

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
[98294] WC-025 G-07 S243517D; MIDDLE BONE SPRING	43.2° / 1347 BTU/CF	43.2° / 1234 BTU/CF		\$50/bbl oil \$1.00/MCF	330 BOPD 400 MCFD
[98098] WC-025 G-09 S243532M; WOLFBONE	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: 10/6/2021
TYPE OR PRINT NAME: Rachael Overbey TELEPHONE NO.: 720-414-6878
E-MAIL ADDRESS: roverbey@fmellc.com



October 6, 2021

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

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

To Whom It May Concern:

Franklin Mountain Energy, LLC, OGRID No. 373910, requests to commingle future oil and gas production from 14 wells. Production would come from multiple Federal leases and zones (pool numbers 98098 and 98294). 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

★ Colorado West Pad

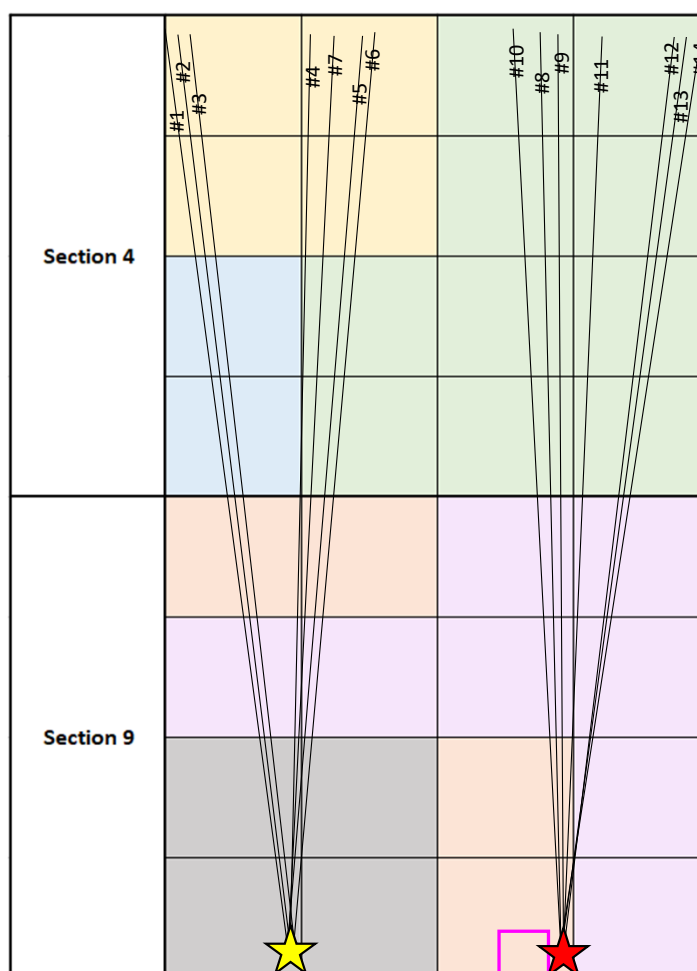
- Georgetown Fed Com 301H
- Georgetown Fed Com 601H
- Georgetown Fed Com 701H
- Ouray Fed Com 302H
- Ouray Fed Com 602H
- Ouray Fed Com 702H
- Ouray Fed Com 703H

★ Colorado East Pad

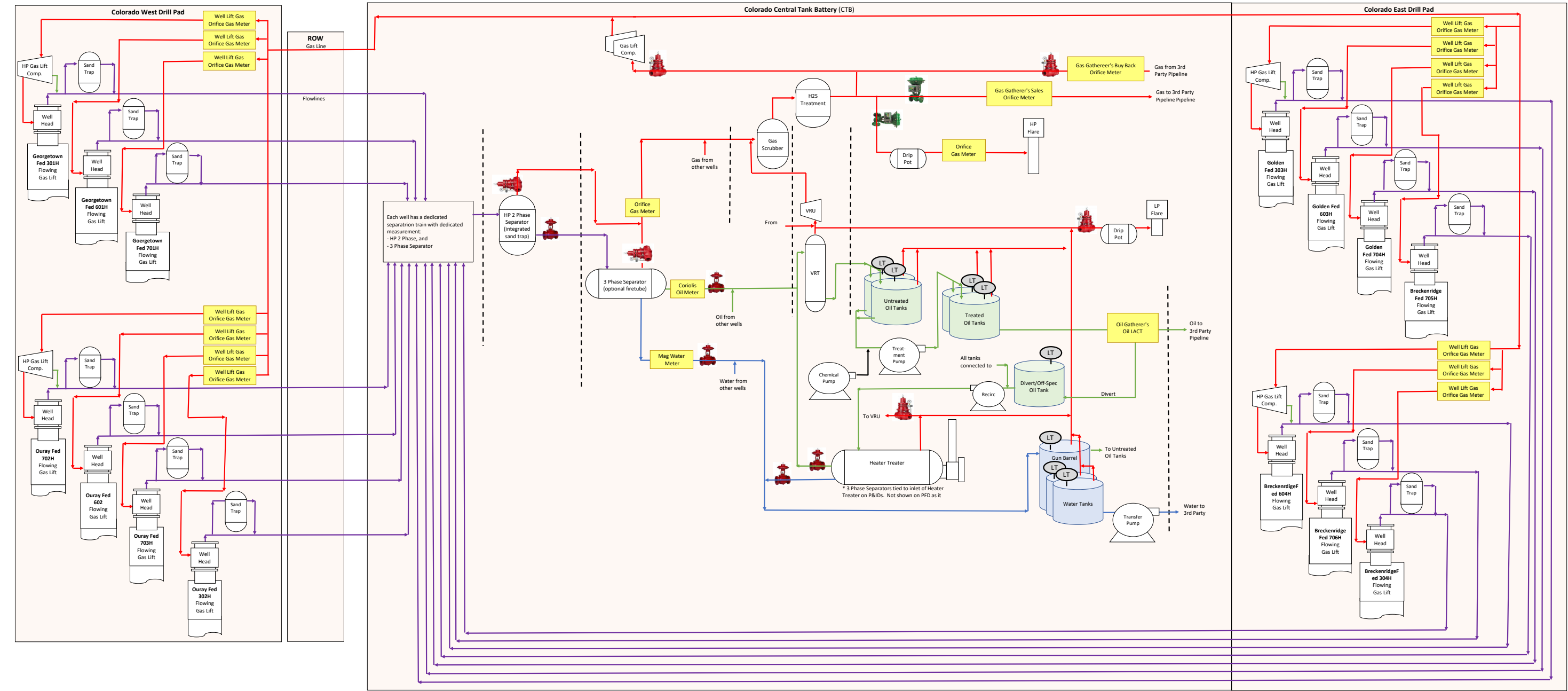
- Golden Fed Com 303H
- Golden Fed Com 603H
- Golden Fed Com 704H
- Breckenridge Fed Com 304H
- Breckenridge Fed Com 604H
- Breckenridge Fed Com 705H
- Breckenridge Fed Com 706H

□ Colorado CTB

Section 4	NM-36001
Section 4	NM-08447
Section 4	NM-19628
Section 9	NM-01228
Section 9	NM-13886
Section 9	NM-01228-A



Plat No.	Well Names	Formation	Unit Description	Unit Acres	NMOCD Pooling Order
1	Georgetown Fed Com 301H	Bone Spring	W/2W/2 Secs 4 & 9-T24S-R35E	320.11	R-20943; R-20943-A
2	Georgetown Fed Com 601H	Bone Spring	W/2W/2 Secs 4 & 9-T24S-R35E	320.11	R-20943; R-20943-A
3	Georgetown Fed Com 701H	Wolfcamp	W/2 Secs 4 & 9-T24S-R35E	640.25	R-20942; R-20942-A
4	Ouray Fed Com 702H	Bone Spring	W/2 Secs 4 & 9-T24S-R35E	640.25	R-20942; R-20942-A
5	Ouray Fed Com 602H	Bone Spring	E/2W/2 Secs 4 & 9-T24S-R35E	320.14	R-20946
6	Ouray Fed Com 703H	Wolfcamp	W/2 Secs 4 & 9-T24S-R35E	640.25	R-20942; R-20942-A
7	Ouray Fed Com 302H	Wolfcamp	E/2W/2 Secs 4 & 9-T24S-R35E	320.14	R-20946
8	Golden Fed Com 303H	Bone Spring	W/2E/2 Secs 4 & 9-T24S-R35E	320.16	R-20944
9	Golden Fed Com 603H	Bone Spring	W/2E/2 Secs 4 & 9-T24S-R35E	320.16	R-20944
10	Golden Fed Com 704H	Wolfcamp	E/2 Secs 4 & 9-T24S-R35E	640.35	R-20945; R-20945-A
11	Breckenridge Fed Com 705H	Bone Spring	E/2 Secs 4 & 9-T24S-R35E	640.35	R-20945; R-20945-A
12	Breckenridge Fed Com 604H	Bone Spring	E/2E/2 Secs 4 & 9-T24S-R35E	320.19	N/A; All Lessees participating under JOA
13	Breckenridge Fed Com 706H	Wolfcamp	E/2 Secs 4 & 9-T24S-R35E	640.35	R-20945; R-20945-A
	Breckenridge Fed Com 304H	Wolfcamp	E/2E/2 Secs 4 & 9-T24S-R35E	320.19	N/A; All Lessees participating under JOA



Owner Name	Interest Type	Address	Notes	Certified Mail Tracking No.	Date Mailed
Franklin Mountain Energy 2, LLC	WI	44 Cook Street, Suite 1000 Denver, CO 80202	N/A	N/A	N/A
Franklin Mountain Energy, LLC	WI	44 Cook Street, Suite 1000 Denver, CO 80202	N/A	N/A	N/A
Franklin Mountain Royalty Investments, LLC	ORRI	44 Cook Street, Suite 1000 Denver, CO 80202	N/A	N/A	N/A
Bean Family LP	WI	P.O. Box 45750 Rio Rancho, NM 87174		9414 7116 9900 0878 4227 63	
New Mexico Western Minerals, Inc.	WI	P.O. Box 45750 Rio Rancho, NM 87174		9414 7116 9900 0878 4286 66	
Hinkle Living Trust, UA	WI	PO Box 1793 Roswell, NM 88202		9414 7116 9900 0878 4274 47	
Prospector, LLC	WI	PO Box 429 Roswell, NM 88202		9414 7116 9900 0878 4264 64	
XTO Holdings, LLC	WI	22777 Springwoods Village Pkwy #115 Spring, TX 77389-1425		9414 7116 9900 0878 4217 97	
Chevron USA, Inc	NC	1400 Smith St. Houston, TX 77002 Attn: Scott Sabarsula, Land		9414 7116 9900 0878 4539 96	
United States of America	RI	7455Hmrsweyrv\$2 Weirxe\$Ji0\$RQ\$<;94<		9414 7116 9900 0878 4535 38	
Free Ride LLC	ORRI	P.O. Box 429 Roswell NM 88202		9414 7116 9900 0878 4549 55	
Paul Slayton	ORRI	P.O. Box 2035 Roswell NM 88202		9414 7116 9900 0878 4545 11	
Stewart Heighten	ORRI	P.O. Box 686 Graham TX 76450		9414 7116 9900 0878 4556 86	
TD Minerals LLC	ORRI	8111 Westchester Drive, Suite 900 Dallas, TX 75225		9414 7116 9900 0878 4554 88	
Occidental Permian LP	ORRI	5 Greenway Plaza, Suite 110 Houston, TX 77046		9414 7116 9900 0878 4529 51	
McKay Petroleum Corporation	ORRI	P.O. Box 2204 Roswell NM 88201		9414 7116 9900 0878 4524 63	
St. Clair of Texas, LLC	ORRI	P.O. Box 5950 Lubbock TX 79408		9414 7116 9900 0878 4507 80	
Depke Trust	ORRI	2027 County Field Drive Chesterfield MO 63017		9414 7116 9900 0878 4503 91	
C. Richard Overly	ORRI	11410 Shadow Way Houston, TX 77024		9414 7116 9900 0878 4581 44	
BPL Fish Pond LLC	ORRI	P.O. Box 92032 Southlake TX 76092		9414 7116 9900 0878 4579 63	
Millis Jeffrey Oakes	ORRI	3434 Amber Forest Drive Houston TX 77068		9414 7116 9900 0878 4562 94	
Stephen William Oakes	ORRI	4700 Spanish Moss McKinney TX 75070		9414 7116 9900 0878 4566 45	
Elizabeth Ann Cline	ORRI	15400 Whistling Straits Dr Austin, TX 78717		9414 7116 9900 0878 4512 99	
Benjamin Jacob Oakes	ORRI	3214 Hickory Grove Lane Pearland TX 77584		9414 7116 9900 0878 4514 73	
Matthew David Oakes	ORRI	116 N Johnson Ave San Marcos TX 78666		9414 7116 9900 0878 4691 95	
Olin Brett Dalton	ORRI	335 Granite Row Marble Falls TX 78654		9414 7116 9900 0878 4695 84	
David Trent Dalton	ORRI	1025 Bald Eagle Dr. Nolanville TX 76559		9414 7116 9900 0878 4633 60	
Milton R. Fry	ORRI	11014 Hidden Bend Drive Houston TX 77064		9414 7116 9900 0878 4643 74	
Featherstone Development Corp.	ORRI	P.O. Box 429 Roswell NM 882020		9414 7116 9900 0878 4650 29	
Covey Energy Partners LP	ORRI	3300 N A Street, Building 8, Suite 220 Midland, TX 79705		9414 7116 9900 0878 4852 49	
KJ Feil et ux	ORRI	10430 60th Avenue South Seattle WA 98178		9414 7116 9900 0878 4851 64	
BTA Oil Producers LLC	ORRI	104 S. Pecos Midland, TX 79701		9414 7116 9900 0878 4855 60	
Patrick J. McClellan	ORRI	2 Cape Cod Lane Houston TX 77024		9414 7116 9900 0878 4827 98	
Regan A. Burrows	ORRI	831 Ashland St. Houston TX 77007		9414 7116 9900 0878 4823 92	
Elliott-Hall Company	ORRI	P.O. Box 1231 Ogden UT 84402		9414 7116 9900 0878 4808 62	
Frank O. Elliott	ORRI	P.O. Box 1355 Roswell NM 88202		9414 7116 9900 0878 4803 43	
Cayuga Royalties, LLC	ORRI	P.O. Box 540711 Houston, TX 77254		9414 7116 9900 0878 4887 52	
Prevail Energy, LLC	ORRI	521 Dexter St. Denver, CO 80220		9414 7116 9900 0878 4881 72	
Rheiner Holdings LLC	ORRI	P.O. Box 980552 Houston, TX 77098		9414 7116 9900 0878 4877 55	
Monticello Minerals, LLC	ORRI	4128 Bryn Mawr Dr. Dallas, TX 75225		9414 7116 9900 0878 4870 07	
Cathleen Ann Adams, Trustee of the Cathleen ann Adams Revocable Trust dated 9/25/2020, as amended and restated	ORRI	P.O. Box 45807 Rio Rancho NM 87174		9414 7116 9900 0878 4812 03	
Susan Arrott aka Susan Carol Arrott, Trustee of the Arrott Family Revocable Trust dated 4/8/2019, as amended and restated	ORRI	P.O. Box 95074 North Little Rock, AR 72295		9414 7116 9900 0878 4098 63	
DMA Inc	ORRI	P.O. Box 1496 Roswell NM 88202		9414 7116 9900 0878 4091 77	
Charmar LLC	ORRI	4815 Vista Del Oso Court NE Albuquerque NM 87109		9414 7116 9900 0878 4032 36	
Richard C. Deason	ORRI	1301 N. Havenhurst #217 West Hollywood CA 90046		9414 7116 9900 0878 4031 82	
Thomas D. Deason	ORRI	6402 CR 7420 Lubbock TX 79424		9414 7116 9900 0878 4042 57	
Ronald H. Mayer	ORRI	P.O. Box 2391 Roswell NM 88202		9414 7116 9900 0878 4041 72	

SAP, LLC	ORRI	4901 Whitney Lane Roswell NM 88203		9414 7116 9900 0878 4059 02	
Wells Fargo Bank, N.A., Trustee of the Robert N. Enfield Revocable Trust dated March 16, 1999	ORRI	P.O. Box 1968 Albuquerque NM 87103		9414 7116 9900 0878 4079 13	
Pony Oil Operating LLC	ORRI	4925 Greenville Ave., Suite 915 Dallas, TX 75206		9414 7116 9900 0878 4070 81	
MerPel, LLC	ORRI	4245 N. Central Expy., Suite 320 Box 109 Dallas, TX 75205		9414 7116 9900 0878 4012 18	
Bryan Bell Family, LLC	ORRI	1331 Third Street New Orleans LA 70130		9414 7116 9900 0878 4016 21	
Magnum Hunter Production Inc	ORRI	600 N. Marienfeld Street, Suite 600 Midland TX 79701		9414 7116 9900 0878 6399 25	
KJ Feil & Marie A Feil	ORRI	10430 60th Avenue South Seattle WA 98178		9414 7116 9900 0878 6395 43	

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

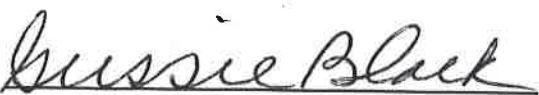
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
December 07, 2021
and ending with the issue dated
December 07, 2021.



Publisher

Sworn and subscribed to before me this
7th day of December 2021.



Business Manager

My commission expires

January 29, 2023

(Seal)



OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico

My Commission Expires 1-29-23

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

LEGAL NOTICE
December 7, 2021

Application of Franklin Mountain Energy, LLC for approval of surface commingling, Lea County, New Mexico. Notice to all affected parties, as well as the heirs and devisees of: Free Ride LLC; Paul Slayton; Stewart Heighten; TD Minerals LLC; McKay Petroleum Corporation; St. Clair of Texas, LLC; Depke Trust; C. Richard Overly; BPL Fish Pond LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; SAP, LLC; Featherstone Development Corp.; Covey Energy Partners LP; KJ Feil et ux; Patrick J. McClellan; Regan A. Burrows; Elliott-Hall Company; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings LLC; Monticello Minerals, LLC; Cathleen Ann Adams, TTE of the Cathleen Ann Adams RT dtd 9/25/2020; Susan Arrott aka Susan Carol Arrott, TTE of the Arrott Family RT dtd 4/8/2019; DMA Inc; Charmar LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer; Wells Fargo Bank, N.A., TTE of the Robert N. Enfield RT dtd March 16, 1999; Pony Oil Operating LLC; MerPel, LLC; Bryan Bell Family, LLC; KJ Feil & Marie A Feil; United States of America, BLM of Franklin Mountain Energy, LLC's application for surface commingling. Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, Colorado, 80206, has filed an application with the New Mexico Oil Conservation Division seeking administrative approval to surface lease commingle production according to the provisions of NMAC 19.15.12.10.C from the Golden Fed Com 303H & 603H; Ouray Fed Com 302H & 602H; GEORGETOWN FED COM 301H & 601H; BRECKENRIDGE FED COM 304H & 604H; GEORGETOWN FED COM 701H, OURAY FED COM 702H & 703H; GOLDEN FED COM 704H, BRECKENRIDGE FED COM 705H & BRECKENRIDGE FED COM 706H wells, all located in the [98294] WC-025 G-07 S243517D, MIDDLE BONE SPRING pool and [98098] WC-025 G-09 S243532M, WOLFBONE pool, all located in Sections 4 & 9, T24S-R35E, Lea County, New Mexico. Any objection or requests for a hearing regarding this application must be submitted to the Division's Santa Fe office, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505 in writing within 20 days of this publication. Any interested party with questions or comments may contact Rachael Overbey, 720-414-6878, roverbey@fmelc.com. #37104

67116598

00261494

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



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) 746-3460 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 30-025-47027	² Pool Code 98294	³ Pool Name WC-025 G-07 S243517D; MIDDLE BONE SPRING
⁴ Property Code 327347	⁵ Property Name BRECKENRIDGE FED COM	⁶ Well Number 304H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3374.4'

¹⁰Surface Location

UL or lot no. P	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1233	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 1	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 350	East/West line EAST	County LEA
¹² Dedicated Acres 320.19		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.

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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"

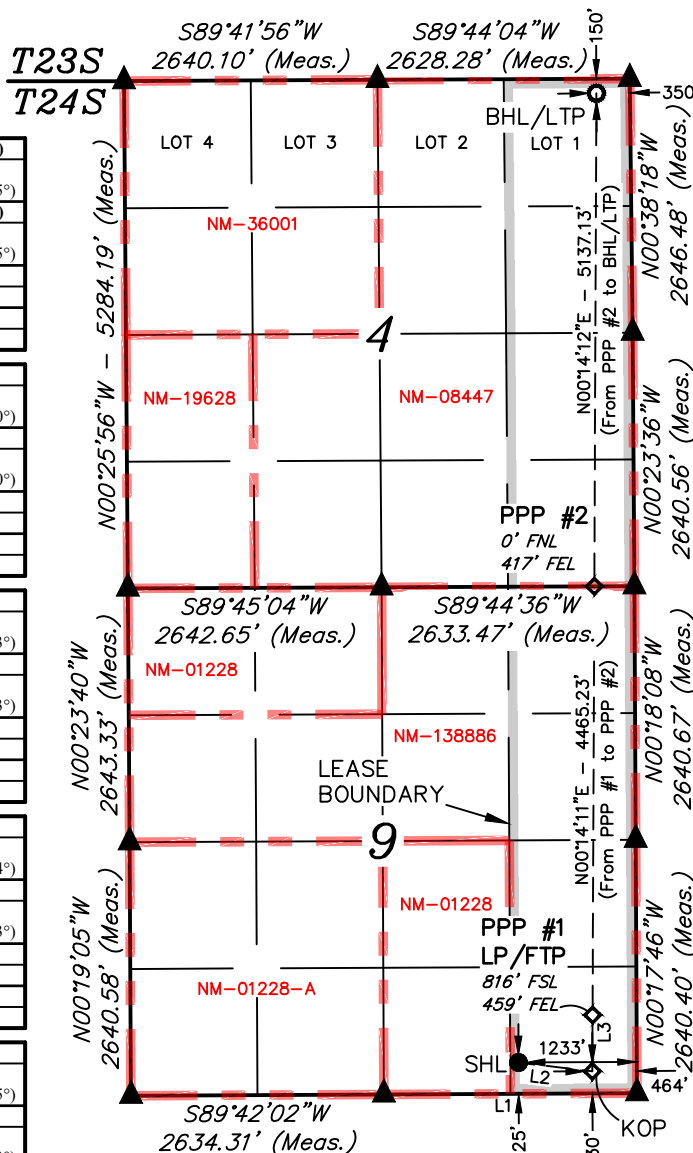
NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.45" (32.225682°)
LONGITUDE = 103°22'04.57" (103.367935°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.00" (32.225556°)
LONGITUDE = 103°22'02.87" (103.367465°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447178.02' E: 839870.28'
STATE PLANE NAD 27 (N.M. EAST)
N: 447118.79' E: 798685.03'

NAD 83 (KOP)
LATITUDE = 32°13'31.52" (32.225421°)
LONGITUDE = 103°21'55.62" (103.365450°)
NAD 27 (KOP)
LATITUDE = 32°13'31.06" (32.225295°)
LONGITUDE = 103°21'53.93" (103.364980°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447090.09' E: 840639.64'
STATE PLANE NAD 27 (N.M. EAST)
N: 447030.85' E: 799454.36'

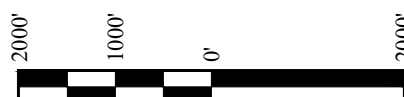
NAD 83 (PPP #1 - LP/FTP)
LATITUDE = 32°13'31.31" (32.227031°)
LONGITUDE = 103°21'55.56" (103.365433°)
NAD 27 (PPP #1 - LP/FTP)
LATITUDE = 32°13'36.86" (32.226905°)
LONGITUDE = 103°21'53.87" (103.364963°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447675.85' E: 840639.60'
STATE PLANE NAD 27 (N.M. EAST)
N: 447616.60' E: 799454.35'

NAD 83 (PPP #2)
LATITUDE = 32°14'21.49" (32.239302°)
LONGITUDE = 103°21'55.09" (103.365304°)
NAD 27 (PPP #2)
LATITUDE = 32°14'21.03" (32.239176°)
LONGITUDE = 103°21'53.40" (103.364833°)
STATE PLANE NAD 83 (N.M. EAST)
N: 452140.41' E: 840639.33'
STATE PLANE NAD 27 (N.M. EAST)
N: 452081.04' E: 799454.26'

NAD 83 (BHL/LTP)
LATITUDE = 32°15'12.31" (32.253419°)
LONGITUDE = 103°21'54.56" (103.365155°)
NAD 27 (BHL/LTP)
LATITUDE = 32°15'11.86" (32.253293°)
LONGITUDE = 103°21'52.86" (103.364683°)
STATE PLANE NAD 83 (N.M. EAST)
N: 457276.77' E: 840639.00'
STATE PLANE NAD 27 (N.M. EAST)
N: 457217.26' E: 799454.12'



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°43'57"W	2636.55'
L2	S83°14'24"E	774.48'
L3	N00°14'10"E	585.85'



SCALE

SCALE
DRAWN BY: T.S. 02-21-19

REV:3 04-14-21 R.J.

(UPDATE BORE PATH & ADD KOP/PPP)

- = SURFACE HOLE LOCATION
 ◆ = KOP/PPP
 ○ = BOTTOM HOLE LOCATION/LAST TAKE POINT
 ▲ = SECTION CORNER LOCATED

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 Julia Alvarado Date 4/30/2021

Shelly Albrecht

Printed Name

salbrecht@fmellc.com

E-mail Address

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.

May 7, 2019

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:

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) 746-3460 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 30-025-47117	² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M; WOLFBONE
⁴ Property Code 327347	⁵ Property Name BRECKENRIDGE FED COM	⁶ Well Number 604H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3374.7'

¹⁰ Surface Location

UL or lot no. P	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1303	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 1	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 350	East/West line EAST	County LEA
¹² Dedicated Acres 320.19		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.

