

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
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

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.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Franklin Mountain Energy, LLC
OPERATOR ADDRESS: 44 Cool Street, Suite 1000, Denver, CO 80206
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(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; LWR BONE SPRING	43.2° / 1347 BTU/CF	43.2° / 1234 BTU/CF		\$50/bbl oil \$1.00/MCF	330 BOPD 400 MCFD
[98187] WC-025 G-09 S253502D; UPR WOLFCAMP	43.2° / 1347 BTU/CF	43.2° / 1234 BTU/CF		\$50/bbl oil \$1.00/MCF	330 BOPD 400 MCFD

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

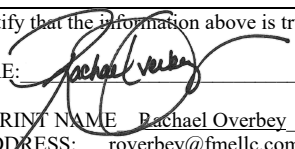
(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Director Ops Planning & Regulatory DATE: 1/17/2022
TYPE OR PRINT NAME Rachael Overbey TELEPHONE NO.: 720-414-6878
E-MAIL ADDRESS: roverbey@fmellc.com



January 17, 2022

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 98185 and 98187). 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@fmcenergy.com
Main: 720-414-7868
Mobile: 303-570-4057

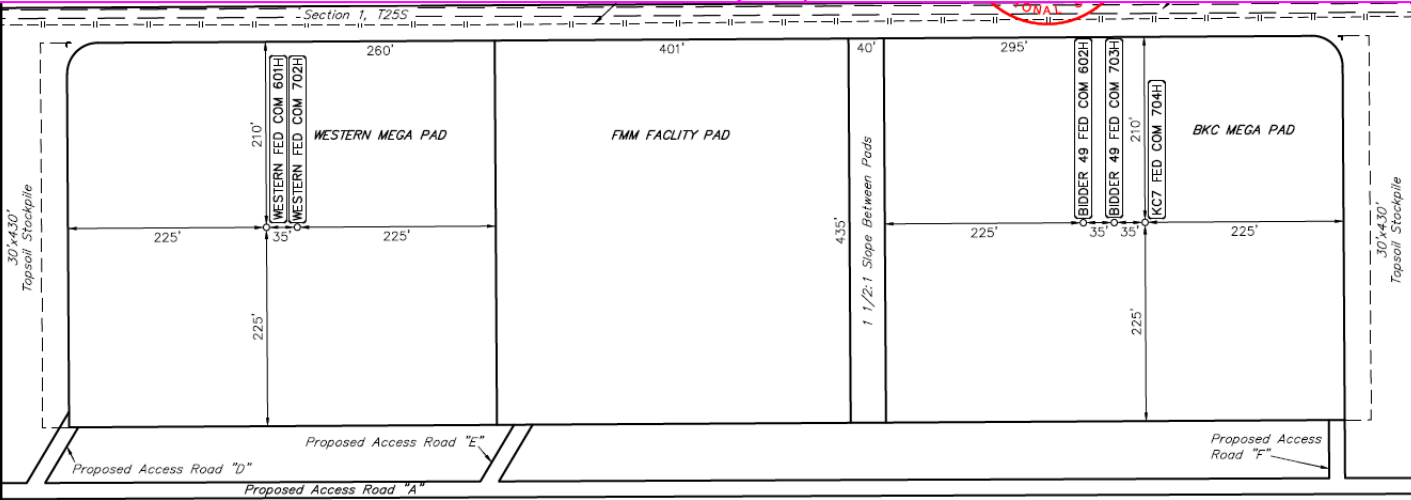
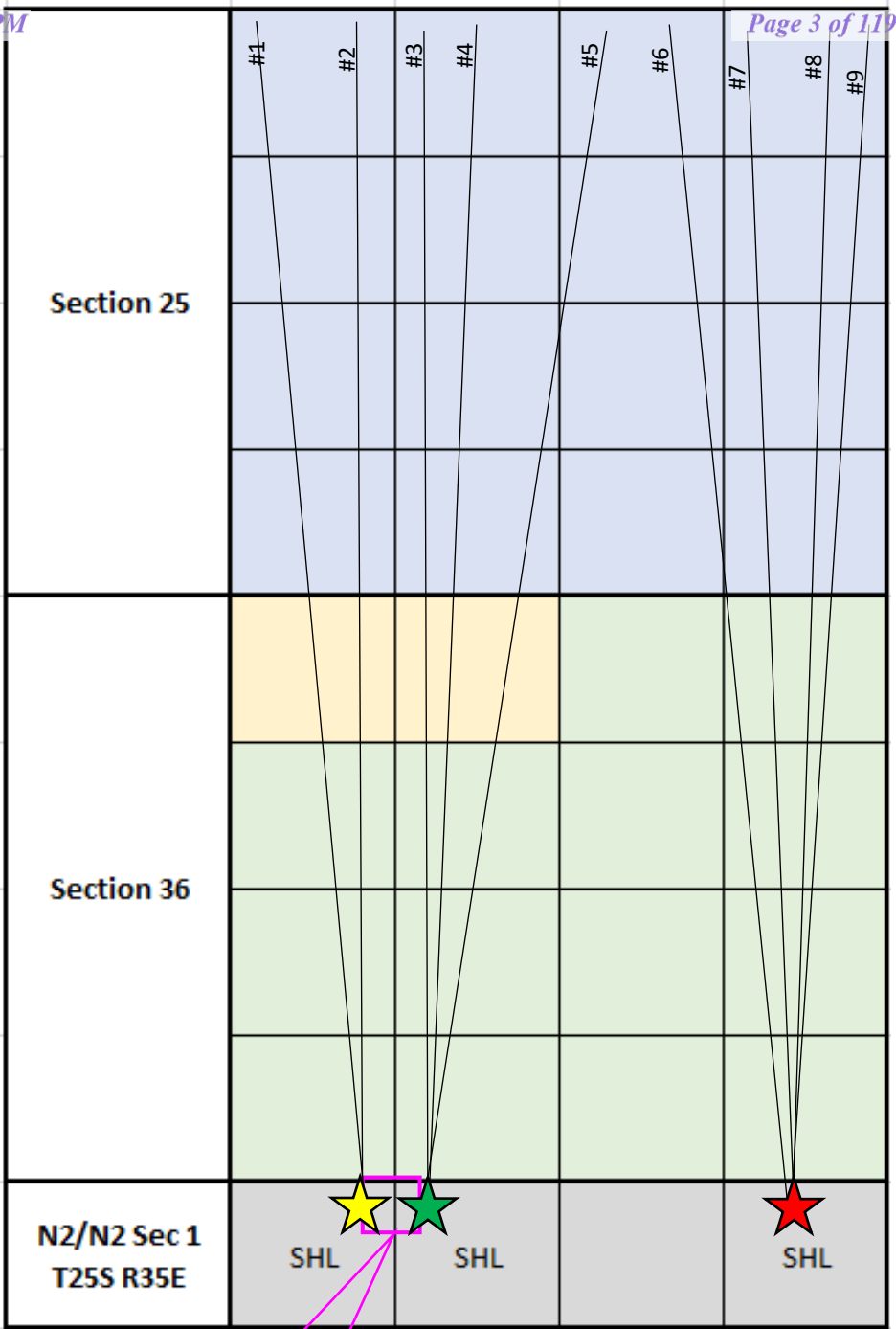
- ★ FMM West Pad
- Western Federal 601H
 - Western Federal 702H

- ★ FMM Mid Pad
- Bidder 49 Federal 602H
 - Bidder 49 Federal 703H
 - KC7 Fed Com 704H

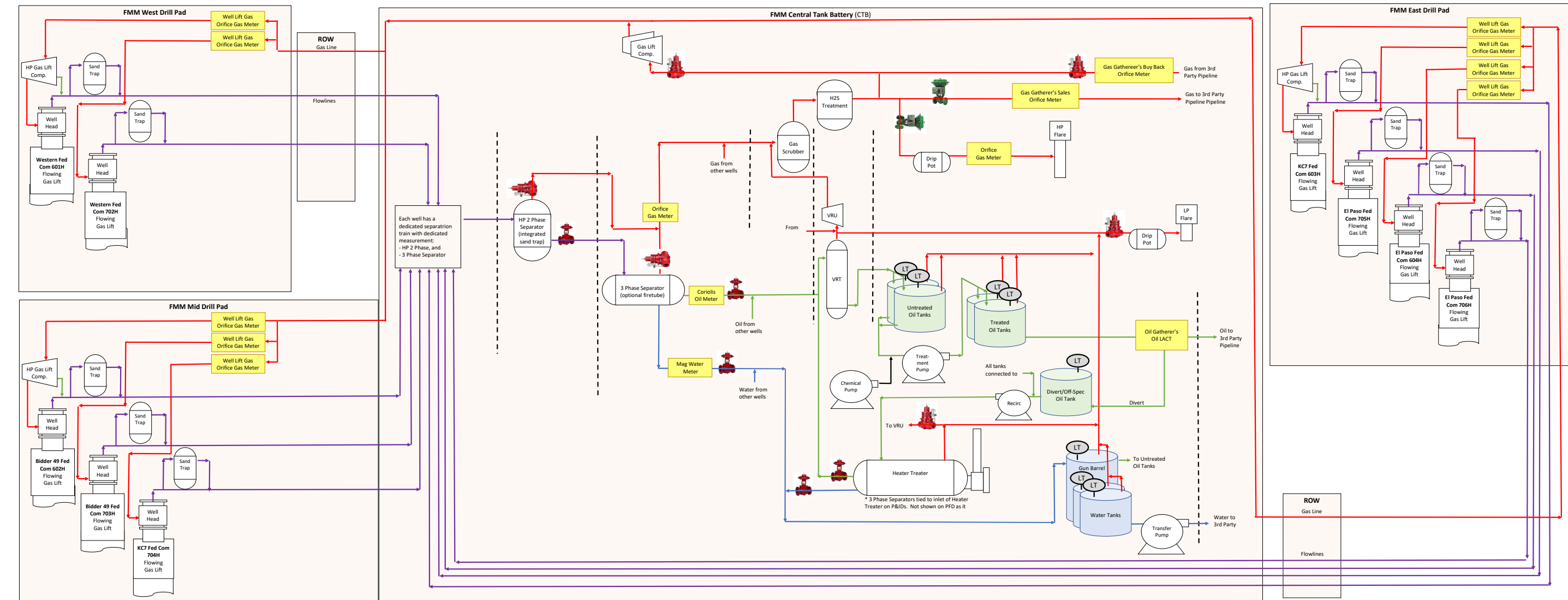
- ★ FMM East Pad
- KC7 Fed Com 603H
 - El Paso Fed Com 604H
 - El Paso Fed Com 705H
 - El Paso Federal 706H

□ FMM CTB

Section 25	NM-132081
Section 36	State V-9236
Section 36	State V-9256



Plat No.	Well Names	Formation	Unit Description	Unit Acres	NMOCD Pooling Order
1	Western Fed Com 601H	Bone Spring	W/2 W/2 Sec 25 & 36 T24S R35E	320	Pending
2	Western Fed Com 702H	Wolfcamp	W/2 Sec 25 & 36 T24S R35E	640	Pending
3	Bidder 49 Fed Com 602H	Bone Spring	E/2 W/2 Sec 25 & 36 T24S R35E	320	Pending
4	Bidder 49 Fed Com 703H	Wolfcamp	W/2 Sec 25 & 36 T24S R35E	640	Pending
5	KC7 Fed Com 704H	Wolfcamp	E/2 Sec 25 & 36 T24S R35E	640	Pending
6	KC7 Fed Com 603H	Bone Spring	W/2 E/2 Sec 25 & 36 T24S R35E	320	Pending
7	El Paso Fed Com 705H	Wolfcamp	E/2 Sec 25 & 36 T24S R35E	640	Pending
8	El Paso Fed Com 604H	Bone Spring	E/2 E/2 Sec 25 & 36 T24S R35E	320	Pending
9	El Paso Fed Com 706H	Wolfcamp	E/2 Sec 25 & 36 T24S R35E	640	Pending



Owner Name	Interest Type	Address	Notes	Certified Mail Tracking No.	Date Mailed
New Mexico State Land Office	RI / Surface	310 Old Santa Fe Trail, Santa Fe, NM 87501		9590 9402 5956 0062 8225 68	2/1/2022
United States of America, BLM	RI	301 Dinosaur Trail, Santa Fe, NM 87508		9590 9402 5956 0062 8225 37	2/1/2022
Monticello Minerals, LLC	ORRI	5528 Vickery Blvd., Dallas, Texas 75206		9590 9402 5956 0062 8225 51	2/1/2022
Prevail Energy, LLC	ORRI	521 Dexter St., Denver, Colorado 80220		9590 9402 5956 0062 8225 44	2/1/2022
Rheiner Holdings, LLC	ORRI	P.O. Box 980552, Houston, Texas 77098		9590 9402 5956 0062 8225 20	2/1/2022
Cayuga Royalties, LLC	ORRI	P.O. Box 540711, Houston, Texas 77254		9590 9402 5956 0062 8226 05	2/1/2022

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
February 02, 2022
and ending with the issue dated
February 02, 2022.

