: 720-414-7868 Mobile: 303-570-4057



Land of Enchantment West Pad

- 1912 Federal 701H
- 1912 Federal 601H
- 1912 Federal 702H



Land of Enchantment Mid Pad

- Trinity Federal 602H
- Trinity Federal 703H
- Santa Fe Fed Com 704H

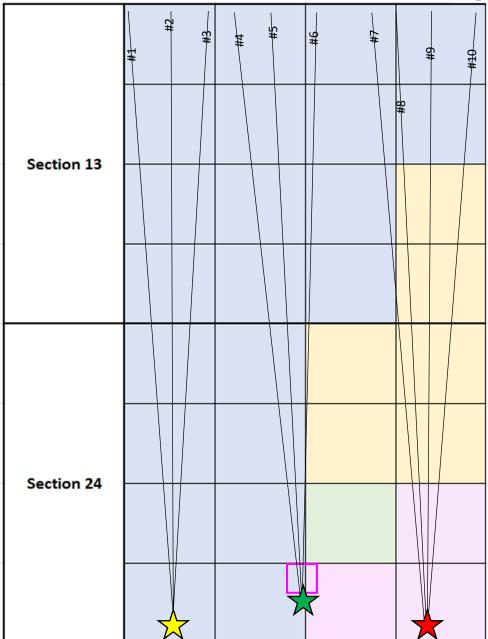


Land of Enchantment East Pad

- Santa Fe Fed Com 603H
- Santa Fe Fed Com 705H
- Zia Fed Com 604H
- Zia Fed Com 706H

Land of Enchantment CTB

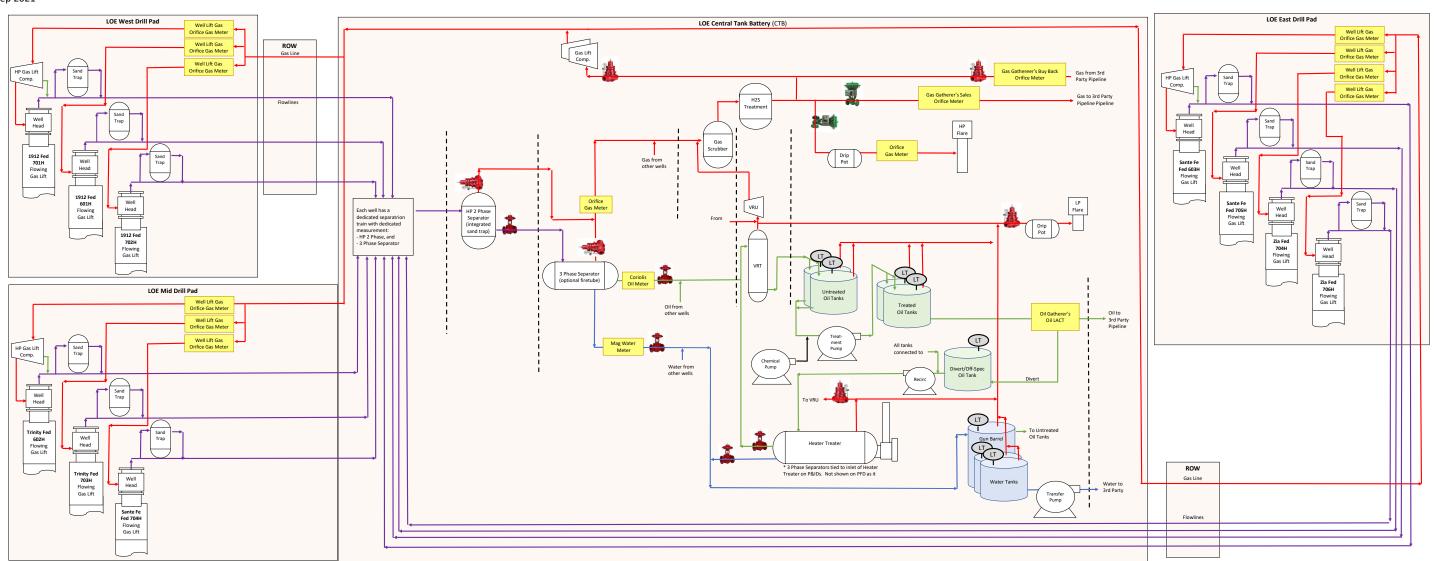
Section 13 & 24	NM-138898
Section 13 & 24	Fee
Section 24	NM-45706
Section 24	NM-114998



Plat No.	Well Names	Formation	Unit Description	Unit Acres	NMOCD Pooling Order
1	1912 Federal 701H	Wolfcamp	E/2 Secs 13 & 24-T25S-R35E	640	N/A; one lease
2	1912 Federal 601H	Bone Spring	W/2W/2 Secs 13 & 24-T25S-R35E	320	N/A; one lease
3	1912 Federal 702H	Wolfcamp	E/2 Secs 13 & 24-T25S-R35E	640	N/A; one lease
4	Trinity Federal 602H	Bone Spring	E/2W/2 Secs 13 & 24-T25S-R35E	320	N/A; one lease
5	Trinity Federal 703H	Wolfcamp	E/2 Secs 13 & 24-T25S-R35E	640	N/A; one lease
6	Santa Fe Fed Com 704H	Wolfcamp	E/2 Secs 13 & 24-T25S-R35E	640	R-21847
7	Santa Fe Fed Com 603H	Bone Spring	W/2E/2 Secs 13 & 24-T25S-R35E	320	R-21849
8	Santa Fe Fed Com 705H	Wolfcamp	E/2 Secs 13 & 24-T25S-R35E	640	R-21847
9	Zia Fed Com 604H	Bone Spring	E/2E/2 Secs 13 & 24-T25S-R35E	320	R-21847
10	Zia Fed Com 706H	Wolfcamp	E/2 Secs 13 & 24-T25S-R35E	640	R-21847

Page 4 of 48

LOE CTB Sep 2021



Owner Name	Interest Type	Address	Notes	Certified Mail Tracking No.	Date Mailed
Franklin Mountain Energy, LLC	WI	NA			
Franklin Mountain Energy 2, LLC	WI	NA			
Franklin Mountain Royalty Investments, LLC	ORRI	NA			
Sandia Minerals, LLC	RI	NA			
Chief Capital (OSC) II II C	wı	8111 Westchester Dr., Suite 900		9414 7116 9900 0808 4476 82	11/0/2021
Chief Capital (O&G) II, LLC	VVI	Dallas, TX 75225 5555 San Felipe St.		9414 7110 9900 0808 4470 82	11/9/2021
		Houston, TX 77056-2701			
Marathon Oil Permian, LLC	WI	Attn Land Department, Delaware Basin P.O. Box 41081		9414 7116 9900 0808 4739 26	11/9/2021
Texas Tech University	UNL/WI	Lubbock, TX 79409		9414 7116 9900 0808 4752 10	11/9/2021
		7922 South Broadway Ave			
NMTX Mineral Fund, LLC	UNL/WI	Tyler, TX 75703 Farmers National Company, Agent		9414 7116 9900 0808 4771 60	11/9/2021
		Oil & Gas Department			
		P.O. Box 3480			
Ohio State University	UNL/WI	Omaha, NE 68103-0480		9414 7116 9900 0808 4949 45	11/9/2021
		Texas A&M University System Attn: SERO			
		301 Tarrow, 6th Floor			
West Texas A&M University	UNL/WI	College Station, TX 77840		9414 7116 9900 0808 4923 30	11/9/2021
Russell H. Wickman	RI	2505 Princeton Ave. Midland, TX 79701		9414 7116 9900 0808 4905 34	11/9/2021
		P.O. Box 729		3111711033000000130301	11/3/2021
Frank T. Fleet, Inc	UNL/WI	Ada, OK 74821		9414 7116 9900 0808 4973 42	11/9/2021
Daniel Fleet Freeman, Trustee of the Margaret Helen Kelmar Trust A	UNL/WI	P.O. Box 729 Ada, OK 74821		9414 7116 9900 0808 4298 48	11/9/2021
Reilla Tust A	OINL/ WI	P.O. Box 729		3414 7110 3300 0808 4238 48	11/3/2021
P.A.W.N. Enterprises, a Limited Partnership	UNL/WI	Ada, OK 74821		9414 7116 9900 0808 4249 04	11/9/2021
Texas State Bank, Successor Trustee of the Lucille		D O Dev 2792			
Chism Bates Testamentary Trust u/w/o Lucille Chism Bate	RI	P.O. Box 3782 San Angelo, TX 76902		9414 7116 9900 0808 4205 79	11/9/2021
		2203 Timberlock Place, Suite 229		51117110 3500 0000 1203 75	11/3/2021
Plantation Operating, LLC	UNL/WI	The Woodlands, TX 77380		9414 7116 9900 0808 4275 61	11/9/2021
United States of America	RI	301 Dinosaur Trail Santa Fe, NM 87508		9414 7116 9900 0808 4598 69	11/9/2021
officed States of Afficia	M	5010 Samantha Dr.		3414 7110 3300 0808 4338 03	11/3/2021
Benjamin Louis Fonville, III	RI	Ball, LA 71405		9414 7116 9900 0808 4530 27	11/9/2021
Debra Fonville Lamb	DI	20 Chestnut Place Luling, LA 70070		0414 7116 0000 0000 4526 70	11/0/2021
Debra Fortville Larrib	RI	17753 Hickory Trail		9414 7116 9900 0808 4526 79	11/9/2021
Ellen Fonville Latsch	RI	Lakeville, MN 55044		9414 7116 9900 0808 4588 86	11/9/2021
James Ann Familla Breaten	DI.	8249 Fairway Dr.		0444 7446 0000 0000 4544 42	44/0/2024
Joyce Ann Fonville Preston	RI	Pineville, LA 71360 5950 Cedar Springs Rd., Suite 230		9414 7116 9900 0808 4514 12	11/9/2021
Sugarberry Oil & Gas Corporation	RI	Dallas, TX 75235-6803		9414 7116 9900 0808 4633 54	11/9/2021
Kata Dia dia a 9 Dan da atian Cana		5950 Cedar Springs Rd., Suite 230		044474460000000465770	44 /0 /0004
Katy Pipeline & Production Corp.	RI	Dallas, TX 75235-6803 8111 Westchester Dr., Suite 900		9414 7116 9900 0808 4657 78	11/9/2021
TD Minerals, LLC	RI	Dallas, TX 75225		9414 7116 9900 0808 4625 17	11/9/2021
		P.O. Box 3688			4.4
John V. McCarthy, II	RI	Bernice, OK 74331 50 Sequoyah Blvd.		9414 7116 9900 0808 4688 78	11/9/2021
Joseph M. Victory	RI	Shawnee, OK 74801		9414 7116 9900 0808 4370 86	11/9/2021
		1514 St. Roch Ave.			
Augusta Elizabeth Bruley Elmwood	RI	New Orleans, LA 70117-8347 2635 Bamboo Dr.		9414 7116 9900 0808 4617 25	11/9/2021
Beverly B. Blair	RI	Lake Havasu City, AZ 86403		9414 7116 9900 0808 4899 34	11/9/2021
		11629 Cedar Valley Dr.			, , ,
Catherine DeAnn Salvo Wren	RI	Oklahoma City, OK 73170		9414 7116 9900 0808 4833 52	11/9/2021
Gregory Simone Salvo	RI	18 Estambre Road Santa Fe, NM 87508		9414 7116 9900 0808 4857 69	11/9/2021
Cregory Simone Suivo	IN	59 Road 5217		3414 7110 3300 0000 4037 03	11/3/2021
Jerry Lasater, Jr.	RI	Farmington, NM 87401		9414 7116 9900 0808 6220 10	11/9/2021
Charles David West, III	DI	7822 Ogden Ct. Centennial, CO 80122	1	0414 7116 0000 0000 4071 74	11/0/2021
DeAlva E. Blocker, Trustee of the Blocker Family Trust,	RI	10430 Sunnyland Dr.	+	9414 7116 9900 0808 4071 74	11/9/2021
dated December 15, 1994	RI	Tuscaloosa, AL 35405		9414 7116 9900 0808 6392 78	11/9/2021
III Burko III	DI.	8928 Meadowknoll Dr.		044474460000000000	441-1
J.L. Burke, III	RI	Dallas. TX 75243 13451 Birch Way	-	9414 7116 9900 0808 6334 29	11/9/2021
Laura Jean Amman	RI	Thornton, CO 80241		9414 7116 9900 0808 6320 33	11/9/2021
		P.O. Box 50207	1		
Linda Ruth Garcia	RI	Albuquerque, NM 87181	1	9414 7116 9900 0808 6380 42	11/9/2021
Lisa M. Daves Revocable Trust, by Lisa M. Daves,		20910 Timber Ridge Dr.			