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"

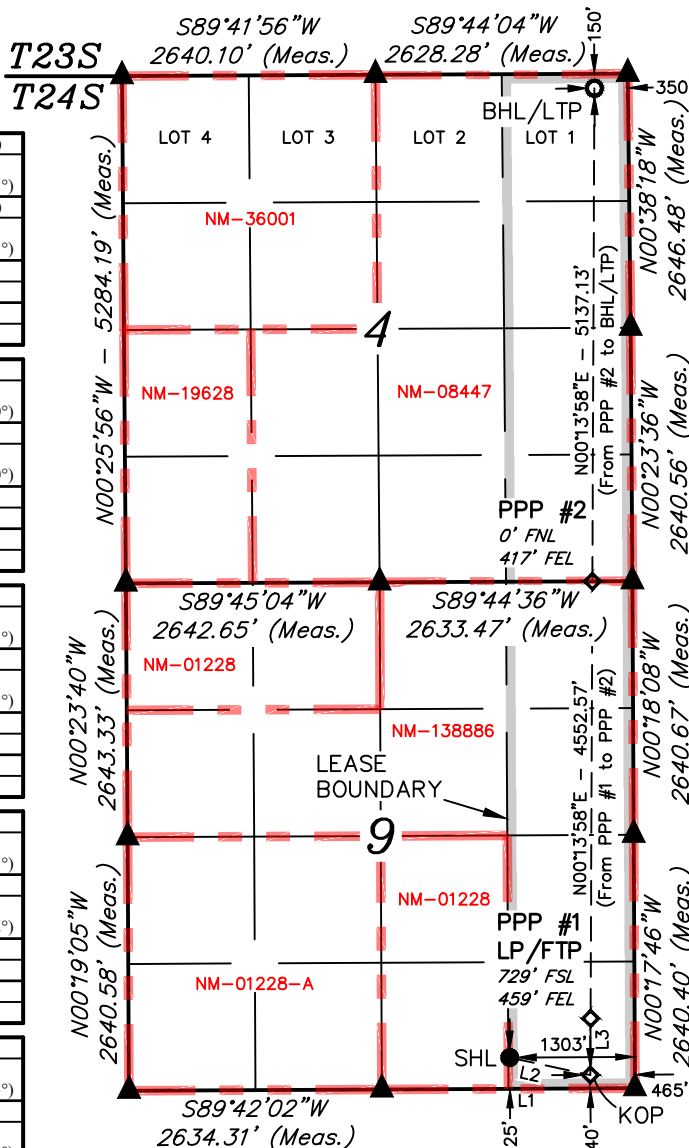
NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.45" (32.225682°)
LONGITUDE = 103°22'05.38" (103.368161°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.00" (32.225556°)
LONGITUDE = 103°22'03.69" (103.367691°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447177.40' E: 839800.30'
STATE PLANE NAD 27 (N.M. EAST)
N: 447118.17' E: 798615.04'

NAD 83 (KOP)
LATITUDE = 32°13'30.62" (32.225173°)
LONGITUDE = 103°21'55.62" (103.365450°)
NAD 27 (KOP)
LATITUDE = 32°13'30.17" (32.225047°)
LONGITUDE = 103°21'53.93" (103.364980°)
STATE PLANE NAD 83 (N.M. EAST)
N: 446999.86' E: 840640.32'
STATE PLANE NAD 27 (N.M. EAST)
N: 446940.63' E: 799455.03'

NAD 83 (PPP #1 - LP/FTP)
LATITUDE = 32°13'35.45" (32.226791°)
LONGITUDE = 103°21'55.56" (103.365433°)
NAD 27 (PPP #1 - LP/FTP)
LATITUDE = 32°13'35.99" (32.226665°)
LONGITUDE = 103°21'53.87" (103.364963°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447588.52' E: 840640.24'
STATE PLANE NAD 27 (N.M. EAST)
N: 447529.27' E: 799454.98'

NAD 83 (PPP #2)
LATITUDE = 32°14'21.49" (32.239302°)
LONGITUDE = 103°21'55.09" (103.365303°)
NAD 27 (PPP #2)
LATITUDE = 32°14'21.03" (32.239176°)
LONGITUDE = 103°21'53.39" (103.364832°)
STATE PLANE NAD 83 (N.M. EAST)
N: 452140.41' E: 840639.66'
STATE PLANE NAD 27 (N.M. EAST)
N: 452081.04' E: 799454.59'

NAD 83 (BHL/LTP)
LATITUDE = 32°15'12.31" (32.253419°)
LONGITUDE = 103°21'54.56" (103.365155°)
NAD 27 (BHL/LTP)
LATITUDE = 32°15'11.86" (32.253293°)
LONGITUDE = 103°21'52.86" (103.364683°)
STATE PLANE NAD 83 (N.M. EAST)
N: 457276.77' E: 840639.00'
STATE PLANE NAD 27 (N.M. EAST)
N: 457217.26' E: 799454.12'



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°43'57"W	2636.55'
L2	S77°49'34"E	858.71'
L3	N00°13'56"E	588.75'



SCALE

DRAWN BY: T.S. 02-21-19

REV:2 04-14-21 R.J.

(UPDATE BORE PATH & ADD KOP/PPP)

- = SURFACE HOLE LOCATION
 ◆ = KOP/PPP
 ○ = BOTTOM HOLE LOCATION/LAST TAKE POINT
 ▲ = SECTION CORNER LOCATED

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 4/30/2021
Date

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

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.

May 7, 2019

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



Certificate Number:

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) 746-3460 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 30-025-47028		² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M; WOLFBONE	
⁴ Property Code 327347	⁵ Property Name BRECKENRIDGE FED COM			⁶ Well Number 705H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3374.5'

¹⁰Surface Location

UL or lot no. O	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1338	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 1	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 1152	East/West line EAST	County LEA
¹² Dedicated Acres 640.35		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.

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 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.45" (32.225682°)
LONGITUDE = 103°22'05.79" (103.368274°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.00" (32.225556°)
LONGITUDE = 103°22'04.09" (103.367804°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447177.09' E: 839765.30'
STATE PLANE NAD 27 (N.M. EAST)
N: 447117.86' E: 798580.05'

NAD 83 (KOP)
LATITUDE = 32°13'29.73" (32.224926°)
LONGITUDE = 103°22'05.79" (103.368275°)
NAD 27 (KOP)
LATITUDE = 32°13'29.28" (32.224800°)
LONGITUDE = 103°22'04.10" (103.367804°)
STATE PLANE NAD 83 (N.M. EAST)
N: 446902.13' E: 839767.74'
STATE PLANE NAD 27 (N.M. EAST)
N: 446842.91' E: 798582.47'

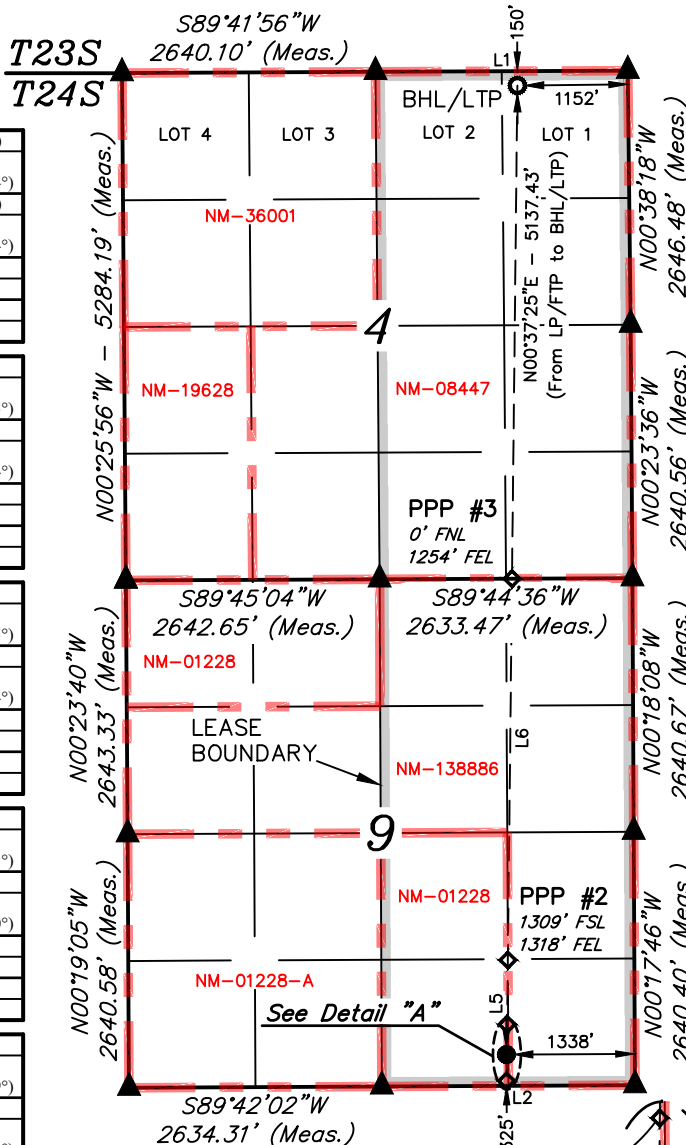
NAD 83 (PPP #1 - LP/FTP)
LATITUDE = 32°13'35.57" (32.226546°)
LONGITUDE = 103°22'05.68" (103.368245°)
NAD 27 (PPP #1 - LP/FTP)
LATITUDE = 32°13'35.11" (32.226420°)
LONGITUDE = 103°22'03.99" (103.367774°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447491.57' E: 839771.68'
STATE PLANE NAD 27 (N.M. EAST)
N: 447432.33' E: 798586.44'

NAD 83 (PPP #2)
LATITUDE = 32°13'42.19" (32.228385°)
LONGITUDE = 103°22'05.56" (103.368211°)
NAD 27 (PPP #2)
LATITUDE = 32°13'41.73" (32.228259°)
LONGITUDE = 103°22'03.87" (103.367740°)
STATE PLANE NAD 83 (N.M. EAST)
N: 448160.75' E: 839776.16'
STATE PLANE NAD 27 (N.M. EAST)
N: 448101.49' E: 798590.95'

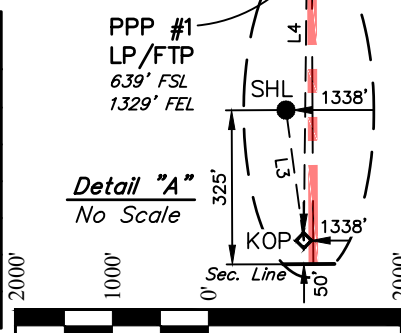
NAD 83 (PPP #3)
LATITUDE = 32°14'21.49" (32.239303°)
LONGITUDE = 103°22'04.83" (103.368009°)
NAD 27 (PPP #3)
LATITUDE = 32°14'21.04" (32.239177°)
LONGITUDE = 103°22'03.14" (103.367538°)
STATE PLANE NAD 83 (N.M. EAST)
N: 452133.16' E: 839802.75'
STATE PLANE NAD 27 (N.M. EAST)
N: 452073.80' E: 798617.70'

NAD 83 (BHL/LTP)
LATITUDE = 32°15'12.31" (32.253420°)
LONGITUDE = 103°22'03.90" (103.367749°)
NAD 27 (BHL/LTP)
LATITUDE = 32°15'11.86" (32.253294°)
LONGITUDE = 103°22'02.20" (103.367277°)
STATE PLANE NAD 83 (N.M. EAST)
N: 457269.70' E: 839837.13'
STATE PLANE NAD 27 (N.M. EAST)
N: 457210.20' E: 798652.27'

- = SURFACE HOLE LOCATION
 ◆ = KOP/PPP
 ○ = BOTTOM HOLE LOCATION/LAST TAKE POINT
 ▲ = SECTION CORNER LOCATED



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°44'04"W	2628.28'
L2	S89°43'57"W	2636.55'
L3	S00°16'06"E	275.01'
L4	N00°37'23"E	589.54'
L5	N00°37'24"E	669.29'
L6	N00°37'25"E	3973.10'



SCALE
DRAWN BY: T.S. 02-21-19
REV: 2 04-14-21 R.J.
(UPDATE BORE PATH & ADD KOP/PPP)

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 4/30/2021
Date

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

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.

May 7, 2019

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



Certificate Number:

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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 30-025-47029	² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M; WOLFBONE
⁴ Property Code 327347	⁵ Property Name BRECKENRIDGE FED COM	⁶ Well Number 706H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3374.5'

¹⁰Surface Location

UL or lot no. P	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1268	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 1	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 350	East/West line EAST	County LEA
¹² Dedicated Acres 320.19		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.

16

NOTE:

- Distances referenced on plat to section lines are perpendicular.
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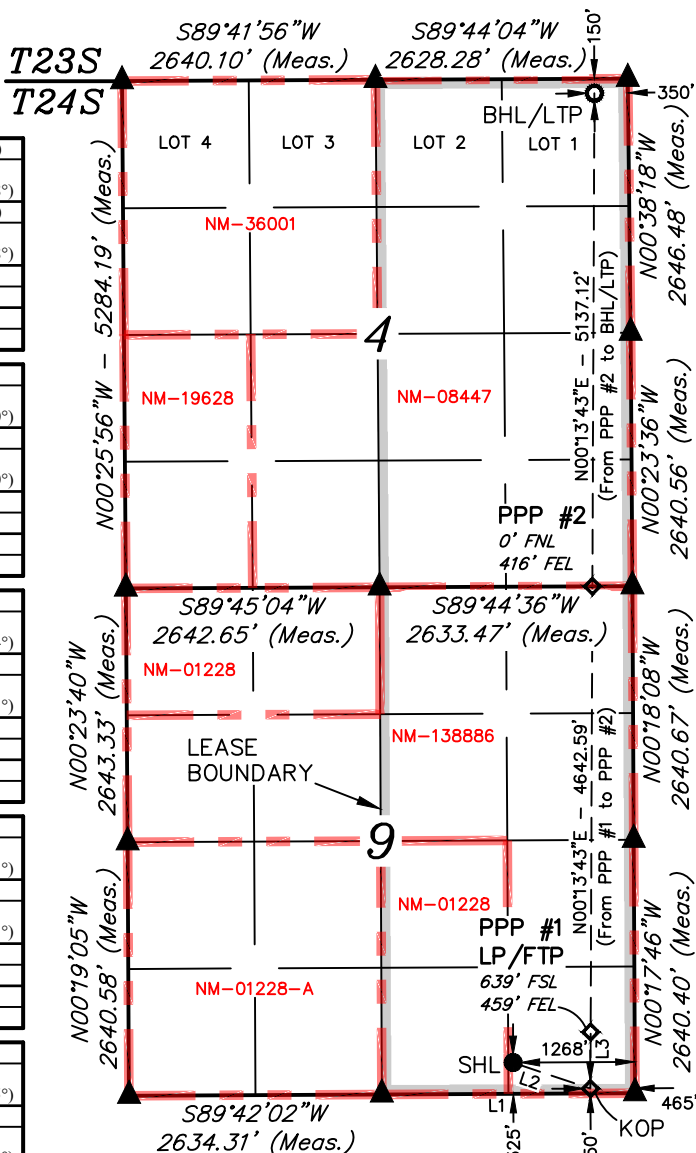
NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.45" (32.225682°)
LONGITUDE = 103°22'04.97" (103.368048°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.00" (32.225556°)
LONGITUDE = 103°22'03.28" (103.367578°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447177.71' E: 839835.29'
STATE PLANE NAD 27 (N.M. EAST)
N: 447118.48' E: 798650.03'

NAD 83 (KOP)
LATITUDE = 32°13'29.73" (32.224926°)
LONGITUDE = 103°21'55.62" (103.365450°)
NAD 27 (KOP)
LATITUDE = 32°13'29.28" (32.224800°)
LONGITUDE = 103°21'53.93" (103.364980°)
STATE PLANE NAD 83 (N.M. EAST)
N: 446909.86' E: 840641.09'
STATE PLANE NAD 27 (N.M. EAST)
N: 446850.63' E: 799455.80'

NAD 83 (PPP #1 - LP/FTP)
LATITUDE = 32°13'35.56" (32.226544°)
LONGITUDE = 103°21'55.56" (103.365434°)
NAD 27 (PPP #1 - LP/FTP)
LATITUDE = 32°13'35.10" (32.226418°)
LONGITUDE = 103°21'53.87" (103.364963°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447498.52' E: 840640.97'
STATE PLANE NAD 27 (N.M. EAST)
N: 447439.27' E: 799455.71'

NAD 83 (PPP #2)
LATITUDE = 32°14'21.49" (32.239302°)
LONGITUDE = 103°21'55.09" (103.365301°)
NAD 27 (PPP #2)
LATITUDE = 32°14'21.03" (32.239176°)
LONGITUDE = 103°21'53.39" (103.364831°)
STATE PLANE NAD 83 (N.M. EAST)
N: 452140.42' E: 840640.04'
STATE PLANE NAD 27 (N.M. EAST)
N: 452081.04' E: 799454.97'

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LONGITUDE = 103°21'54.56" (103.365155°)
NAD 27 (BHL/LTP)
LATITUDE = 32°15'11.86" (32.253293°)
LONGITUDE = 103°21'52.86" (103.364683°)
STATE PLANE NAD 83 (N.M. EAST)
N: 457276.77' E: 840639.00'
STATE PLANE NAD 27 (N.M. EAST)
N: 457217.26' E: 799454.12'



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°43'57"W	2636.55'
L2	S71°22'23"E	849.28'
L3	N00°13'42"E	588.75'

2000' 1000' 0' 2000'

S C A L E

DRAWN BY: T.S. 02-21-19

REV: 02-04-21 R.J.

(UPDATE BORE PATH & ADD KOP/PPP)

- = SURFACE HOLE LOCATION
 ◆ = KOP/PPP
 ○ = BOTTOM HOLE LOCATION/LAST TAKE POINT
 ▲ = SECTION CORNER LOCATED

17 OPERATOR CERTIFICATION

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Signature Julie Christ Date 4/30/2021

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

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.

May 7, 2019

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



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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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-47263	² Pool Code 98294	³ Pool Name WC-025 G-07 S243517D; MIDDLE BONE SPRING
⁴ Property Code 328251	⁵ Property Name GEORGETOWN FED COM	⁶ Well Number 301H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3391.6'

¹⁰ Surface Location

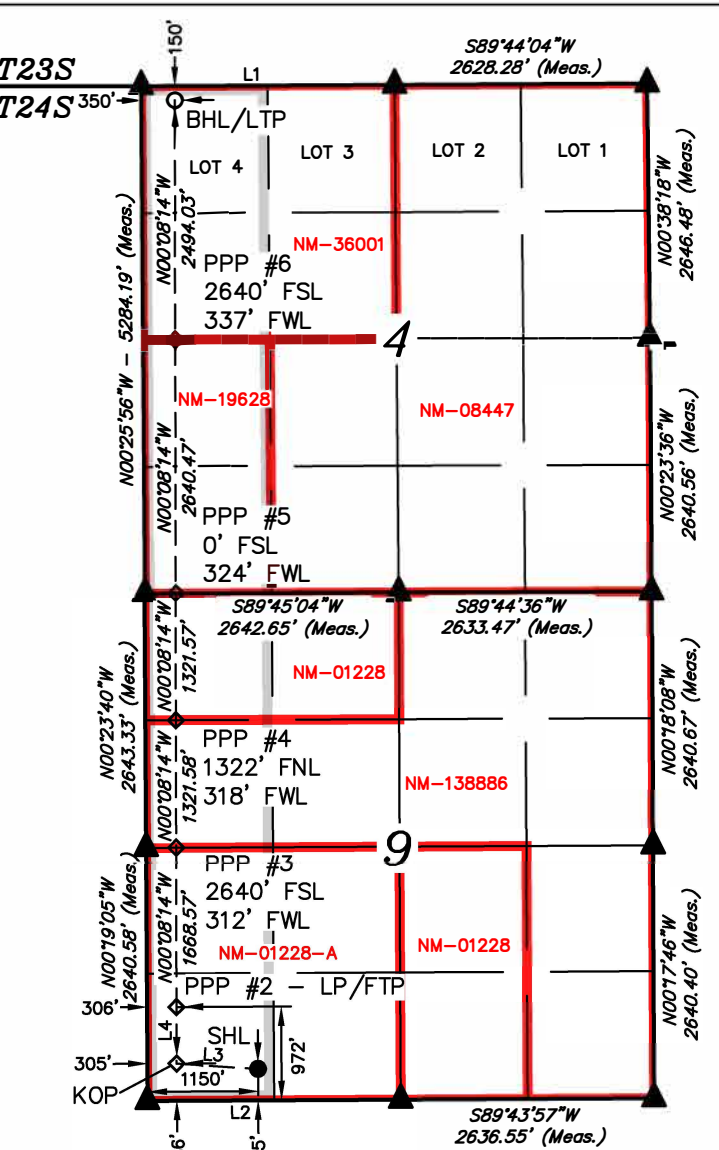
UL or lot no. M	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1150	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 4	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 350	East/West line WEST	County LEA
¹² Dedicated Acres 320.11	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.

¹⁶	NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.45" (32.225680°) LONGITUDE = 103°22'38.18" (103.377272°) NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.00" (32.225555°) LONGITUDE = 103°22'36.48" (103.376801°) STATE PLANE NAD 83 (N.M. EAST) N: 447151.76' E: 836982.84' STATE PLANE NAD 27 (N.M. EAST) N: 447092.56' E: 795797.65' NAD 83 (KOP) LATITUDE = 32°13'33.05" (32.225847°) LONGITUDE = 103°22'48.02" (103.380005°) NAD 27 (KOP) LATITUDE = 32°13'32.60" (32.225721°) LONGITUDE = 103°22'46.32" (103.379535°) STATE PLANE NAD 83 (N.M. EAST) N: 447204.70' E: 836137.00' STATE PLANE NAD 27 (N.M. EAST) N: 447145.51' E: 794951.84' NAD 83 (PPP #2 - LP/FTP) LATITUDE = 32°13'38.84" (32.227457°) LONGITUDE = 103°22'48.00" (103.380001°) NAD 27 (PPP #2 - LP/FTP) LATITUDE = 32°13'38.39" (32.227331°) LONGITUDE = 103°22'46.31" (103.379530°) STATE PLANE NAD 83 (N.M. EAST) N: 447790.44' E: 836133.14' STATE PLANE NAD 27 (N.M. EAST) N: 447731.23' E: 794948.00' NAD 83 (PPP #3) LATITUDE = 32°13'55.35" (32.232042°) LONGITUDE = 103°22'47.96" (103.379989°) NAD 27 (PPP #3) LATITUDE = 32°13'54.90" (32.231917°) LONGITUDE = 103°22'46.26" (103.379518°) STATE PLANE NAD 83 (N.M. EAST) N: 449458.72' E: 836122.16' STATE PLANE NAD 27 (N.M. EAST) N: 449399.47' E: 794937.09' NAD 83 (PPP #4) LATITUDE = 32°14'08.43" (32.235674°) LONGITUDE = 103°22'47.92" (103.379979°) NAD 27 (PPP #4) LATITUDE = 32°14'07.98" (32.235549°) LONGITUDE = 103°22'46.23" (103.379508°) STATE PLANE NAD 83 (N.M. EAST) N: 450780.07' E: 836113.46' STATE PLANE NAD 27 (N.M. EAST) N: 450720.78' E: 794928.45' NAD 83 (PPP #5) LATITUDE = 32°14'21.50" (32.239306°) LONGITUDE = 103°22'47.89" (103.379969°) NAD 27 (PPP #5) LATITUDE = 32°14'21.05" (32.239181°) LONGITUDE = 103°22'46.19" (103.379498°) STATE PLANE NAD 83 (N.M. EAST) N: 452101.41' E: 836104.76' STATE PLANE NAD 27 (N.M. EAST) N: 452042.09' E: 794919.81' NAD 83 (PPP #6) LATITUDE = 32°14'47.63" (32.246563°) LONGITUDE = 103°22'47.82" (103.379950°) NAD 27 (PPP #6) LATITUDE = 32°14'47.17" (32.246437°) LONGITUDE = 103°22'46.12" (103.379478°) STATE PLANE NAD 83 (N.M. EAST) N: 454741.42' E: 836087.38' STATE PLANE NAD 27 (N.M. EAST) N: 454682.03' E: 794902.54' NAD 83 (BHL/LTP) LATITUDE = 32°15'12.30" (32.253417°) LONGITUDE = 103°22'47.75" (103.379931°) NAD 27 (BHL/LTP) LATITUDE = 32°15'11.85" (32.253291°) LONGITUDE = 103°22'46.05" (103.379459°) STATE PLANE NAD 83 (N.M. EAST) N: 457235.02' E: 836070.96' STATE PLANE NAD 27 (N.M. EAST) N: 457175.56' E: 794886.20'
---------------	--



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°41'56"W	2640.10'
L2	S89°42'02"W	2634.31'
L3	N86°10'43"W	847.62'
L4	N00°08'15"W	585.84'



SCALE
DRAWN BY: R.S. 02-21-19
REV: 2 D.J.S. 04-15-21 (ADD
LEASE INFO, KOP & PPP'S)

- 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)

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/PPP
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

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: 4/15/2021

Printed Name: Shelly Albrecht

salbrecht@fmellc.com
E-mail Address

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.

MAY 08, 2019

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

☐ AMENDED REPORT

Certificate Number:

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 30-025-47265	² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M;WOLFBONE
⁴ Property Code 328251	⁵ Property Name GEORGETOWN FED COM	⁶ Well Number 701H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3392.4

¹⁰ Surface Location

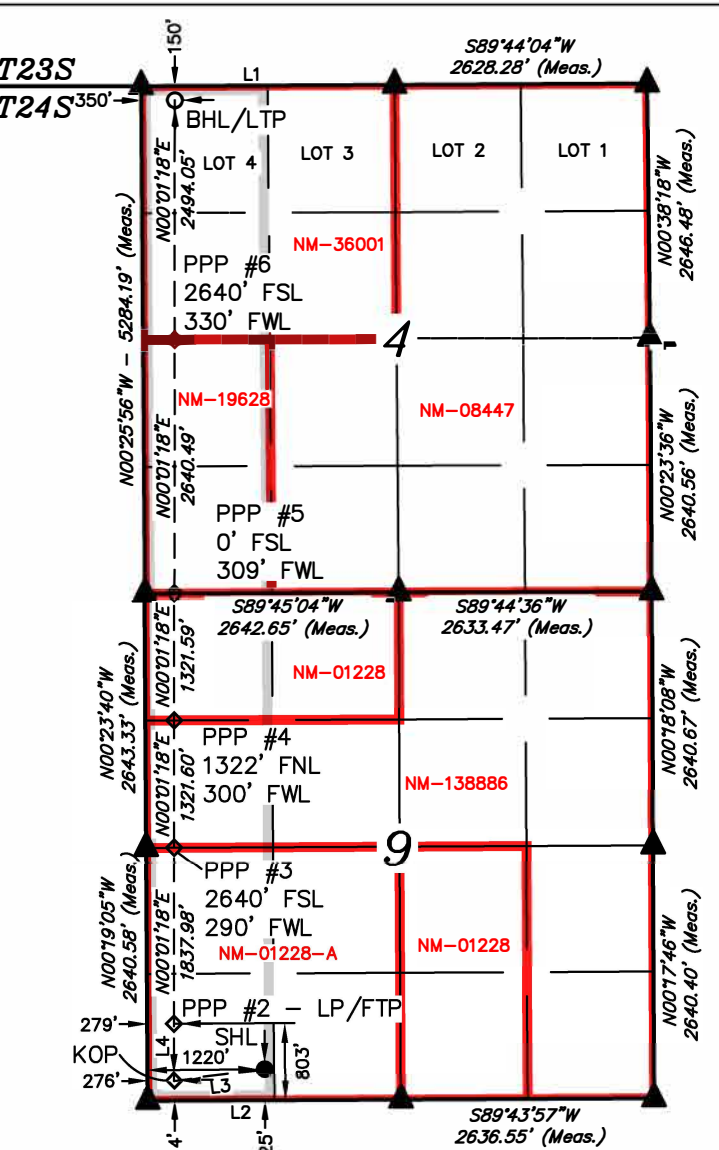
UL or lot no. M	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1220	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 4	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 350	East/West line WEST	County LEA
¹² Dedicated Acres 320.11	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.