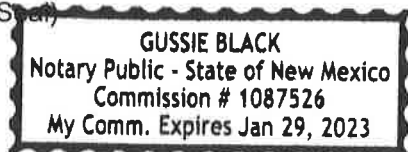

Publisher

Sworn and subscribed to before me this
2nd day of February 2022.


Business Manager

My commission expires
January 29, 2023

(Seal)



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



67116598

00263270

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48625	² Pool Code 98185	³ Pool Name WC-025 G-09 S253502B;LWR BONE SPRING
⁴ Property Code 330445	⁵ Property Name WESTERN FED COM	⁶ Well Number 601H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3284.1'

¹⁰Surface Location

UL or lot no. 4	Section 1	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line NORTH	Feet from the 1241	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. D	Section 25	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 600	East/West line WEST	County LEA
¹² Dedicated Acres 320		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.

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Shelly Albrecht* Date: 7/14/2020

Printed Name: Shelly Albrecht

E-mail Address: salbrecht@fmlc.com

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 13, 2020

Date of Survey

Signature and Seal of Professional Surveyor:

Paul Buchele

PAUL BUCHELE
NEW MEXICO
23782
07-02-20
PROFESSIONAL SURVEYOR

Certificate Number:

● = SURFACE HOLE LOCATION
◆ = KICK OFF POINT/PPP
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
△ = SECTION CORNER RE-ESTABLISHED.
(Not Set on Ground.)

2000'
1000'
0
2000'

SCALE

DRAWN BY: K.A. 02-28-20
REV: 1 D.P. 07-02-20 (NAME CHANGE, ADD KOP, PPP POINTS & LEASE INFO.)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48806	² Pool Code 98185	³ Pool Name WC-025 G-09 S253502B;LWR BONE SPRING
⁴ Property Code 330788	⁵ Property Name BIDDER 49 FED COM	⁶ Well Number 602H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3319.3'

¹⁰Surface Location

UL or lot no. 3	Section 1	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line NORTH	Feet from the 2167	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. C	Section 25	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 1800	East/West line WEST	County LEA
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code			¹⁵ Order No.				

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Signature: Shelly Albrecht Date: 7/14/2020

Printed Name: Shelly Albrecht

E-mail Address: salbrecht@fmlc.com

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 13, 2020

Date of Survey: _____
Signature and Seal of Professional Surveyor: _____

Certificate Number: _____

● = SURFACE HOLE LOCATION
◆ = KICK OFF POINT/PPP
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
△ = SECTION CORNER RE-ESTABLISHED.
(Not Set on Ground.)

SCALE
DRAWN BY: K.A. 02-28-20
REV: 1 D.P. 07-02-20 (NAME CHANGE, ADD KOP, PPP POINTS & LEASE INFO.)

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District IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48807	² Pool Code 98187	³ Pool Name WC-025 G-09 S253502D;UPR WOLFCAMP
⁴ Property Code 330788	⁵ Property Name BIDDER 49 FED COM	⁶ Well Number 703H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3320.8'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	1	25S	35E		250	NORTH	2202	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. C	Section 25	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 2202	East/West line WEST	County LEA
¹² Dedicated Acres 640		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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17 OPERATOR CERTIFICATION

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Shelly Albrecht* Date: 7/14/2020

Printed Name: Shelly Albrecht

E-mail Address: salbrecht@fmellc.com

18 SURVEYOR CERTIFICATION

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I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 13, 2020

Date of Survey: _____

Signature and Seal of Professional Surveyor:

PAUL BUCHELE
NEW MEXICO
23782
07-02-20
PROFESSIONAL SURVEYOR

Certificate Number: _____

● = SURFACE HOLE LOCATION / KICK OFF POINT
◆ = PPP
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
△ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

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REV: 1 D.P. 07-02-20 (NAME CHANGE, ADD KOP, PPP POINTS & LEASE INFO.)

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Phone: (505) 476-3460 Fax: (505) 476-3462

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48811	² Pool Code 98185	³ Pool Name WC-025 G-09 S253502D;UPR WOLFCAMP
⁴ Property Code 330441	⁵ Property Name KC7 FED COM	⁶ Well Number 704H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3321.1'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	1	25S	35E		250	NORTH	2237	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 25	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 2152	East/West line EAST	County LEA
¹² Dedicated Acres 640		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.

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°09'57.72" (32.166034°)
LONGITUDE = 103°19'21.20" (103.322557°)

NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°09'57.27" (32.165908°)
LONGITUDE = 103°19'19.53" (103.322091°)
STATE PLANE NAD 83 (N.M. EAST)
N: 425607.14' E: 854107.37'
STATE PLANE NAD 27 (N.M. EAST)
N: 425548.35' E: 812920.92'

NAD 83 (KOP)
LATITUDE = 32°09'57.64" (32.166011°)
LONGITUDE = 103°19'10.77" (103.319658°)
NAD 27 (KOP)
LATITUDE = 32°09'57.18" (32.165884°)
LONGITUDE = 103°19'09.10" (103.319193°)
STATE PLANE NAD 83 (N.M. EAST)
N: 425607.14' E: 855004.37'
STATE PLANE NAD 27 (N.M. EAST)
N: 425548.33' E: 813817.90'

NAD 83 (PPP #1)
LATITUDE = 32°10'00.19" (32.166720°)
LONGITUDE = 103°19'10.77" (103.319659°)
NAD 27 (PPP #2)
LATITUDE = 32°09'59.74" (32.166593°)
LONGITUDE = 103°19'09.10" (103.319194°)
STATE PLANE NAD 83 (N.M. EAST)
N: 425864.93' E: 855001.81'
STATE PLANE NAD 27 (N.M. EAST)
N: 425806.12' E: 813815.35'

NAD 83 (PPP #2 LP)
LATITUDE = 32°10'03.49" (32.167635°)
LONGITUDE = 103°19'10.77" (103.319659°)
NAD 27 (PPP #3 LP)
LATITUDE = 32°10'03.03" (32.167508°)
LONGITUDE = 103°19'09.10" (103.319194°)
STATE PLANE NAD 83 (N.M. EAST)
N: 426197.86' E: 854998.50'
STATE PLANE NAD 27 (N.M. EAST)
N: 426139.04' E: 813812.05'

NAD 83 (PPP #3)
LATITUDE = 32°10'52.48" (32.181244°)
LONGITUDE = 103°19'10.80" (103.319668°)
NAD 27 (PPP #4)
LATITUDE = 32°10'52.02" (32.181117°)
LONGITUDE = 103°19'09.13" (103.319202°)
STATE PLANE NAD 83 (N.M. EAST)
N: 431148.91' E: 854949.26'
STATE PLANE NAD 27 (N.M. EAST)
N: 431089.95' E: 813763.01'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°11'43.23" (32.195343°)
LONGITUDE = 103°19'10.83" (103.319676°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°11'42.78" (32.195216°)
LONGITUDE = 103°19'09.15" (103.319210°)
STATE PLANE NAD 83 (N.M. EAST)
N: 436277.95' E: 854898.24'
STATE PLANE NAD 27 (N.M. EAST)
N: 436218.86' E: 813712.19'

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S89°45'36"E	897.13'
L2	N00°19'49"W	257.84'
L3	N00°19'49"W	332.99'

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

CERTIFICATION

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Signature: _____ Date: 7/14/2020

Shelly Albrecht
Printed Name

salbrecht@fmlc.com
E-mail Address

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Certificate Number: _____

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▲ = SECTION CORNER LOCATED
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(Not Set on Ground.)

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48618		² Pool Code 98185		³ Pool Name WC-025 G-09 S253502B;LWR BONE SPRING	
⁴ Property Code 330441		⁵ Property Name KC7 FED COM			⁶ Well Number 603H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3334.2'

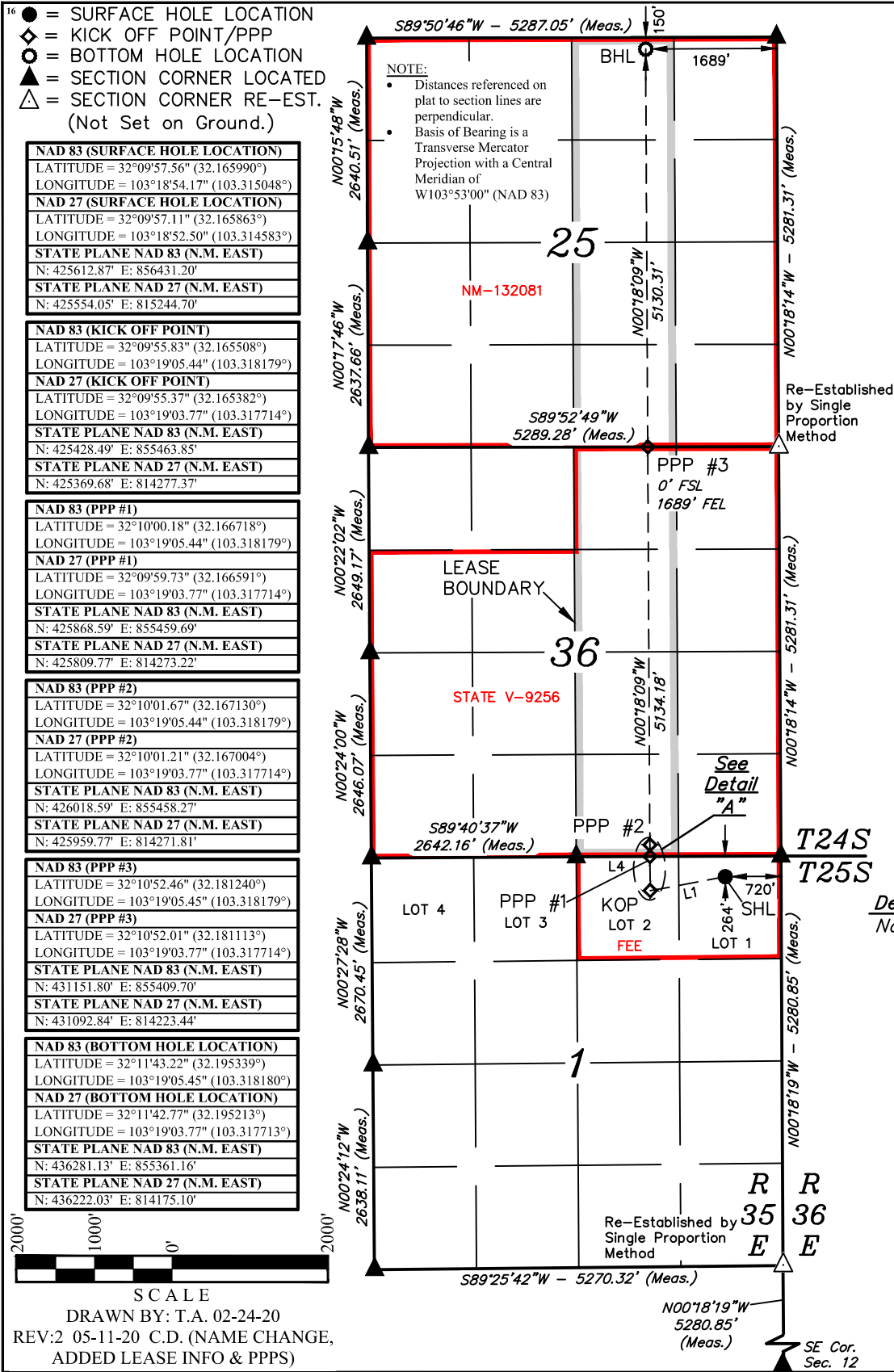
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	25S	35E		264	NORTH	720	EAST	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
B	25	24S	35E		150	NORTH	1689	EAST	LEA
¹² Dedicated Acres 320		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.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Shelly Albrecht* Date: 5-12-2020
Printed Name: Shelly Albrecht
E-mail Address: salbrecht@fmellc.com

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 13, 2020
Date of Survey
Signature and Seal of Professional Surveyor:
Paul Buchele
PAUL BUCHELE
NEW MEXICO
23782
05-11-20
PROFESSIONAL SURVEYOR

Certificate Number:

Detail "A"
No Scale

Section Line

PPP #2
PPP #1
0' FSL
1689' FEL
KOP
L1
L2
L3
L4

LINE	DIRECTION	LENGTH
L1	S79°26'54"W	984.91'
L2	N00°18'08"W	440.19'
L3	N00°18'08"W	150.03'
L4	S89°46'55"W	2639.71'

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 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

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 30-025-48913		² Pool Code 98185	³ Pool Name WC-025 G-09 S253502B;LWR BONE SPRING	
⁴ Property Code 330669		⁵ Property Name EL PASO FED COM		⁶ Well Number 604H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC		⁹ Elevation 3334.1'