	1	20031 82nd Ave. West		
Marilyn Burke Salter	RI	Edmonds, WA 98026-6720	9414 7116 9900 0808 6263 15	11/9/2021
Megan Kathleen Boyd	RI	2724 East Dale St. Colorado Springs, CO 80909	9414 7116 9900 0808 6592 90	11/9/2021
		2301 Boyd Ave.		
Mineral Interest Trust	RI	Midland, TX 79705	9414 7116 9900 0808 6539 08	11/9/2021
Nancy I. Farmer	RI	5135 E. 35th St. Tulsa, OK 74135	9414 7116 9900 0808 6506 93	11/9/2021
reality i. Farmer	NI	4622 N. Carefree Cir.	3414 7110 3300 0808 0300 33	11/3/2021
Nicole Marie Sanchez	RI	Colorado Springs, CO 80917	9414 7116 9900 0808 6573 40	11/9/2021
		650 S. Clinton St., #5A		
Patrick Markam Boyd	RI	Denver, CO 80247	9414 7116 9900 0808 6516 83	11/9/2021
University of the Southwest	DI	6610 N. Lovington Highway Hobbs, NM 88240	0414 7116 0000 0000 6646 30	11/0/2021
University of the Southwest	RI	1717 Main St., Suite 1400	9414 7116 9900 0808 6646 38	11/9/2021
The Southwestern Baptist Theological Seminary	RI	Dallas, TX 75201-4622	9414 7116 9900 0808 6838 44	11/9/2021
		2716 Brenton Dr.		
Sharon Jeffreys	RI	Edmond, OK 73012	9414 7116 9900 0808 6846 43	11/9/2021
l		1821 Boyd Ct.		
Debbie Fogel	RI	Carrollton, TX 75010	9414 7116 9900 0808 6853 67	11/9/2021
Prevail Energy, LLC	RI/ORRI	521 Dexter St. Denver, CO 80220-5035	9414 7116 9900 0808 6880 78	11/9/2021
Frevail Lifergy, LLC	NIJOKKI	5528 Vickery Road	3414 7110 3300 0808 0880 78	11/3/2021
Monticello Minerals, LLC	RI/ORRI	Dallas, TX 75206	9414 7116 9900 0808 6867 08	11/9/2021
	,	P.O. Box 980552		
Rheiner Holdings, LLC	RI/ORRI	Houston, TX 77098	9414 7116 9900 0808 6816 42	11/9/2021
		P.O. Box 540711		
Cayuga Royalties, LLC	RI/ORRI	Houston, TX 77254 400 N. Marienfeld St. Ste 200	9414 7116 9900 0808 6094 17	11/9/2021
OGX Royalty Fund, LP	ORRI	Midland, TX 79701	9414 7116 9900 0808 6047 19	11/9/2021
OOX NOVUNCY 1 and, El	Ollin	1331 Third Street	3414 /110 3300 0000 004/ 13	11/3/2021
Bryan Bell Family, LLC	ORRI	New Orleans, LA 70130	9414 7116 9900 0808 6059 69	11/9/2021
Cathleen Ann Adams, Trustee of the Cathleen Ann		P.O. Box 45807		
Adams Revocable Trust dated 9/25/2020	ORRI	Rio Rancho, NM 87174	9414 7116 9900 0808 6007 28	11/9/2021
Susan Arrott aka Susan Carol Arrott, Trustee of the	ODDI	P.O. Box 95074	0444 7445 0000 0000 5055 75	44/0/2024
Arrott Family Revocable Trust dated 4/8/2019 Wells Fargo Bank, N.A., Trustee of the Robert N.	ORRI	North Little Rock, AR 72295 P.O. Box 1968	9414 7116 9900 0808 6066 76	11/9/2021
Enfield Revocable Trust dated March 16, 1999	ORRI	Albuquerque, NM 87103	9414 7116 9900 0808 9395 83	11/9/2021
	0	P.O. Box 2588	3 12 1 7 220 3500 0000 3533 05	11/3/2021
Nuevo Seis, Limited Partnership	ORRI	Roswell, NM 88202-2588	9414 7116 9900 0808 9348 85	11/9/2021
		P.O. Box 471396		
Jetstream Royalty Partners, LP	ORRI	Fort Worth, TX 76147	9414 7116 9900 0808 9355 09	11/9/2021
Manuic E. Calacuta	ODDI	P.O. Box 2588	0.41.4.711.6.0000.0000.020.6.41	11/0/2021
Morris E. Schertz	ORRI	Roswell, NM 88202-2588 P.O. Box 1496	9414 7116 9900 0808 9306 41	11/9/2021
DMA, Inc.	ORRI	Roswell, NM 88202	9414 7116 9900 0808 9380 12	11/9/2021
		4815 Vista Del Oso Court NE		,-,
Charmar, LLC	ORRI	Albuquerque, NM 87109	9414 7116 9900 0808 9363 22	11/9/2021
		P.O. Box 58		
Howard A. Rubin, Inc.	ORRI	El Rito, NM 87530	9414 7116 9900 0808 9310 06	11/9/2021
Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust	OBBI	465 Camino Manzano Santa Fe, NM 87505	0414 7116 0000 0909 0122 16	11/0/2021
u/a/d January 23, 2015	ORRI	P.O. Box 1683	9414 7116 9900 0808 9133 16	11/9/2021
MLE, LLC	ORRI	Santa Fe, NM 87504	9414 7116 9900 0808 9143 37	11/9/2021
•		1301 N. Havenhurst #217		, , , ,
Richard C. Deason	ORRI	West Hollywood, CA 90046	9414 7116 9900 0808 9121 04	11/9/2021
	1.	6402 CR 7420		
Thomas D. Deason	ORRI	Lubbock, TX 79424	9414 7116 9900 0808 9104 21	11/9/2021
Ronald H. Mayer	ORRI	P.O. Box 2391 Roswell, NM 88202	9414 7116 9900 0808 9185 64	11/9/2021
nonala in Mayer	UNNI	4901 Whitney Lane	3414 / 110 3300 0000 3103 04	11/9/2021
SAP, LLC	ORRI	Roswell, NM 88203	9414 7116 9900 0808 9168 12	11/9/2021
		1331 Third Street		
Rubie Crosby Bell Family, LLC	ORRI	New Orleans, LA 70130	9414 7116 9900 0808 9117 01	11/9/2021

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

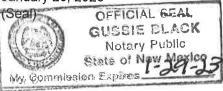
> Beginning with the issue dated November 10, 2021 and ending with the issue dated November 10, 2021.