¹⁶	NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.45" (32.225680°) LONGITUDE = 103°22'37.36" (103.377046°) NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.00" (32.225555°) LONGITUDE = 103°22'35.67" (103.376575°) STATE PLANE NAD 83 (N.M. EAST) N: 447152.38' E: 837052.83' STATE PLANE NAD 27 (N.M. EAST) N: 447093.18' E: 795867.64' NAD 83 (KOP) LATITUDE = 32°13'31.35" (32.225374°) LONGITUDE = 103°22'48.35" (103.380098°) NAD 27 (KOP) LATITUDE = 32°13'30.89" (32.225248°) LONGITUDE = 103°22'46.66" (103.379627°) STATE PLANE NAD 83 (N.M. EAST) N: 447032.38' E: 836109.83' STATE PLANE NAD 27 (N.M. EAST) N: 446973.19' E: 794924.66' NAD 83 (PPP #2 - LP/FTP) LATITUDE = 32°13'37.17" (32.226991°) LONGITUDE = 103°22'48.32" (103.380089°) NAD 27 (PPP #2 - LP/FTP) LATITUDE = 32°13'36.72" (32.226865°) LONGITUDE = 103°22'46.62" (103.379618°) STATE PLANE NAD 83 (N.M. EAST) N: 447620.83' E: 836107.59' STATE PLANE NAD 27 (N.M. EAST) N: 447561.63' E: 794922.45' NAD 83 (PPP #3) LATITUDE = 32°13'55.35" (32.232042°) LONGITUDE = 103°22'48.21" (103.380059°) NAD 27 (PPP #3) LATITUDE = 32°13'54.90" (32.231917°) LONGITUDE = 103°22'46.51" (103.379587°) STATE PLANE NAD 83 (N.M. EAST) N: 449458.52' E: 836100.59' STATE PLANE NAD 27 (N.M. EAST) N: 449399.27' E: 794915.53' NAD 83 (PPP #4) LATITUDE = 32°14'08.43" (32.235674°) LONGITUDE = 103°22'48.13" (103.380037°) NAD 27 (PPP #4) LATITUDE = 32°14'07.98" (32.235549°) LONGITUDE = 103°22'46.44" (103.379565°) STATE PLANE NAD 83 (N.M. EAST) N: 450779.91' E: 836095.56' STATE PLANE NAD 27 (N.M. EAST) N: 450720.62' E: 794910.55' NAD 83 (PPP #5) LATITUDE = 32°14'21.50" (32.239306°) LONGITUDE = 103°22'48.05" (103.380015°) NAD 27 (PPP #5) LATITUDE = 32°14'21.05" (32.239181°) LONGITUDE = 103°22'46.36" (103.379544°) STATE PLANE NAD 83 (N.M. EAST) N: 452101.29' E: 836090.52' STATE PLANE NAD 27 (N.M. EAST) N: 452041.97' E: 794905.57' NAD 83 (PPP #6) LATITUDE = 32°14'47.63" (32.246563°) LONGITUDE = 103°22'47.90" (103.379972°) NAD 27 (PPP #6) LATITUDE = 32°14'47.17" (32.246437°) LONGITUDE = 103°22'46.20" (103.379500°) STATE PLANE NAD 83 (N.M. EAST) N: 454741.36' E: 836080.46' STATE PLANE NAD 27 (N.M. EAST) N: 454681.97' E: 794895.62' NAD 83 (BHL/LTP) LATITUDE = 32°15'12.30" (32.253417°) LONGITUDE = 103°22'47.75" (103.379931°) NAD 27 (BHL/LTP) LATITUDE = 32°15'11.85" (32.253291°) LONGITUDE = 103°22'46.05" (103.379459°) STATE PLANE NAD 83 (N.M. EAST) N: 457235.02' E: 836070.96' STATE PLANE NAD 27 (N.M. EAST) N: 457175.56' E: 794886.20'
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LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°41'56"W	2640.10'
L2	S89°42'02"W	2634.31'
L3	S82°59'02"W	950.75'
L4	N00°01'19"E	588.54'



SCALE
DRAWN BY: R.S. 02-21-19
REV: 2 D.J.S. 04-15-21 (ADD
LEASE INFO, KOP & PPP'S)

- 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)

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/PPP
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

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: 4/15/2021

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

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.

MAY 08, 2019

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

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

District II
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Phone: (575) 748-1283 Fax: (575) 748-9720

District III
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Phone: (505) 334-6178 Fax: (505) 334-6170

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 98294		³ Pool Name WC-025 G-07 S243517D; MIDDLE BONE SPRING	
⁴ Property Code		⁵ Property Name GOLDEN FED COM			⁶ Well Number 303H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3375.1'

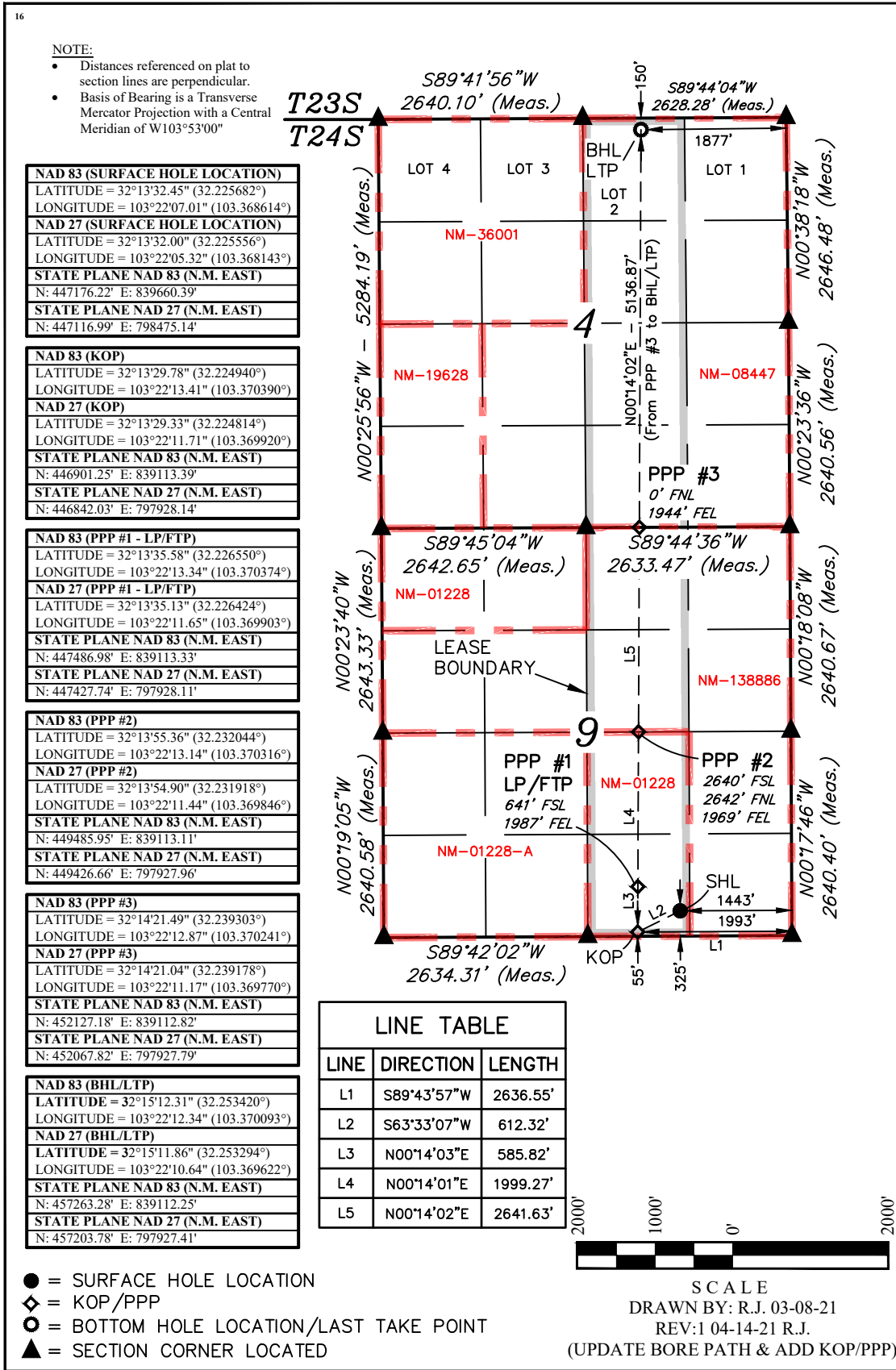
¹⁰ Surface Location

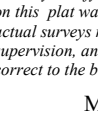

UL or lot no. O	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1443	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 2	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 1877	East/West line EAST	County LEA
¹² Dedicated Acres 320.16		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>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.</i>	
	4/30/2019
Signature	Date
Shelly Albrecht	
Printed Name	
salbrecht@fmellc.com	
E-mail Address	
18 SURVEYOR CERTIFICATION	
<i>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.</i>	
May 7, 2019	
Date of Survey	
Signature and Seal of Professional Surveyor:	
	
Certificate Number:	

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Phone: (575) 393-6161 Fax: (575) 393-0720

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Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
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Phone: (505) 746-3460 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

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Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-47054	² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M; WOLFBONE
⁴ Property Code 327860	⁵ Property Name GOLDEN FED COM	⁶ Well Number 603H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3375.0'

¹⁰Surface Location

UL or lot no. O	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1408	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 2	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 1677	East/West line EAST	County LEA
¹² Dedicated Acres 320.16		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.

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 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.45" (32.225682°)
LONGITUDE = 103°22'06.60" (103.368501°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°13'32.00" (32.225556°)
LONGITUDE = 103°22'04.91" (103.368030°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447176.47' E: 839695.32'
STATE PLANE NAD 27 (N.M. EAST)
N: 447117.24' E: 798510.06'

NAD 83 (KOP)
LATITUDE = 32°13'29.73" (32.224926°)
LONGITUDE = 103°22'11.06" (103.369739°)
NAD 27 (KOP)
LATITUDE = 32°13'29.28" (32.224800°)
LONGITUDE = 103°22'09.37" (103.369269°)
STATE PLANE NAD 83 (N.M. EAST)
N : 446898.11' E : 839314.78'
STATE PLANE NAD 27 (N.M. EAST)
N : 446838.89' E : 798129.52'

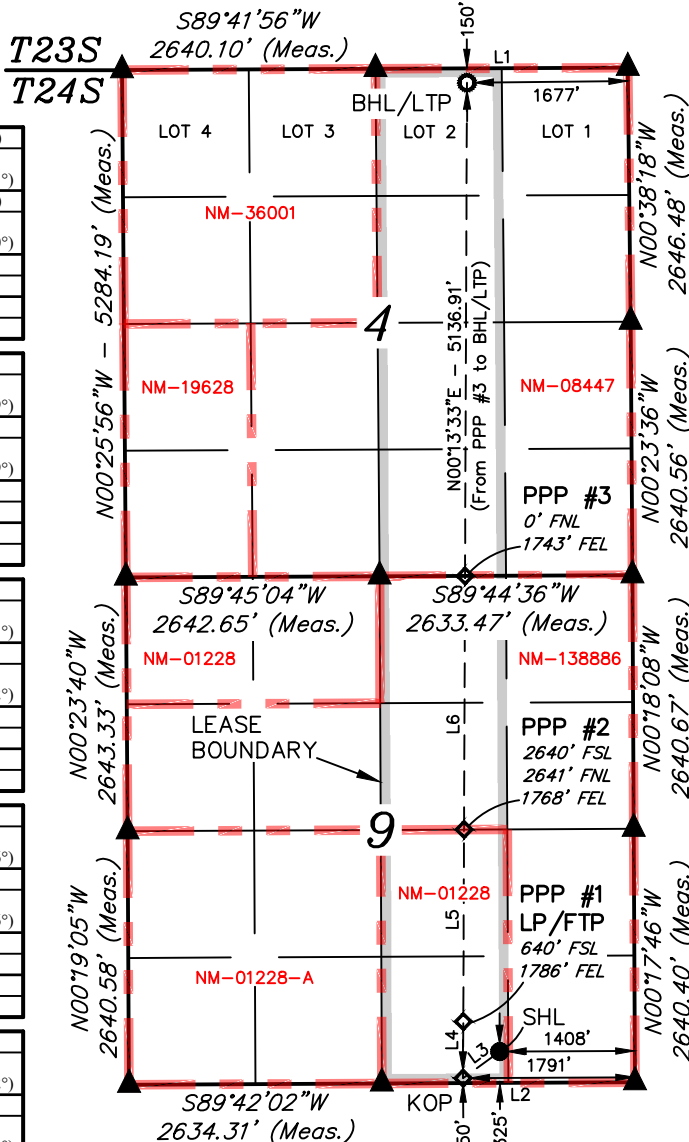
NAD 83 (PPP #1 - LP/FTP)
LATITUDE = 32°13'35.57" (32.226546°)
LONGITUDE = 103°22'11.00" (103.369723°)
NAD 27 (PPP #1 - LP/FTP)
LATITUDE = 32°13'35.11" (32.226420°)
LONGITUDE = 103°22'09.31" (103.369252°)
STATE PLANE NAD 83 (N.M. EAST)
N: 447487.57' E: 839314.63'
STATE PLANE NAD 27 (N.M. EAST)
N: 447428.34' E: 798129.40'

NAD 83 (PPP #2)
LATITUDE = 32°13'55.36" (32.232044°)
LONGITUDE = 103°22'10.80" (103.369666°)
NAD 27 (PPP #2)
LATITUDE = 32°13'54.91" (32.231918°)
LONGITUDE = 103°22'09.10" (103.369196°)
STATE PLANE NAD 83 (N.M. EAST)
N: 449487.78' E: 839314.14'
STATE PLANE NAD 27 (N.M. EAST)
N: 449428.49' E: 798128.99'

NAD 83 (PPP #3)
LATITUDE = 32°14'21.49" (32.239303°)
LONGITUDE = 103°22'10.53" (103.369592°)
NAD 27 (PPP #3)
LATITUDE = 32°14'21.04" (32.239177°)
LONGITUDE = 103°22'08.83" (103.369121°)
STATE PLANE NAD 83 (N.M. EAST)
N: 452128.92' E: 839313.49'
STATE PLANE NAD 27 (N.M. EAST)
N: 452069.56' E: 798128.45'

NAD 83 (BHL/LTP)
LATITUDE = 32°15'12.31" (32.253420°)
LONGITUDE = 103°22'10.01" (103.369447°)
NAD 27 (BHL/LTP)
LATITUDE = 32°15'11.86" (32.253294°)
LONGITUDE = 103°22'08.31" (103.368975°)
STATE PLANE NAD 83 (N.M. EAST)
N: 457265.06' E: 839312.22'
STATE PLANE NAD 27 (N.M. EAST)
N: 457205.56' E: 798127.37'

- = SURFACE HOLE LOCATION
 ◆ = KOP/PPP
 ○ = BOTTOM HOLE LOCATION/LAST TAKE POINT
 ▲ = SECTION CORNER LOCATED



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°44'04"W	2628.28'
L2	S89°43'57"W	2636.55'
L3	S54°03'18"W	471.55'
L4	N00°13'31"E	589.55'
L5	N00°13'33"E	2000.51'
L6	N00°13'34"E	2641.53'



SCALE
DRAWN BY: T.S. 02-21-19

(UPDATE BORE PATH & ADD KOP/PPP)

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 4/30/2021
Date

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

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.

May 7, 2019

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



Certificate Number:

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-47055	² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M; WOLFBONE
⁴ Property Code 327860	⁵ Property Name GOLDEN FED COM	⁶ Well Number 704H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3374.8'

¹⁰ Surface Location

UL or lot no. O	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1373	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 2	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 2078	East/West line EAST	County LEA
¹² Dedicated Acres 320.16	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.

¹⁶

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 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.45" (32.225682°) LONGITUDE = 103°22'06.20" (103.368388°)
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.00" (32.225556°) LONGITUDE = 103°22'04.50" (103.367917°)
STATE PLANE NAD 83 (N.M. EAST) N: 447176.78' E: 839730.31'
STATE PLANE NAD 27 (N.M. EAST) N: 447117.55' E: 798545.06'
NAD 83 (KOP) LATITUDE = 32°13'29.73" (32.224926°) LONGITUDE = 103°22'14.15" (103.370598°)
NAD 27 (KOP) LATITUDE = 32°13'29.28" (32.224800°) LONGITUDE = 103°22'12.46" (103.370128°)
STATE PLANE NAD 83 (N.M. EAST) N: 446895.77' E: 839049.09'
STATE PLANE NAD 27 (N.M. EAST) N: 446836.56' E: 797863.84'
NAD 83 (PPP #1 - LP/FTP) LATITUDE = 32°13'35.56" (32.226546°) LONGITUDE = 103°22'14.18" (103.370607°)
NAD 27 (PPP #1 - LP/FTP) LATITUDE = 32°13'35.11" (32.226420°) LONGITUDE = 103°22'12.49" (103.370136°)
STATE PLANE NAD 83 (N.M. EAST) N: 447484.97' E: 839041.26'
STATE PLANE NAD 27 (N.M. EAST) N: 447425.74' E: 797856.04'
NAD 83 (PPP #2) LATITUDE = 32°13'55.36" (32.232044°) LONGITUDE = 103°22'14.28" (103.370635°)
NAD 27 (PPP #2) LATITUDE = 32°13'54.90" (32.231918°) LONGITUDE = 103°22'12.59" (103.370164°)
STATE PLANE NAD 83 (N.M. EAST) N: 449485.05' E: 839014.67'
STATE PLANE NAD 27 (N.M. EAST) N: 449425.77' E: 797829.53'
NAD 83 (PPP #3) LATITUDE = 32°14'21.49" (32.239303°) LONGITUDE = 103°22'14.42" (103.370672°)
NAD 27 (PPP #3) LATITUDE = 32°14'21.04" (32.239178°) LONGITUDE = 103°22'12.72" (103.370201°)
STATE PLANE NAD 83 (N.M. EAST) N: 452126.02' E: 838979.56'
STATE PLANE NAD 27 (N.M. EAST) N: 452066.67' E: 797794.54'
NAD 83 (BHL/LTP) LATITUDE = 32°15'12.31" (32.253420°) LONGITUDE = 103°22'14.68" (103.370744°)
NAD 27 (BHL/LTP) LATITUDE = 32°15'11.86" (32.253294°) LONGITUDE = 103°22'12.98" (103.370272°)
STATE PLANE NAD 83 (N.M. EAST) N: 457261.54' E: 838911.29'
STATE PLANE NAD 27 (N.M. EAST) N: 457202.05' E: 797726.46'

● = SURFACE HOLE LOCATION
◆ = KOP/PPP
⊙ = BOTTOM HOLE LOCATION/LAST TAKE POINT
▲ = SECTION CORNER LOCATED

Diagram showing well location and acreage dedication plat. The plat includes sections 4 and 9, lots 1 through 4, and various measurements and bearings. Key features include: LOT 4, LOT 3, LOT 2, LOT 1; BHL/LTP; NM-36001; NM-19628; NM-08447; NM-01228; NM-138886; NM-01228-A; PPP #3 (0' FNL, 2077' FEL); PPP #2 (2640' FSL, 2642' FNL, 2067' FEL); PPP #1 (LP/FTP, 639' FSL, 2059' FEL); SHL (1373', 2057'); KOP; L1, L2, L3, L4, L5; LEASE BOUNDARY; T23S, T24S; S89°41'56"W 2640.10' (Meas.); S89°44'04"W 2628.28' (Meas.); S89°45'04"W 2642.65' (Meas.); S89°44'36"W 2633.47' (Meas.); S89°42'02"W 2634.31' (Meas.); N00°25'56"W 5284.19' (Meas.); N00°31'18"W 5136.74' (From PPP #3 to BHL/LTP); N00°23'40"W 2643.33' (Meas.); N00°23'36"W 2640.56' (Meas.); N00°18'08"W 2640.67' (Meas.); N00°17'46"W 2640.40' (Meas.); N00°19'05"W 2640.58' (Meas.); N00°38'18"W 2646.48' (Meas.); N00°31'17"W 589.34'; S67°49'24"W 737.01'; S89°43'57"W 2636.55'; N00°31'18"W 2000.56'; N00°31'17"W 2641.60'; 2000' 1000' 0 2000' SCALE

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.

Shelly Albrecht 4/30/2021
Signature Date

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

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.

May 7, 2019
Date of Survey

Signature and Seal of Professional Surveyor:

PAUL BUCHELE
NEW MEXICO
23782
04-14-21
PROFESSIONAL SURVEYOR

Certificate Number:

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 98294	³ Pool Name WC-025 G-07 S243517D; MIDDLE BONE SPRING
⁴ Property Code	⁵ Property Name OURAY FED COM	⁶ Well Number 302H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3393.7'

¹⁰ Surface Location

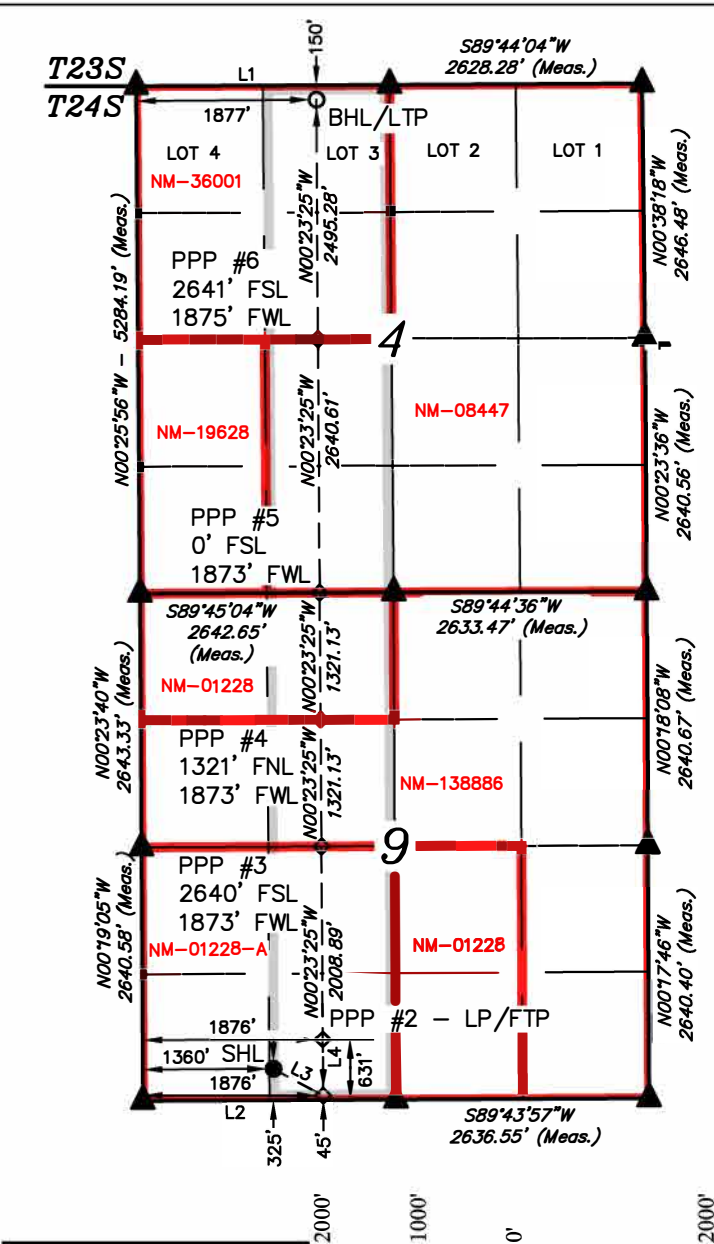
UL or lot no. N	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1360	East/West line WEST	County LEA
--------------------	--------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 3	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 1877	East/West line WEST	County LEA
¹² Dedicated Acres 320.14	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.

¹⁶	NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.45" (32.225681°) LONGITUDE = 103°22'35.74" (103.376593°) NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.00" (32.225555°) LONGITUDE = 103°22'34.04" (103.376123°) STATE PLANE NAD 83 (N.M. EAST) N: 447153.75' E: 837192.77' STATE PLANE NAD 27 (N.M. EAST) N: 447094.55' E: 796007.58' NAD 83 (KOP) LATITUDE = 32°13'29.68" (32.224912°) LONGITUDE = 103°22'29.72" (103.374923°) NAD 27 (KOP) LATITUDE = 32°13'29.23" (32.224787°) LONGITUDE = 103°22'28.03" (103.374452°) STATE PLANE NAD 83 (N.M. EAST) N: 446878.75' E: 837711.77' STATE PLANE NAD 27 (N.M. EAST) N: 446819.55' E: 796526.55' NAD 83 (PPP #2 - LP/FTP) LATITUDE = 32°13'35.48" (32.226522°) LONGITUDE = 103°22'29.74" (103.374927°) NAD 27 (PPP #2 - LP/FTP) LATITUDE = 32°13'35.03" (32.226397°) LONGITUDE = 103°22'28.04" (103.374456°) STATE PLANE NAD 83 (N.M. EAST) N: 447464.47' E: 837705.33' STATE PLANE NAD 27 (N.M. EAST) N: 447405.25' E: 796520.13' NAD 83 (PPP #3) LATITUDE = 32°13'55.36" (32.232043°) LONGITUDE = 103°22'29.79" (103.374940°) NAD 27 (PPP #3) LATITUDE = 32°13'54.90" (32.231917°) LONGITUDE = 103°22'28.09" (103.374469°) STATE PLANE NAD 83 (N.M. EAST) N: 449472.93' E: 837683.23' STATE PLANE NAD 27 (N.M. EAST) N: 449413.66' E: 796498.12' NAD 83 (PPP #4) LATITUDE = 32°14'08.43" (32.235674°) LONGITUDE = 103°22'29.82" (103.374949°) NAD 27 (PPP #4) LATITUDE = 32°14'07.97" (32.235548°) LONGITUDE = 103°22'28.12" (103.374478°) STATE PLANE NAD 83 (N.M. EAST) N: 450793.78' E: 837668.70' STATE PLANE NAD 27 (N.M. EAST) N: 450734.48' E: 796483.65' NAD 83 (PPP #5) LATITUDE = 32°14'21.50" (32.239305°) LONGITUDE = 103°22'29.85" (103.374958°) NAD 27 (PPP #5) LATITUDE = 32°14'21.04" (32.239179°) LONGITUDE = 103°22'28.15" (103.374487°) STATE PLANE NAD 83 (N.M. EAST) N: 452114.64' E: 837654.16' STATE PLANE NAD 27 (N.M. EAST) N: 452055.30' E: 796469.17' NAD 83 (PPP #6) LATITUDE = 32°14'47.62" (32.246562°) LONGITUDE = 103°22'29.91" (103.374976°) NAD 27 (PPP #6) LATITUDE = 32°14'47.17" (32.246436°) LONGITUDE = 103°22'28.22" (103.374504°) STATE PLANE NAD 83 (N.M. EAST) N: 454754.69' E: 837625.12' STATE PLANE NAD 27 (N.M. EAST) N: 454695.28' E: 796440.24' NAD 83 (BHL/LTP) LATITUDE = 32°15'12.31" (32.253419°) LONGITUDE = 103°22'29.97" (103.374993°) NAD 27 (BHL/LTP) LATITUDE = 32°15'11.86" (32.253293°) LONGITUDE = 103°22'28.27" (103.374521°) STATE PLANE NAD 83 (N.M. EAST) N: 457249.44' E: 837597.66' STATE PLANE NAD 27 (N.M. EAST) N: 457189.96' E: 796412.86'
---------------	--



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°41'56"W	2640.10'
L2	S89°42'02"W	2634.31'
L3	S61°50'33"E	587.44'
L4	N00°23'26"W	585.84'

SCALE
DRAWN BY: R.J. 03-08-21
REV: 1 D.J.S. 04-15-21 (ADD
LEASE INFO, KOP & PPP'S)
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)
● = SURFACE HOLE LOCATION
◇ = KICK OFF POINT/PPP
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED

**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* 4/15/2021
Date
Shelly Albrecht
Printed Name
salbrecht@fmellc.com
E-mail Address

**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.
MAY 08, 2019
Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number:

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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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-47266	² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M;WOLFBONE
⁴ Property Code 328237	⁵ Property Name OURAY FED COM	⁶ Well Number 602H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3393.1'

¹⁰ Surface Location

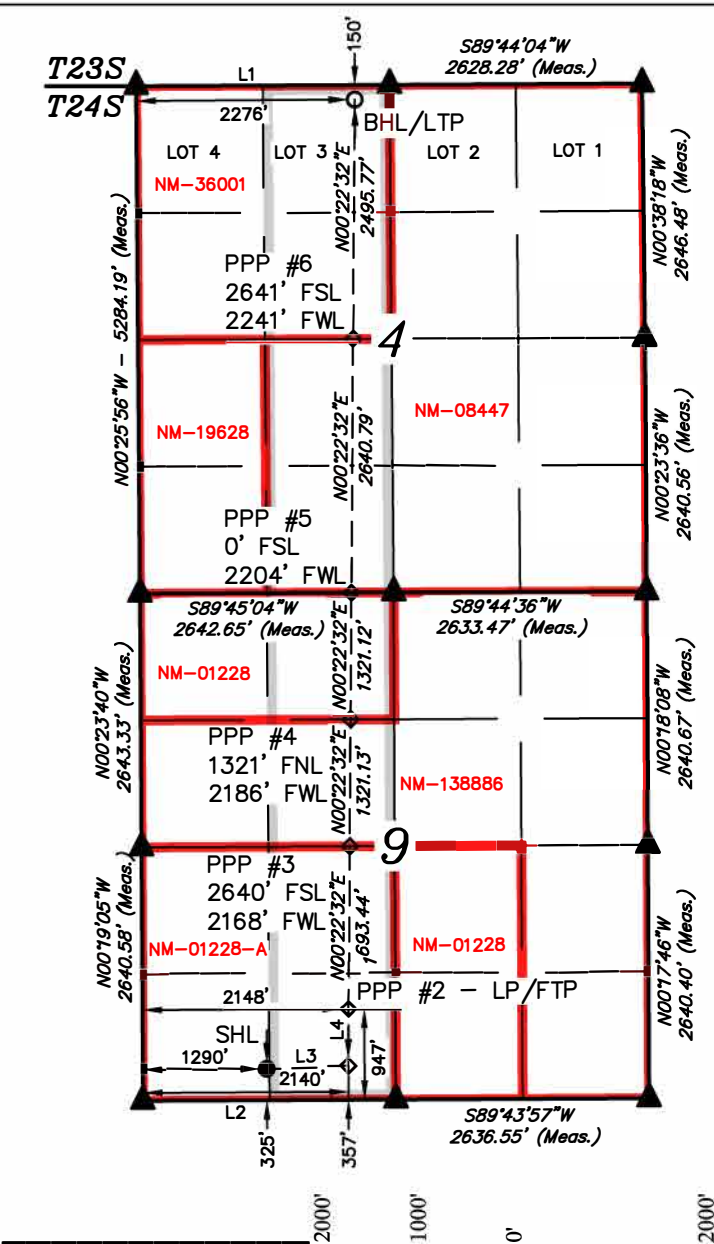
UL or lot no. M	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1290	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 3	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 2276	East/West line WEST	County LEA
¹² Dedicated Acres 320.14	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.