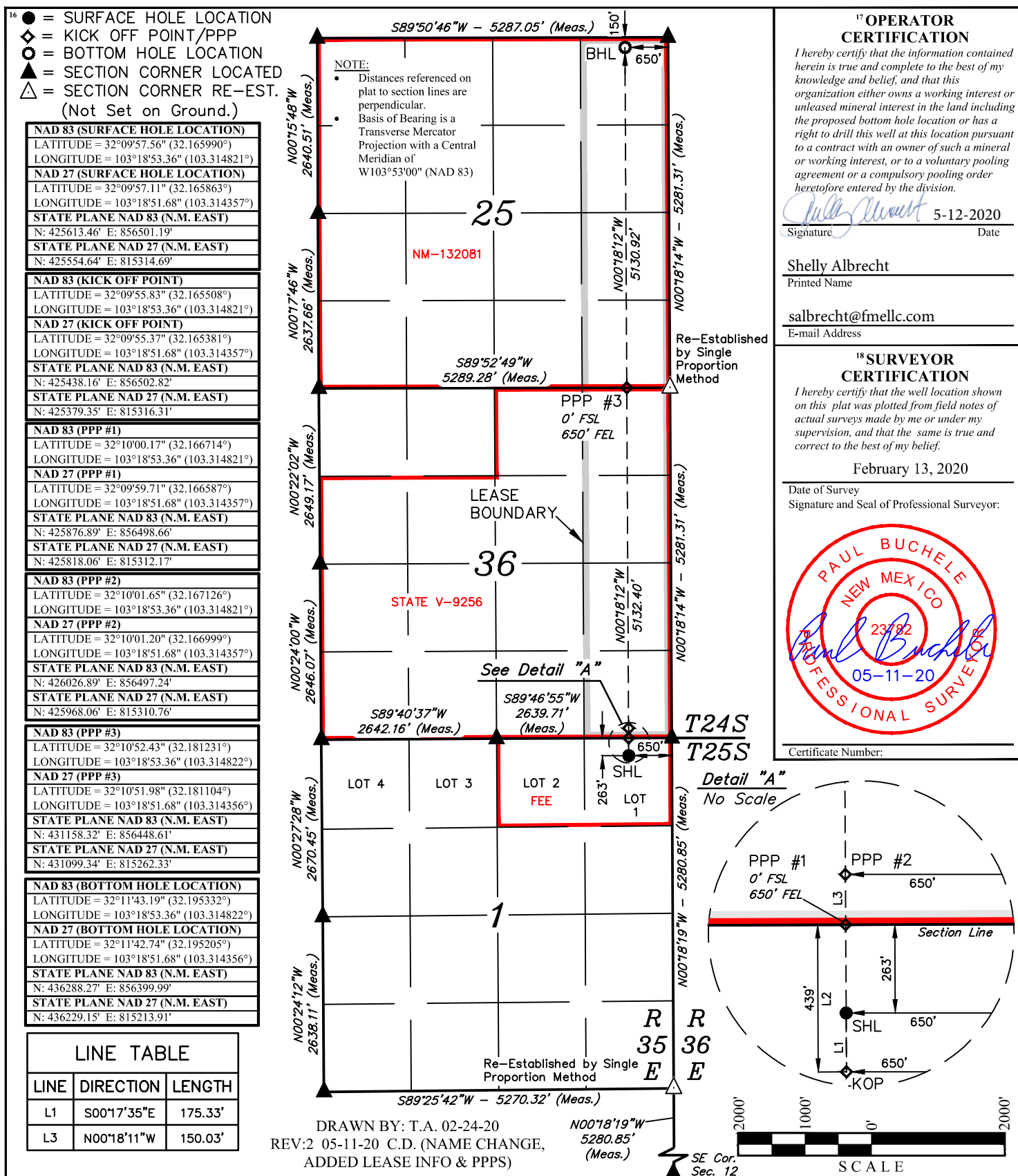
¹⁰ Surface Location

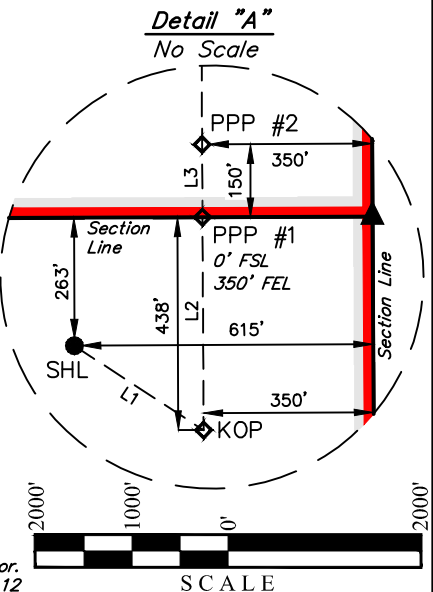
UL or lot no. 1	Section 1	Township 25S	Range 35E	Lot Idn	Feet from the 263	North/South line NORTH	Feet from the 650	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. A	Section 25	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 650	East/West line EAST	County LEA
¹² Dedicated Acres 320		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.







Date: March 8, 2022

To: Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508
Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
E/2 of Section 25-T24S-R35E, N.M.P.M.
and E/2 of Section 36-T24S-R35E, N.M.P.M.
Lea County, NM
Well Names – KC7 Fed Com 704H, El Paso Fed Com 705H, & El Paso Fed Com
706H
API# 30-025-48811, 30-025-48914, & 30-025-48709

Dear Ms. Rivera:

Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the **Wolfcamp** formation. The Bone Spring pool for this area is [98187] WC-025 G-09 S253502D;UPR WOLFCAMP.

Should you have any questions please contact Ilona Hoang at (720) 414-7868 or ihoang@fmellc.com.

Respectfully,

Franklin Mountain Energy, LLC

Loni Bogenschutz

Enclosures

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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	² Pool Code 98185	³ Pool Name WC-025 G-09 S253502D:UPR WOLFECAMP
⁴ Property Code	⁵ Property Name KC7 FED COM	⁶ Well Number 704H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3321.1'

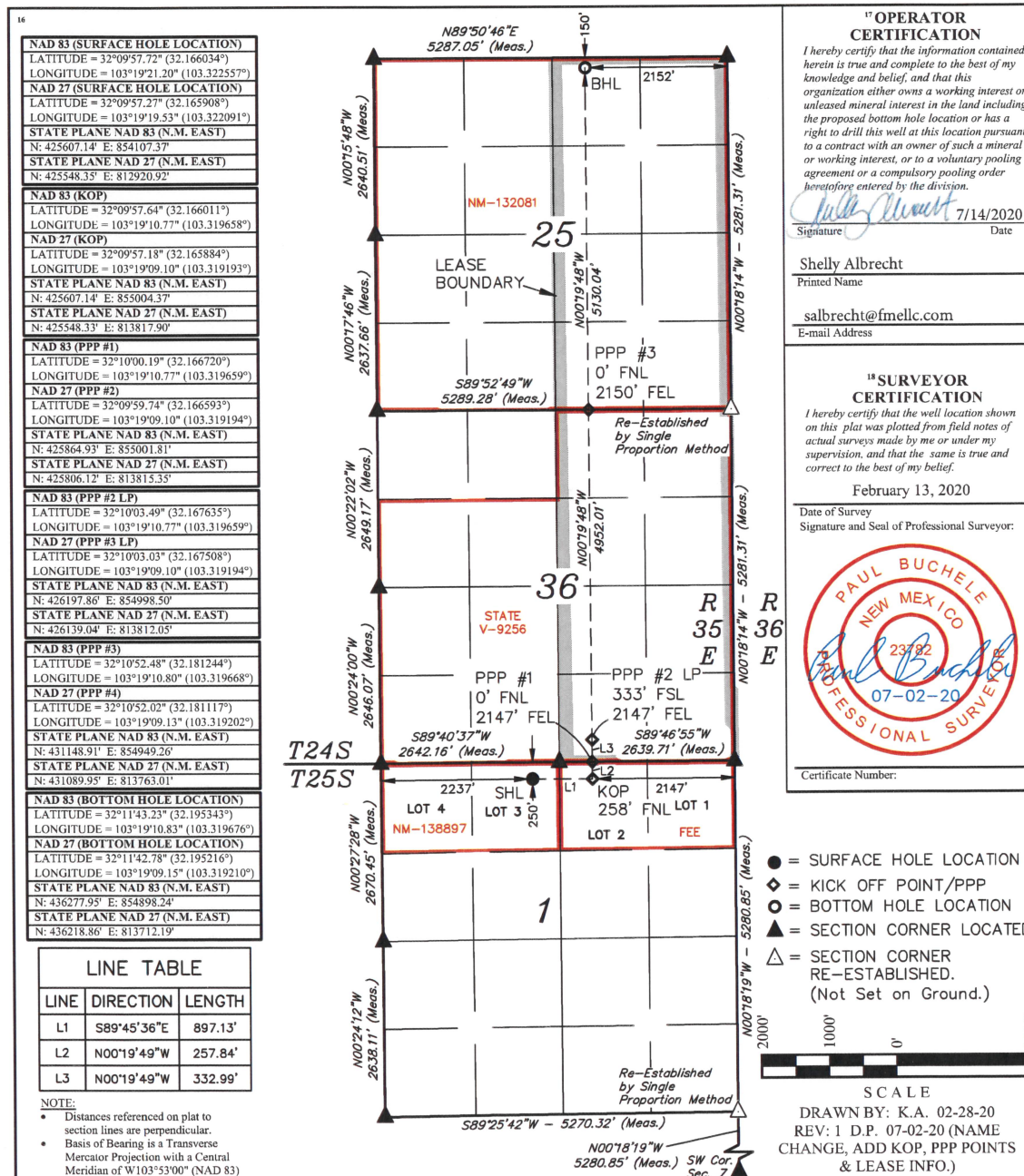
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
3	1	25S	35E		250	NORTH	2237	WEST	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
B	25	24S	35E		150	NORTH	2152	EAST	LEA
¹² Dedicated Acres 640	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.



Released to Imaging: 6/16/2022 3:46:10 PM

☐ AMENDED REPORT

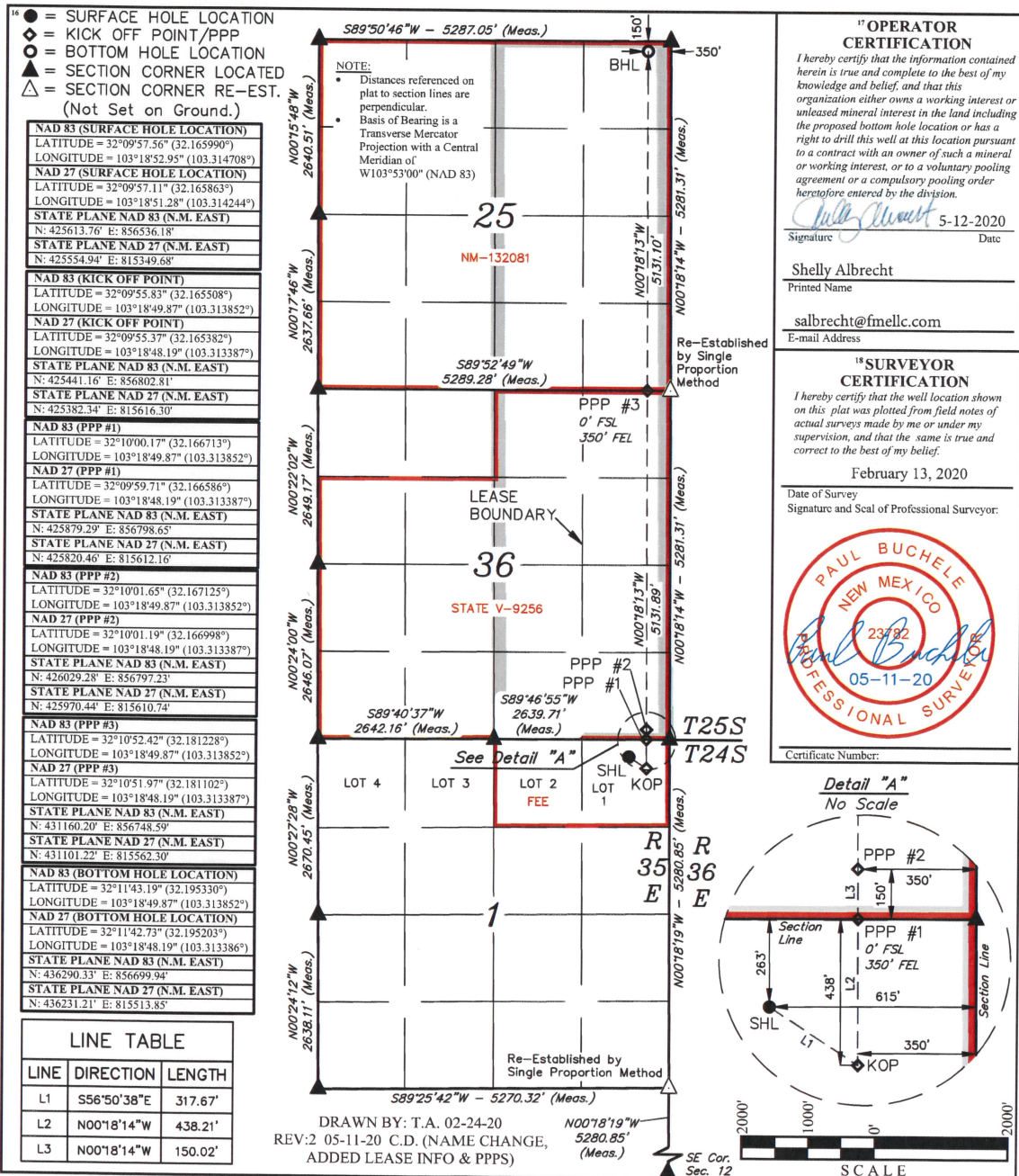
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98187	³ Pool Name WC-025 G-09 S253502D;UPR WOLFCAMP	
⁴ Property Code	⁵ Property Name EL PASO FED COM			⁶ Well Number 706H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3333.9'

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	25S	35E		263	NORTH	615	EAST	LEA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	24S	35E		150	NORTH	350	EAST	LEA
¹² Dedicated Acres 640	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.



Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.

Section 25: E/2

Section 36: E/2

Lea County, New Mexico

Containing 640.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:
Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Mar. 8. 2020

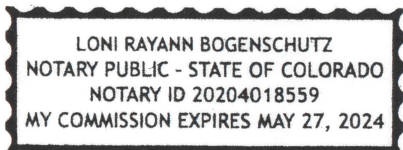
KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.





Notary Public in and for the State of Colorado

Working Interest Owner:

Franklin Mountain Energy 2, LLC

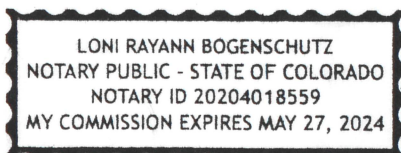
By: Name: Craig R. WaltersTitle: Chief Operating OfficerDate: Mar. 8. 2022


THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
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Notary Public in and for the State of Colorado

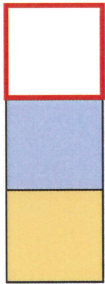
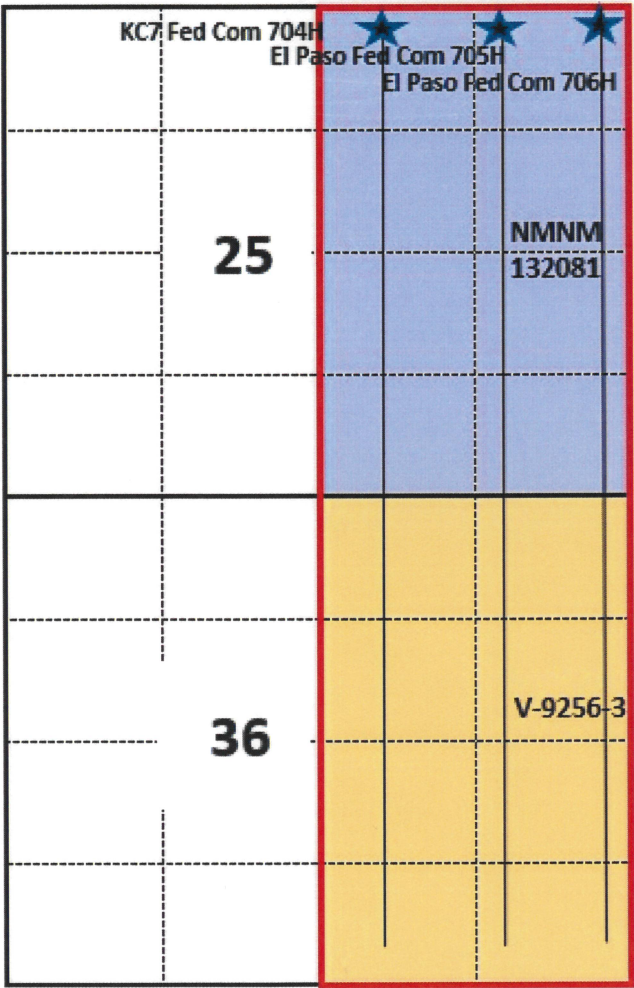
KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.00** acres, more or less, in the
E/2 of Section 25, the E/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Names / Nos.

KC7 Fed Com 704H, El Paso Fed Com 705H & El Paso Fed Com 706H



Communitized Area

Tract 1 (320 acres)

Tract 2 (320 acres)

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described
land in the E/2 of Section 25, and the E/2 of Section 36,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
Current Lessee:	Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 25: E/2 Lea County, New Mexico
Number of Acres:	320.00
Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9256-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: E/2
 Lea County, New Mexico
 Number of Acres: 320.00
 Royalty Rate: 16.6667%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Monticello Minerals. LLC
 Prevail Energy, LLC
 Rheiner Holdings, LLC
 Cayuga Royalties, LLC
 Authority for Pooling: State Lease

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
 Wolfcamp Formation
 E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.00	50.00%
2	320.00	50.00%
Total	640.00	100.00%

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
 Wolfcamp Formation
 E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.**Section 25: E/2****Section 36: E/2****Lea County, New Mexico**

Containing 640.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:
Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Mar. 8. 2022

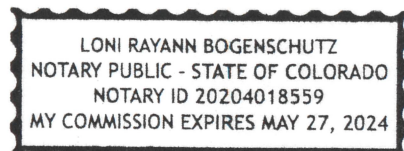
KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022, by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware corporation.



[Signature]
Notary Public in and for the State of Colorado

Working Interest Owner:

Franklin Mountain Energy 2, LLC

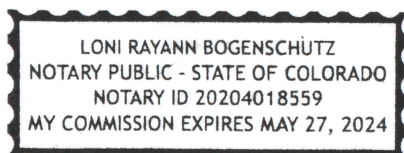
By: [Signature]Name: Craig R. WaltersTitle: Chief Operating OfficerDate: Mar. 8, 2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022, by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy 2, LLC, a Delaware corporation.



[Signature]
Notary Public in and for the State of Colorado

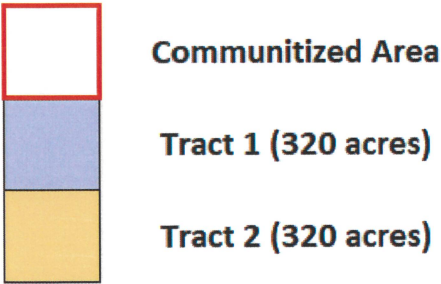
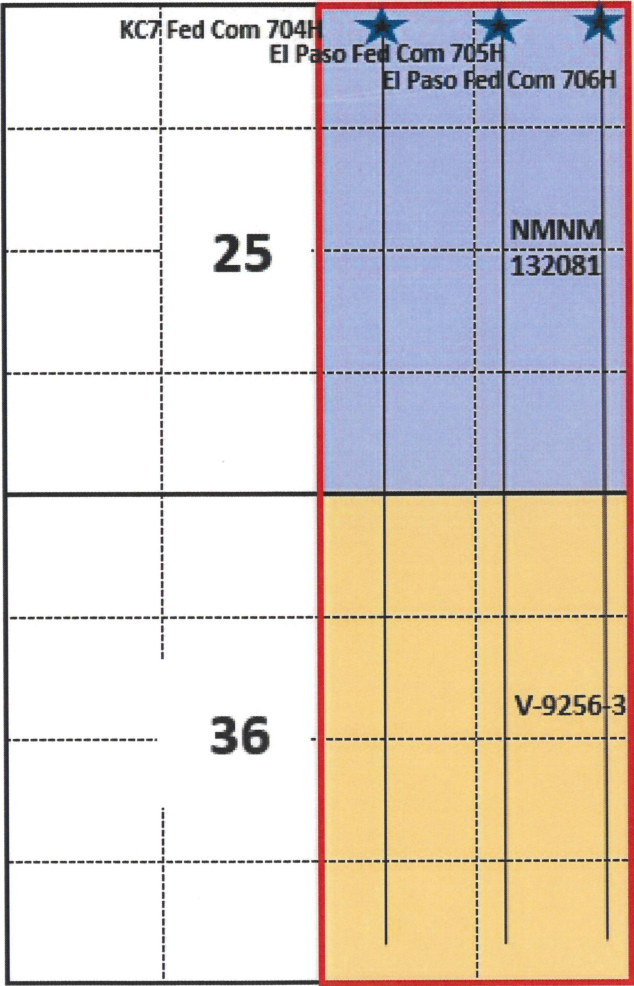
KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.00** acres, more or less, in the
E/2 of Section 25, the E/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Names / Nos.

KC7 Fed Com 704H, El Paso Fed Com 705H & El Paso Fed Com 706H



KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described
land in the E/2 of Section 25, and the E/2 of Section 36,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
Current Lessee:	Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 25: E/2 Lea County, New Mexico
Number of Acres:	320.00
Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9256-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: E/2
 Lea County, New Mexico
 Number of Acres: 320.00
 Royalty Rate: 16.6667%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Monticello Minerals. LLC
 Prevail Energy, LLC
 Rheiner Holdings, LLC
 Cayuga Royalties, LLC
 Authority for Pooling: State Lease

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
 Wolfcamp Formation
 E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.00	50.00%
2	320.00	50.00%
Total	640.00	100.00%

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
 Wolfcamp Formation
 E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.

Section 25: E/2

Section 36: E/2

Lea County, New Mexico

Containing 640.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
 Wolfcamp Formation
 E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

- considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
 10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:

Franklin Mountain Energy, LLC

By: _____



Name: Craig R. Walters

Title: Chief Operating Officer

Date: _____

Mar 8. 2022

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
 Wolfcamp Formation
 E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

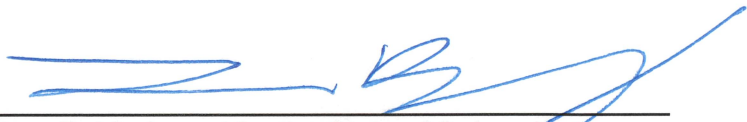
THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.

LONI RAYANN BOGENSCHUTZ
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20204018559
MY COMMISSION EXPIRES MAY 27, 2024



Notary Public in and for the State of Colorado

LONI RAYANN BOGENSCHUTZ
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20204018559
MY COMMISSION EXPIRES MAY 27, 2024

Working Interest Owner:
Franklin Mountain Energy 2, LLC

By: _____

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Mar. 8. 2022


THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

LONI RAYANN BOGENSCHUTZ
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20204018559
MY COMMISSION EXPIRES MAY 27, 2024



Notary Public in and for the State of Colorado

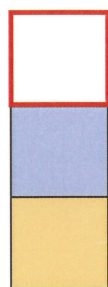
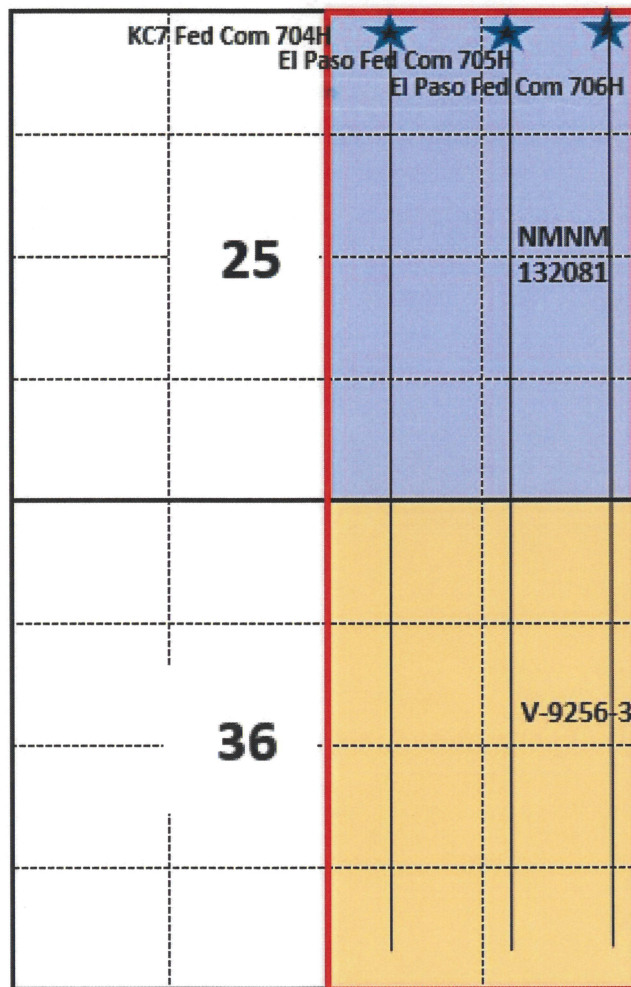
KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.00** acres, more or less, in the
E/2 of Section 25, the E/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Names / Nos.