Sworn and subscribed to before me this 10th day of November 2021.

Business Manager

My commission expires

January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE November 10, 2021

Application of Franklin Mountain Energy, LLC for approval of surface commingling, Lea County, New Mexico. Notice to all affected parties, as well as the heirs and devisees of: NMTX Mineral Fund, LLC: Russell H. Wickman; Frank T. Fleet, Inc; Margaret Helen Kelmar Trust A; Ellen Fonville Latsch; Joyce Ann Fonville Preston; John V. McCarthy, II; Joseph M. Victory; Augusta Elizabeth Bruley Elmwood; Beverly B. Blair; Catherine DeAnn Salvo Wren; Gregory Simone Salvo; Jerry Lasater, Jr.; Charles David West, III; DeAlva E. Blocker, TTE of the Blocker FT; J.L. Burke, III; Laura Jean Amman; Linda Ruth Garcia; Lisa M. Daves RT; Marilyn Burke Salter; Megan Kathleen Boyd; Mineral Interest Trust, Nancy I. Farmer; Nicole Marie Sanchez; Patrick Markam Boyd; Sharon Jeffreys; Debbie Fogel; Bryan Bell Family, LLC: Cathleen Ann Adams, TTE of the Cathleen Ann Adams RT, Susan Carol Arrott, TTE of the Arrott Family RT: Robert N. Enfield RT; Morris E. Schertz; Howard A. Rubin, Inc.; Lisa M. Enfield Trust; Thomas D. Deason; Ronald H. Mayer; United States of America, BLM of Franklin Mountain Energy, LLC; application for surface commingling. Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, Colorado, 80206, has filed an application with the New Mexico Oil Conservation Division seeking administrative approval to surface lease commingle production according to the provisions of NMAC 19.15.12.10. C from the 1912 Federal 701H well, Santa Fe Fed Com 704H well, Santa Fed Com 706H well, all located in the [33813] JAL; WOLFCAMP, WEST pool with the Trinity Federal 602H well, Santa Fe Fed Com 603H well, Zia Fed Com 604H well, all located in the WC-025 G-09 S253502B; LWR BONE SPRING 198185] pool, all located in Sections 13 & 24, T255-R35E, Lea County, New Mexico, Any objection or requests for a hearing regarding this application must be submitted to the Division's Santa Fe, New Mexico, 87505 in writing within 20 days of this publication. Any interested party with questions or comments may contact Rachael Overbey, 720-414-7868, rove Any interested party with questions or comments may contact Rachael Overbey, 720-414-7868, roverbey@fmellc.com. #37015

67116598

00260524

JESSICA GREY FRANKLIN MOUNTAIN ENERGY 44 COOK STREET, SUITE 1000 **DENVER, CO 80206**

<u>District I</u> 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 Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Section Township

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

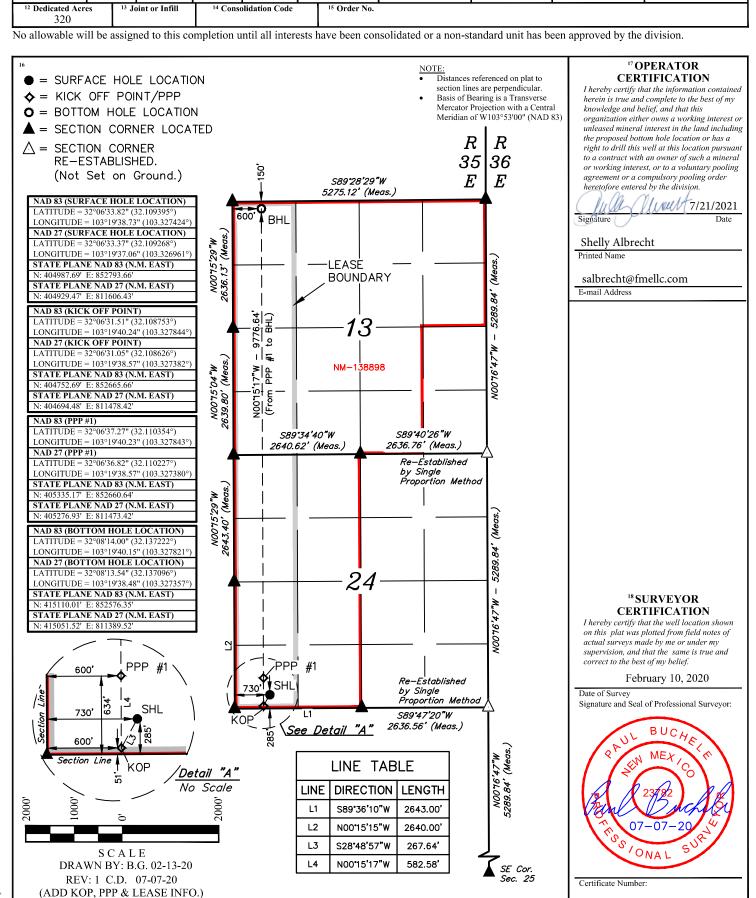
■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48910		² Pool Code 98185		; LWR BONE SPRING
⁴ Property Code 330842			roperty Name 2 FEDERAL	⁶ Well Number 601H
⁷ OGRID No. 393710			perator Name DUNTAIN ENERGY LLC	⁹ Elevation 3111.3

¹⁰ Surface Location

L	IVI	Z 4	233	33E		263	300111	730	WEST	LEA
	"Bottom Hole Location If Different From Surface									
	"Bottom Hole Location If Different From Surface									
Γ	UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County									
-1	D	13	25S	35E		150	NORTH	600	WEST	LEA



<u>District I</u> 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 Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Section Township

Range

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

X AMENDED REPORT

County

WELL LOCATION AND ACREAGE DEDICATION PLAT

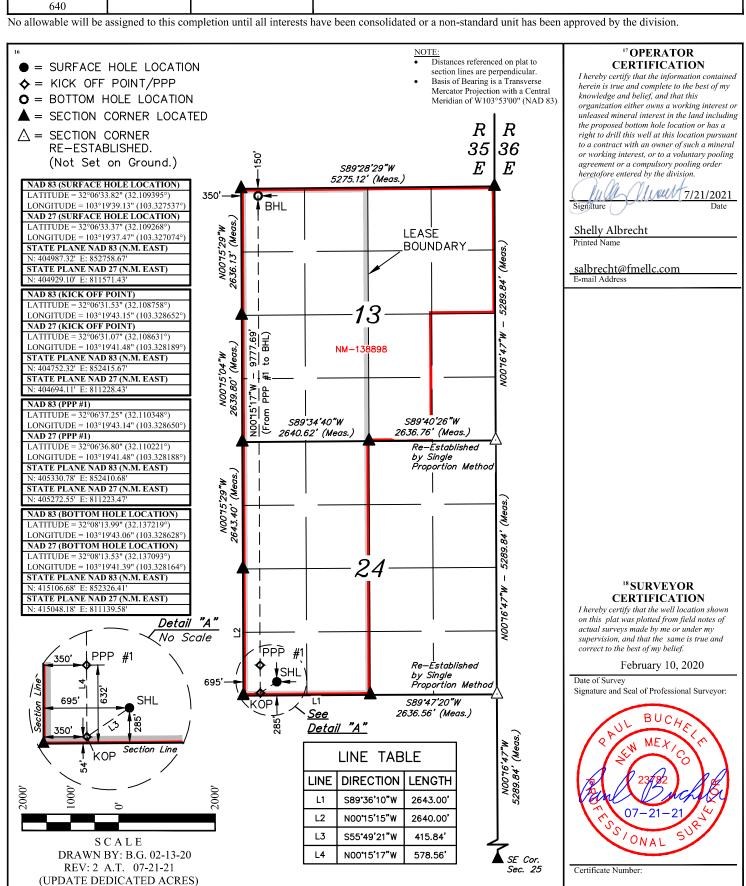
¹ API Number 30-025-48911		² Pool Code 33813	³ Pool Name JAL; WOLFCAM:	P, WEST
4 Property Code 330842			operty Name 2 FEDERAL	⁶ Well Number 701H
⁷ OGRID No. 373910			perator Name PUNTAIN ENERGY LLC	⁹ Elevation 3114.1

¹⁰ Surface Location

M	24	258	35E		285	SOUTH	695	WEST	LEA
D. W. H. L. W. TCD'CC V. F. C. C.									
"Bottom Hole Location If Different From Surface									
III. or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the Fast/West line County									

North/South line

25S 35Ē 150 NORTH 350 WEST LEA 640



<u>District I</u> 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 Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no. Section Township Range