¹⁶	NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.45" (32.225680°) LONGITUDE = 103°22'36.55" (103.376819°) NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.00" (32.225555°) LONGITUDE = 103°22'34.86" (103.376349°) STATE PLANE NAD 83 (N.M. EAST) N: 447152.99' E: 837122.81' STATE PLANE NAD 27 (N.M. EAST) N: 447093.79' E: 795937.62' NAD 83 (KOP) LATITUDE = 32°13'32.77" (32.225770°) LONGITUDE = 103°22'26.65" (103.374070°) NAD 27 (KOP) LATITUDE = 32°13'32.32" (32.225644°) LONGITUDE = 103°22'24.96" (103.373599°) STATE PLANE NAD 83 (N.M. EAST) N: 447192.99' E: 837972.81' STATE PLANE NAD 27 (N.M. EAST) N: 447133.78' E: 796787.60' NAD 83 (PPP #2 - LP/FTP) LATITUDE = 32°13'38.60" (32.227390°) LONGITUDE = 103°22'26.57" (103.374048°) NAD 27 (PPP #2 - LP/FTP) LATITUDE = 32°13'38.15" (32.227264°) LONGITUDE = 103°22'24.88" (103.373578°) STATE PLANE NAD 83 (N.M. EAST) N: 447782.44' E: 837974.20' STATE PLANE NAD 27 (N.M. EAST) N: 447723.21' E: 796789.02' NAD 83 (PPP #3) LATITUDE = 32°13'55.36" (32.232043°) LONGITUDE = 103°22'26.35" (103.373986°) NAD 27 (PPP #3) LATITUDE = 32°13'54.90" (32.231918°) LONGITUDE = 103°22'24.66" (103.373516°) STATE PLANE NAD 83 (N.M. EAST) N: 449475.62' E: 837978.20' STATE PLANE NAD 27 (N.M. EAST) N: 449416.34' E: 796793.09' NAD 83 (PPP #4) LATITUDE = 32°14'08.43" (32.235674°) LONGITUDE = 103°22'26.18" (103.373938°) NAD 27 (PPP #4) LATITUDE = 32°14'07.97" (32.235548°) LONGITUDE = 103°22'24.48" (103.373467°) STATE PLANE NAD 83 (N.M. EAST) N: 450796.54' E: 837981.33' STATE PLANE NAD 27 (N.M. EAST) N: 450737.23' E: 796796.27' NAD 83 (PPP #5) LATITUDE = 32°14'21.50" (32.239304°) LONGITUDE = 103°22'26.00" (103.373890°) NAD 27 (PPP #5) LATITUDE = 32°14'21.04" (32.239179°) LONGITUDE = 103°22'24.31" (103.373419°) STATE PLANE NAD 83 (N.M. EAST) N: 452117.46' E: 837984.45' STATE PLANE NAD 27 (N.M. EAST) N: 452058.11' E: 796799.45' NAD 83 (PPP #6) LATITUDE = 32°14'47.62" (32.246561°) LONGITUDE = 103°22'25.66" (103.373793°) NAD 27 (PPP #6) LATITUDE = 32°14'47.17" (32.246436°) LONGITUDE = 103°22'23.96" (103.373322°) STATE PLANE NAD 83 (N.M. EAST) N: 454757.84' E: 837990.69' STATE PLANE NAD 27 (N.M. EAST) N: 454698.43' E: 796805.80' NAD 83 (BHL/LTP) LATITUDE = 32°15'12.31" (32.253420°) LONGITUDE = 103°22'25.33" (103.373702°) NAD 27 (BHL/LTP) LATITUDE = 32°15'11.86" (32.253294°) LONGITUDE = 103°22'23.63" (103.373230°) STATE PLANE NAD 83 (N.M. EAST) N: 457253.23' E: 837996.59' STATE PLANE NAD 27 (N.M. EAST) N: 457193.75' E: 796811.78'
---------------	--



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

4/15/2021
Date

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address


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.

MAY 08, 2019

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-47173	² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M;WOLFBONE
⁴ Property Code 328237	⁵ Property Name OURAY FED COM	⁶ Well Number 702H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3392.4

¹⁰ Surface Location

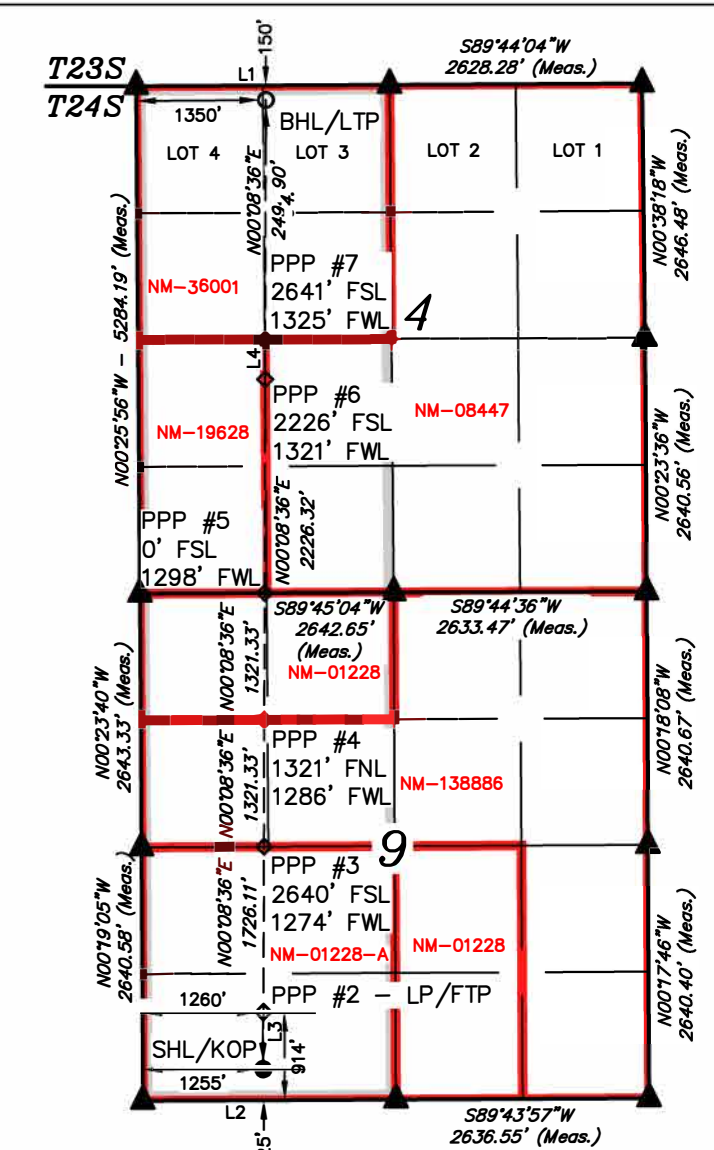
UL or lot no. M	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1255	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 3	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 1350	East/West line WEST	County LEA
¹² Dedicated Acres 640.25	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.

¹⁶	NAD 83 (SHL/KOP) LATITUDE = 32°13'32.45" (32.225680°) LONGITUDE = 103°22'36.96" (103.376933°)
	NAD 27 (SHL/KOP) LATITUDE = 32°13'32.00" (32.225555°) LONGITUDE = 103°22'35.26" (103.376462°)
	STATE PLANE NAD 83 (N.M. EAST) N: 447152.68' E: 837087.82'
	STATE PLANE NAD 27 (N.M. EAST) N: 447093.48' E: 795902.63'
	NAD 83 (PPP #2 - LP/FTP) LATITUDE = 32°13'38.28" (32.227299°) LONGITUDE = 103°22'36.91" (103.376919°)
	NAD 27 (PPP #2 - LP/FTP) LATITUDE = 32°13'37.82" (32.227174°) LONGITUDE = 103°22'35.21" (103.376448°)
	STATE PLANE NAD 83 (N.M. EAST) N: 447741.63' E: 837086.82'
	STATE PLANE NAD 27 (N.M. EAST) N: 447682.41' E: 795901.66'
	NAD 83 (PPP #3) LATITUDE = 32°13'55.35" (32.232043°) LONGITUDE = 103°22'36.76" (103.376879°)
	NAD 27 (PPP #3) LATITUDE = 32°13'54.90" (32.231917°) LONGITUDE = 103°22'35.07" (103.376408°)
	STATE PLANE NAD 83 (N.M. EAST) N: 449467.48' E: 837083.91'
	STATE PLANE NAD 27 (N.M. EAST) N: 449408.21' E: 795898.82'
	NAD 83 (PPP #4) LATITUDE = 32°14'08.43" (32.235674°) LONGITUDE = 103°22'36.65" (103.376848°)
	NAD 27 (PPP #4) LATITUDE = 32°14'07.97" (32.235548°) LONGITUDE = 103°22'34.96" (103.376377°)
	STATE PLANE NAD 83 (N.M. EAST) N: 450788.61' E: 837081.68'
	STATE PLANE NAD 27 (N.M. EAST) N: 450729.31' E: 795896.64'
	NAD 83 (PPP #5) LATITUDE = 32°14'21.50" (32.239305°) LONGITUDE = 103°22'36.54" (103.376817°)
	NAD 27 (PPP #5) LATITUDE = 32°14'21.05" (32.239180°) LONGITUDE = 103°22'34.84" (103.376345°)
	STATE PLANE NAD 83 (N.M. EAST) N: 452109.73' E: 837079.44'
	STATE PLANE NAD 27 (N.M. EAST) N: 452050.40' E: 795894.47'
	NAD 83 (PPP #6) LATITUDE = 32°14'43.52" (32.245423°) LONGITUDE = 103°22'36.35" (103.376765°)
	NAD 27 (PPP #6) LATITUDE = 32°14'43.07" (32.245298°) LONGITUDE = 103°22'34.66" (103.376293°)
	STATE PLANE NAD 83 (N.M. EAST) N: 454335.72' E: 837075.68'
	STATE PLANE NAD 27 (N.M. EAST) N: 454276.32' E: 795890.80'
	NAD 83 (PPP #7) LATITUDE = 32°14'47.62" (32.246562°) LONGITUDE = 103°22'36.32" (103.376755°)
	NAD 27 (PPP #7) LATITUDE = 32°14'47.17" (32.246436°) LONGITUDE = 103°22'34.62" (103.376283°)
	STATE PLANE NAD 83 (N.M. EAST) N: 454749.94' E: 837074.98'
	STATE PLANE NAD 27 (N.M. EAST) N: 454690.54' E: 795890.12'
	NAD 83 (BHL/LTP) LATITUDE = 32°15'12.31" (32.253418°) LONGITUDE = 103°22'36.11" (103.376697°)
	NAD 27 (BHL/LTP) LATITUDE = 32°15'11.85" (32.253293°) LONGITUDE = 103°22'34.41" (103.376225°)
	STATE PLANE NAD 83 (N.M. EAST) N: 457244.46' E: 837070.77'
	STATE PLANE NAD 27 (N.M. EAST) N: 457184.99' E: 795885.98'



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°41'56"W	2640.10'
L2	S89°42'02"W	2634.31'
L3	N00°08'34"E	589.03'
L4	N00°08'36"E	414.29'



S C A L E
DRAWN BY: R.S. 02-21-19
REV: 2 D.J.S. 04-15-21 (ADD
LEASE INFO, KOP & PPP'S)

- 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)

- = SURFACE HOLE LOCATION/ KICK OFF POINT
- ◇ = PPP
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

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: 4/15/2021

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.

MAY 08, 2019

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

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Phone: (505) 334-6178 Fax: (505) 334-6170
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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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 30-025-47267	² Pool Code 98098	³ Pool Name WC-025 G-09 S243532M;WOLFBONE
⁴ Property Code 328237	⁵ Property Name OURAY FED COM	⁶ Well Number 703H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3393.1'

¹⁰ Surface Location

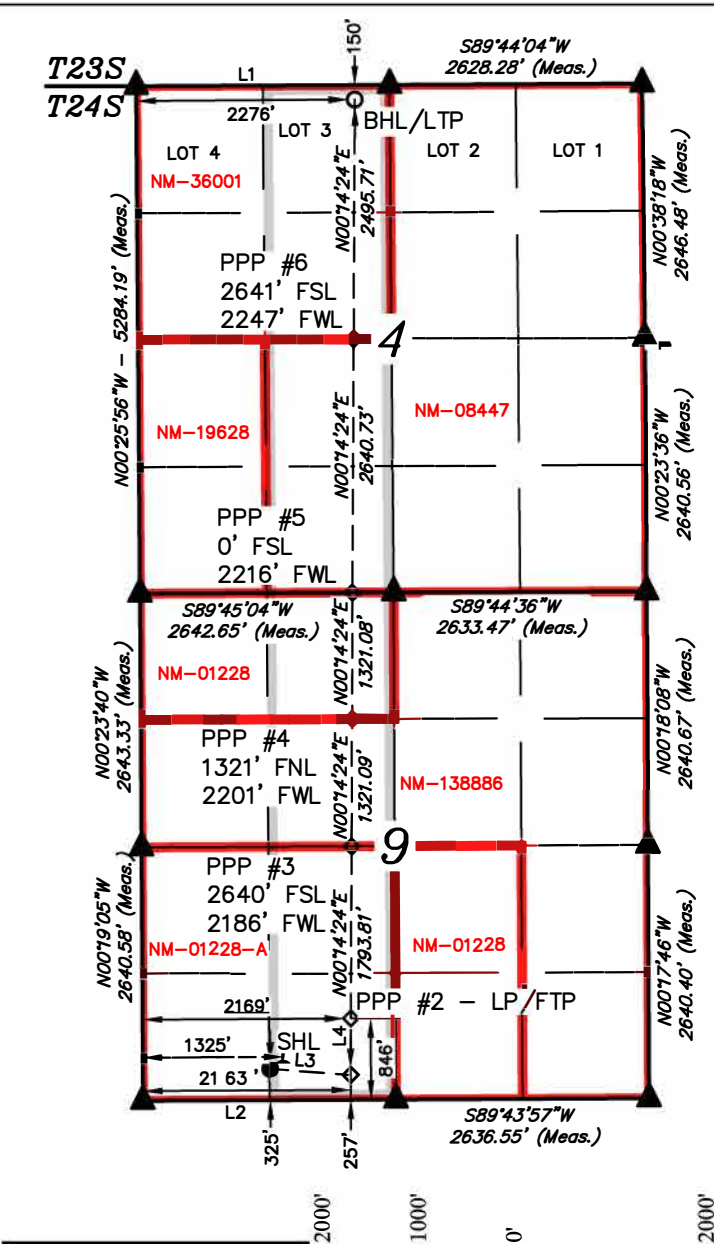
UL or lot no. M	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1325	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 3	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 2276	East/West line WEST	County LEA
¹² Dedicated Acres 320.14	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.

¹⁶	NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.45" (32.225680°) LONGITUDE = 103°22'36.14" (103.376706°) NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.00" (32.225555°) LONGITUDE = 103°22'34.45" (103.376236°) STATE PLANE NAD 83 (N.M. EAST) N: 447153.30' E: 837157.81' STATE PLANE NAD 27 (N.M. EAST) N: 447094.10' E: 795972.61' NAD 83 (KOP) LATITUDE = 32°13'31.78" (32.225495°) LONGITUDE = 103°22'26.38" (103.373996°) NAD 27 (KOP) LATITUDE = 32°13'31.33" (32.225369°) LONGITUDE = 103°22'24.69" (103.373525°) STATE PLANE NAD 83 (N.M. EAST) N: 447093.30' E: 837996.59' STATE PLANE NAD 27 (N.M. EAST) N: 447034.09' E: 796811.38' NAD 83 (PPP #2 - LP/FTP) LATITUDE = 32°13'37.61" (32.227114°) LONGITUDE = 103°22'26.32" (103.373979°) NAD 27 (PPP #2 - LP/FTP) LATITUDE = 32°13'37.16" (32.226988°) LONGITUDE = 103°22'24.63" (103.373508°) STATE PLANE NAD 83 (N.M. EAST) N: 447682.25' E: 837996.59' STATE PLANE NAD 27 (N.M. EAST) N: 447623.02' E: 796811.40' NAD 83 (PPP #3) LATITUDE = 32°13'55.36" (32.232043°) LONGITUDE = 103°22'26.14" (103.373927°) NAD 27 (PPP #3) LATITUDE = 32°13'54.90" (32.231918°) LONGITUDE = 103°22'24.44" (103.373456°) STATE PLANE NAD 83 (N.M. EAST) N: 449475.79' E: 837996.59' STATE PLANE NAD 27 (N.M. EAST) N: 449416.51' E: 796811.48' NAD 83 (PPP #4) LATITUDE = 32°14'08.43" (32.235674°) LONGITUDE = 103°22'26.00" (103.373889°) NAD 27 (PPP #4) LATITUDE = 32°14'07.97" (32.235548°) LONGITUDE = 103°22'24.30" (103.373418°) STATE PLANE NAD 83 (N.M. EAST) N: 450796.68' E: 837996.59' STATE PLANE NAD 27 (N.M. EAST) N: 450737.37' E: 796811.54' NAD 83 (PPP #5) LATITUDE = 32°14'21.50" (32.239304°) LONGITUDE = 103°22'25.86" (103.373851°) NAD 27 (PPP #5) LATITUDE = 32°14'21.04" (32.239179°) LONGITUDE = 103°22'24.17" (103.373379°) STATE PLANE NAD 83 (N.M. EAST) N: 452117.56' E: 837996.59' STATE PLANE NAD 27 (N.M. EAST) N: 452058.22' E: 796811.59' NAD 83 (PPP #6) LATITUDE = 32°14'47.62" (32.246561°) LONGITUDE = 103°22'25.59" (103.373774°) NAD 27 (PPP #6) LATITUDE = 32°14'47.17" (32.246436°) LONGITUDE = 103°22'23.89" (103.373303°) STATE PLANE NAD 83 (N.M. EAST) N: 454757.89' E: 837996.59' STATE PLANE NAD 27 (N.M. EAST) N: 454698.48' E: 796811.70' NAD 83 (BHL/LTP) LATITUDE = 32°15'12.31" (32.253420°) LONGITUDE = 103°22'25.33" (103.373702°) NAD 27 (BHL/LTP) LATITUDE = 32°15'11.86" (32.253294°) LONGITUDE = 103°22'23.63" (103.373230°) STATE PLANE NAD 83 (N.M. EAST) N: 457253.23' E: 837996.59' STATE PLANE NAD 27 (N.M. EAST) N: 457193.75' E: 796811.78'
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LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°41'56"W	2640.10'
L2	S89°42'02"W	2634.31'
L3	S85°40'07"E	841.05'
L4	N00°14'24"E	589.04'

SCALE
DRAWN BY: R.S. 02-21-19
REV: 3 D.J.S. 04-15-21 (ADD LEASE INFO, KOP, PPP'S & BHL CHANGE)

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)

● = SURFACE HOLE LOCATION
◇ = KICK OFF POINT/PPP
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED

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

4/15/2021

Date

Shelly Albrecht

Printed Name

salbrecht@fmellc.com

E-mail Address

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.

MAY 08, 2019

Date of Survey

Signature and Seal of Professional Surveyor:

PAUL BUCHELE
NEW MEXICO
23782
04-15-21
PROFESSIONAL SURVEYOR

Certificate Number:



Date: September 14, 2022

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

Re: **Corrected Communitization Agreement NMNM 144069**
1. Lot 1, SE/4NE/4, E/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM
Well Names - BRECKENRIDGE FED COM 304H
API# 30-025-47027
Pool – [98294] WC-025 G-07 S243517D; MIDDLE BONE SPRING

Dear Ms. Rivera:

Please find enclosed the above mentioned corrected communitization agreement, in triplicate originals. This correction is hereby submitted to replace the original document submitted on 11/09/2021 (BLM assigned number NMNM 144069) and to change the formation covered from “Bone Spring and Wolfbone” to **“Bone Spring” only**.

Your attention to this matter is greatly appreciated. Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

Ilona T. Hoang
Landman

/Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 1, SE/4NE/4, E/2SE/4

Section 9: E/2E/2

Lea County, New Mexico

Containing 320.19 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.
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

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Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

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 considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and

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Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

- 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, 2021** 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.

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Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

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.

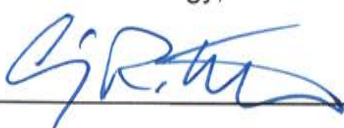
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

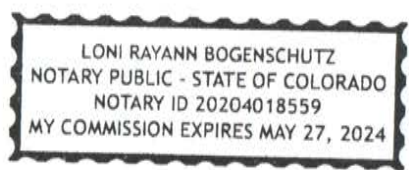
Title: Chief Executive Officer

Date: 9/13/2022

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Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive 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]

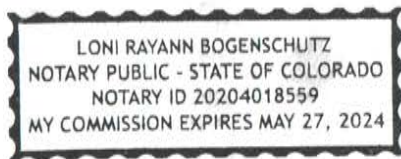
Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

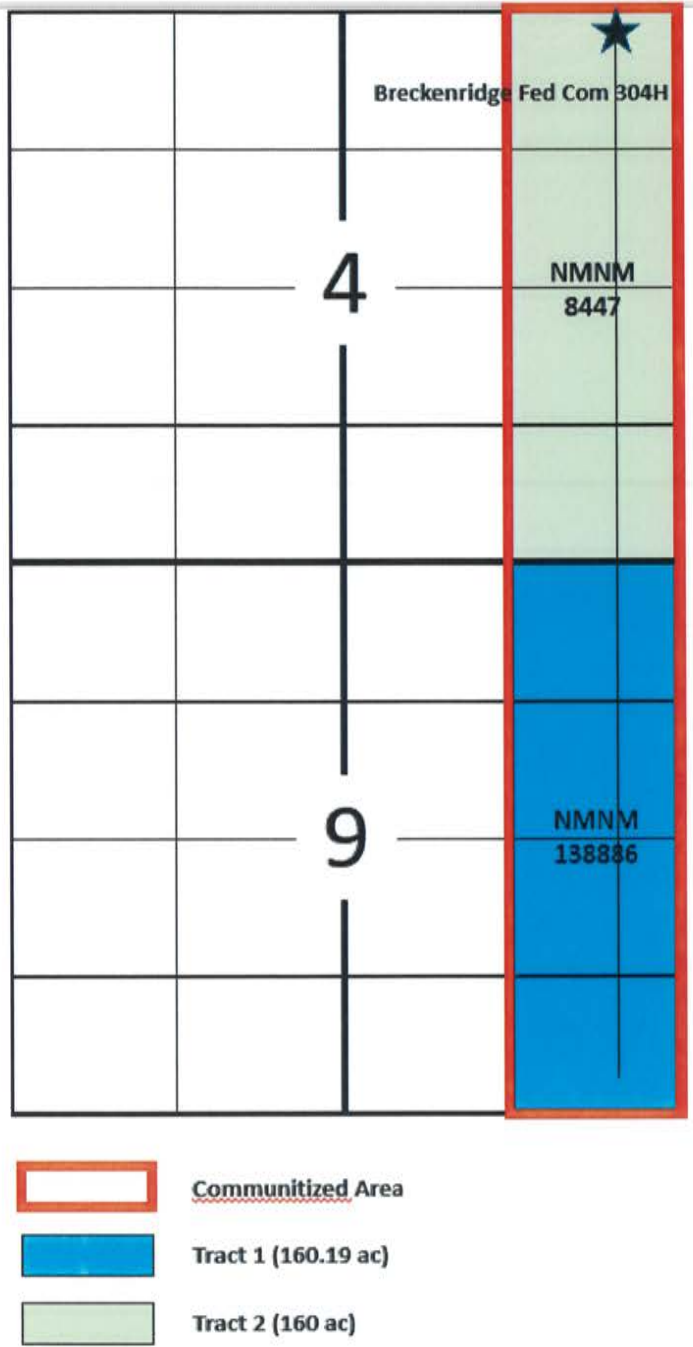


[Signature]
Notary Public in and for the State of Colorado

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.19** acres, more or less, in Lot 1, SE/4NE/4, E/2SE/4
of Section 4 and the E/2E/2 of Section 9, Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Breckenridge Fed Com 304H



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Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 1, SE/4NE/4, E/2SE/4 of Section 4 and the E/2E/2 of Section 9, 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 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 1, SE/4NE/4, E/2SE/4
Lea County, New Mexico
Number of Acres: 160.19
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis

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Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2E/2
Lea County, New Mexico
Number of Acres: 160.00
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100.00%

ORRI Owners: Franklin Mountain Royalty Investments, LLC

Authority for Pooling: Federal Lease

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Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.19	50.0297%
2	160.00	49.9703%
Total	320.19	100.00%

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 Bone Spring Formation
 E/2E/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 1, SE/4NE/4, E/2SE/4

Section 9: E/2E/2

Lea County, New Mexico

Containing 320.19 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.
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

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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 considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and

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Lea County, New Mexico

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, 2021** 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.