KC7 Fed Com 704H, El Paso Fed Com 705H & El Paso Fed Com 706H



Communitized Area

Tract 1 (320 acres)

Tract 2 (320 acres)

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described
land in the E/2 of Section 25, and the E/2 of Section 36,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
Current Lessee:	Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 25: E/2 Lea County, New Mexico
Number of Acres:	320.00
Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
Wolfcamp Formation
E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9256-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: E/2
 Lea County, New Mexico
 Number of Acres: 320.00
 Royalty Rate: 16.6667%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Monticello Minerals. LLC
 Prevail Energy, LLC
 Rheiner Holdings, LLC
 Cayuga Royalties, LLC
 Authority for Pooling: State Lease

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
 Wolfcamp Formation
 E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.00	50.00%
2	320.00	50.00%
Total	640.00	100.00%

KC7 Fed Com 704H, El Paso Fed Com 705H & 706H
 Wolfcamp Formation
 E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico



Date: March 8, 2022

To: Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508
Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
W/2E/2 of Section 25-T24S-R35E, N.M.P.M.
and W/2E/2 of Section 36-T24S-R35E, N.M.P.M.
Lea County, NM
Well Names – KC7 Fed Com 603H
API# 30-025-48618

Dear Ms. Rivera:

Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the **Bone Spring** formation. The Bone Spring pool for this area is[98185] WC-025 G-09 S253502B;LWR BONE SPRING .

Should you have any questions please contact Ilona Hoang at (720) 414-7868 or ihoang@fmccllc.com.

Respectfully,

Franklin Mountain Energy, LLC

Loni Bogenschutz

Enclosures

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 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

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 30-025-48618	² Pool Code 98185	³ Pool Name WC-025 G-09 S253502B/LWR BONE SPRING
⁴ Property Code 330441	⁵ Property Name KC7 FED COM	⁶ Well Number 603H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3334.2'

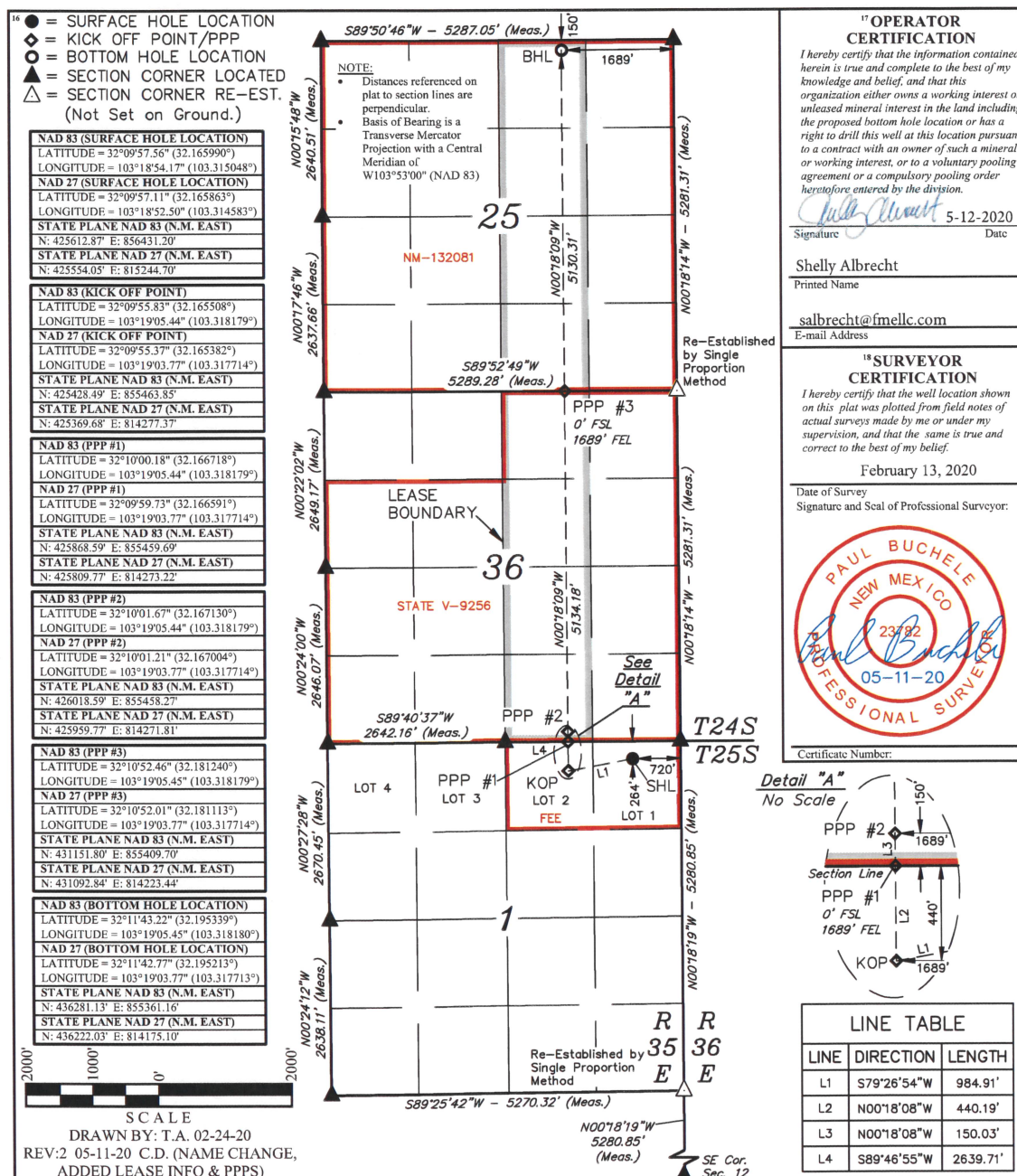
¹⁰ Surface Location

UL or lot no. 1	Section 1	Township 25S	Range 35E	Lot Idn	Feet from the 264	North/South line NORTH	Feet from the 720	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 25	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 1689	East/West line EAST	County LEA
¹² Dedicated Acres 320	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.



Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.

Section 25: W/2E/2

Section 36: W/2E/2

Lea County, New Mexico

Containing 320.00 acres, more or less, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

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Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

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Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

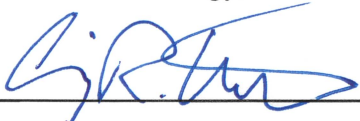
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Mar. 8, 2022

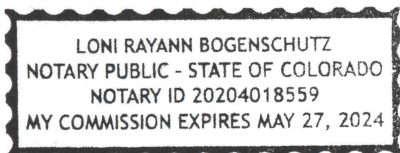
KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico


THE STATE OF COLORADO

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COUNTY OF DENVER


This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.





Notary Public in and for the State of Colorado

Working Interest Owner:
Franklin Mountain Energy 2, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

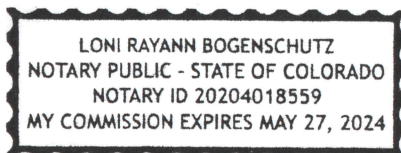
Date: Mar. 8. 2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.





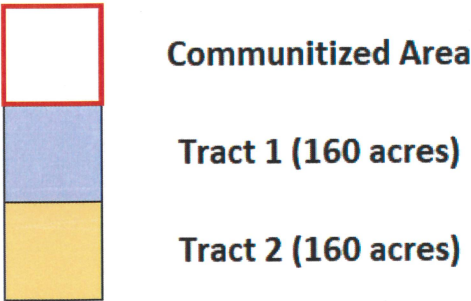
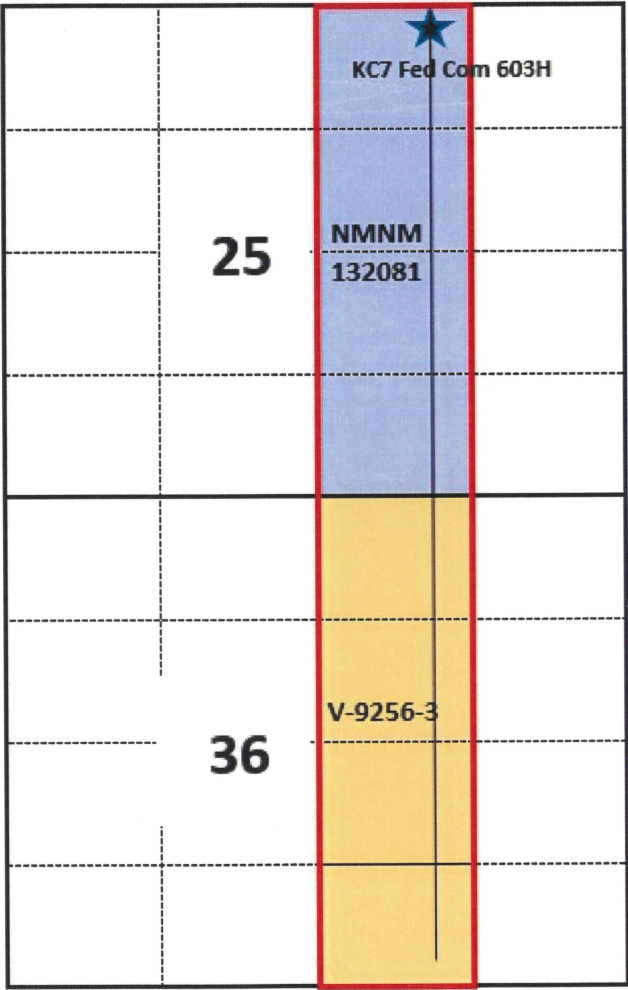
Notary Public in and for the State of Colorado

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Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.00** acres, more or less, in the
W/2E/2 of Section 25, the W/2E/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.
KC7 Fed Com 603H



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Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described land in the W/2E/2 of Section 25, and the W/2E/2 of Section 36, Township 24 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
Current Lessee:	Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 25: W/2E/2 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

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Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9256-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: W/2E/2
 Lea County, New Mexico
 Number of Acres: 160.00
 Royalty Rate: 16.6667%

WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Monticello Minerals, LLC
 Prevail Energy, LLC
 Rheiner Holdings, LLC
 Cayuga Royalties, LLC
 Authority for Pooling: State Lease

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 Bone Spring Formation
 W/2E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%

KC7 Fed Com 603H
 Bone Spring Formation
 W/2E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.**Section 25: W/2E/2****Section 36: W/2E/2****Lea County, New Mexico**

Containing 320.00 acres, more or less, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

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Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

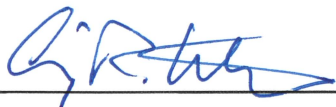
Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:

Franklin Mountain Energy, LLC

By: _____



Name: Craig R. Walters

Title: Chief Operating Officer

Date: _____

Mar. 8. 2022

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico


THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.

LONI RAYANN BOGENSCHUTZ
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20204018559
MY COMMISSION EXPIRES MAY 27, 2024


Notary Public in and for the State of Colorado

Working Interest Owner:

Franklin Mountain Energy 2, LLC

By: Name: Craig R. WaltersTitle: Chief Operating OfficerDate: Mar. 8. 2022

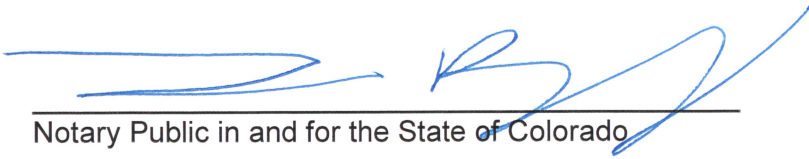
THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

LONI RAYANN BOGENSCHUTZ
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20204018559
MY COMMISSION EXPIRES MAY 27, 2024


Notary Public in and for the State of Colorado

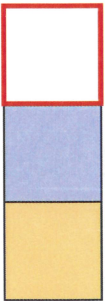
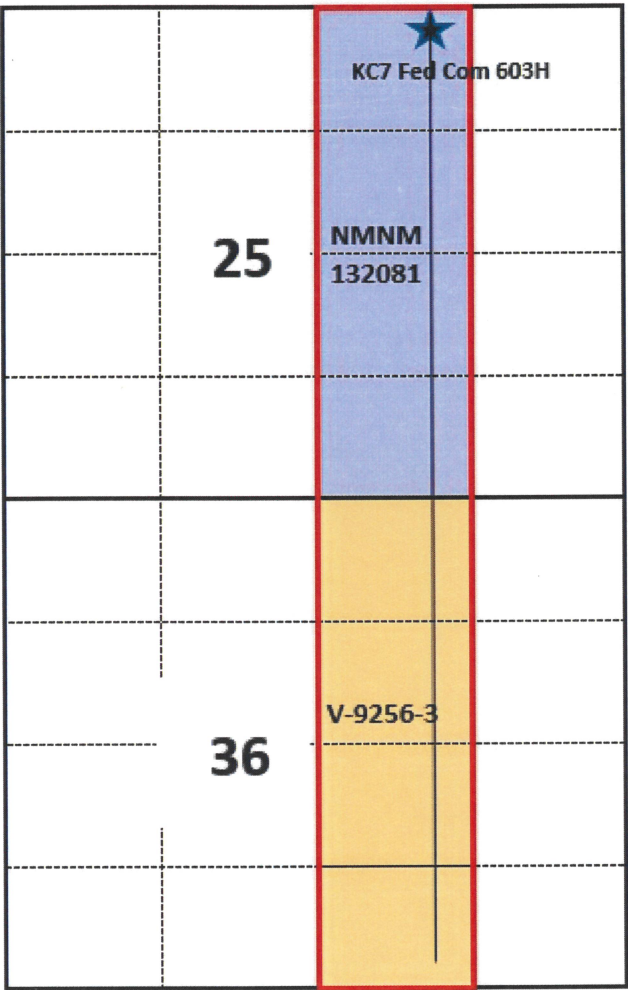
KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.00** acres, more or less, in the
W/2E/2 of Section 25, the W/2E/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.