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

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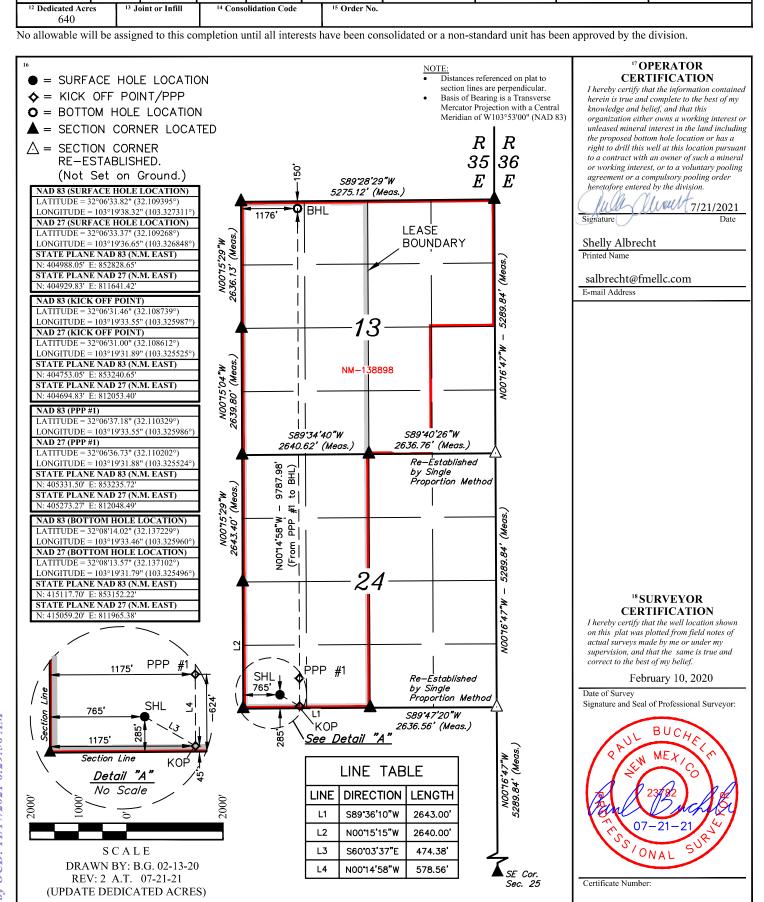
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name		
30-025-4891	2	33813	JAL; WOLFCAMP, WEST		
4 Property Code		5 Pr	6 Well Number		
330842		191:	702H		
7 OGRID No.		8 O _l	⁹ Elevation		
393710		FRANKLIN MO	3109.0		

¹⁰ Surface Location

	M	24	25S	35E		285	SOUTH	765	WEST	LEA
	"Bottom Hole Location If Different From Surface									
ı	UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County									
١	D	13	25S	35Ē		150	NORTH	1176	WEST	LEÅ

Feet from the



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St.,

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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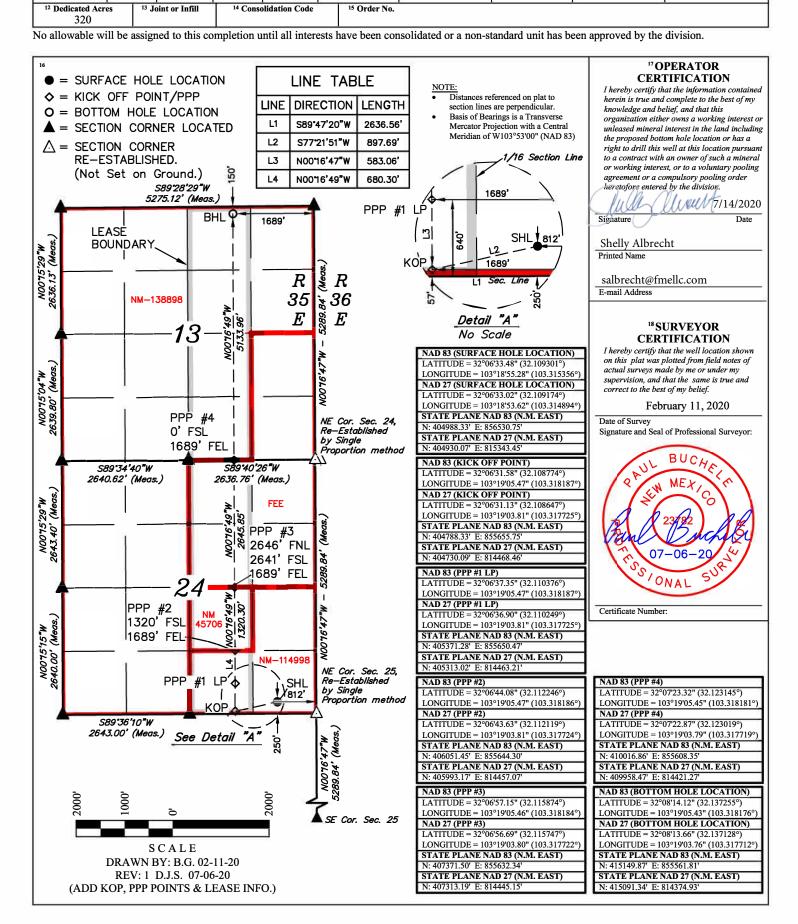
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		
30-025-48577		97088	E SPRING	
4 Property Code	-	5 P	roperty Name	6 Well Number
330328		SAN	NTA FE FED COM	603H
7 OGRID No.		8 O _I	perator Name	⁹ Elevation
373910		FRANKLIN MO	3079.8	

¹⁰ Surface Location

UL or lot no. P	Section 24	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 812	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
l B	13	25S	35E		150	NORTH	1689	EAST	l LEA



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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

640

UL or lot no. Section Township Range Lot Idn

¹³ Joint or Infill

SCALE

DRAWN BY: B.G. 02-11-20

REV: 2 A.T. 07-21-21 (UPDATE DEDICATED ACRES)

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	•	² Pool Code	³ Pool Name			
30-025-48	579	33813	Γ			
4 Property Code			operty Name	⁶ Well Number		
330328		SANTA	A FE FEDERAL	705H		
7 OGRID No.		8 OI	perator Name	9 Elevation		
373910		FRANKLIN MO	UNTAIN ENERGY LLC	3079.5		

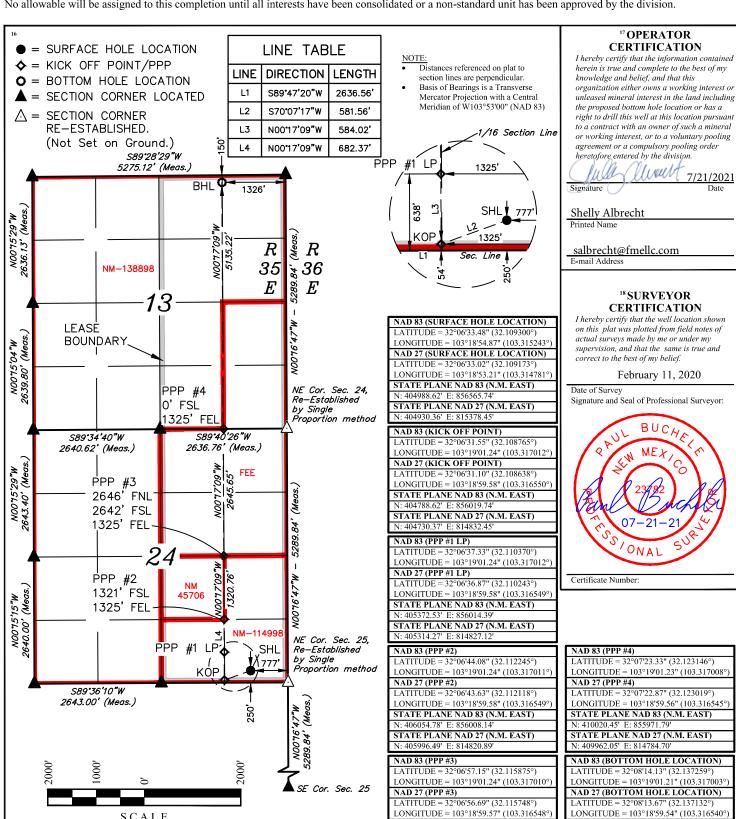
¹⁰ Surface Location

	P	24	25S	35E		250	SOUTH	777	EAST	LEA
	"Bottom Hole Location If Different From Surface									
UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County B 13 25S 35E 150 NORTH 1326 FAST LEA										

North/South line

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.

15 Order No.



STATE PLANE NAD 83 (N.M. EAST)

N: 407375.29' E: 855996.03' STATE PLANE NAD 27 (N.M. EAST)

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STATE PLANE NAD 83 (N.M. EAST) N: 415154.71' E: 855924.73'

STATE PLANE NAD 27 (N.M. EAST)

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

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640

UL or lot no. Section Township Range

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

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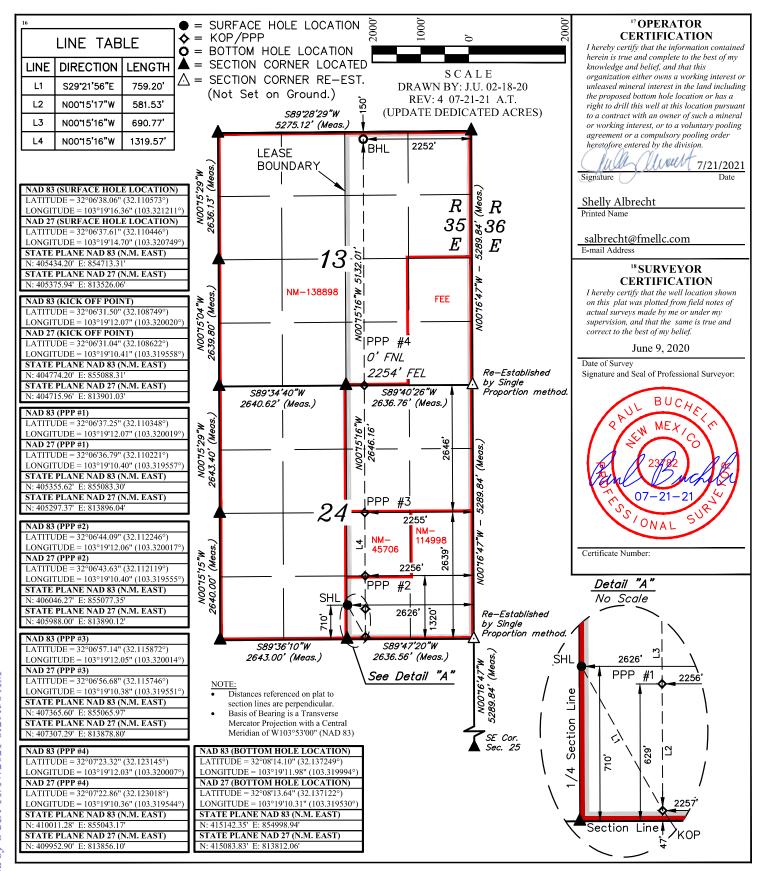
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	•	² Pool Code	³ Pool Name			
30-025-4857	8	33813	JAL; WOLFCAMP, WEST			
4 Property Code		5 Pr	operty Name	6 Well Number		
330328		SANTA	A FE FEDERAL	704H		
7 OGRID No.		8 OI	perator Name	⁹ Elevation		
373910		FRANKLIN MO	UNTAIN ENERGY LLC	3095.3'		

Surface Location

	UL or lot no. O	Section 24	Township 25S	Range 35E	Lot Idn	Feet from the 710	North/South line SOUTH	Feet from the 2626	East/West line EAST	County LEA
	"Bottom Hole Location If Different From Surface									
Γ	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
- 1	В	13	25S	35E		150	NORTH	2252	EAST	LEA

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.