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

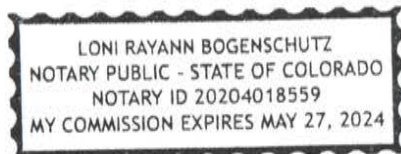
Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive 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

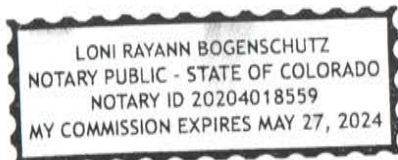
By: [Signature]Name: Craig R. WaltersTitle: Chief Executive OfficerDate: 9/13/2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

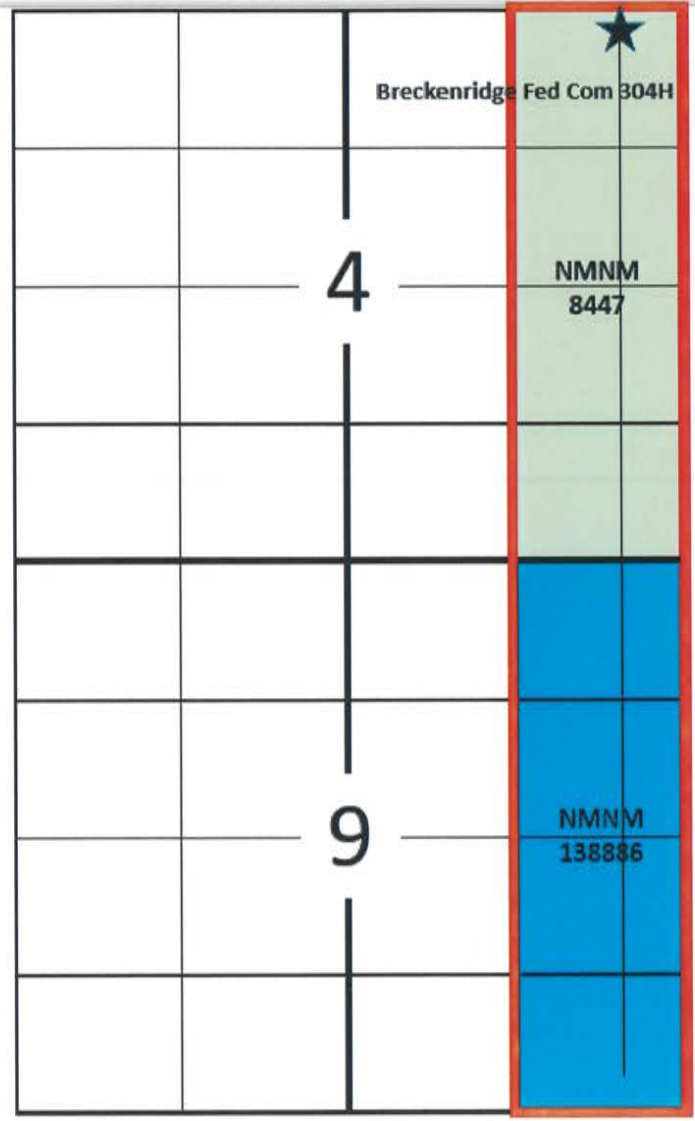





[Signature]
Notary Public in and for the State of Colorado

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.19** acres, more or less, in Lot 1, SE/4NE/4, E/2SE/4 of Section 4 and the E/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.
Well Names/Nos.
Breckenridge Fed Com 304H



-  Communitized Area
-  **Tract 1 (160.19 ac)**
-  **Tract 2 (160 ac)**

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described
land in Lot 1, SE/4NE/4, E/2SE/4 of Section 4 and the E/2E/2 of Section 9,
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 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 1, SE/4NE/4, E/2SE/4
Lea County, New Mexico

Number of Acres: 160.19
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga
Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings,
LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.;
Charmar, LLC; Richard C. Deason; Thomas D. Deason;
Ronald H. Mayer, Trustee of the Ronald H. Mayer and
Martha M. Mayer Revocable Trust dated 3/19/1990; SAP,
LLC; Wells Fargo Bank, N.A. Trustee of the Robert N.
Enfield Revocable Trust dated 3/16/1999; Pony Oil
Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan
Bell Family, LLC; Magnum Hunter Productions, Inc.;
Featherstone Development Corp; McKay Petroleum
Corporation; St. Clair of Texas, LLC; Thomas J. Depke and
Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated
11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2E/2
Lea County, New Mexico
Number of Acres: 160.00
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100.00%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.19	50.0297%
2	160.00	49.9703%
Total	320.19	100.00%

Breckenridge Fed Com 304H
 Bone Spring Formation
 E/2E/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 1, SE/4NE/4, E/2SE/4
Section 9: E/2E/2
Lea County, New Mexico

Containing 320.19 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.
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

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

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 considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and

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Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

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, 2021** 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.

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

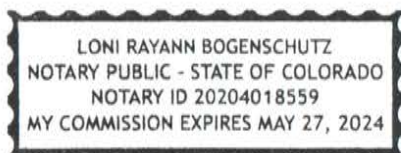
Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive 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 Executive Officer

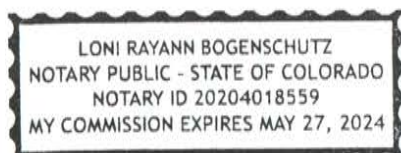
Date: 9/13/2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware corporation.

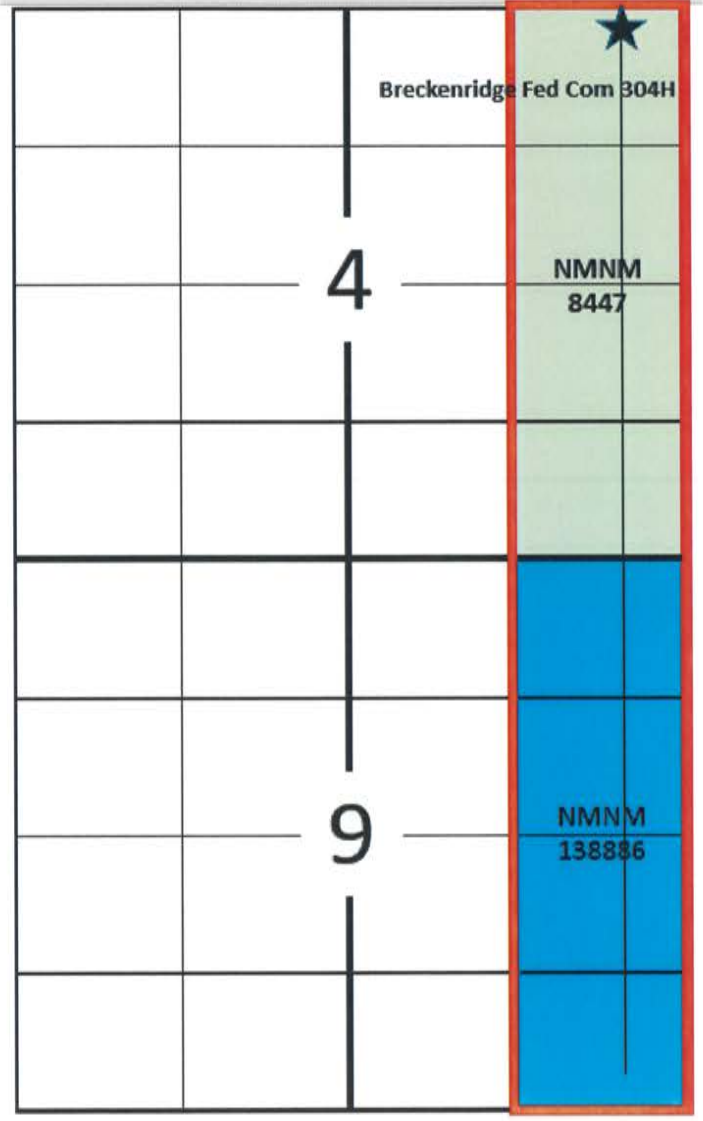




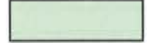

Notary Public in and for the State of Colorado

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.19** acres, more or less, in Lot 1, SE/4NE/4, E/2SE/4
of Section 4 and the E/2E/2 of Section 9, Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Breckenridge Fed Com 304H



-  **Communitized Area**
-  **Tract 1 (160.19 ac)**
-  **Tract 2 (160 ac)**

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 1, SE/4NE/4, E/2SE/4 of Section 4 and the E/2E/2 of Section 9, 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 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 1, SE/4NE/4, E/2SE/4
Lea County, New Mexico
Number of Acres: 160.19
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2E/2
Lea County, New Mexico
Number of Acres: 160.00
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100.00%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

Breckenridge Fed Com 304H
Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.19	50.0297%
2	160.00	49.9703%
Total	320.19	100.00%

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Bone Spring Formation
E/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico



Date: September 14, 2022

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

Re: Wellbore-Specific Communitization Agreements:

1. Lot 2, SW/4NE/4, W/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name – **Golden Fed Com 603H**

API# 30-025-47054

Pool - WC-025 G-09 S243532M; Wolfbone (98098)

2. Lot 3, SE/4NW/4, E/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name – **Ouray Fed Com 602H**

API# 30-025-47266

Pool - WC-025 G-09 S243532M; Wolfbone (98098)

3. Lot 4, SW/4NW/4, W/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name - **GEORGETOWN FED COM 601H**

API# 30-025-47264

Pool – [98098] WC-025 G-09 S243532M; WOLFBONE

4. Lot 1, SE/4NE/4, E/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name - **BRECKENRIDGE FED COM 604H**

API# 30-025-47117

Pool – WC-025 G-09 S243532M; Wolfbone (98098)

Dear Ms. Rivera:

Please find enclosed the above mentioned wellbore-specific communitization agreements, in triplicate originals.



Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

A handwritten signature in blue ink, appearing to read "Ilona T. Hoang", is written over a faint, light blue circular watermark or background mark.

Ilona T. Hoang
Landman

Enclosures

9/13/22, 1:26 PM

FedEx Ship Manager - Print Your Label(s)

ORIGIN ID: OBFA (720) 414-7868 LON BOGENSCHULTZ FRANKLIN MOUNTAIN ENERGY LLC 44 COOK STREET SUITE 1000 DENVER, CO 80206 UNITED STATES US		SHIP DATE: 13SEP22 ACTWGT: 1.00 LB CAD: 250519288/NET14530
TO ELIZABETH (LISA) M. RIVERA BUREAU OF LAND MANAGEMENT 301 DINOSAUR TRAIL		BILL SENDER
SANTA FE NM 87508 (720) 414-7868 REF: COLORADO CAS CORRECTED DEPT:		
		
		
J223822081201uv		
TRK# 7779 2303 6555 0201	THU - 15 SEP 4:30P ** 2DAY **	
SX SAFA NM-US ABQ 87508		
		

581J1/EC8C/FE2D

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Breckenridge Fed Com 604H, API No. 30-025-47117** (Subject Well) in the **Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 1, SE/4NE/4, E/2SE/4

Section 9: E/2E/2

Lea County, New Mexico

Containing **320.19** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Breckenridge Fed Com 604H, API No. 30-025-47117**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such

production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Breckenridge Fed Com 604H, API No. 30-025-47117** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well: 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 **Breckenridge Fed Com 604H, API No. 30-025-47117** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.



Franklin Mountain Energy, LLC
Operator

9/13/2022
Date

By: Craig R. Walters, Chief Executive Officer
Operator/Attorney-in-Fact

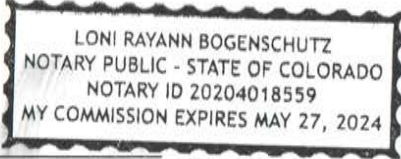
ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

5/27/24
My Commission Expires





Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

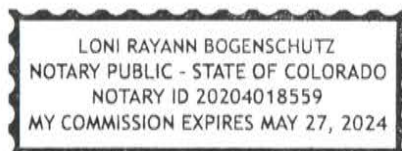
C.R. Walters
By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires

[Signature]
Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.19 acres in the Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Breckenridge Fed Com 604H, API No. 30-025-47117

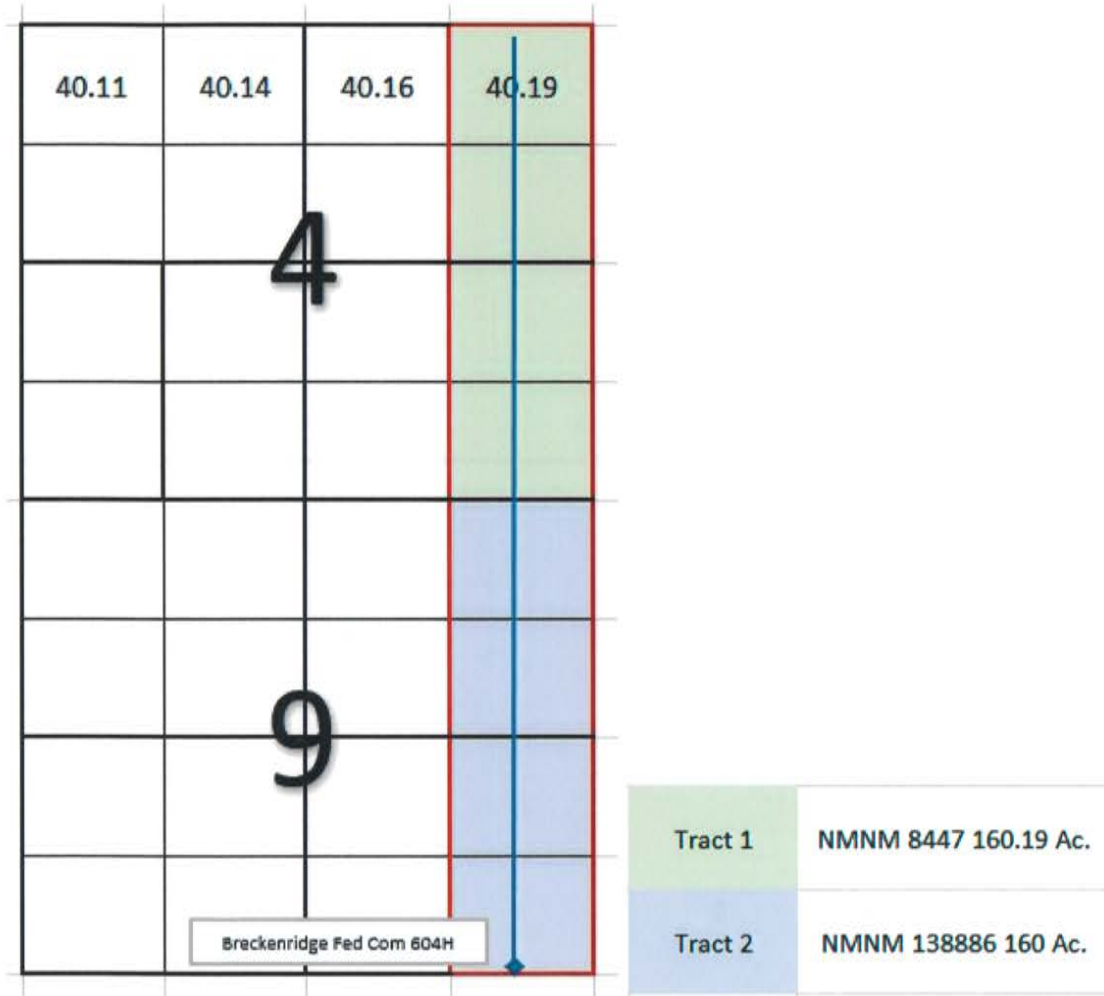


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, 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 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 1, SE/4NE/4, E/2SE/4
Lea County, New Mexico

Number of Acres: 160.19
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC;
Cayuga Royalties, LLC; Prevail Energy, LLC;
Rheiner Holdings, LLC; Monticello Minerals, LLC;
Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C.
Deason; Thomas D. Deason; Ronald H. Mayer,
Trustee of the Ronald H. Mayer and Martha M. Mayer
Revocable Trust dated 3/19/1990; SAP, LLC; Wells
Fargo Bank, N.A. Trustee of the Robert N. Enfield
Revocable Trust dated 3/16/1999; Pony Oil
Operating, LLC; MerPel, LLC; TD Minerals, LLC;
Bryan Bell Family, LLC; Magnum Hunter
Productions, Inc.; Featherstone Development Corp;
McKay Petroleum Corporation; St. Clair of Texas,
LLC; Thomas J. Depke and Marilyn A. Depke,
Trustees U/I of Thomas J. Depke dated 11/19/2004;
C. Richard Overly; BPL Fish Pond, LLC; Millis

Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2E/2
Lea County, New Mexico
Number of Acres: 160.00
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC - 100.00%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.19	50.0297%
2	160.00	49.9703%
Total	320.19	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Breckenridge Fed Com 604H, API No. 30-025-47117** (Subject Well) in the **Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 1, SE/4NE/4, E/2SE/4

Section 9: E/2E/2

Lea County, New Mexico

Containing **320.19** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as “communitized substances,” producible from such formation(s) and only through the well bore of the **Breckenridge Fed Com 604H, API No. 30-025-47117**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit “B” attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such

production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Breckenridge Fed Com 604H, API No. 30-025-47117** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well: 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 **Breckenridge Fed Com 604H, API No. 30-025-47117** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.



Franklin Mountain Energy, LLC
 Operator

9/13/2022

 Date

By: Craig R. Walters, Chief Executive Officer

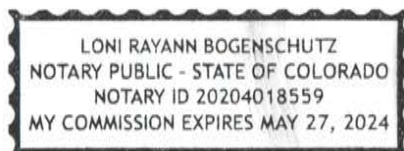
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24

 My Commission Expires



 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

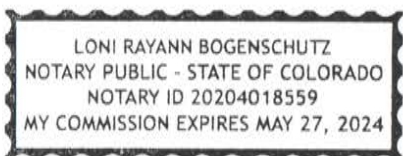
Craig R. Walters
By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022 before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires

[Signature]
Notary Public

Plat of communitized area covering 320.19 acres in the Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

The map displays a grid of sections. Section 4 is labeled in the upper left, and Section 9 is labeled in the lower left. A red line runs vertically between Section 4 and Section 9. A blue line runs vertically through the right side of the grid. The area to the right of the red line is divided into two tracts: Tract 1 (top, green) and Tract 2 (bottom, blue). A legend on the right identifies these tracts.

Tract	Acres
Tract 1	NMNM 8447 160.19 Ac.
Tract 2	NMNM 138886 160 Ac.

EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, 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 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 1, SE/4NE/4, E/2SE/4
Lea County, New Mexico
Number of Acres: 160.19
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC;
Cayuga Royalties, LLC; Prevail Energy, LLC;
Rheiner Holdings, LLC; Monticello Minerals, LLC;
Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C.
Deason; Thomas D. Deason; Ronald H. Mayer,
Trustee of the Ronald H. Mayer and Martha M. Mayer
Revocable Trust dated 3/19/1990; SAP, LLC; Wells
Fargo Bank, N.A. Trustee of the Robert N. Enfield
Revocable Trust dated 3/16/1999; Pony Oil
Operating, LLC; MerPel, LLC; TD Minerals, LLC;
Bryan Bell Family, LLC; Magnum Hunter
Productions, Inc.; Featherstone Development Corp;
McKay Petroleum Corporation; St. Clair of Texas,
LLC; Thomas J. Depke and Marilyn A. Depke,
Trustees U/I of Thomas J. Depke dated 11/19/2004;
C. Richard Overly; BPL Fish Pond, LLC; Millis

Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2E/2
Lea County, New Mexico
Number of Acres: 160.00
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC - 100.00%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.19	50.0297%
2	160.00	49.9703%
Total	320.19	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Breckenridge Fed Com 604H, API No. 30-025-47117** (Subject Well) in **the Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 1, SE/4NE/4, E/2SE/4

Section 9: E/2E/2

Lea County, New Mexico

Containing **320.19** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as “communitized substances,” producible from such formation(s) and only through the well bore of the **Breckenridge Fed Com 604H, API No. 30-025-47117**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit “B” attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such

production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Breckenridge Fed Com 604H, API No. 30-025-47117** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Breckenridge Fed Com 604H, API No. 30-025-47117** well: 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 **Breckenridge Fed Com 604H, API No. 30-025-47117** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.


 Franklin Mountain Energy, LLC
 Operator

9/13/2022
 Date

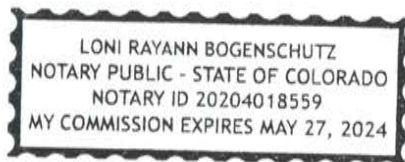
By: Craig R. Walters, Chief Executive Officer
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
 My Commission Expires


 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

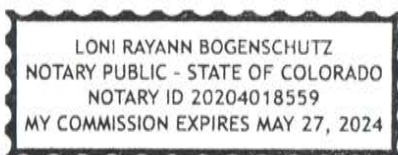
Craig R. Walters
By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires

[Signature]
Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.19 acres in the Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Breckenridge Fed Com 604H, API No. 30-025-47117

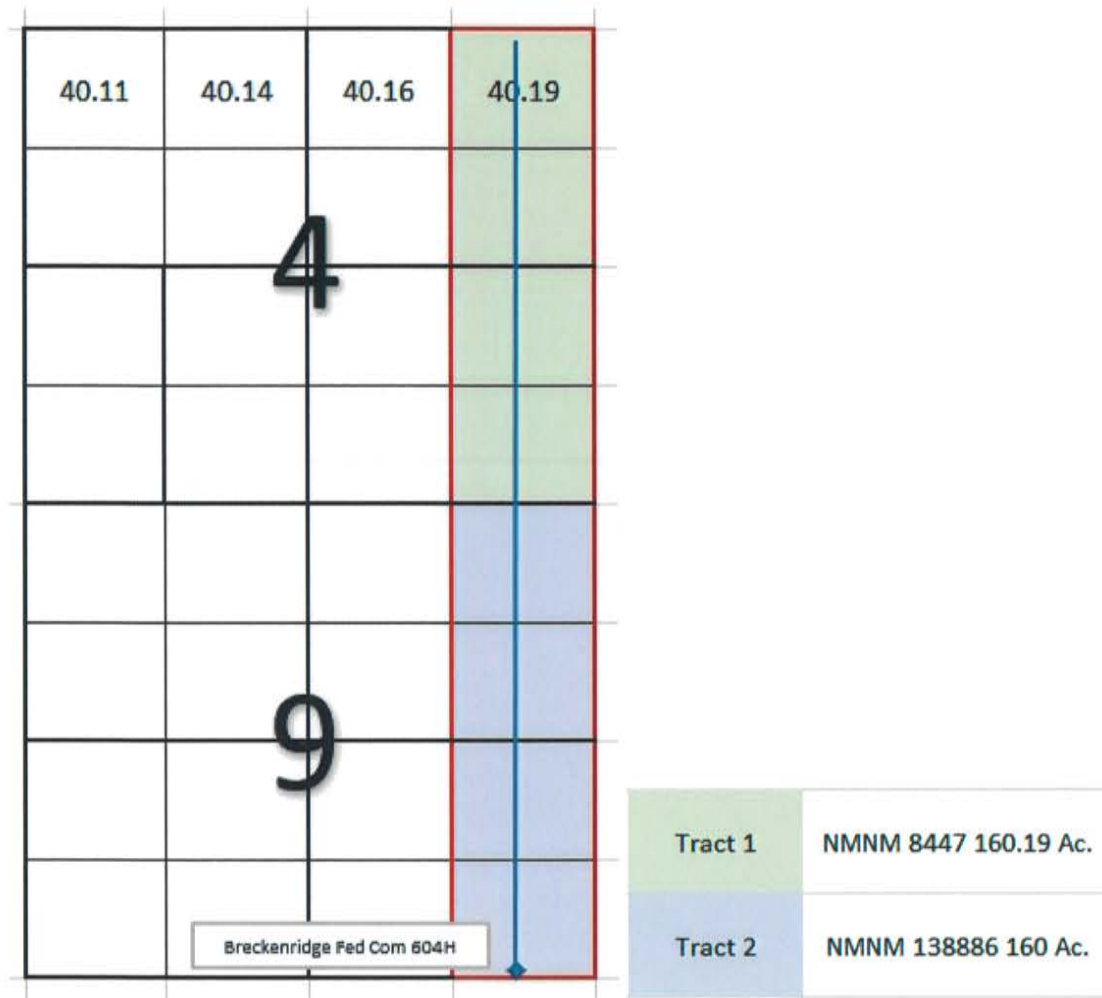


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 1, SE/4NE/4, E/2SE/4 of Section 4, and the E/2E/2 of Section 9, 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 008447
Lease Date:	January 1, 1969
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Tommie Cloar, Jr.
Current Lessee:	Magnum Hunter Production Inc. – 100.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 1, SE/4NE/4, E/2SE/4 Lea County, New Mexico
Number of Acres:	160.19
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 95.64171% Franklin Mountain Energy, LLC - 0.04573% Hinkle Living Trust, U/A - 0.04573% Bean Family Limited Partnership - 0.71114% Prospector, LLC - 3.55569%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis

Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2E/2
Lea County, New Mexico
Number of Acres: 160.00
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100.00%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.19	50.0297%
2	160.00	49.9703%
Total	320.19	100.00%

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

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

**CASE NO. 22116
ORDER NO. R-20945-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 9, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-20945.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

7. The period to drill the well is extended until October 31, 2022.
8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-20945 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

10. The remaining provisions of Order R-20945 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 9/21/2021

CASE NO. 22116
ORDER NO. R-20945-A

Page 2 of 2

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

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

**CASE NO. 22118
ORDER NO. R-20942-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 9, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-20942.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

7. The period to drill the well is extended until October 31, 2022.
8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-20942 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

10. The remaining provisions of Order R-20942 remain in force or effect.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR

AES/jag

Date: 9/21/2021

CASE NO. 22118
ORDER NO. R-20942-A

Page 2 of 2

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

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

**CASE NO. 22119
ORDER NO. R-20943-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 9, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) requesting an extension to drill the well(s) as required by Order R-20943.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
5. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
6. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

7. The period to drill the well is extended until October 31, 2022.
8. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-20943 for good cause shown.
9. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

10. The remaining provisions of Order R-20943 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'Adrienne', is written over a horizontal line.

**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 9/21/2021

CASE NO. 22119
ORDER NO. R-20943-A

Page 2 of 2

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

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

**CASE NO. 22117
ORDER NO. R-21858**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 23, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator does not propose any supervision and risk charges for the Well(s) described in Exhibit A, because the uncommitted oil and gas interests the Operator is seeking to be pool by this Application do not include any working interests.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

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

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

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Because the interests to be pooled by this Order do not include any working interests, there is no necessity to provide in this Order for allocation of costs, risk charges, or overhead charges.
23. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

CASE NO. 22117
ORDER NO. R-21858

Page 2 of 7

24. The Unit shall terminate if (a) the owners of all Uncommitted Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
25. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 10/07/2021

CASE NO. 22117
ORDER NO. R-21858

Page 3 of 7

Exhibit A

Received by OCD: 9/22/2021 9:52:03 AM

Page 1 of 1

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 22117	APPLICANT'S RESPONSE
Date: September 23, 2021	
Applicant	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)
Applicant's Counsel:	Modrall Sperling (Deana Bennett, Jamie Allen)
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Colorado
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring / Wolfbone
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring / Wolfbone
Pool Name and Pool Code:	WC-025 G-07 S243517D; MIDDLE BONE SPRING, Pool Code 98294 WC-025 G-09 S243532M; WOLFBONE, Pool Code 98098
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2E/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N
Applicant's Ownership in Each Tract	Exhibit 4.
Well(s)	

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CASE NO. 22117
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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Exhibits 2A & 2B. See also Tab B, Declaration of Shelly Albrecht, ¶¶ 16, 18.
Well #1	Breckenridge Fed Com 304H API: 30-025-47027 SHL: 325 feet from the South line and 1233 feet from the East line, Section 9, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 350 feet from the East line, Section 4, Township 24 South, Range 35 East, NMPM. Completion Target: Middle Bone Spring at approximately 11,106' TVD. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 2A for C-102.
Well #2	Breckenridge Fed Com 604H API: 30-025-47117 SHL: 325 feet from the South line and 1303 feet from the East line, Section 9, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 350 feet from the East line, Section 4, Township 24 South, Range 35 East, NMPM. Completion Target: Wolfbone at approximately 11,813' TVD. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 2B for C-102.
Horizontal Well First and Last Take Points	Exhibits 2A & 2B.
Well #1	Breckridge Fed Com 304H Proposed first take point: 816' FSL, 459' FEL, Proposed last take point: 150' FNL, 350' FEL. See Exhibit 2A.
Well #2	Breckridge Fed Com 604H Proposed first take point: 729' FSL, 459' FEL, Proposed last take point: 150' FNL, 350' FEL. See Exhibit 2B.
Completion Target (Formation, TVD and MD)	See Tab B, Declaration of Shelly Albrecht, ¶¶ 16, 18.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A

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Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 5
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 5
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 5
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	N/A
List of Interest Owners (ie Exhibit A of JOA)	N/A
Chronology of Contact with Non-Joined Working Interests	N/A
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibit 7
Gunbarrel/Lateral Trajectory Schematic	Exhibit 7
Well Orientation (with rationale)	Exhibit 10
Target Formation	Exhibits 8A through 8D, Exhibits 9A through 9D
HSU Cross Section	Exhibit 8C, Exhibit 9C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2A, Exhibit 2B
Tracts	Exhibit 4

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Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 6
Well Bore Location Map	Exhibit 6
Structure Contour Map - Subsea Depth	Exhibit 8A, Exhibit 9A
Cross Section Location Map (including wells)	Exhibit 8B, Exhibit 9B
Cross Section (including Landing Zone)	Exhibit 8C, Exhibit 9C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date:	September 21, 2021

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Date: September 14, 2022

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

Re: **Corrected Communitization Agreement NMNM 144070**
1. Lot 4, SW/4NW/4, W/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM
Well Name - GEORGETOWN FED COM 301H
API# 30-025-47263
Pool – [98294] WC-025 G-07 S243517D; MIDDLE BONE SPRING

Dear Ms. Rivera:

Please find enclosed the above mentioned corrected communitization agreement, in triplicate originals. This correction is hereby submitted to replace the original document submitted on 11/09/2021 (BLM assigned number NMNM 144070) and to change the formation covered from “Bone Spring and Wolfbone” to **“Bone Spring” only.**

Your attention to this matter is greatly appreciated. Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

Ilona T. Hoang
Landman

/Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 4, SW/4NW/4, W/2SW/4

Section 9: W/2W/2

Lea County, New Mexico

Containing 320.11 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.