KC7 Fed Com 603H



Communitized Area

Tract 1 (160 acres)

Tract 2 (160 acres)

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described
land in the W/2E/2 of Section 25, and the W/2E/2 of Section 36,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
Current Lessee:	Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 25: W/2E/2 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

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Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9256-3
Lease Date: August 1, 2012
Lease Primary Term: Five (5) years, Extended Primary Term
Recordation: Not Recorded
Lessor: **State of New Mexico**
Original Lessee: Franklin Mountain Energy 2, LLC
Current Lessee: Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 36: W/2E/2
Lea County, New Mexico

Number of Acres: 160.00
Royalty Rate: 16.6667%

WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Monticello Minerals, LLC
Prevail Energy, LLC
Rheiner Holdings, LLC
Cayuga Royalties, LLC

Authority for Pooling: State Lease

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%

KC7 Fed Com 603H
 Bone Spring Formation
 W/2E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.

Section 25: W/2E/2

Section 36: W/2E/2

Lea County, New Mexico

Containing 320.00 acres, more or less, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Mar. 8, 2022

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

THE STATE OF COLORADO


§

COUNTY OF DENVER

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§

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.



Notary Public in and for the State of Colorado

Working Interest Owner:

Franklin Mountain Energy 2, LLC

By: Name: Craig R. WaltersTitle: Chief Operating OfficerDate: Mar. 8. 2022

THE STATE OF COLORADO

§


COUNTY OF DENVER

§

§

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

LONI RAYANN BOGENSCHUTZ
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20204018559
MY COMMISSION EXPIRES MAY 27, 2024



Notary Public in and for the State of Colorado

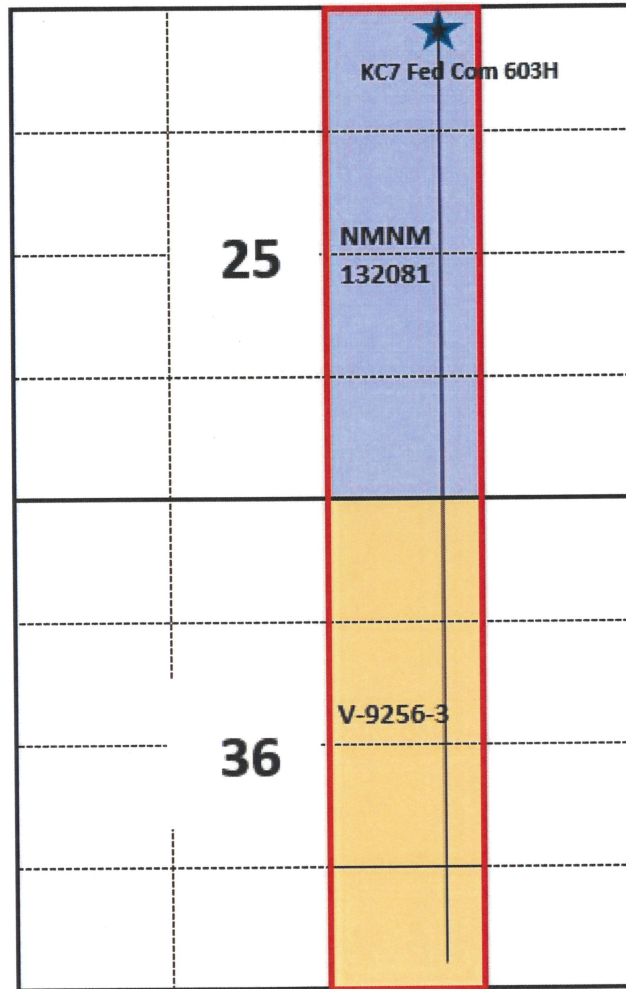
KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.00** acres, more or less, in the
W/2E/2 of Section 25, the W/2E/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.

KC7 Fed Com 603H



Communitized Area

Tract 1 (160 acres)

Tract 2 (160 acres)

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described
land in the W/2E/2 of Section 25, and the W/2E/2 of Section 36,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
Current Lessee:	Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 25: W/2E/2 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9256-3
Lease Date: August 1, 2012
Lease Primary Term: Five (5) years, Extended Primary Term
Recordation: Not Recorded
Lessor: **State of New Mexico**
Original Lessee: Franklin Mountain Energy 2, LLC
Current Lessee: Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 36: W/2E/2
Lea County, New Mexico
Number of Acres: 160.00
Royalty Rate: 16.6667%

WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Monticello Minerals. LLC
Prevail Energy, LLC
Rheiner Holdings, LLC
Cayuga Royalties, LLC
Authority for Pooling: State Lease

KC7 Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.00%

KC7 Fed Com 603H
 Bone Spring Formation
 W/2E/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico



Date: March 8, 2022

To: Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508
Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
W/2 of Section 25-T24S-R35E, N.M.P.M.
and W/2 of Section 36-T24S-R35E, N.M.P.M.
Lea County, NM
Well Names – Western Fed Com 702H & Bidder 49 Fed Com 703H
API# 30-025-48813 & 30-025-48807

Dear Ms. Rivera:

Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the **Wolfcamp** formation. The Wolfcamp pool for this area is [98187] WC-025 G-09 S253502D; UPR WOLFCAMP.

Should you have any questions please contact Ilona Hoang at (720) 414-7868 or ihoang@fmellc.com.

Respectfully,

Franklin Mountain Energy, LLC

Loni Bogenschutz

Enclosures

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 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

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	² Pool Code	³ Pool Name
	98187	WC-025 G-09 S253502D;UPR WOLFCAMP
⁴ Property Code	⁵ Property Name	⁶ Well Number
	WESTERN FED COM	702H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
373910	FRANKLIN MOUNTAIN ENERGY LLC	3284.7'

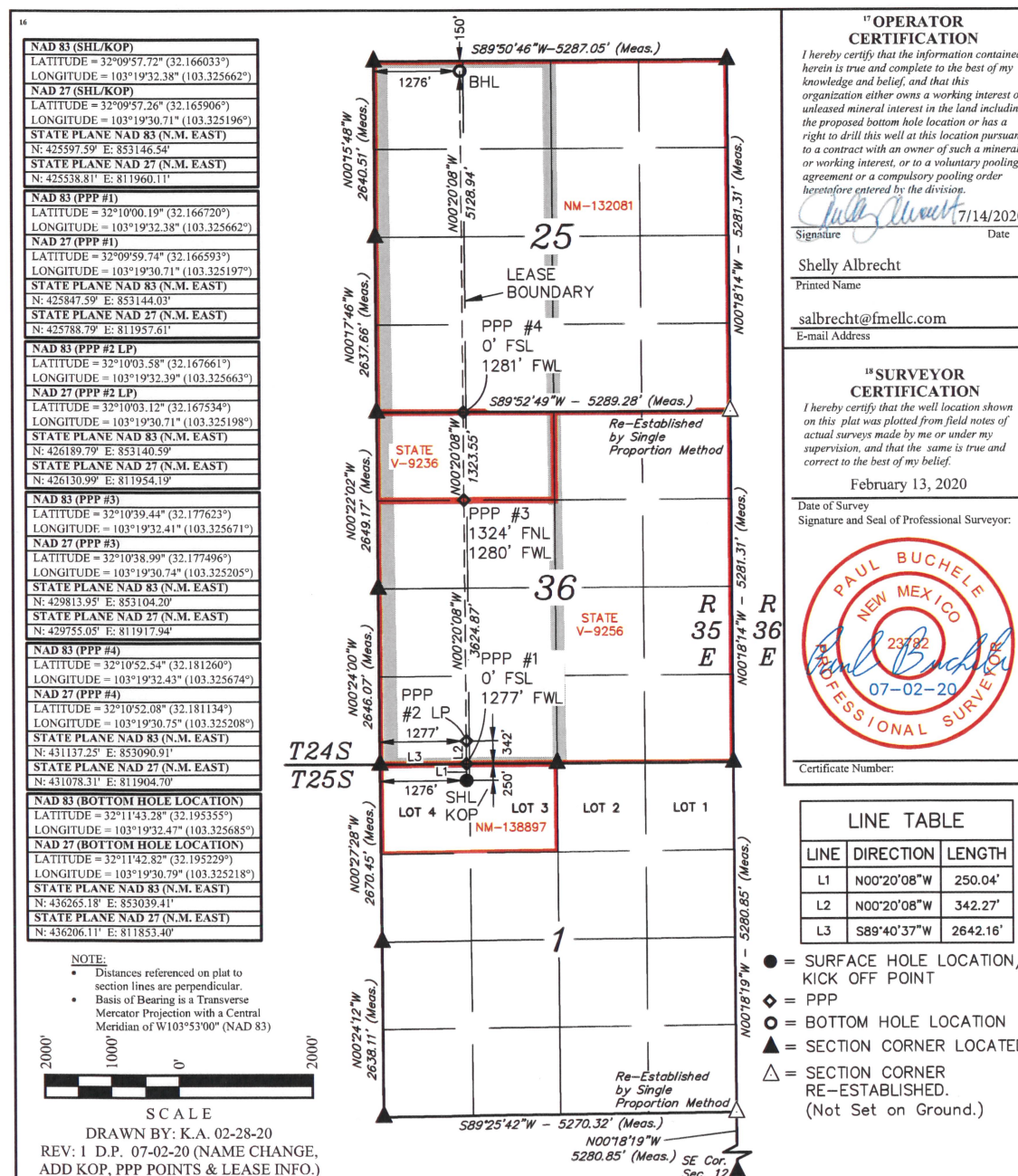
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	1	25S	35E		250	NORTH	1276	WEST	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
D	25	24S	35E		150	NORTH	1276	WEST	LEA
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						
640									

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.



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
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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	² Pool Code 98187	³ Pool Name WC-025 G-09 S253502D;UPR WOLF CAMP
⁴ Property Code	⁵ Property Name BIDDER 49 FED COM	⁶ Well Number 703H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3320.8'

¹⁰ Surface Location

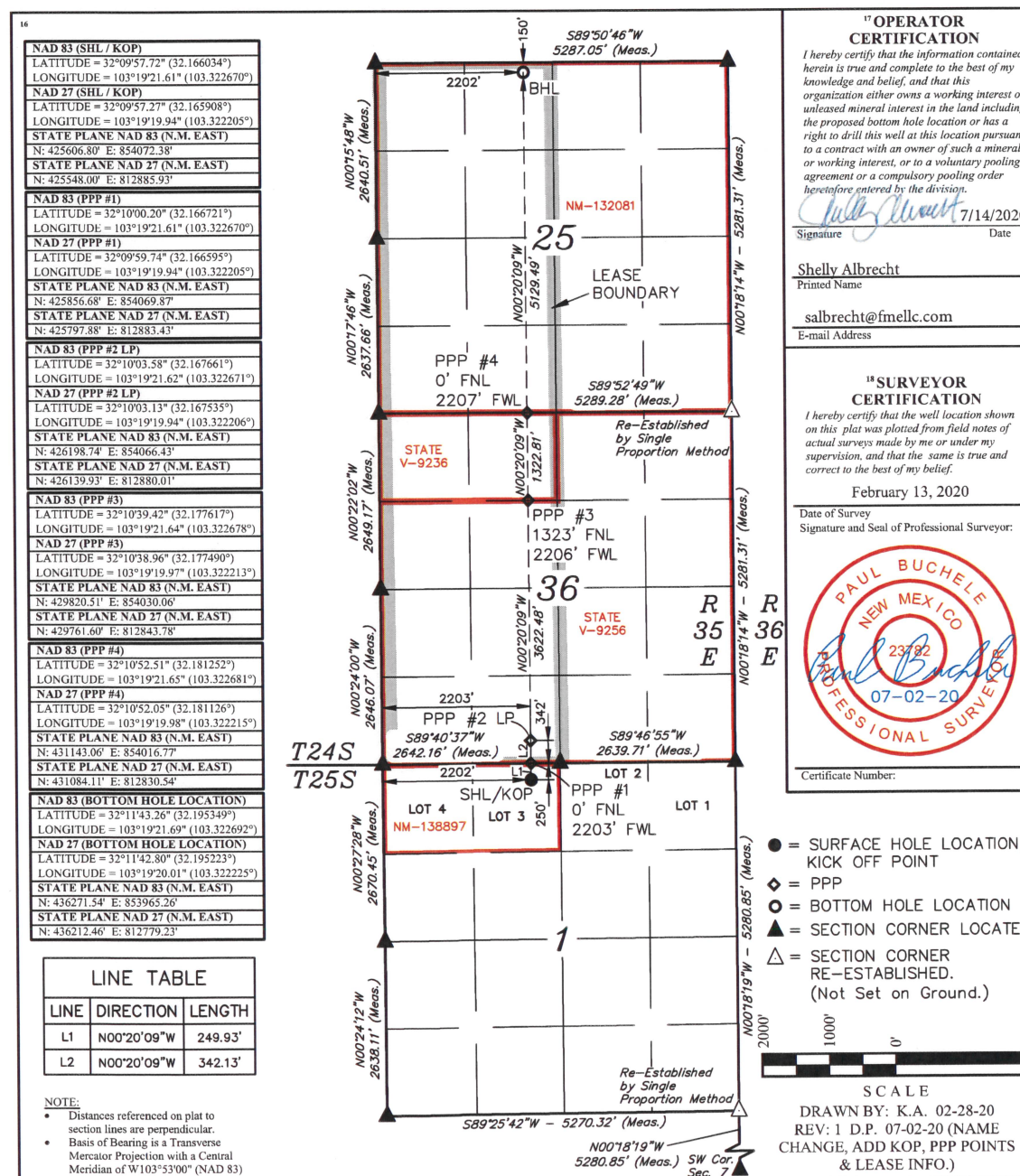
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	1	25S	35E		250	NORTH	2202	WEST	LEA

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
C	25	24S	35E		150	NORTH	2202	WEST	LEA

¹² Dedicated Acres 640	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.



Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.**Section 25: W/2****Section 36: W/2****Lea County, New Mexico**

Containing 640.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

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10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

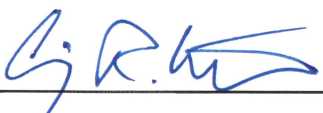
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Mar. 8. 2022

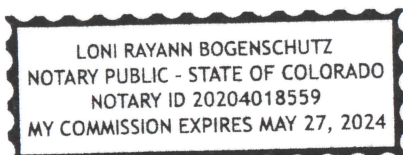
Western Fed Com 702H & Bidder 49 Fed Com 703H
 Wolfcamp Formation
 W/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

THE STATE OF COLORADO

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§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.



[Signature]
Notary Public in and for the State of Colorado

Working Interest Owner:

Franklin Mountain Energy 2, LLC

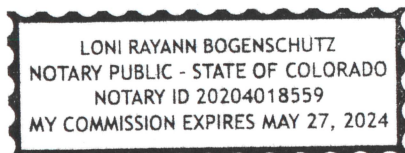
By: [Signature]Name: Craig R. WaltersTitle: Chief Operating OfficerDate: Mar. 8, 2022

THE STATE OF COLORADO

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COUNTY OF DENVER

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[Signature]
Notary Public in and for the State of Colorado

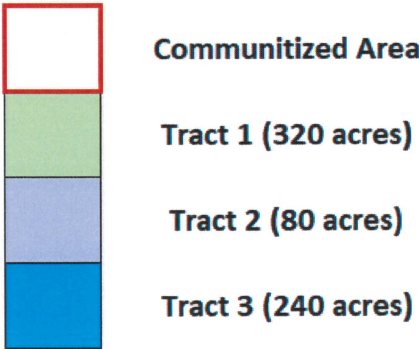
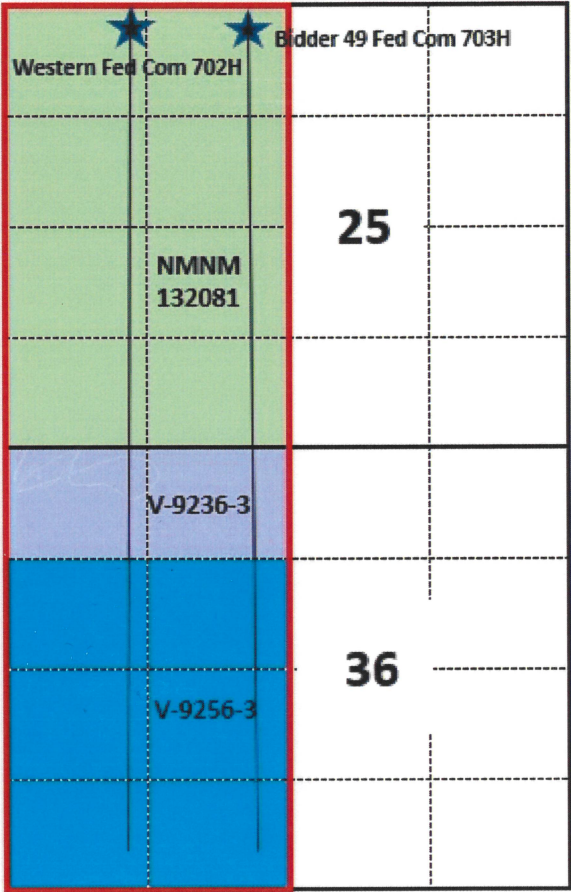
Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.00** acres, more or less, in the
W/2 of Section 25, the W/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Names / Nos.

Western Fed Com 702H & Bidder 49 Fed Com 703H



Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described
land in the W/2 of Section 25, and the W/2 of Section 36,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
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Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9236-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: N/2 NW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 16.6667%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Monticello Minerals. LLC
 Prevail Energy, LLC
 Rheiner Holdings, LLC
 Cayuga Royalties, LLC
 Authority for Pooling: State Lease

TRACT NO. 3:

Lease Serial Number: V-9256-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: S/2 NW/4, SW/4
 Lea County, New Mexico
 Number of Acres: 240.00
 Royalty Rate: 16.6667%

Western Fed Com 702H & Bidder 49 Fed Com 703H
 Wolfcamp Formation
 W/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC –	100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC	
	Monticello Minerals. LLC	
	Prevail Energy, LLC	
	Rheiner Holdings, LLC	
	Cayuga Royalties, LLC	
Authority for Pooling:	State Lease	

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.00	50.00%
2	80.00	12.5%
3	240.00	37.5%
Total	640.00	100.00%

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.
Section 25: W/2
Section 36: W/2
Lea County, New Mexico

Containing 640.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Western Fed Com 702H & Bidder 49 Fed Com 703H
 Wolfcamp Formation
 W/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

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Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

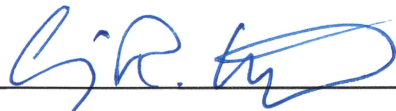
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:
Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Mar. 8, 2022

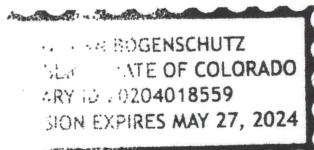
Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

THE STATE OF COLORADO

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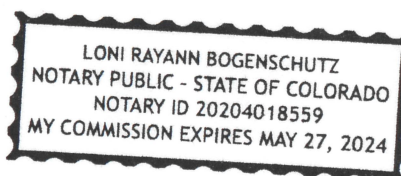
COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.



[Signature]
Notary Public in and for the State of Colorado

Working Interest Owner:
Franklin Mountain Energy 2, LLC

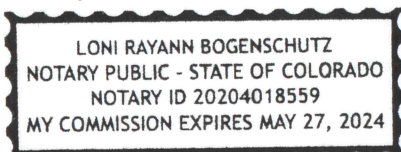
By: [Signature]Name: Craig R. WaltersTitle: Chief Operating OfficerDate: Mar. 8. 2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.



[Signature]
Notary Public in and for the State of Colorado

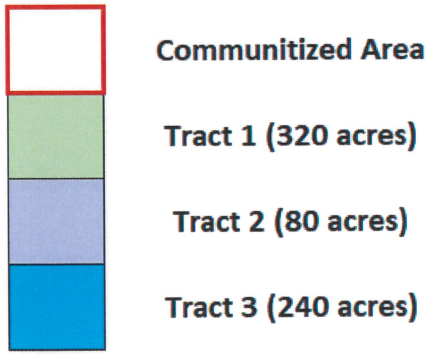
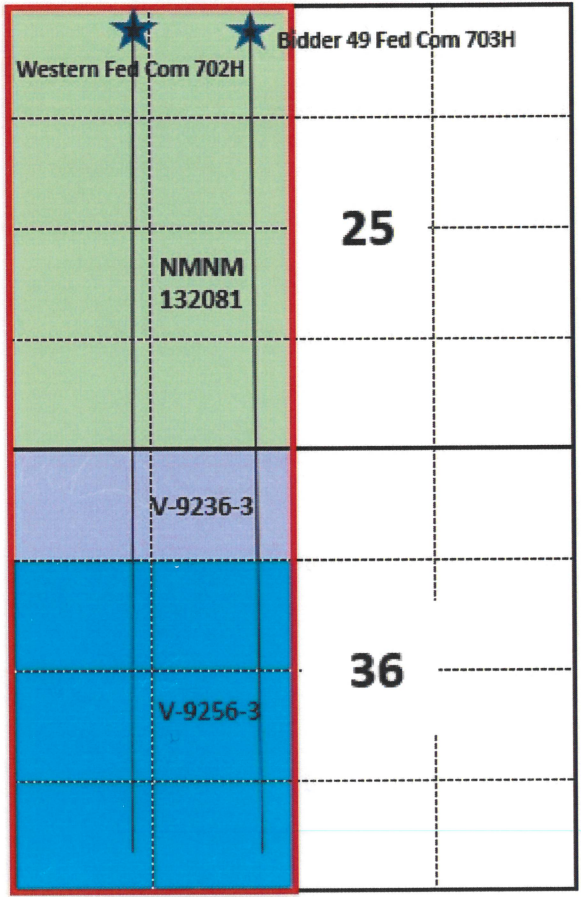
Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.00** acres, more or less, in the
W/2 of Section 25, the W/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Names / Nos.

Western Fed Com 702H & Bidder 49 Fed Com 703H



Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described
land in the W/2 of Section 25, and the W/2 of Section 36,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
Current Lessee:	Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 25: W/2 Lea County, New Mexico
Number of Acres:	320.00
Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9236-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: N/2 NW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 16.6667%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Monticello Minerals, LLC
 Prevail Energy, LLC
 Rheiner Holdings, LLC
 Cayuga Royalties, LLC
 Authority for Pooling: State Lease

TRACT NO. 3:

Lease Serial Number: V-9256-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: S/2 NW/4, SW/4
 Lea County, New Mexico
 Number of Acres: 240.00
 Royalty Rate: 16.6667%

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 Wolfcamp Formation
 W/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC –	100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC	
	Monticello Minerals. LLC	
	Prevail Energy, LLC	
	Rheiner Holdings, LLC	
	Cayuga Royalties, LLC	
Authority for Pooling:	State Lease	

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.00	50.00%
2	80.00	12.5%
3	240.00	37.5%
Total	640.00	100.00%

Western Fed Com 702H & Bidder 49 Fed Com 703H
 Wolfcamp Formation
 W/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2022** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 35 East, N.M.P.M.**Section 25: W/2****Section 36: W/2****Lea County, New Mexico**

Containing 640.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **March 1, 2022** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Mar. 8, 2022

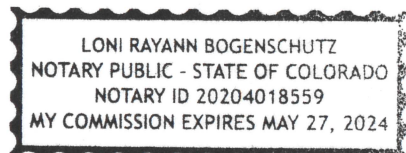
Western Fed Com 702H & Bidder 49 Fed Com 703H
 Wolfcamp Formation
 W/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.



[Signature]
Notary Public in and for the State of Colorado

Working Interest Owner:
Franklin Mountain Energy 2, LLC

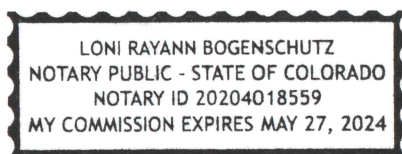
By: [Signature]Name: Craig R. WaltersTitle: Chief Operating OfficerDate: Mar. 8, 2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 8th day of March, 2022,
by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.



[Signature]
Notary Public in and for the State of Colorado

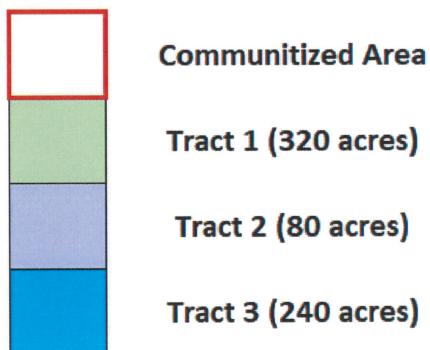
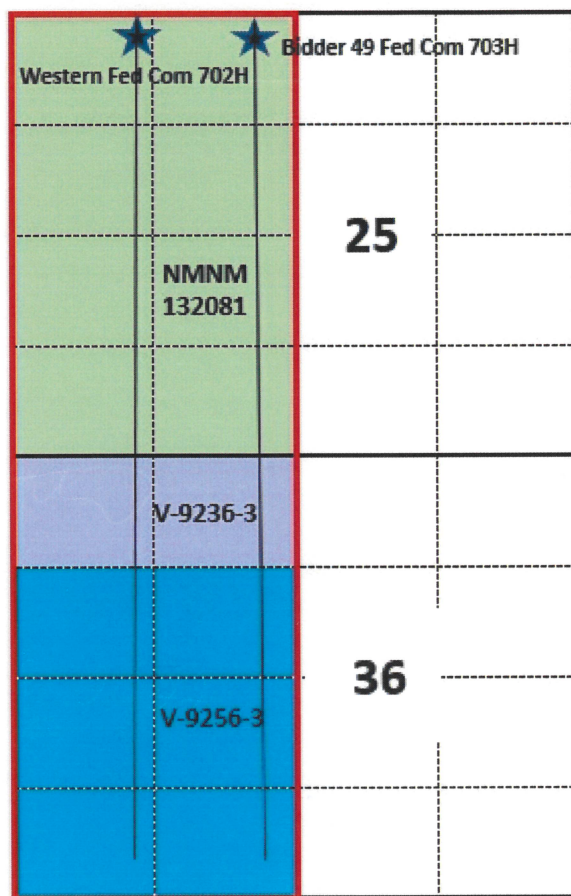
Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.00** acres, more or less, in the
W/2 of Section 25, the W/2 of Section 36, Township 24 South, Range 35 East,
Lea County, New Mexico.