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

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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no. Section Township Range

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

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County

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	•	² Pool Code	³ Pool Name	
30-025-485	580	97088	WC-025 G-08 S25	3534O; BONE SPRING
4 Property Code		5 Pr	operty Name	6 Well Number
330329		TRINI	TY FEDERAL	602H
7 OGRID No.		8 OI	perator Name	⁹ Elevation
393710		FRANKLIN MO	UNTAIN ENERGY LLC	3099.1'

¹⁰ Surface Location

N	24	25S	35Ē		710	SOUTH	2584	WEST	LEA
"Bottom Hole Location If Different From Surface									

North/South line

Feet from the

East/West line

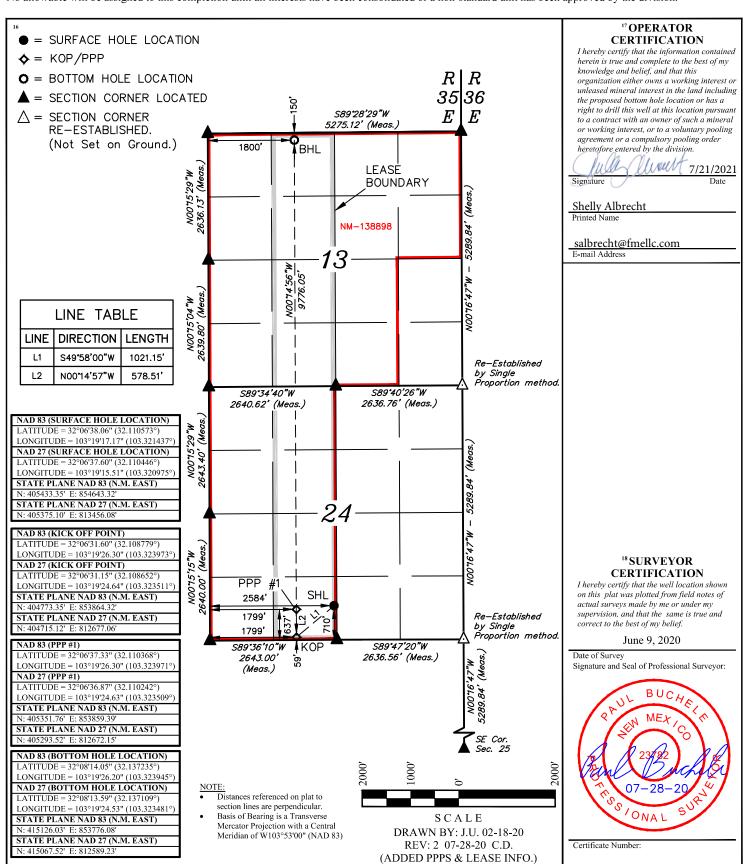
Bottom Hole Location If Different From Surface

UL or lot no. C	Section 13	Township 25S	Range 35E	Lot Idn	Fo	eet from the 150	North/South line NORTH	Feet from the 1800	East/West line WEST	County LEA
12 Dedicated Acro 320	es 13	³ Joint or Infill	14 Conse	lidation 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.

Feet from the

Lot Idn



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

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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

UL or lot no. Section Township Range Lot Idn

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

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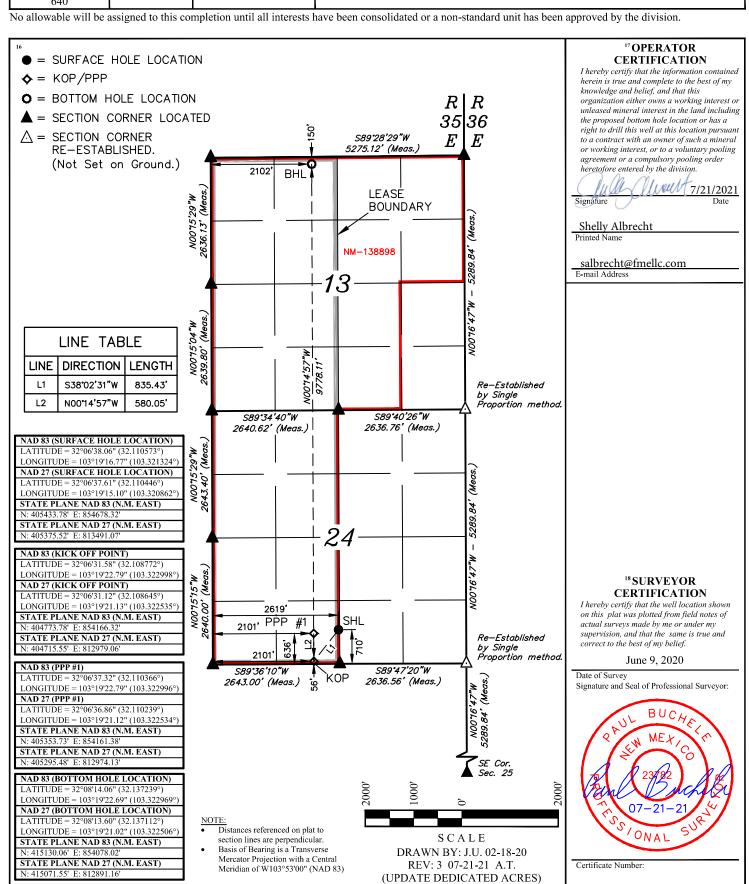
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	r	² Pool Code	³ Pool Name	
30-025-485	581	33813	JAL; WOLFCAMP, WEST	Γ
4 Property Code			operty Name	6 Well Number
330329		TRINI	TY FEDERAL	703H
7 OGRID No.		8 OI	perator Name	⁹ Elevation
373910		FRANKLIN MO	UNTAIN ENERGY LLC	3097.6'

Surface Location

N	24	25S	35E		710	SOUTH	2619	WEST	LEA
			11	Bottom H	ole Location I	f Different From	Surface		

UL or lot no. C	Section 13	on	Township 25S	Range 35E	Lot Idn	Feet from tl 150	ne	North/South line NORTH	Feet from the 2102	East/West line WEST	County LEA
12 Dedicated Acre 640	es	13 Join	nt or Infill	14 Conso	olidation Code	15 Orde	r No.				



25S

35E

<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
811 S. First St., Artesja, NM 88210

Bill S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

320

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

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County LEA

EAST

742

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name				
30-025-48	3582	97088	WC-025 G-08 S253534O; BONE SPRING				
4 Property Code		5 Pr	operty Name	6 Well Number			
330330		ZIA	A FED COM	604H			
7 OGRID No.		8 OI	perator Name	9 Elevation			
373910		FRANKLIN MO	UNTAIN ENERGY LLC	3078.8			

¹⁰ Surface Location

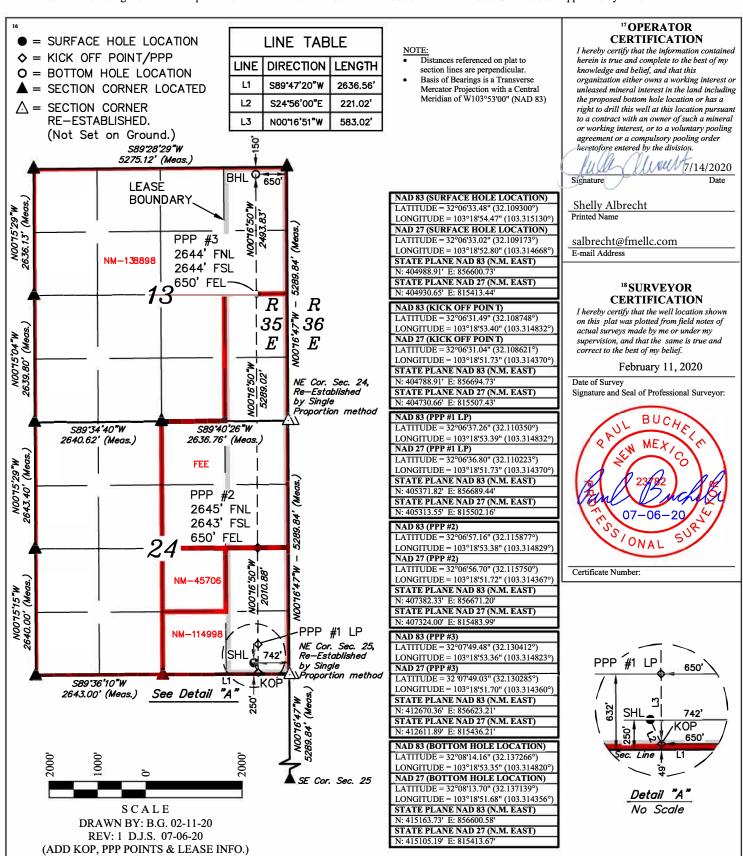
£			11	Bottom H	ole Location I	f Different From	Surface		
UL or lot no.	Section 13	on Township 25S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 650	East/West line EAST	County LEA
12 Dedicated Acre	es	13 Joint or Infill	14 Conse	olidation Code	15 Order No.				