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

- Page 98 of 433
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.

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and 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, 2021** 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.

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
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.

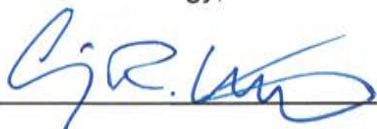
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

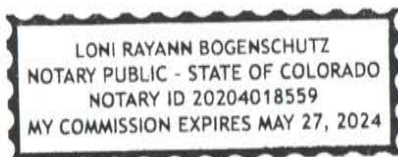
Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

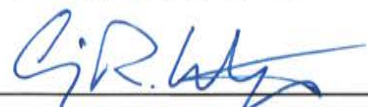
This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.




Notary Public in and for the State of Colorado

Working Interest Owner:

Franklin Mountain Energy 2, LLC

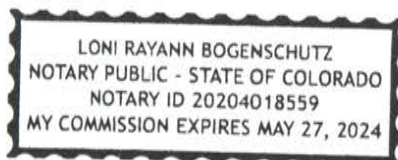
By: Name: Craig R. WaltersTitle: Chief Executive OfficerDate: 9/13/2022

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

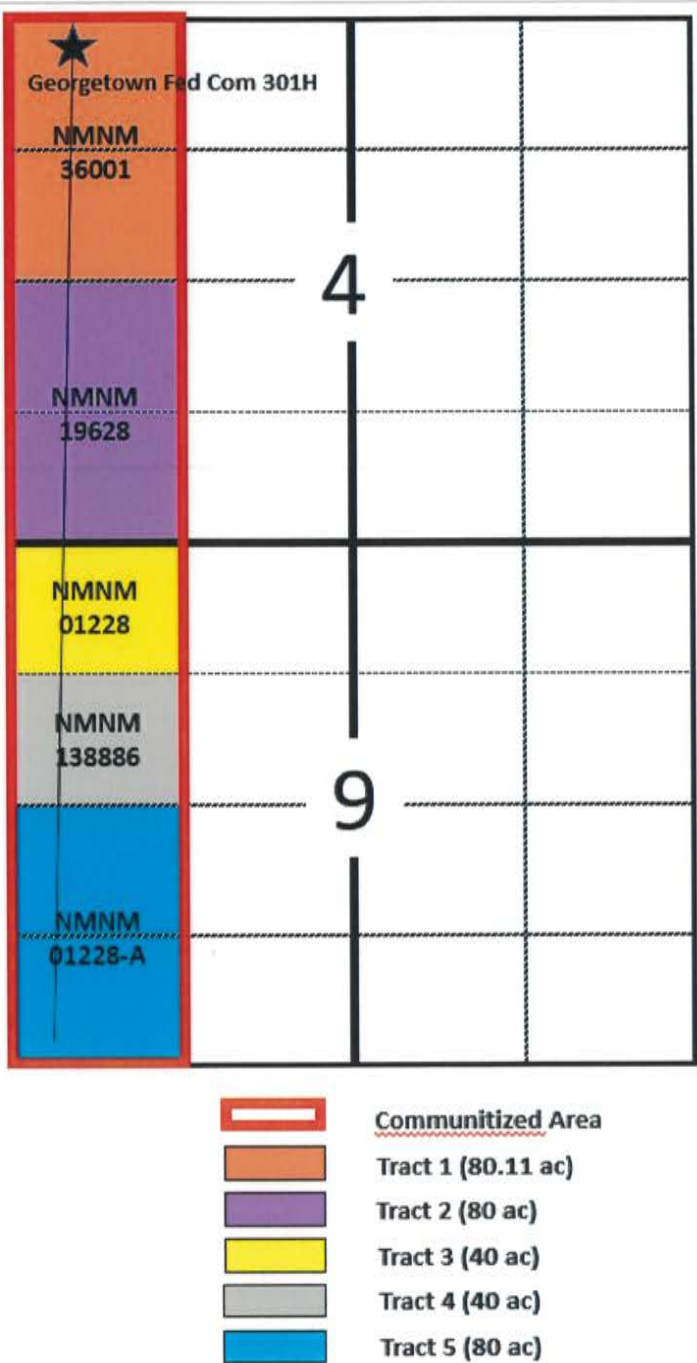



Notary Public in and for the State of Colorado

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.11** acres, more or less, in Lot 4, SW/4NW/4, W/2SW/4 of
Section 4 & the W/2W/2 of Section 9, Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Georgetown Fed Com 301H



Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 4, SW/4NW/4, W/2SW/4 of Section 4 and the W/2W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 4, SW/4NW/4 Lea County, New Mexico
Number of Acres:	80.11
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC -- 98.04830%
	Franklin Mountain Energy, LLC - 0.17582%
	Hinkle Living Trust, UA - 0.17582%
	Bean Family Limited Partnership - 0.26668%
	Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease
	Georgetown Fed Com 301H
	Bone Spring Formation
	W/2W/2 Sections 4 & 9-24S-35E
	Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

Georgetown Fed Com 301H
 Bone Spring Formation
 W/2W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number: NMNM 001228-A
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: XTO Holdings LLC – 50%
 Chevron USA Inc. - 50%
 ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
 Authority for Pooling: Federal Lease

Georgetown Fed Com 301H
 Bone Spring Formation
 W/2W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.11	25.0258%
2	80.00	24.9914%
3	40.00	12.4957%
4	40.00	12.4957%
5	80.00	24.9914%
Total	320.11	100.000000%

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 4, SW/4NW/4, W/2SW/4

Section 9: W/2W/2

Lea County, New Mexico

Containing 320.11 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.

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
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.

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and 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, 2021** 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.

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

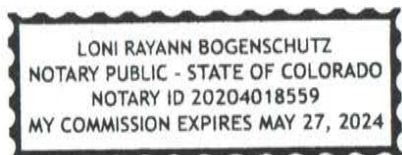
Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico


THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive 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 Executive Officer

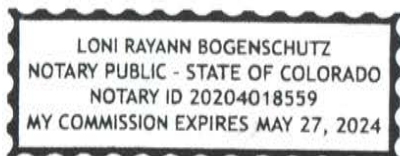
Date: 9/13/2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware corporation.

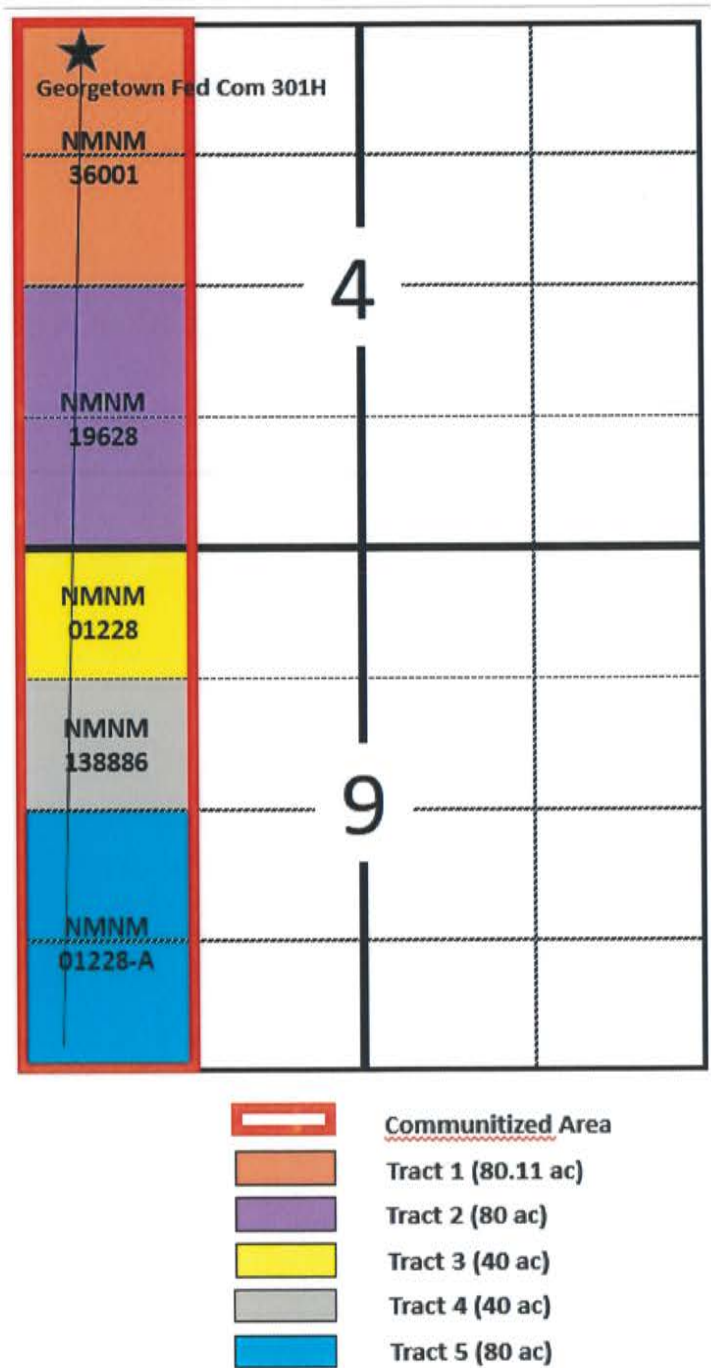



Notary Public in and for the State of Colorado

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.11** acres, more or less, in Lot 4, SW/4NW/4, W/2SW/4 of
Section 4 & the W/2W/2 of Section 9, Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Georgetown Fed Com 301H



Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 4, SW/4NW/4, W/2SW/4 of Section 4 and the W/2W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 4, SW/4NW/4 Lea County, New Mexico
Number of Acres:	80.11
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 98.04830% Franklin Mountain Energy, LLC - 0.17582% Hinkle Living Trust, UA - 0.17582% Bean Family Limited Partnership - 0.26668% Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease
Georgetown Fed Com 301H Bone Spring Formation W/2W/2 Sections 4 & 9-24S-35E Lea County, New Mexico	

TRACT NO. 2:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC - 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC - 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

Georgetown Fed Com 301H
 Bone Spring Formation
 W/2W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number: NMNM 001228-A
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: XTO Holdings LLC – 50%
 Chevron USA Inc. - 50%
 ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
 Authority for Pooling: Federal Lease

Georgetown Fed Com 301H
 Bone Spring Formation
 W/2W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.11	25.0258%
2	80.00	24.9914%
3	40.00	12.4957%
4	40.00	12.4957%
5	80.00	24.9914%
Total	320.11	100.000000%

Georgetown Fed Com 301H
 Bone Spring Formation
 W/2W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 4, SW/4NW/4, W/2SW/4

Section 9: W/2W/2

Lea County, New Mexico

Containing 320.11 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/2W/2 Sections 4 & 9-24S-35E
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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.

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Bone Spring Formation
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8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and 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, 2021** 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.

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

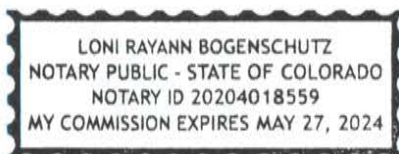
Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive 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

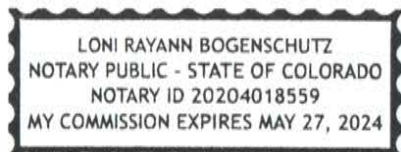
By: [Signature]Name: Craig R. WaltersTitle: Chief Executive OfficerDate: 9/13/2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

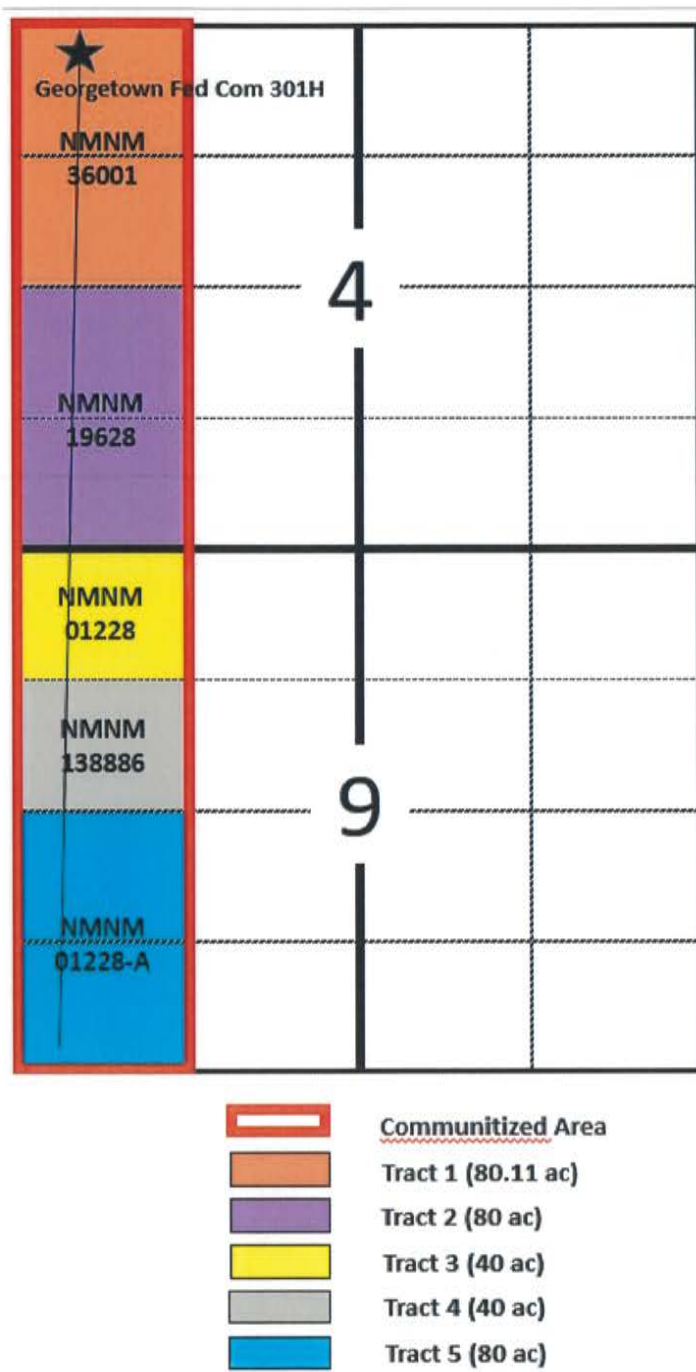


[Signature]
Notary Public in and for the State of Colorado

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.11** acres, more or less, in Lot 4, SW/4NW/4, W/2SW/4 of
Section 4 & the W/2W/2 of Section 9, Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Georgetown Fed Com 301H



Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 4, SW/4NW/4, W/2SW/4 of Section 4 and the W/2W/2 of Section 9, 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 36001	
Lease Date:	April 1, 1952	
Lease Primary Term:	Five (5) years	
Recordation:	Not Recorded	
Lessor:	United State of America	
Original Lessee:	Jessie Thomson Kinahan	
Current Lessee:	McKay Petroleum Corp. -	50%
	XTO Holdings LLC -	25%
	Chevron USA Inc. -	25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 4, SW/4NW/4 Lea County, New Mexico	
Number of Acres:	80.11	
Royalty Rates:	12.50%	
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC -	98.04830%
	Franklin Mountain Energy, LLC -	0.17582%
	Hinkle Living Trust, UA -	0.17582%
	Bean Family Limited Partnership -	0.26668%
	Prospector, LLC -	1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP	
Authority for Pooling:	Federal Lease	
	Georgetown Fed Com 301H	
	Bone Spring Formation	
	W/2W/2 Sections 4 & 9-24S-35E	
	Lea County, New Mexico	

TRACT NO. 2:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC - 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC - 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

Georgetown Fed Com 301H
 Bone Spring Formation
 W/2W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 4:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: SW/4NW/4
Lea County, New Mexico

Number of Acres: 40.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%

ORRI Owners: Franklin Mountain Royalty Investments, LLC

Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number: NMNM 001228-A
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SW/4
Lea County, New Mexico

Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: XTO Holdings LLC – 50%
Chevron USA Inc. - 50%

ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC

Authority for Pooling: Federal Lease

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.11	25.0258%
2	80.00	24.9914%
3	40.00	12.4957%
4	40.00	12.4957%
5	80.00	24.9914%
Total	320.11	100.000000%

Georgetown Fed Com 301H
Bone Spring Formation
W/2W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico



Date: September 14, 2022

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

Re: Wellbore-Specific Communitization Agreements:

1. Lot 2, SW/4NE/4, W/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name – **Golden Fed Com 603H**

API# 30-025-47054

Pool - WC-025 G-09 S243532M; Wolfbone (98098)

2. Lot 3, SE/4NW/4, E/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name – **Ouray Fed Com 602H**

API# 30-025-47266

Pool - WC-025 G-09 S243532M; Wolfbone (98098)

3. Lot 4, SW/4NW/4, W/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name - **GEORGETOWN FED COM 601H**

API# 30-025-47264

Pool – [98098] WC-025 G-09 S243532M; WOLFBONE

4. Lot 1, SE/4NE/4, E/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name - **BRECKENRIDGE FED COM 604H**

API# 30-025-47117

Pool – WC-025 G-09 S243532M; Wolfbone (98098)

Dear Ms. Rivera:

Please find enclosed the above mentioned wellbore-specific communitization agreements, in triplicate originals.



Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

A handwritten signature in blue ink, appearing to read "Ilona T. Hoang", is written over a light blue circular stamp that is partially visible.

Ilona T. Hoang
Landman

Enclosures

ORIGIN ID: QBRFA (720) 414-7868 LONI BOGENSCHULTZ FRANKLIN MOUNTAIN ENERGY LLC 44 COOK STREET SUITE 1000 DENVER, CO 80206 UNITED STATES US		SHIP DATE: 13SEP22 ACTWGT: 1.00 LB CAD: 250519288/NET4530
TO ELIZABETH (LISA) M. RIVERA BUREAU OF LAND MANAGEMENT 301 DINOSAUR TRAIL		BILL SENDER
SANTA FE NM 87508 (720) 414-7868 REF: COLORADO GAS CORRECTED DEPT:		
		
		
TRK# 7779 2303 6555 0201	THU - 15 SEP 4:30P ** 2DAY **	
SX SAFA NM-US ABQ 87508		

581J1/EC8C/FE2D

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Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Georgetown Fed Com 601H, API No. 30-025-47264** (Subject Well) in the **Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 4, SW/4NW/4, W/2SW/4

Section 9: W/2W/2

Lea County, New Mexico

Containing **320.11** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Georgetown Fed Com 601H, API No. 30-025-47264**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Georgetown Fed Com 601H, API No. 30-025-47264** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Georgetown Fed Com 601H, API No. 30-025-47264** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Georgetown Fed Com 601H, API No. 30-025-47264** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Georgetown Fed Com 601H, API No. 30-025-47264** well: 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 **Georgetown Fed Com 601H, API No. 30-025-47264** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.


 Franklin Mountain Energy, LLC
 Operator

9/13/2022
 Date

By: Craig R. Walters, Chief Executive Officer
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

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

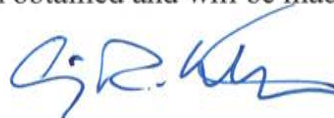
5/27/24
 My Commission Expires


 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

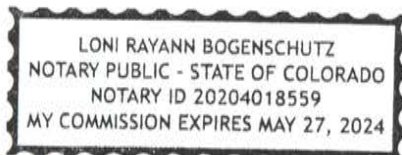

By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires


Notary Public

EXHIBIT “A”

Plat of communitized area covering 320.11 acres in the Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Georgetown Fed Com 601H, API No. 30-025-47264

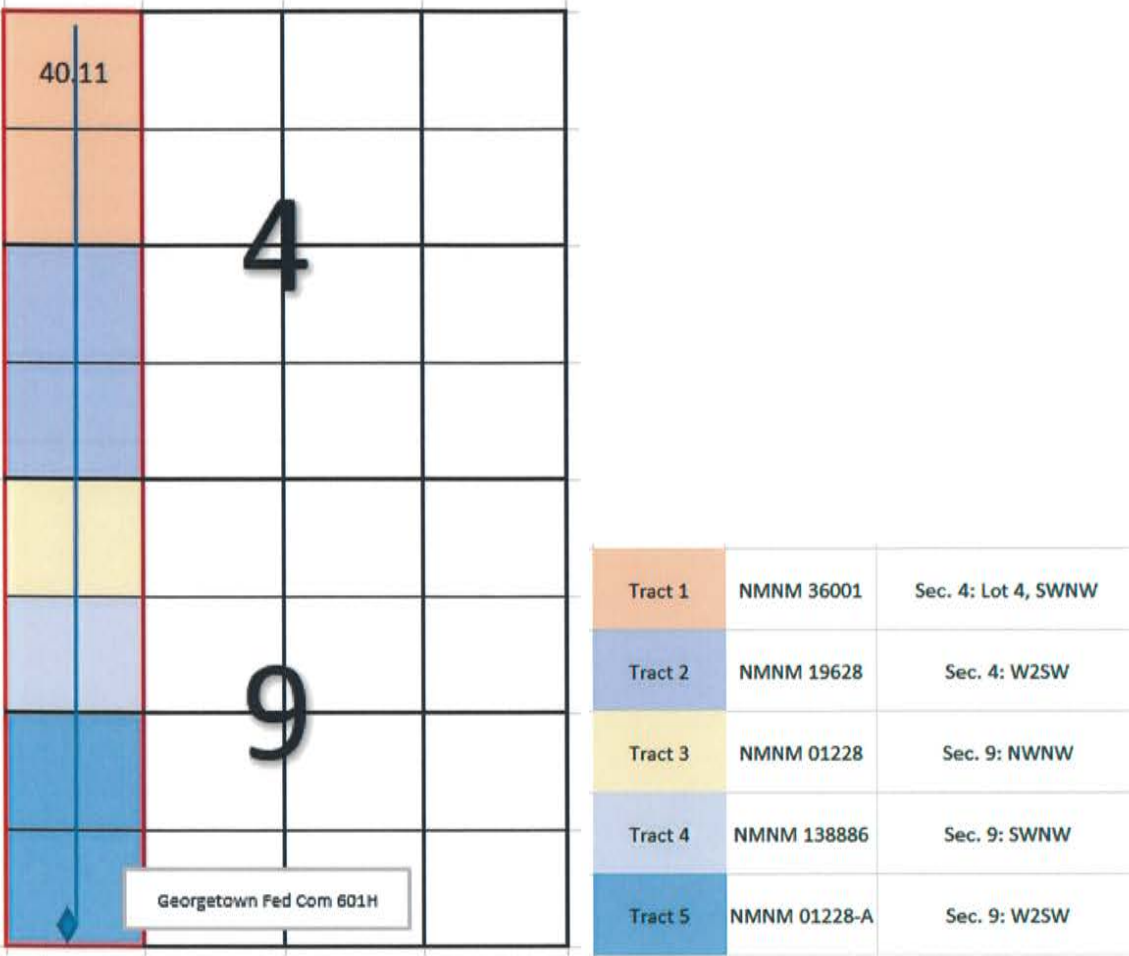


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 4, SW/4NW/4 Lea County, New Mexico
Number of Acres:	80.11
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 98.04830% Franklin Mountain Energy, LLC - 0.17582% Hinkle Living Trust, UA - 0.17582% Bean Family Limited Partnership - 0.26668% Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number: NMNM 001228-A
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: XTO Holdings LLC – 50%
 Chevron USA Inc. - 50%
 ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
 Authority for Pooling: Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.11	25.0258%
2	80.00	24.9914%
3	40.00	12.4957%
4	40.00	12.4957%
5	80.00	24.9914%
Total	320.11	100.000000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Georgetown Fed Com 601H, API No. 30-025-47264** (Subject Well) in the **Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 4, SW/4NW/4, W/2SW/4

Section 9: W/2W/2

Lea County, New Mexico

Containing **320.11** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Georgetown Fed Com 601H, API No. 30-025-47264**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Georgetown Fed Com 601H, API No. 30-025-47264** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Georgetown Fed Com 601H, API No. 30-025-47264** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

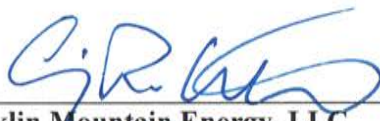
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by 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 noncommunitized 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 lease 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 the **Georgetown Fed Com 601H, API No. 30-025-47264** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Georgetown Fed Com 601H, API No. 30-025-47264** well: 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 **Georgetown Fed Com 601H, API No. 30-025-47264** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.