Well Names / Nos.

Western Fed Com 702H & Bidder 49 Fed Com 703H



Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2022, embracing the following described
land in the W/2 of Section 25, and the W/2 of Section 36,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 132081
Lease Date:	June 1, 2014
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	EOG Resources, Inc.
Current Lessee:	Franklin Mountain Energy 2, LLC – 100%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 25: W/2 Lea County, New Mexico
Number of Acres:	320.00
Royalty Rate:	12.5000%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC Monticello Minerals. LLC Prevail Energy, LLC Rheiner Holdings, LLC Cayuga Royalties, LLC
Authority for Pooling:	Federal Lease

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: V-9236-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: N/2 NW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 16.6667%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Monticello Minerals. LLC
 Prevail Energy, LLC
 Rheiner Holdings, LLC
 Cayuga Royalties, LLC
 Authority for Pooling: State Lease

TRACT NO. 3:

Lease Serial Number: V-9256-3
 Lease Date: August 1, 2012
 Lease Primary Term: Five (5) years, Extended Primary Term
 Recordation: Not Recorded
 Lessor: **State of New Mexico**
 Original Lessee: Franklin Mountain Energy 2, LLC
 Current Lessee: Franklin Mountain Energy 2, LLC – 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 36: S/2 NW/4, SW/4
 Lea County, New Mexico
 Number of Acres: 240.00
 Royalty Rate: 16.6667%

Western Fed Com 702H & Bidder 49 Fed Com 703H
 Wolfcamp Formation
 W/2 Sections 25 & 36, T24S-R35E
 Lea County, New Mexico

WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 100%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC
	Monticello Minerals. LLC
	Prevail Energy, LLC
	Rheiner Holdings, LLC
	Cayuga Royalties, LLC
Authority for Pooling:	State Lease

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.00	50.00%
2	80.00	12.5%
3	240.00	37.5%
Total	640.00	100.00%

Western Fed Com 702H & Bidder 49 Fed Com 703H
Wolfcamp Formation
W/2 Sections 25 & 36, T24S-R35E
Lea County, New Mexico

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
 [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Rachael Overbey

Print or Type Name

Signature

Director Ops Planning & Regulatory

Title

roverbey@fmellc.com

e-mail Address

1/17/2022

Date

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 Q](#); [Walls, Christopher](#); [Dawson, Scott](#)
Subject: Approved Administrative Order PLC-827
Date: Thursday, June 16, 2022 3:29:07 PM
Attachments: [PLC827 Order.pdf](#)

NMOCD has issued Administrative Order PLC-827 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
30-025-48625	Western Federal Com #601H	W/2 W/2	25-24S-35E	98185
		W/2 W/2	36-24S-35E	
30-025-48813	Western Federal Com #702H	W/2 W/2	25-24S-35E	98187
		W/2 W/2	36-24S-35E	
30-025-48806	Bidder 49 Federal Com #602H	E/2 W/2	25-24S-35E	98185
		E/2 W/2	36-24S-35E	
30-025-48807	Bidder 49 Federal Com #703H	E/2 W/2	25-24S-35E	98187
		E/2 W/2	36-24S-35E	
30-025-48811	KC7 Federal Com #704H	W/2 E/2	25-24S-35E	98187
		W/2 E/2	36-24S-35E	
30-025-48618	KC7 Federal Com #603H	W/2 E/2	25-24S-35E	98185
		W/2 E/2	36-24S-35E	
30-025-48914	El Paso Federal Com #705H	E/2 E/2	25-24S-35E	98187
		E/2 E/2	36-24S-35E	
30-025-48913	El Paso Federal Com #604H	E/2 E/2	25-24S-35E	98185
		E/2 E/2	36-24S-35E	
30-025-48709	El Paso Federal Com #706H	E/2 E/2	25-24S-35E	98187
		E/2 E/2	36-24S-35E	

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

From: [Rachael Overbey](#)
To: [McClure, Dean, EMNRD](#)
Subject: RE: [External] surface commingling application PLC-827
Date: Monday, June 6, 2022 8:59:14 AM
Attachments: [image001.png](#)

Mr. McClure,

Did the resent file open for you? I apologize, I was in the field last week and working remotely is harder some days. I am back in the office now, please let me know if you require any additional information.

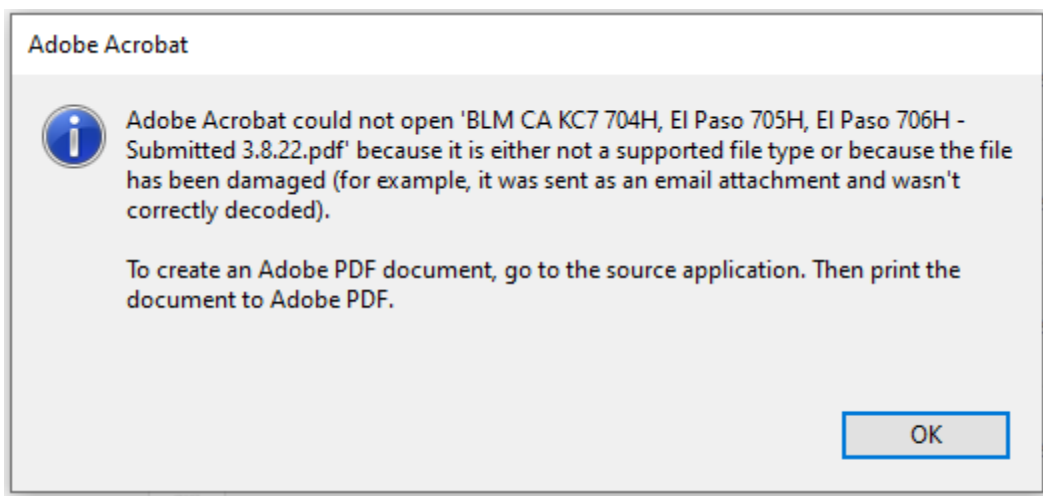
Thank you!

Rachael

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, June 2, 2022 9:26 AM
To: Rachael Overbey <roverbey@fmellc.com>
Subject: RE: [External] surface commingling application PLC-827

Ms. Overbey,

I am receiving an error when attempting to open the attached file; please see the error message below. If you are able to open it on your end, please try opening it and then printing it to PDF and send me the newly printed version of the file.



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

From: Rachael Overbey <roverbey@fmellc.com>

Sent: Thursday, June 2, 2022 8:17 AM

To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Subject: Re: [External] surface commingling application PLC-827

Apologies, Mr. McClure. Please see attached provided by our land group.

Rachael

On Jun 1, 2022, at 4:10 PM, McClure, Dean, EMNRD <Dean.McClure@state.nm.us> wrote:

Ms. Overbey,

It appears that a duplicate of the W/2 Wolfcamp CA was attached to the last email rather than the E/2 Wolfcamp CA. Please provide the CA packet for the Wolfcamp in the E/2 of the sections.

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

From: Rachael Overbey <roverbey@fmellc.com>

Sent: Tuesday, May 31, 2022 8:16 AM

To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Subject: RE: [External] surface commingling application PLC-827

Mr. McClure,

Please see the attached requested CA packets submitted to the BLM 3.8.22:

1. CA Bone Spring W/2 E/2 Sec 25 & 36-24S-35E (KC7 603H)
2. CA Wolfcamp W2 Sec 25 & 36-24S-35E (Western 702H & Bidder 703H)
3. CA Wolfcamp E2 Sec 25 & 36-24S-35E (KC7 704, El Paso 705H, El Paso 706H)

Thank you!

Rachael

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Sent: Friday, May 27, 2022 9:02 AM

To: Rachael Overbey <roverbey@fmellc.com>

Subject: [External] surface commingling application PLC-827

Ms. Overbey,

I am reviewing surface commingling application PLC-827 which involves a commingling project that includes the FMM Central Tank Battery and is operated by Franklin Mountain Energy, LLC (373910).

I've found 3 of the Bone Spring CAs within the BLM system. Presumably there is another BS CA which covers the following tract of land:

CA Bone Spring NMNM	W/2 E/2	25-24S-35E
	W/2 E/2	36-24S-35E

Presumably there is either 2 or 4 wolfcamp CAs which cover the following tracts of land:

CA Wolfcamp NMNM	W/2 W/2	25-24S-35E
	W/2 W/2	36-24S-35E
CA Wolfcamp NMNM	E/2 W/2	25-24S-35E
	E/2 W/2	36-24S-35E
CA Wolfcamp NMNM	W/2 E/2	25-24S-35E
	W/2 E/2	36-24S-35E
CA Wolfcamp NMNM	E/2 E/2	25-24S-35E
	E/2 E/2	36-24S-35E

Please provide the CA packets which cover the pools and tracts of land shown above.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

[External Email]

Please be aware this email has originated from an outside source.

**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-827

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.

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,

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**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 6/16/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-827**

Operator: **Franklin Mountain Energy, LLC (373910)**

Central Tank Battery: **FMM Central Tank Battery**

Central Tank Battery Location: **UL C D, Section 1, Township 25 South, Range 35 East**

Gas Title Transfer Meter Location: **UL C D, Section 1, Township 25 South, Range 35 East**

Pools

Pool Name	Pool Code
WC-025 G-09 S253502B; LWR BONE SPRIN	98185
WC-025 G-09 S253502D; UPR WOLFCAMP	98187

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 132081	All	25-24S-35E
VO 92360003	C D	36-24S-35E
VO 92560003	All minus C D	36-24S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48625	Western Federal Com #601H	W/2 W/2	25-24S-35E	98185
		W/2 W/2	36-24S-35E	
30-025-48813	Western Federal Com #702H	W/2 W/2	25-24S-35E	98187
		W/2 W/2	36-24S-35E	
30-025-48806	Bidder 49 Federal Com #602H	E/2 W/2	25-24S-35E	98185
		E/2 W/2	36-24S-35E	
30-025-48807	Bidder 49 Federal Com #703H	E/2 W/2	25-24S-35E	98187
		E/2 W/2	36-24S-35E	
30-025-48811	KC7 Federal Com #704H	W/2 E/2	25-24S-35E	98187
		W/2 E/2	36-24S-35E	
30-025-48618	KC7 Federal Com #603H	W/2 E/2	25-24S-35E	98185
		W/2 E/2	36-24S-35E	
30-025-48914	El Paso Federal Com #705H	E/2 E/2	25-24S-35E	98187
		E/2 E/2	36-24S-35E	
30-025-48913	El Paso Federal Com #604H	E/2 E/2	25-24S-35E	98185
		E/2 E/2	36-24S-35E	
30-025-48709	El Paso Federal Com #706H	E/2 E/2	25-24S-35E	98187
		E/2 E/2	36-24S-35E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-827**
Operator: **Franklin Mountain Energy, LLC (373910)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105752589	W/2 W/2 W/2 W/2	25-24S-35E 36-24S-35E	320	A
CA Bone Spring NMNM 105752590	E/2 W/2 E/2 W/2	25-24S-35E 36-24S-35E	320	B
CA Bone Spring NMNM	W/2 E/2 W/2 E/2	25-24S-35E 36-24S-35E	320	C
CA Bone Spring NMNM 105752573	E/2 E/2 E/2 E/2	25-24S-35E 36-24S-35E	320	D
CA Wolfcamp NMNM	W/2 W/2	25-24S-35E 36-24S-35E	640	E
CA Wolfcamp NMNM	E/2 E/2	25-24S-35E 36-24S-35E	640	F

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 132081	W/2 W/2	25-24S-35E	160	A
VO 92360003	D	36-24S-35E	40	A
VO 92560003	E L M	36-24S-35E	120	A
NMNM 132081	E/2 W/2	25-24S-35E	160	B
VO 92360003	C	36-24S-35E	40	B
VO 92560003	F K N	36-24S-35E	120	B
NMNM 132081	W/2 E/2	25-24S-35E	160	C
VO 92560003	W/2 E/2	36-24S-35E	160	C
NMNM 132081	E/2 E/2	25-24S-35E	160	D
VO 92560003	E/2 E/2	36-24S-35E	160	D
NMNM 132081	W/2	25-24S-35E	320	E
VO 92360003	C D	36-24S-35E	80	E
VO 92560003	E F K L M N	36-24S-35E	240	E
NMNM 132081	E/2	25-24S-35E	320	F
VO 92560003	E/2	36-24S-35E	320	F

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

CONDITIONS

Action 77712

CONDITIONS

Operator: Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206	OGRID: 373910
	Action Number: 77712
	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.	6/16/2022