North/South li SOUTH

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.

eet from the

250



SCALE

DRAWN BY: B.G. 02-11-20

REV: 2 A.T. 07-21-21 (UPDATE DEDICATED ACRES)

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

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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Section Township

Range

Lot Idn

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

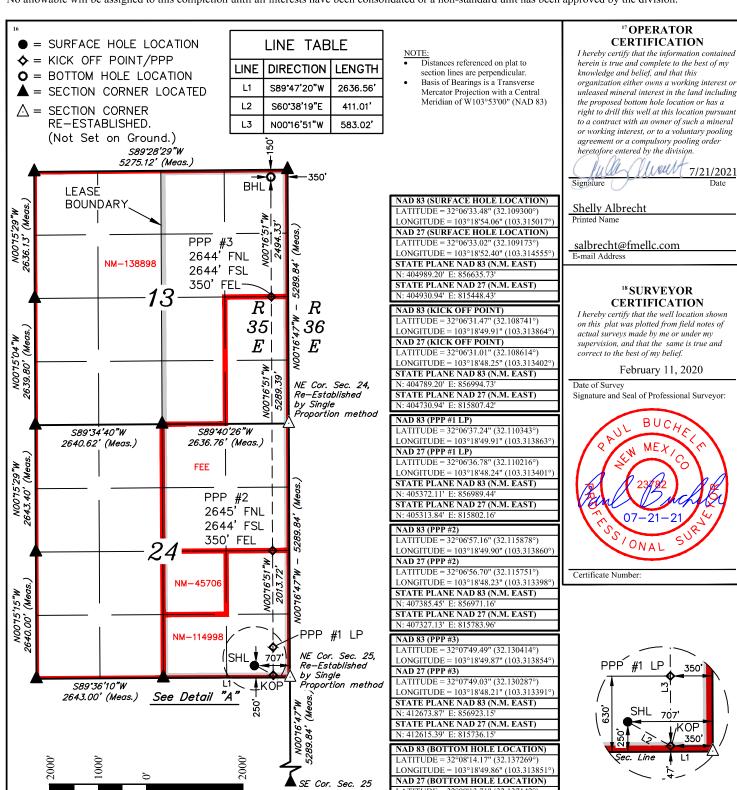
¹ API Number		² Pool Code ³ Pool Name		
30-025-48583		33813	JAL; WOLFCAMP, WEST	
4 Property Code 330330			roperty Name A FEDERAL	⁶ Well Number 706H
⁷ OGRID No. 373910			perator Name DUNTAIN ENERGY LLC	⁹ Elevation 3078.5

Surface Location

Р	24	258	35E		250	SOUTH	707	EAST	LEA
"Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	25S	35E		150	NORTH	350	EAST	LEA
12 Dedicated Acre	es 13 Jo	oint or Infill	14 Conso	olidation 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.

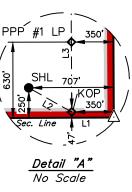
Feet from the

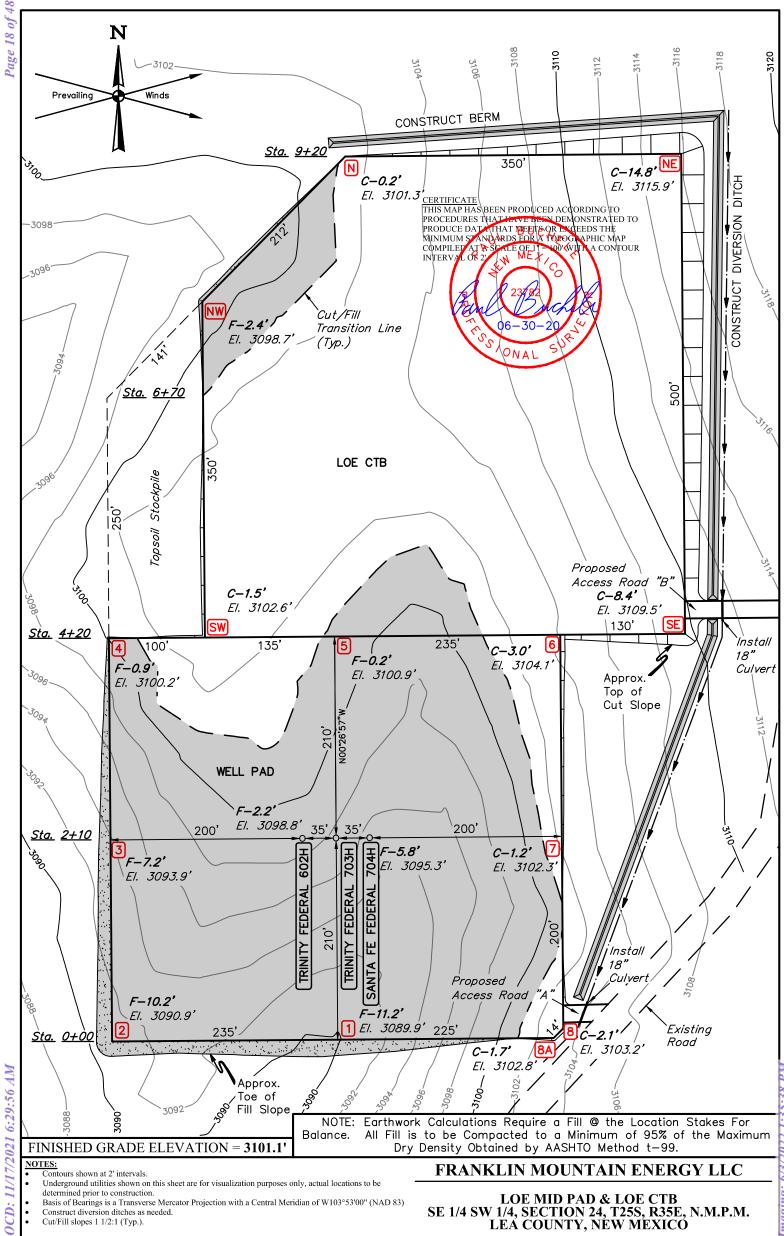


LATITUDE = 32°08'13.71" (32.137142°) LONGITUDE = 103°18'48.19" (103.313387°)

STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)





Cut/Fill slopes 11/2:1 (Typ.).

UELS, LLC Corporate Office * 85 South 200 East Vernal, UT 84078 * (435) 789-1017

IOCAT	ON LAVOUT		DIC	TIDE #1
DRAWN BY	DΙ	06-30-20		1" = 100'
SURVEYED BY	C.T., C.H. 0		24-20	SCALE

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY FRANKLIN MOUNTAIN ENERGY, LLC

CASE NO. 22078 ORDER NO. R-21847

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 5, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Franklin Mountain Energy, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the

CASE NO. 22078 ORDER NO. R-21847

Page 2 of 8

election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22078 ORDER NO. R-21847

Page 3 of 8

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
ADRIENNE SANDOVAL
DIRECTOR

Date: 9/21/2021

CASE NO. 22078 ORDER NO. R-21847

AES/jag

Exhibit A

Received by OCD: 8/3/2021 5:22:48 PM_ Page 3 of 58 **COMPULSORY POOLING APPLICATION CHECKLIST (pdf)** ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS **APPLICANT'S RESPONSE** Case: 22078 Date: August 3, 2021 Franklin Mountain Energy, LLC Applicant Franklin Mountain Energy, LLC (373910) Designated Operator & OGRID (affiliation if applicable) Modrall Sperling (Deana Bennett, Jamie Allen) Applicant's Counsel: Application of Franklin Mountain Energy, LLC for Case Title: Compulsory Pooling, Lea County, New Mexico Entries of Appearance/Intervenors: None Land of Enchantment Well Family Formation/Pool Wolfcamp Formation Name(s) or Vertical Extent: Oil Primary Product (Oil or Gas): Wolfcamp Pooling this vertical extent: Pool Name and Pool Code: JAL; WOLFCAMP, WEST; 33813 Statewide rules Well Location Setback Rules: 640 acres Spacing Unit Size: **Spacing Unit** Horizontal Type (Horizontal/Vertical) 640 acres Size (Acres) 40 acres **Building Blocks:** North-South Orientation: Description: TRS/County E/2 of Sections 13 and 24, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico Standard Horizontal Well Spacing Unit (Y/N), If No, describe **Other Situations** Depth Severance: Y/N. If yes, description Y - The completed interval for the Santa Fe Fed Proximity Tracts: If yes, description Com 705H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. **EXHIBIT** Proximity Defining Well: if yes, description Santa Fe Fed Com 705H Exhibit 4. Applicant's Ownership in Each Tract