 Franklin Mountain Energy, LLC
 Operator

9/13/2022
 Date

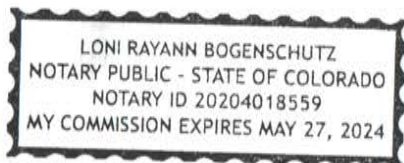
By: Craig R. Walters, Chief Executive Officer
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
 My Commission Expires


 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

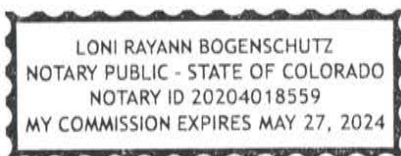
C.R. Walters
By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires

[Signature]
Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.11 acres in the Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Georgetown Fed Com 601H, API No. 30-025-47264

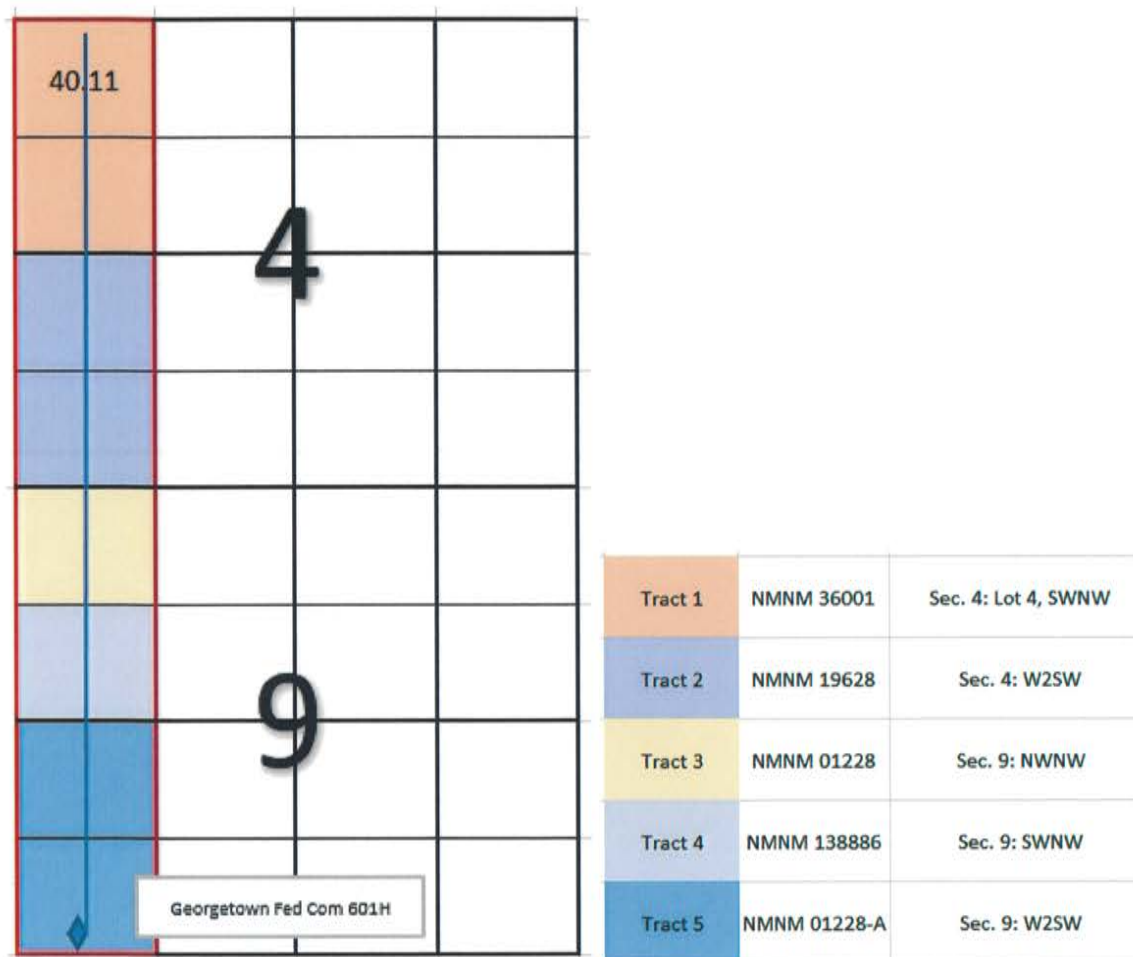


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 4, SW/4NW/4 Lea County, New Mexico
Number of Acres:	80.11
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 98.04830% Franklin Mountain Energy, LLC - 0.17582% Hinkle Living Trust, UA - 0.17582% Bean Family Limited Partnership - 0.26668% Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number: NMNM 001228-A
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: XTO Holdings LLC – 50%
 Chevron USA Inc. - 50%
 ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
 Authority for Pooling: Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.11	25.0258%
2	80.00	24.9914%
3	40.00	12.4957%
4	40.00	12.4957%
5	80.00	24.9914%
Total	320.11	100.000000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Georgetown Fed Com 601H, API No. 30-025-47264** (Subject Well) in the **Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 4, SW/4NW/4, W/2SW/4

Section 9: W/2W/2

Lea County, New Mexico

Containing **320.11** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Georgetown Fed Com 601H, API No. 30-025-47264**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations 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 lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Georgetown Fed Com 601H, API No. 30-025-47264** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Georgetown Fed Com 601H, API No. 30-025-47264** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Georgetown Fed Com 601H, API No. 30-025-47264** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Georgetown Fed Com 601H, API No. 30-025-47264** well: 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 **Georgetown Fed Com 601H, API No. 30-025-47264** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.


 Franklin Mountain Energy, LLC
 Operator

9/13/2022
 Date

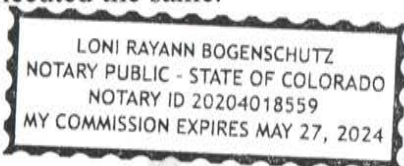
By: Craig R. Walters, Chief Executive Officer
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)




5/27/24
 My Commission Expires


 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date


By: Craig R. Walters
Title: Chief Executive Officer

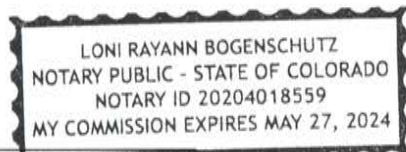
ACKNOWLEDGEMENT

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) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

5/27/24



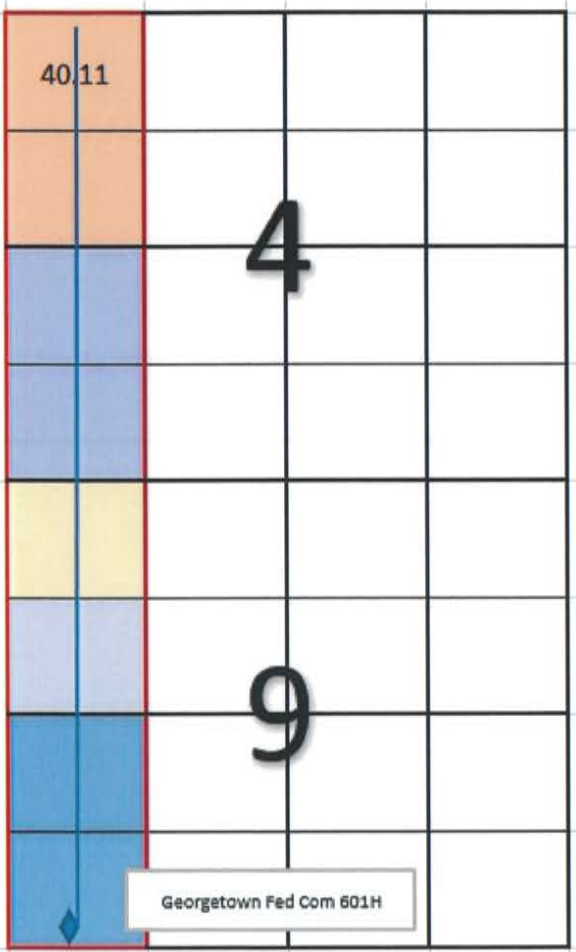
My Commission Expires


Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.11 acres in the Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Georgetown Fed Com 601H, API No. 30-025-47264



Tract 1	NMNM 36001	Sec. 4: Lot 4, SWNW
Tract 2	NMNM 19628	Sec. 4: W2SW
Tract 3	NMNM 01228	Sec. 9: NWNW
Tract 4	NMNM 138886	Sec. 9: SWNW
Tract 5	NMNM 01228-A	Sec. 9: W2SW

EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 4, SW/4NW/4, W/2SW/4 of Section 4, and the W/2W/2 of Section 9, 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:	NMMN 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 4, SW/4NW/4 Lea County, New Mexico
Number of Acres:	80.11
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 98.04830% Franklin Mountain Energy, LLC - 0.17582% Hinkle Living Trust, UA - 0.17582% Bean Family Limited Partnership - 0.26668% Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SW/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC - 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number: NMNM 001228-A
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: XTO Holdings LLC - 50%
 Chevron USA Inc. - 50%
 ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
 Authority for Pooling: Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.11	25.0258%
2	80.00	24.9914%
3	40.00	12.4957%
4	40.00	12.4957%
5	80.00	24.9914%
Total	320.11	100.000000%



Date: September 14, 2022

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

Re: **Corrected Communitization Agreement NMNM 144068**
1. Lots 3, 4, S/2NW/4, SW/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM
Well Names - GEORGETOWN FED COM 701H, API# 30-025-47265
OURAY FED COM 702H, API# 30-025-47173
OURAY FED COM 703H, API #30-025-47267
Pool – [98098] WC-025 G-09 S243532M; WOLFBONE

Dear Ms. Rivera:

Please find enclosed the above mentioned corrected communitization agreement, in triplicate originals. This correction is hereby submitted to replace the original document submitted on 11/09/2021 (BLM assigned number NMNM 144068) and to change the formation covered from “Wolfcamp” to **“Wolfbone”**.

Your attention to this matter is greatly appreciated. Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

Ilona T. Hoang
Landman

/Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lots 3, 4, S/2NW/4, SW/4

Section 9: W/2

Lea County, New Mexico

Containing 640.25 acres, more or less, and this agreement shall include only the **Wolfbone** 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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and 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, 2021** 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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

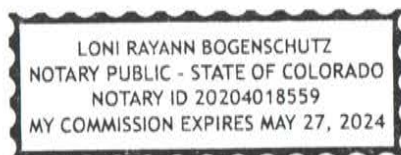
Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive 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

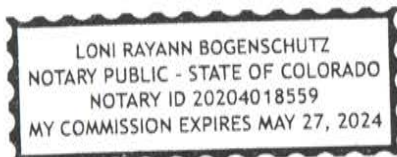
By: [Signature]Name: Craig R. WaltersTitle: Chief Executive OfficerDate: 9/13/2022

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

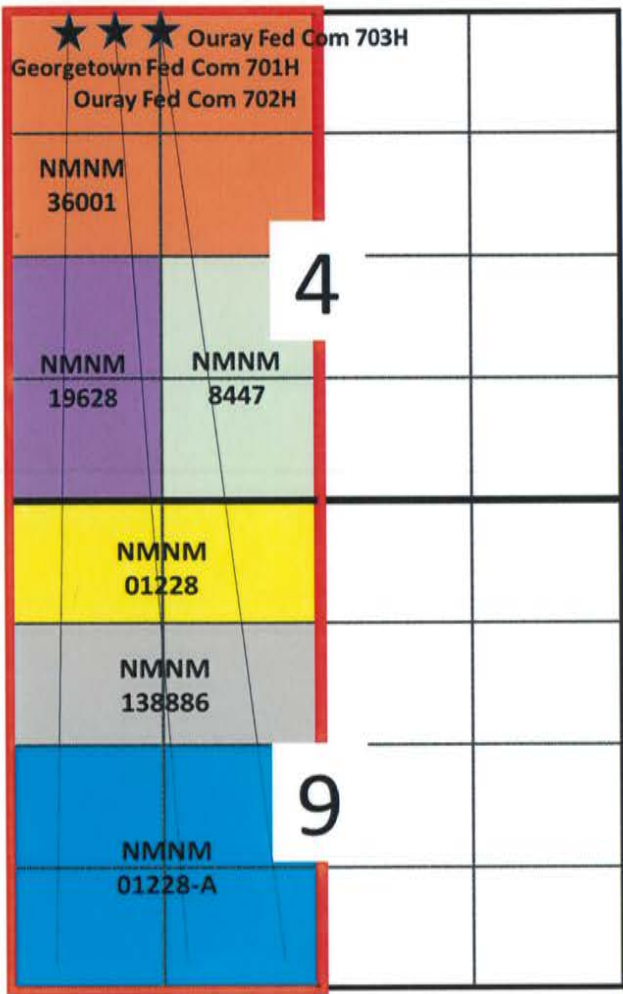








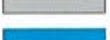
[Signature]
Notary Public in and for the State of Colorado

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.25** acres, more or less, in
Lots 3, 4, S/2NW/4, SW/4 of Section 4 and the W/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Georgetown Fed Com 701H and Ouray Fed Com 702H & 703H



-  Communitized Area
-  Tract 1 (160.25 ac)
-  Tract 2 (80 ac)
-  Tract 3 (80 ac)
-  Tract 4 (80 ac)
-  Tract 5 (80 ac)
-  Tract 6 (160 ac)

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in the Lots 3, 4, S/2NW/4, SW/4 of Section 4 and the W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%

Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lots 3, 4, S/2NW/4
Lea County, New Mexico

Number of Acres:	160.25
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC - 98.04830%
	Franklin Mountain Energy, LLC - 0.17582%
	Hinkle Living Trust, UA - 0.17582%
	Bean Family Limited Partnership - 0.26668%
	Prospector, LLC - 1.33338%

ORRI Owners: Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP

Authority for Pooling: Federal Lease

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: N/2NW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease
 Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 5:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: S/2NW/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

TRACT NO. 6:

Lease Serial Number: NMNM 001228-A
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: SW/4
Lea County, New Mexico
Number of Acres: 160.00
Royalty Rates: 12.50%
WI Owners Names and Interests: XTO Holdings LLC – 50%
Chevron USA Inc. - 50%
ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
Authority for Pooling: Federal Lease

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.25	25.0293%
2	80.00	12.4951%
3	80.00	12.4951%
4	80.00	12.4951%
5	80.00	12.4951%
6	160.00	24.9903%
Total	640.25	100.000000%

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lots 3, 4, S/2NW/4, SW/4****Section 9: W/2****Lea County, New Mexico**

Containing 640.25 acres, more or less, and this agreement shall include only the **Wolfbone** 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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and 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, 2021** 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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

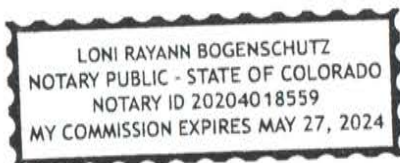
Title: Chief Executive Officer

Date: 9/13/2022

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico


THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy, LLC, a Delaware
corporation.



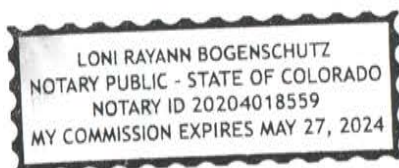

Notary Public in and for the State of Colorado

Working Interest Owner:
Franklin Mountain Energy 2, LLC

By: 
Name: Craig R. Walters
Title: Chief Executive Officer
Date: 9/13/2022

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

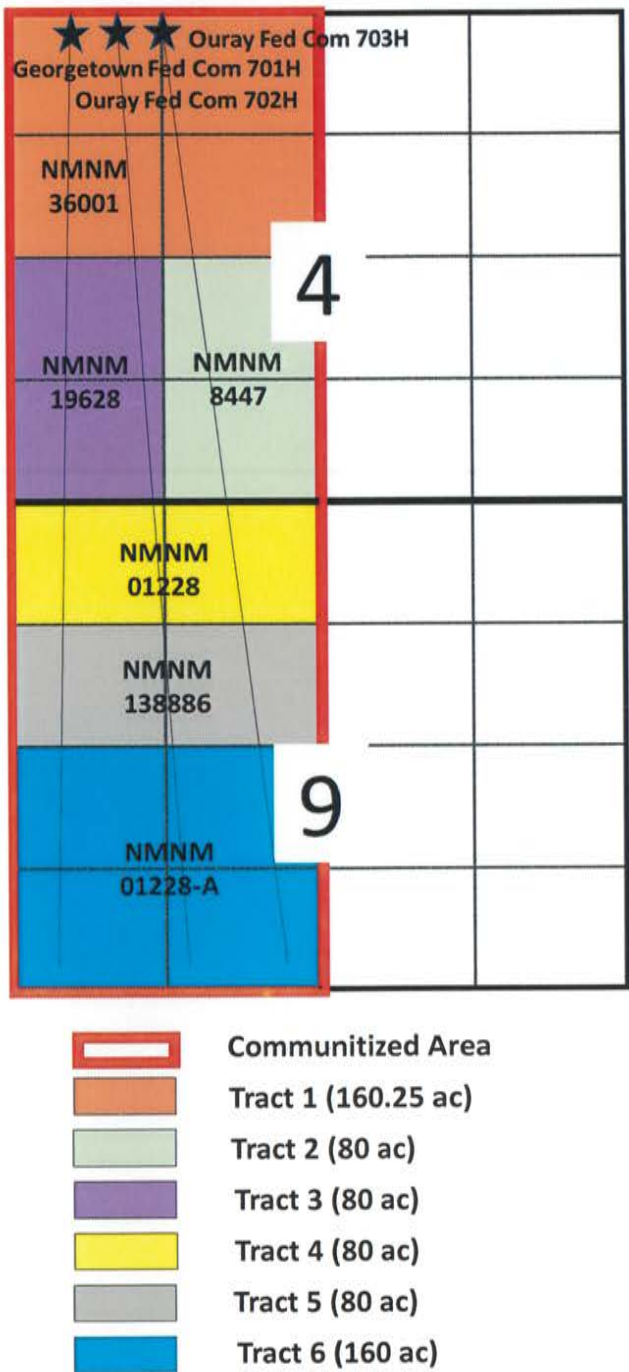



Notary Public in and for the State of Colorado

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.25** acres, more or less, in
Lots 3, 4, S/2NW/4, SW/4 of Section 4 and the W/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Georgetown Fed Com 701H and Ouray Fed Com 702H & 703H



Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in the Lots 3, 4, S/2NW/4, SW/4 of Section 4 and the W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lots 3, 4, S/2NW/4 Lea County, New Mexico
Number of Acres:	160.25
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC - 98.04830%
	Franklin Mountain Energy, LLC - 0.17582%
	Hinkle Living Trust, UA - 0.17582%
	Bean Family Limited Partnership - 0.26668%
	Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease
	Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
	Wolfbone Formation
	W/2 Sections 4 & 9-24S-35E
	Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC - 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: N/2NW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC - 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease
 Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 5:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: S/2NW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 6:

Lease Serial Number: NMNM 001228-A
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SW/4
 Lea County, New Mexico
 Number of Acres: 160.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: XTO Holdings LLC – 50%
 Chevron USA Inc. - 50%
 ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
 Authority for Pooling: Federal Lease

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.25	25.0293%
2	80.00	12.4951%
3	80.00	12.4951%
4	80.00	12.4951%
5	80.00	12.4951%
6	160.00	24.9903%
Total	640.25	100.000000%

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lots 3, 4, S/2NW/4, SW/4

Section 9: W/2

Lea County, New Mexico

Containing 640.25 acres, more or less, and this agreement shall include only the **Wolfbone** 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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and 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, 2021** 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.

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

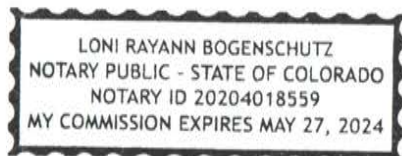
§

COUNTY OF DENVER

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This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive 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 Executive Officer

Date: 9/13/2022

THE STATE OF COLORADO

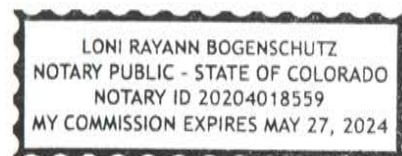
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COUNTY OF DENVER

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This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware corporation.

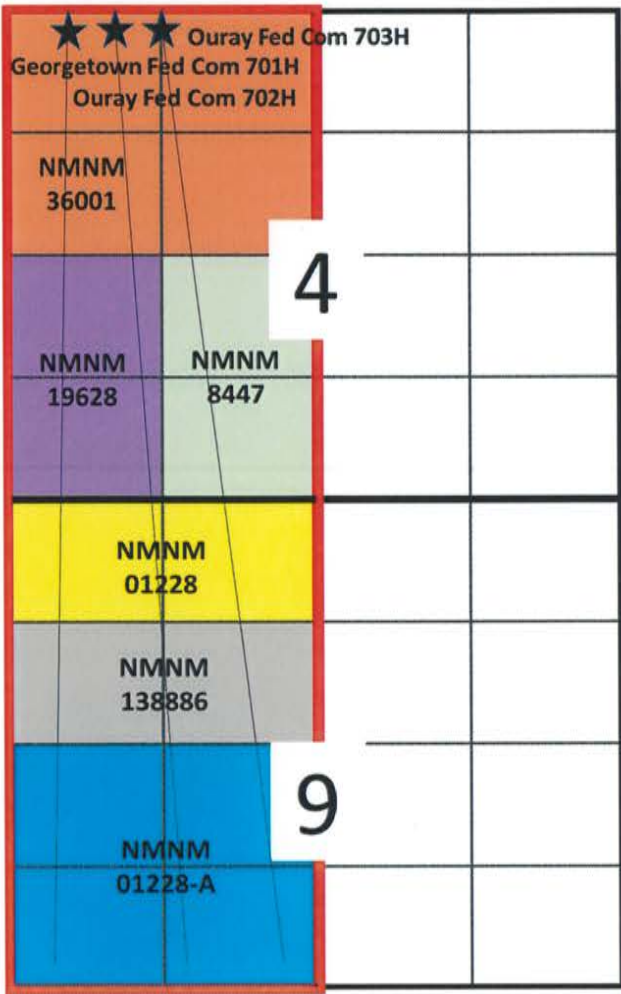





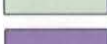




Notary Public in and for the State of Colorado

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.25** acres, more or less, in
Lots 3, 4, S/2NW/4, SW/4 of Section 4 and the W/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Georgetown Fed Com 701H and Ouray Fed Com 702H & 703H



-  Communitized Area
-  Tract 1 (160.25 ac)
-  Tract 2 (80 ac)
-  Tract 3 (80 ac)
-  Tract 4 (80 ac)
-  Tract 5 (80 ac)
-  Tract 6 (160 ac)

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in the Lots 3, 4, S/2NW/4, SW/4 of Section 4 and the W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lots 3, 4, S/2NW/4 Lea County, New Mexico
Number of Acres:	160.25
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 98.04830%
	Franklin Mountain Energy, LLC - 0.17582%
	Hinkle Living Trust, UA - 0.17582%
	Bean Family Limited Partnership - 0.26668%
	Prospector, LLC - 1.33338%

ORRI Owners: Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP

Authority for Pooling: Federal Lease

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 19628
 Lease Date: December 1, 1973
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: K.J. Feil
 Current Lessee: BTA Oil Producers, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: W/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC - 100%
 ORRI Owners: BTA Oil Producers, LLC
 K.J. Feil and wife, Marie A. Feil
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: N/2NW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC - 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease
 Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

TRACT NO. 5:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: S/2NW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 6:

Lease Serial Number: NMNM 001228-A
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SW/4
 Lea County, New Mexico
 Number of Acres: 160.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: XTO Holdings LLC – 50%
 Chevron USA Inc. - 50%
 ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
 Authority for Pooling: Federal Lease

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
 Wolfbone Formation
 W/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.25	25.0293%
2	80.00	12.4951%
3	80.00	12.4951%
4	80.00	12.4951%
5	80.00	12.4951%
6	160.00	24.9903%
Total	640.25	100.000000%

Georgetown Fed Com 701H; Ouray Fed Com 702H & 703H
Wolfbone Formation
W/2 Sections 4 & 9-24S-35E
Lea County, New Mexico



Date: September 14, 2022

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

Re: **Corrected Communitization Agreement NMNM 144072**
1. Lot 2, SW/4NE/4, W/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM
Well Names – Golden Fed Com 303H
API# 30-025-49413
Pool – [98294] WC-025 G-07 S243517D; MIDDLE BONE SPRING

Dear Ms. Rivera:

Please find enclosed the above mentioned corrected communitization agreement, in triplicate originals. This correction is hereby submitted to replace the original document submitted on 11/09/2021 (BLM assigned number NMNM 144072) and to change the formation covered from “Bone Spring and Wolfbone” to **“Bone Spring” only**.

Your attention to this matter is greatly appreciated. Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

Ilona T. Hoang
Landman

/Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 2, SW/4NE/4, W/2SE/4

Section 9: W/2E/2

Lea County, New Mexico

Containing 320.16 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.

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
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 4 & 9-24S-35E
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, 2021** 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.

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

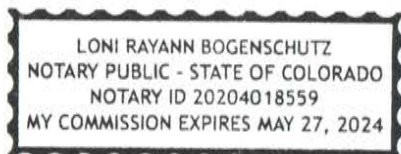
Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive 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 Executive Officer

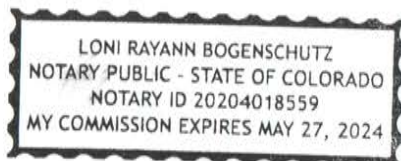
Date: 9/13/2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware corporation.

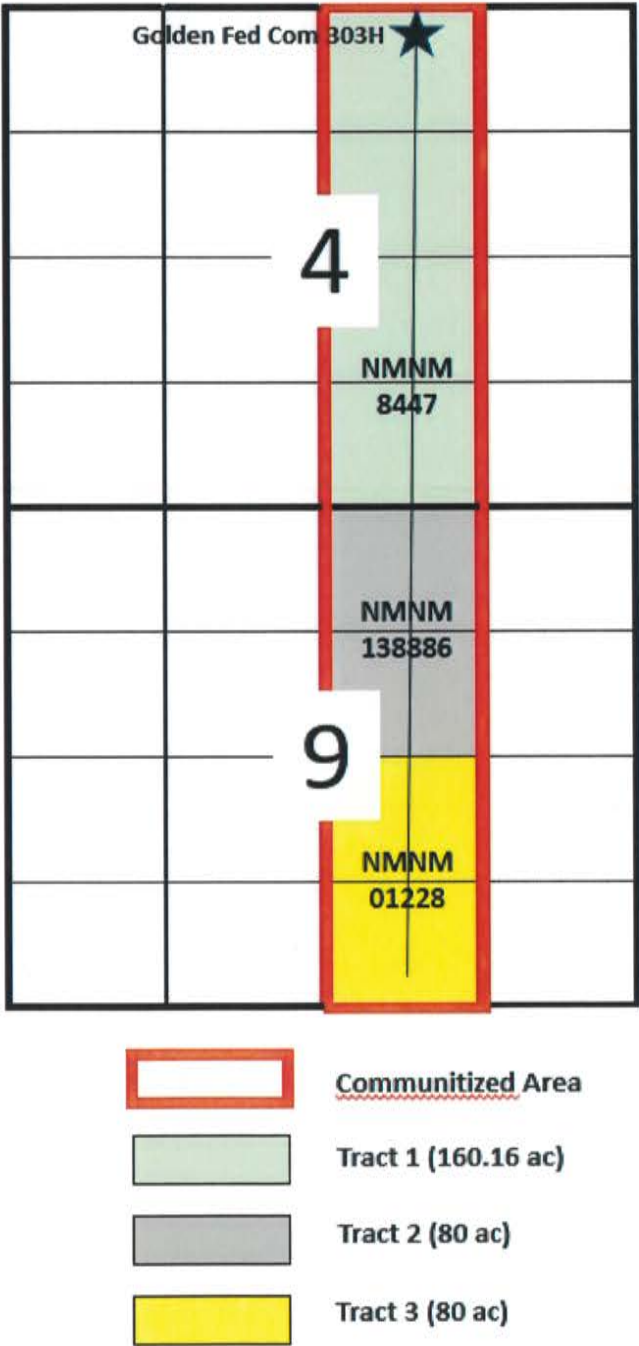



Notary Public in and for the State of Colorado

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.16** acres, more or less, in Lot 2, SW/4NE/4, W/2SE/4 of Section 4 and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.
Well Names/Nos.
Golden Fed Com 303H



Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 2, SW/4NE/4, W/2SE/4 of Section 4 and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

TRACT NO. 1:

Lease Serial Number: NMNM 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 2, SW/4NE/4, W/2SE/4
Lea County, New Mexico
Number of Acres: 160.16
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated

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Bone Spring Formation
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Lea County, New Mexico

11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2NE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC
ORRI Owners: Franklin Mountain Royalty Investments, LLC; Mary Ellen
McClellan; TD Minerals, LLC; Elliott Hall Company
Authority for Pooling: Federal Lease

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.16	50.0250%
2	80.00	24.9875%
3	80.00	24.9875%
Total	320.16	100.000000%

Golden Fed Com 303H
 Bone Spring Formation
 W/2E/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 2, SW/4NE/4, W/2SE/4

Section 9: W/2E/2

Lea County, New Mexico

Containing 320.16 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 4 & 9-24S-35E
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

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
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, 2021** 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.