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Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Tab B, Exhibits 3, 6
Well #1	Santa Fed Com 704H SHL: 710 feet from the South line and 2626 feet from the East line, Section 24, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 2252 feet from the East line, Section 13, Township 25 South, Range 35 East, NMPM. Completion Target: Wolfcamp at approximate 11,894' TVD. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 3 for C-102
Well #2	Santa Fe Fed Com 705H SHL: 250 feet from the South line and 777 feet from the East line, Section 24, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 1326 feet from the East line, Section 13, Township 25 South, Range 35 East, NMPM. Completion Target: Wolfcamp at approximate 11,972' TVD. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 3 for C-102
Well #3	Zia Fed Com 706H SHL: 250 feet from the South line and 707 feet from the East line, Section 24, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 350 feet from the East line, Section 13, Township 25 South, Range 35 East, NMPM. Completion Target: Wolfcamp at approximate 11,820' TVD. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 3 for C-102
Horizontal Well First and Last Take Points	Santa Fe Fed Com 704H: Proposed first take point: 629' FSL and 2,256' FEL, Proposed last take point: 150' FNL and 2,252' FEL; Santa Fe Fed Com 705H: Proposed first take point: 638' FSL and 1325' FEL, Proposed last take point: 150' FNL and 1,326' FEL; Zia Fed Com 706H: Proposed first take point: 630' FSL and 350' FEL, Proposed last take point: 150' FNL and 350' FEL See also Exhibit 3 for C-102

Received by OCD: 8/3/2021-5:22:48 PM Completion Target (Formation, TVD and MD)	See Proposal Letter Exhibit 6.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000: See also Proposal Letter Exhibit C
Production Supervision/Month \$	\$700: See also Proposal Letter Exhibit C
lustification for Supervision Costs	See AFE Exhibit 7
Requested Risk Charge	200%: See also Proposal Letter Exhibit 6
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 8
Ownership Determination	
and Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	Exhibit 4
Ownership Depth Severance (including percentage above & below	N/A
loinder	
Sample Copy of Proposal Letter	Exhibit 6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4
Chronology of Contact with Non-Joined Working Interests	See Exhibit 5 for Summary of Contacts
Overhead Rates In Proposal Letter	Proposal Letter Exhibit 6
Cost Estimate to Drill and Complete	Proposal Letter Exhibit 6; AFE Exhibit 7.
Cost Estimate to Equip Well	Proposal Letter Exhibit 6; AFE Exhibit 7.
Cost Estimate for Production Facilities	Proposal Letter Exhibit 6; AFE Exhibit 7.
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic Seleased to Imaging: 8/4/2021 8:15:15 AM	Exhibit 10, Exhibit 11-A

Received by OCD: 8/3/2021 5:22:48 PM

Page 6 of 58

Gunbarrel/Lateral Trajectory Schematic	Exhibit 10, Exhibit 11-A
Well Orientation (with rationale)	Exhibit C, Exhibit 12
Target Formation	Exhibit 10, Exhibit 11-A through 11-D
HSU Cross Section	Exhibit 11-B and 11-C.
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 3
Tracts	Exhibit 4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 9
Well Bore Location Map	Exhibit 9
Structure Contour Map - Subsea Depth	Exhibit 11-A
Cross Section Location Map (including wells)	Exhibit 11-B
Cross Section (including Landing Zone)	Exhibit 11-C
Additional Information	
CERTIFICATION: I hereby certify that the information p	provided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	plan MBney
Date:	August 3, 2021

Released to Imaging: 8/4/2021 8:15:15 AM

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY FRANKLIN MOUNTAIN ENERGY, LLC

CASE NO. 22081 ORDER NO. R-21848

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 5, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Franklin Mountain Energy, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the

CASE NO. 22081 ORDER NO. R-21848

Page 2 of 7

election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22081 ORDER NO. R-21848

Page 3 of 7

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OUT CONSERVATION DIVISION
ADRIENNE SANDOVAL
DIRECTOR

Date: 9/21/2021

CASE NO. 22081 ORDER NO. R-21848

AES/jag

Exhibit A

ALL INFORMATION IN THE APPLICATION MUST E	BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 22081	APPLICANT'S RESPONSE
Date: August 3, 2021	
Applicant	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)
Applicant's Counsel:	Modrall Sperling (Deana Bennett, Jamie Allen)
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Santa Fe
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	WC-025 G-08 S2535340; BONE SPRING, Pool Code 97088
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2E/2 of Sections 13 and 24, Township 25 South Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N
Applicant's Ownership in Each Tract	Exhibit 4.
Well(s)	EXHIBIT
Name & API (if assigned), surface and bottom hole location,	
footages, completion target, orientation, completion status (standard or non-standard) Released to Imaging: 8/4/2021 8:15:47 AM	Tab B, Exhibits 3, 6

Received by OCD: 8/3/2021 5:24:12 PM	Page 4 q
Well #1	Zia Fed Com 604H SHL: 250 feet from the South line and 742 feet from the East line, Section 24, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 650 feet from the East line, Section 13, Township 25 South, Range 35 East, NMPM. Completion Target: Bone Spring at approximately 11,670' TVD. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 3 for C-102
Horizontal Well First and Last Take Points	Proposed first take point: 632' FSL and 650' FEL Proposed last take point: 150' FNL and 650' FEL See also Exhibit 3 for C-102
Completion Target (Formation, TVD and MD)	See Proposal Letter Exhibit 6.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000: See also Proposal Letter Exhibit 6
Production Supervision/Month \$	\$700: See also Proposal Letter Exhibit 6
Justification for Supervision Costs	See AFE Exhibit 7
Requested Risk Charge	200%: See also Proposal Letter Exhibit 6
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 8
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	Exhibit 4
Ownership Depth Severance (including percentage above & belo	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit 6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4

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Chronology of Contact with Non-Joined Working Interests	See Exhibit 5 for Summary of Contacts
Overhead Rates In Proposal Letter	Proposal Letter Exhibit 6
Cost Estimate to Drill and Complete	Proposal Letter Exhibit 6; AFE Exhibit 7.
Cost Estimate to Equip Well	Proposal Letter Exhibit 6; AFE Exhibit 7.
Cost Estimate for Production Facilities	Proposal Letter Exhibit 6; AFE Exhibit 7.
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibit 10, Exhibit 11-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit 10, Exhibit 11-A
Nell Orientation (with rationale)	Tab C, Exhibit 12
Farget Formation	Exhibit 10, Exhibit 11-A through 11-D
HSU Cross Section	Exhibit 11-B and 11-C.
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 3
racts	Exhibit 4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 9
Well Bore Location Map	Exhibit 9
Structure Contour Map - Subsea Depth	Exhibit 11-A
Cross Section Location Map (including wells)	Exhibit 11-B
Cross Section (including Landing Zone)	Exhibit 11-C
Additional Information	

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY FRANKLIN MOUNTAIN ENERGY, LLC

CASE NO. 22082 ORDER NO. R-21849

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 5, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Franklin Mountain Energy, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the

CASE NO. 22082 ORDER NO. R-21849

Page 2 of 7

election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 22082 ORDER NO. R-21849

Page 3 of 7

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OUT CONSERVATION DIVISION
ADRIENNE SANDOVAL

DIRECTOR AES/jag

Date: 9/21/2021

Exhibit A

ALL INFORMATION IN THE APPLICATION MUST E	BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 22082	APPLICANT'S RESPONSE	
Date: August 3, 2021		
Applicant	Franklin Mountain Energy, LLC	
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)	
Applicant's Counsel:	Modrall Sperling (Deana Bennett, Jamie Allen)	
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico	
Entries of Appearance/Intervenors:	None	
Well Family	Land of Enchantment	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Bone Spring	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Bone Spring	
Pool Name and Pool Code:	WC-025 G-08 S253534O; BONE SPRING, Pool Code 97088	
Well Location Setback Rules:	Statewide rules	
Spacing Unit Size:	320 acres	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	320 acres	
Building Blocks:	40 acres	
Orientation:	North-South	
Description: TRS/County	W/2E/2 of Sections 13 and 24, Township 25 South Range 35 East, NMPM, Lea County, New Mexico	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ	
Other Situations		
Depth Severance: Y/N. If yes, description	N	
Proximity Tracts: If yes, description	N	
Proximity Defining Well: if yes, description	N	
Applicant's Ownership in Each Tract	Exhibit 4.	
Well(s)	EXHIBIT	
Name & API (if assigned), surface and bottom hole location,	Tab P Eyhibite 2 6	
footages, completion target, orientation, completion status (standard or non-standard)	A Special A	

Received by OCD: 8/3/2021 5:25:33 PM	Page 4 of
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Horizontal Well First and Last Take Points	Santa Fe Fed Com 603H Proposed first take point: 640' FSL, 1689' FEL, Proposed last take point: 150' FNL, 1,689' FEL
Completion Target (Formation, TVD and MD)	See Proposal Letter Exhibit 6.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000: See also Proposal Letter Exhibit 6
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Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	Exhibit 4
Ownership Depth Severance (including percentage above & belo	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit 6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4

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Cost Estimate to Drill and Complete	Proposal Letter Exhibit 6; AFE Exhibit 7.		
Cost Estimate to Equip Well	Proposal Letter Exhibit 6; AFE Exhibit 7.		
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HSU Cross Section	Exhibit 11-B and 11-C.		
Depth Severance Discussion	N/A		
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Tracts	Exhibit 4		
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4		
General Location Map (including basin)	Exhibit 9		
Well Bore Location Map	Exhibit 9		
Structure Contour Map - Subsea Depth	Exhibit 11-A		
Cross Section Location Map (including wells)	Exhibit 11-B		
Cross Section (including Landing Zone) Additional Information	Exhibit 11-C		
CERTIFICATION: I hereby certify that the information p	provided in this checklist is complete and accurate.		
	Parada Santa Cara Santa S		
Printed Name (Attorney or Party Representative):	Deana M. Bennett		
Signed Name (Attorney or Party Representative):	Dew Month		
Released to Imaging: 8/4/2021 8:16:14 AM	August 3, 2021		
The state of the s			

APP NO. DATE IN ENGINEER LOGGED IN TYPE

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



		ADMINISTRATIVE APPL	ICATION CHECKLIST
TH	IIS CHECKLIST IS I	MANDATORY FOR ALL ADMINISTRATIVE APPLICA WHICH REQUIRE PROCESSING AT TI	TIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS HE DIVISION LEVEL IN SANTA FE
Applic	[DHC-Dov [PC-P	andard Location] [NSP-Non-Standard F vnhole Commingling] [CTB-Lease Co ool Commingling] [OLS - Off-Lease S [WFX-Waterflood Expansion] [PMX- [SWD-Salt Water Disposal] [IPI	torage] [OLM-Off-Lease Measurement] Pressure Maintenance Expansion]
[1]	TYPE OF A [A]	APPLICATION - Check Those Which A Location - Spacing Unit - Simultaneous NSL NSP SD	
	Chec [B]	ck One Only for [B] or [C] Commingling - Storage - Measureme DHC CTB PLC	ent PC OLS OLM
	[C]	Injection - Disposal - Pressure Increa WFX PMX SWD	se - Enhanced Oil Recovery IPI
	[D]	Other: Specify	
[2]	NOTIFICA [A]	TION REQUIRED TO: - Check Those Working, Royalty or Overriding	
	[B]	Offset Operators, Leaseholders of	or Surface Owner
	[C]	Application is One Which Requi	res Published Legal Notice
	[D]	Notification and/or Concurrent A U.S. Bureau of Land Management - Commissione	Approval by BLM or SLO rof Public Lands, State Land Office
	[E]	For all of the above, Proof of No	otification or Publication is Attached, and/or,
	[F]	Waivers are Attached	
[3]		CCURATE AND COMPLETE INFOR CATION INDICATED ABOVE.	RMATION REQUIRED TO PROCESS THE TYPE
	val is accurate		ation submitted with this application for administrative ge. I also understand that no action will be taken on this e submitted to the Division.
	Note	: Statement must be completed by an individu	al with managerial and/or supervisory capacity.
Rachael		Jackga verker	Director Ops Planning and Regulatory 10/6/2021
Print c	or Type Name	Signature	Title Date roverbey@fmellc.com
		*	e-mail Address

From: Engineer, OCD, EMNRD
To: Rachael Overbey

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com;

Glover, James; Paradis, Kyle O; Walls, Christopher

Subject:Approved Administrative Order PLC-825Date:Friday, June 3, 2022 12:16:56 PM

Attachments: PLC825 Order.pdf

NMOCD has issued Administrative Order PLC-825 which authorizes Franklin Mountain Energy, LLC (373910) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
20.025.49010	1012 Endovel #601H	W/2 W/2	13-25S-35E	98185
30-025-48910	1912 Federal #601H	W/2 W/2	24-25S-35E	90100
20 025 49011	1912 Federal #701H	W/2 W/2	13-25S-35E	22012
30-025-48911	1912 Federal #/01H	W/2 W/2	24-25S-35E	33813
20.025.49012	1012 Federal #702H	W/2 W/2	13-25S-35E	22012
30-025-48912	1912 Federal #702H	W/2 W/2	24-25S-35E	33813
20 025 49577	0.025.40555	W/2 E/2	13-25S-35E	07000
30-025-48577	Santa Fe Federal Com #603H	W/2 E/2	24-25S-35E	97088
20.025.49570	20.025 40570	W/2 E/2	13-25S-35E	33813
30-025-48579	Santa Fe Federal Com #705H	W/2 E/2	24-25S-35E	33813
30-025-48578		W/2 E/2	13-25S-35E	33813
30-025-465/6	Santa Fe Federal Com #704H	W/2 E/2	24-25S-35E	33613
20.025.49590	Trinity Federal #602H	E/2 W/2	13-25S-35E	97088
30-025-48580	Trinity Federal #602H	E/2 W/2	24-25S-35E	97000
20 025 49591	Trinity Federal #702H	E/2 W/2	13-25S-35E	33813
30-025-46561	30-025-48581 Trinity Federal #703H	E/2 W/2	24-25S-35E	33813
20 025 49592	5 40502 7° E.J C IICOAH	E/2 E/2	13-25S-35E	07000
30-025-48582	Zia Federal Com #604H	E/2 E/2	24-25S-35E	97088
20 025 49592	7:a Fadaval Com #706H	E/2 E/2	13-25S-35E	33813
30-043-48383	30-025-48583 Zia Federal Com #706H	E/2 E/2	24-25S-35E	33813

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY FRANKLIN MOUNTAIN ENERGY, LLC

ORDER NO. PLC-825

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Franklin Mountain Energy, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

Order No. PLC-825 Page 1 of 3

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

- 1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.
 - Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
- 2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable,

Order No. PLC-825 Page 2 of 3

- approval of the Agreement, including any production that had been allocated previously in accordance with this Order.
- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DATE: 6/03/2022

Order No. PLC-825

DIRECTOR

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-825

Operator: Franklin Mountain Energy, LLC (373910)

Central Tank Battery: Land of Enchantment Central Tank battery

Central Tank Battery Location: UL N O, Section 24, Township 25 South, Range 35 East Gas Title Transfer Meter Location: UL N O, Section 24, Township 25 South, Range 35 East

Pools

 Pool Name
 Pool Code

 JAL; WOLFCAMP, WEST
 33813

 WC-025 G-08 \$253534O; BONE SPRING
 97088

 WC-025 G-09 \$253502B; LWR BONE SPRIN
 98185

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R		
NMNM 13	All minus I P	13-25S-35E		
INIVITATE 13	W/2	24-25S-35E		
NMNM 04	5706 J	24-25S-35E		
NMNM 11	4998 I O P	24-25S-35E		
Fee Lea	ise(s) I P	13-25S-35E		
Fee Lea	se(s) NE/4	24-25S-35E		

Wells Well Name

Well API	Well Name	UL or Q/Q	S-T-R	Pool	
20 025 49010	30-025-48910 1912 Federal #601H	W/2 W/2	13-25S-35E	98185	
30-023-40910		W/2 W/2	24-25S-35E	90103	
30-025-48911	1912 Federal #701H	W/2 W/2	13-25S-35E	33813	
30-023-46911	1912 Federal #/01H	W/2 W/2	24-25S-35E		
30-025-48912	1012 Federal #702H	W/2 W/2	13-25S-35E	33813	
30-025-46912	1912 Federal #702H	W/2 W/2	24-25S-35E	33013	
20 025 49577	Santa Fe Federal Com #603H	W/2 E/2	13-25S-35E	07000	
30-025-48577	Santa re rederal Com #003H	W/2 E/2	24-25S-35E	97088	
20.025.40550	Santa Fe Federal Com #705H	W/2 E/2	13-25S-35E	33813	
30-025-48579	Santa re rederal Com #/05H	W/2 E/2	24-25S-35E	33013	
20.025.40550	Santa Fe Federal Com #704H	W/2 E/2	13-25S-35E	33813	
30-025-48578	Santa re rederal Com #/04H	W/2 E/2	24-25S-35E	33013	
30-025-48580	Twinity Fodoval #602H	E/2 W/2	13-25S-35E	07000	
30-025-46560	Trinity Federal #602H	E/2 W/2	24-25S-35E	97088	
20 025 40501	Twiniter Fordanal #70211	E/2 W/2	13-25S-35E	22012	
30-025-48581	Trinity Federal #703H	E/2 W/2	E/2 W/2 24	24-25S-35E	33813
30-025-48582 Zia Federal Com #	7:a Fodoval Com #604H	E/2 E/2	13-25S-35E	07000	
	Zia rederai Com #004fi	E/2 E/2	24-25S-35E	97088	
20 025 49592	7:a Federal Com #706H	E/2 E/2	13-25S-35E	22012	
30-025-48583 Zia Federal Com #706H	Zia reuerai Com #/00H	E/2 E/2	24-25S-35E	33813	

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-825

Operator: Franklin Mountain Energy, LLC (373910)

Pooled Areas				
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Welfeem NMNM 144201	E/2	13-25S-35E	640	A
CA Wolfcamp NMNM 144281	E/2	24-25S-35E	040	A
CA Bone Spring NMNM 144282	W/2 E/2	13-25S-35E	320	В
CA Bolle Spring INMINIM 144282	W/2 E/2	24-25S-35E	320	В
CA Bono Spring NMNM 144292	E/2 E/2	13-25S-35E	320	
CA Bone Spring NMNM 144283	E/2 E/2	24-25S-35E	320	C

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 138898	E/2 minus I P	13-25S-35E	240	A
Fee Lease(s)	I P	13-25S-35E	80	A
Fee Lease(s)	NE/4	24-25S-35E	160	A
NMNM 045706	J	24-25S-35E	40	A
NMNM 114998	IOP	24-25S-35E	120	A
NMNM 138898	W/2 E/2	13-25S-35E	160	В
Fee Lease(s)	W/2 NE/4	24-25S-35E	80	В
NMNM 045706	J	24-25S-35E	40	В
NMNM 114998	0	24-25S-35E	40	В
NMNM 138898	E/2 NE/4	13-25S-35E	80	C
Fee Lease(s)	E/2 SE/4	13-25S-35E	80	C
Fee Lease(s)	E/2 NE/4	24-25S-35E	80	C
NMNM 114998	E/2 SE/4	24-25S-35E	80	C

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

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**

CONDITIONS

Action 62171

CONDITIONS

Operator:	OGRID:
Franklin Mountain Energy LLC	373910
44 Cook Street	Action Number:
Denver, CO 80206	62171
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	6/3/2022