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

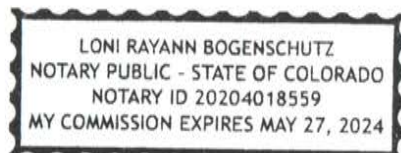
Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive 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

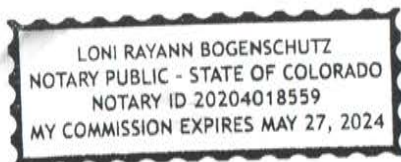
By: [Signature]Name: Craig R. WaltersTitle: Chief Executive OfficerDate: 9/13/2022

THE STATE OF COLORADO

§
§
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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

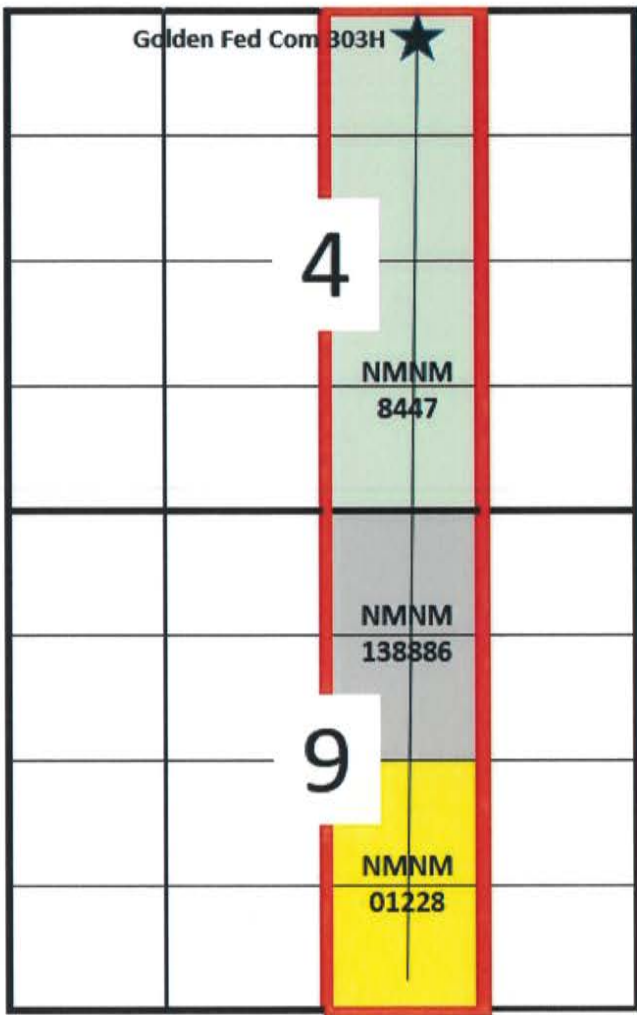






[Signature]
Notary Public in and for the State of Colorado

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.16** acres, more or less, in Lot 2, SW/4NE/4, W/2SE/4 of Section 4 and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.
Well Names/Nos.
Golden Fed Com 303H



-  Communitized Area
-  Tract 1 (160.16 ac)
-  Tract 2 (80 ac)
-  Tract 3 (80 ac)

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 2, SW/4NE/4, W/2SE/4 of Section 4 and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

TRACT NO. 1:

Lease Serial Number: NMNM 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 2, SW/4NE/4, W/2SE/4
Lea County, New Mexico
Number of Acres: 160.16
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2NE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%

ORRI Owners: Franklin Mountain Royalty Investments, LLC

Authority for Pooling: Federal Lease

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC
ORRI Owners: Franklin Mountain Royalty Investments, LLC; Mary Ellen McClellan; TD Minerals, LLC; Elliott Hall Company
Authority for Pooling: Federal Lease

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.16	50.0250%
2	80.00	24.9875%
3	80.00	24.9875%
Total	320.16	100.000000%

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 2, SW/4NE/4, W/2SE/4
Section 9: W/2E/2
Lea County, New Mexico

Containing 320.16 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.

Golden Fed Com 303H
 Bone Spring Formation
 W/2E/2 Sections 4 & 9-24S-35E
 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

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
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, 2021** 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.

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

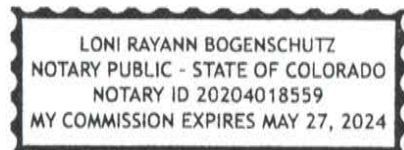
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COUNTY OF DENVER

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This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive 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 Executive OfficerDate: 9/13/2022

THE STATE OF COLORADO

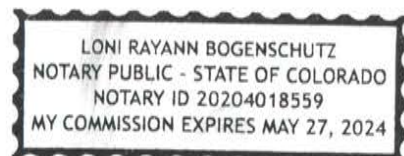
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COUNTY OF DENVER

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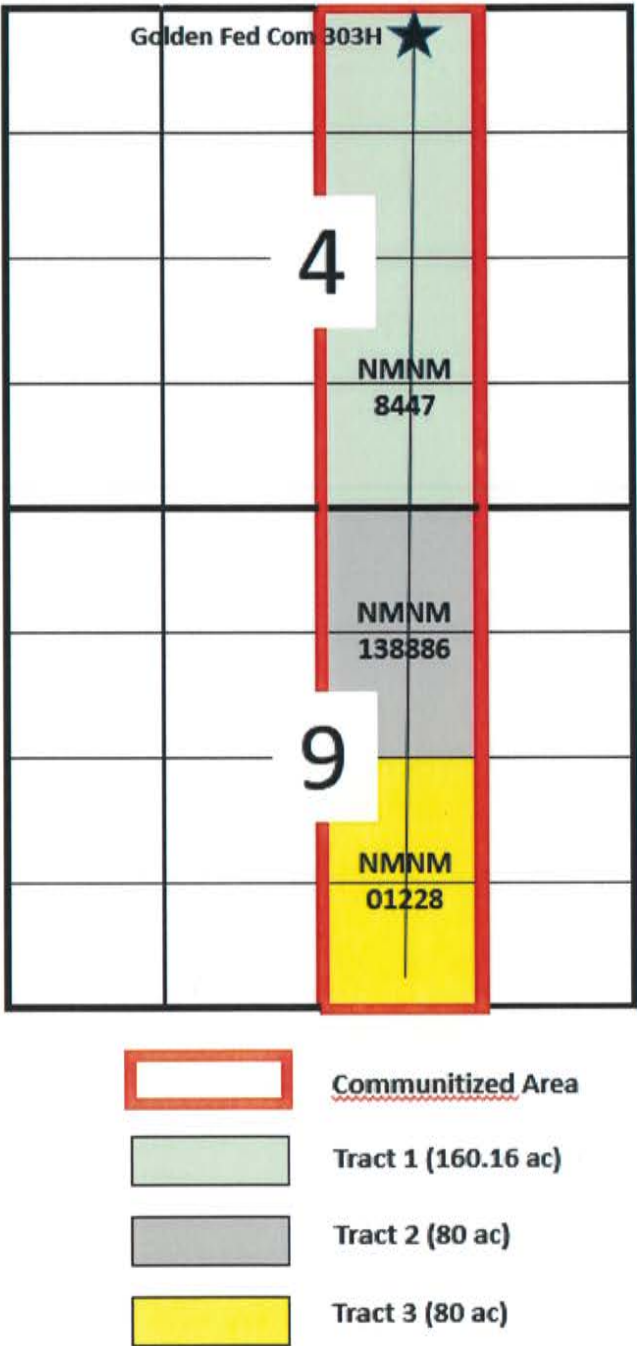



 Notary Public in and for the State of Colorado

Golden Fed Com 303H
 Bone Spring Formation
 W/2E/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.16** acres, more or less, in Lot 2, SW/4NE/4, W/2SE/4 of Section 4 and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.
Well Names/Nos.
Golden Fed Com 303H



Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described
land in Lot 2, SW/4NE/4, W/2SE/4 of Section 4 and the W/2E/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

TRACT NO. 1:

Lease Serial Number: NMNM 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 2, SW/4NE/4, W/2SE/4
Lea County, New Mexico
Number of Acres: 160.16
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga
Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings,
LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.;
Charmar, LLC; Richard C. Deason; Thomas D. Deason;
Ronald H. Mayer, Trustee of the Ronald H. Mayer and
Martha M. Mayer Revocable Trust dated 3/19/1990; SAP,
LLC; Wells Fargo Bank, N.A. Trustee of the Robert N.
Enfield Revocable Trust dated 3/16/1999; Pony Oil
Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan
Bell Family, LLC; Magnum Hunter Productions, Inc.;
Featherstone Development Corp; McKay Petroleum
Corporation; St. Clair of Texas, LLC; Thomas J. Depke and
Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2NE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC - 100%

ORRI Owners: Franklin Mountain Royalty Investments, LLC

Authority for Pooling: Federal Lease

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC
ORRI Owners: Franklin Mountain Royalty Investments, LLC; Mary Ellen McClellan; TD Minerals, LLC; Elliott Hall Company
Authority for Pooling: Federal Lease

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.16	50.0250%
2	80.00	24.9875%
3	80.00	24.9875%
Total	320.16	100.000000%

Golden Fed Com 303H
Bone Spring Formation
W/2E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico



Date: September 14, 2022

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

Re: Wellbore-Specific Communitization Agreements:

1. Lot 2, SW/4NE/4, W/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name – **Golden Fed Com 603H**

API# 30-025-47054

Pool - WC-025 G-09 S243532M; Wolfbone (98098)

2. Lot 3, SE/4NW/4, E/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name – **Ouray Fed Com 602H**

API# 30-025-47266

Pool - WC-025 G-09 S243532M; Wolfbone (98098)

3. Lot 4, SW/4NW/4, W/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name - **GEORGETOWN FED COM 601H**

API# 30-025-47264

Pool – [98098] WC-025 G-09 S243532M; WOLFBONE

4. Lot 1, SE/4NE/4, E/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name - **BRECKENRIDGE FED COM 604H**

API# 30-025-47117

Pool – WC-025 G-09 S243532M; Wolfbone (98098)

Dear Ms. Rivera:

Please find enclosed the above mentioned wellbore-specific communitization agreements, in triplicate originals.



Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

A handwritten signature in blue ink, appearing to read "Ilona T. Hoang", is written over a light blue circular stamp.

Ilona T. Hoang
Landman

Enclosures

ORIGIN ID: OBFA (720) 414-7868 LONI BOGENSCHULTZ FRANKLIN MOUNTAIN ENERGY LLC 44 COOK STREET SUITE 1000 DENVER, CO 80206 UNITED STATES US		SHIP DATE: 13SEP22 ACTWGT: 1.00 LB CAD: 250519288/NET4530
TO ELIZABETH (LISA) M. RIVERA BUREAU OF LAND MANAGEMENT 301 DINOSAUR TRAIL		BILL SENDER
SANTA FE NM 87508 (720) 414-7868 REF: COLORADO GAS CORRECTED PO: DEPT:		
		
		
J223822081201uv		
THU - 15 SEP 4:30P ** 2DAY **		
TRK# 7779 2303 6555 0201		
SX SAFA NM-US ABQ 87508		
		

581J1/EC8C/FE2D

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on [fedex.com](https://www.fedex.com). FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Golden Fed Com 603H, API No. 30-025-47054** (Subject Well) in the **Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 2, SW/4NE/4, W/2SE/4

Section 9: W/2E/2

Lea County, New Mexico

Containing **320.16** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Golden Fed Com 603H, API No. 30-025-47054**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations 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 lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Golden Fed Com 603H, API No. 30-025-47054** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Golden Fed Com 603H, API No. 30-025-47054** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Golden Fed Com 603H, API No. 30-025-47054** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Golden Fed Com 603H, API No. 30-025-47054** well: 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 **Golden Fed Com 603H, API No. 30-025-47054** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.



Franklin Mountain Energy, LLC
Operator

9/13/2022
Date

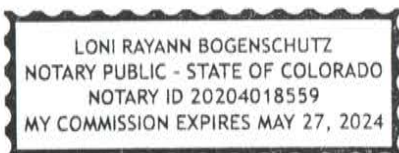
By: Craig R. Walters, Chief Executive Officer
Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires



Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

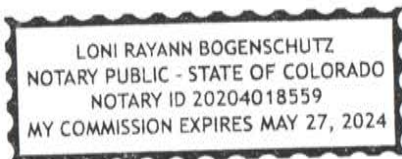

By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires


Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.16 acres in the Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Golden Fed Com 603H, API No. 30-025-47054

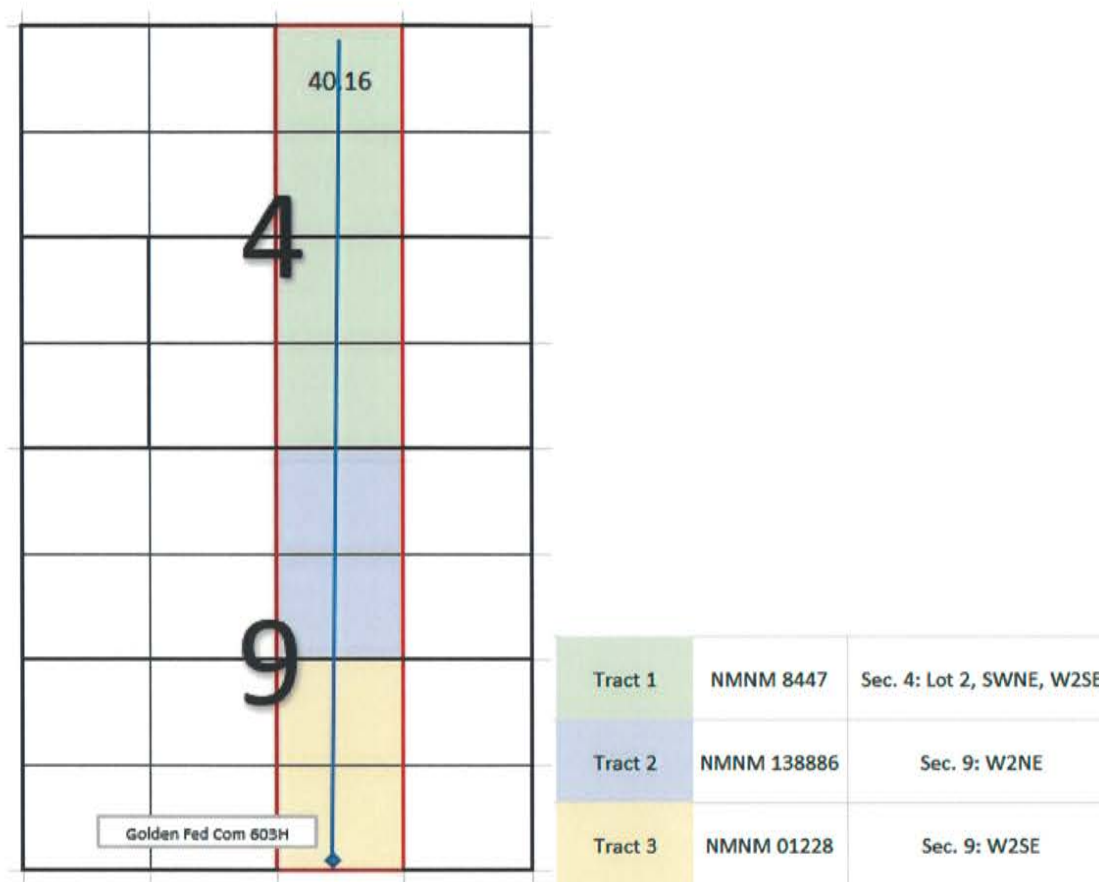


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, 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 008447
Lease Date:	January 1, 1969
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Tommie Cloar, Jr.
Current Lessee:	Magnum Hunter Production Inc. — 100.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 2, SW/4NE/4, W/2SE/4 Lea County, New Mexico
Number of Acres:	160.16
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 95.64171% Franklin Mountain Energy, LLC - 0.04573% Hinkle Living Trust, U/A - 0.04573% Bean Family Limited Partnership - 0.71114% Prospector, LLC - 3.55569%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis

Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brerett Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: W/2NE/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: W/2SE/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Mary Ellen McClellan; TD Minerals, LLC; Elliott Hall Company

Authority for Pooling: Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.16	50.0250%
2	80.00	24.9875%
3	80.00	24.9875%
Total	320.16	100.000000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Golden Fed Com 603H, API No. 30-025-47054** (Subject Well) in the **Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 2, SW/4NE/4, W/2SE/4

Section 9: W/2E/2

Lea County, New Mexico

Containing **320.16** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Golden Fed Com 603H, API No. 30-025-47054**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Golden Fed Com 603H, API No. 30-025-47054** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Golden Fed Com 603H, API No. 30-025-47054** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Golden Fed Com 603H, API No. 30-025-47054** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Golden Fed Com 603H, API No. 30-025-47054** well: 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 **Golden Fed Com 603H, API No. 30-025-47054** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.


 Franklin Mountain Energy, LLC
 Operator

9/13/2022
 Date

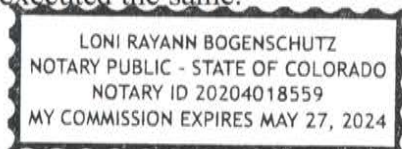
By: Craig R. Walters, Chief Executive Officer
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)




5/27/24
 My Commission Expires


 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date


By: Craig R. Walters
Title: Chief Executive Officer

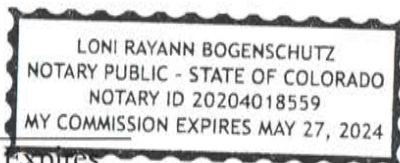
ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

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(SEAL)

5/27/24
My Commission Expires




Notary Public

EXHIBIT “A”

Plat of communitized area covering 320.16 acres in the Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Golden Fed Com 603H, API No. 30-025-47054

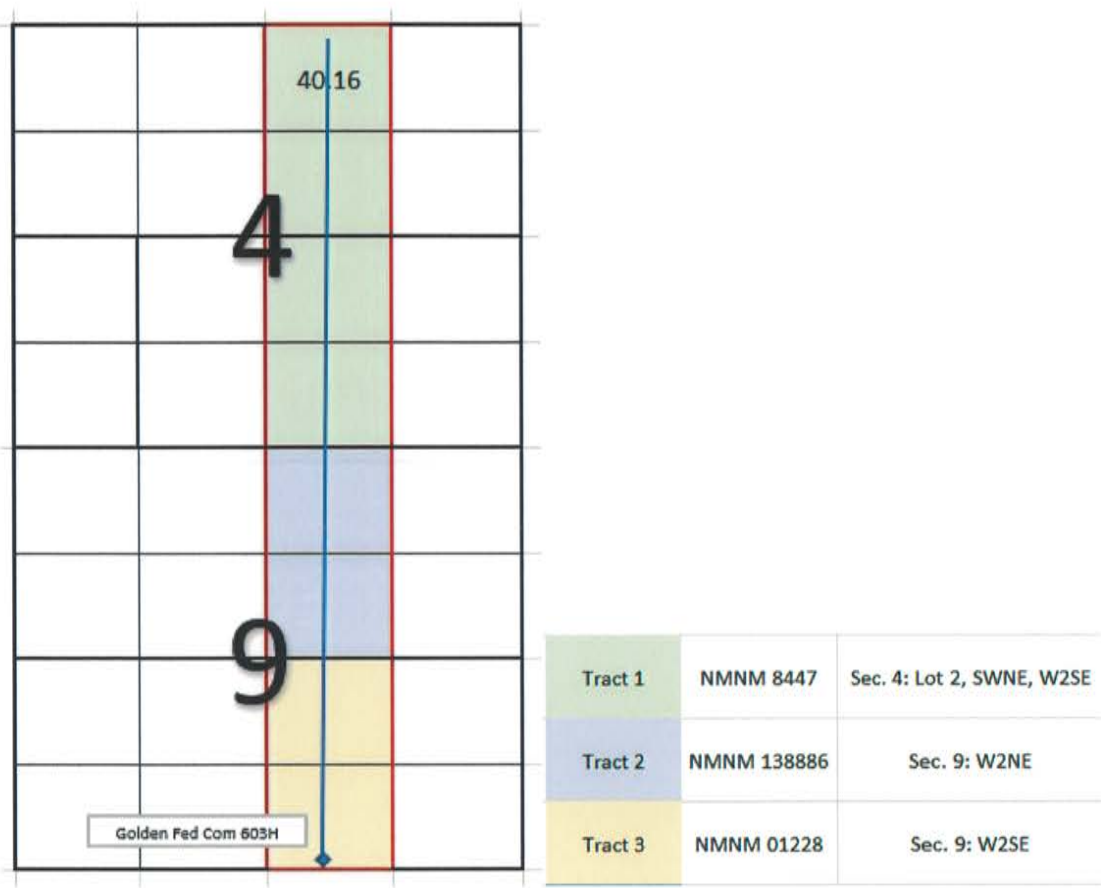


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, 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 008447
Lease Date:	January 1, 1969
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Tommie Cloar, Jr.
Current Lessee:	Magnum Hunter Production Inc. – 100.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 2, SW/4NE/4, W/2SE/4 Lea County, New Mexico
Number of Acres:	160.16
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 95.64171% Franklin Mountain Energy, LLC - 0.04573% Hinkle Living Trust, U/A - 0.04573% Bean Family Limited Partnership - 0.71114% Prospector, LLC - 3.55569%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis

Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2NE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC

ORRI Owners:

Franklin Mountain Royalty Investments, LLC; Mary Ellen McClellan; TD Minerals, LLC; Elliott Hall Company

Authority for Pooling:

Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.16	50.0250%
2	80.00	24.9875%
3	80.00	24.9875%
Total	320.16	100.000000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Golden Fed Com 603H, API No. 30-025-47054** (Subject Well) in **the Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 2, SW/4NE/4, W/2SE/4

Section 9: W/2E/2

Lea County, New Mexico

Containing **320.16** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Golden Fed Com 603H, API No. 30-025-47054**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations 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 lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Golden Fed Com 603H, API No. 30-025-47054** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Golden Fed Com 603H, API No. 30-025-47054** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Golden Fed Com 603H, API No. 30-025-47054** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Golden Fed Com 603H, API No. 30-025-47054** well: 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 **Golden Fed Com 603H, API No. 30-025-47054** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.


 Franklin Mountain Energy, LLC
 Operator

9/13/2022
 Date

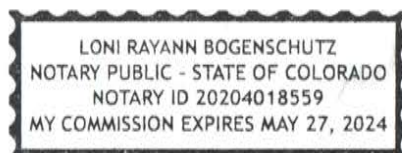
By: Craig R. Walters, Chief Executive Officer
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
 My Commission Expires


 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

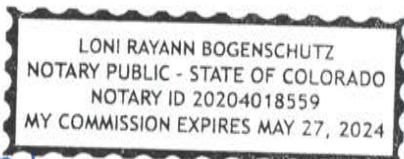
C.R. Walters
By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires

[Signature]
Notary Public

EXHIBIT “A”

Plat of communitized area covering 320.16 acres in the Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Golden Fed Com 603H, API No. 30-025-47054

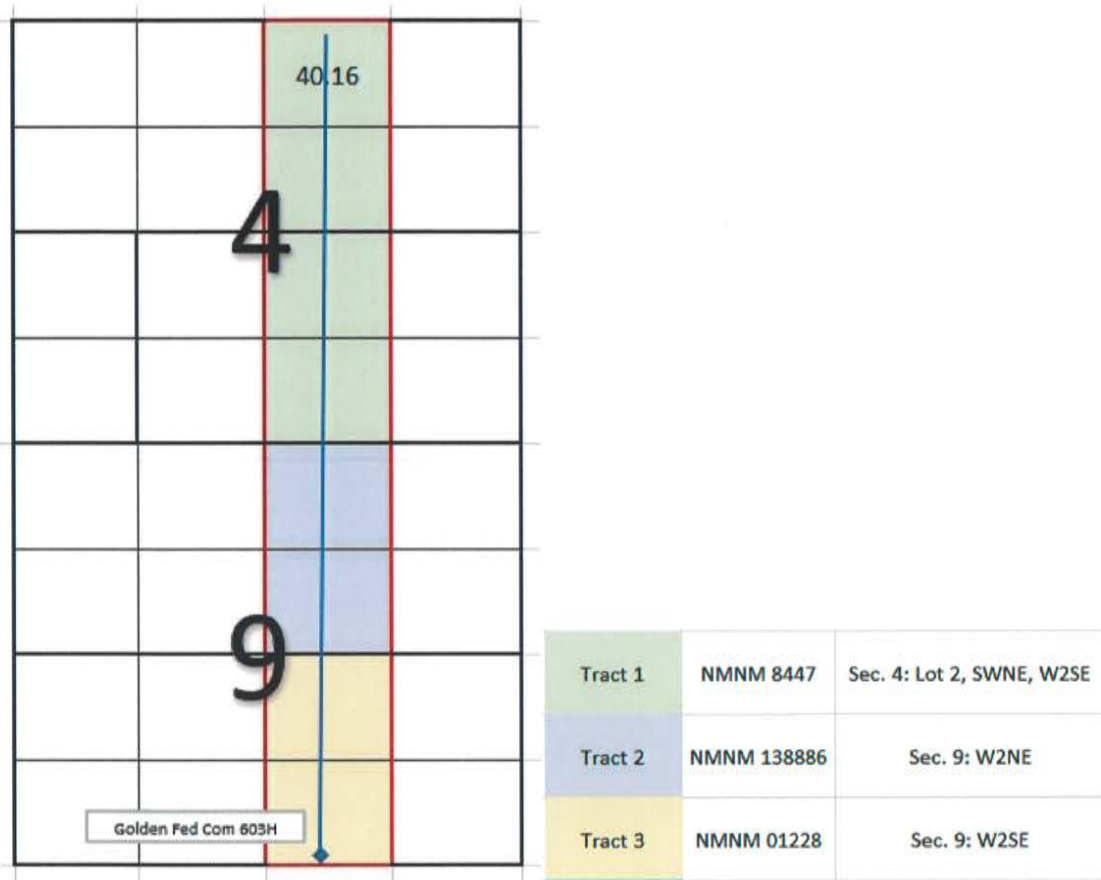


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 2, SW/4NE/4, W/2SE/4 of Section 4, and the W/2E/2 of Section 9, 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 008447
Lease Date:	January 1, 1969
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Tommie Cloar, Jr.
Current Lessee:	Magnum Hunter Production Inc. – 100.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 2, SW/4NE/4, W/2SE/4 Lea County, New Mexico
Number of Acres:	160.16
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 95.64171% Franklin Mountain Energy, LLC - 0.04573% Hinkle Living Trust, U/A - 0.04573% Bean Family Limited Partnership - 0.71114% Prospector, LLC - 3.55569%
ORRI Owners:	Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis

Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2NE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC

ORRI Owners:

Franklin Mountain Royalty Investments, LLC; Mary Ellen McClellan; TD Minerals, LLC; Elliott Hall Company

Authority for Pooling:

Federal Lease

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.16	50.0250%
2	80.00	24.9875%
3	80.00	24.9875%
Total	320.16	100.000000%



Date: September 14, 2022

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

Re: **Corrected Communitization Agreement NMNM 144067**
1. Lots 1, 2, S/2NE/4, SE/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM
Well Names - GOLDEN FED COM 704H, API# 30-025-47055
BRECKENRIDGE FED COM 705H, 30-025-47028
BRECKENRIDGE FED COM 706H, 30-025-47029
Pool – [98098] WC-025 G-09 S243532M; WOLFBONE

Dear Ms. Rivera:

Please find enclosed the above mentioned corrected communitization agreement, in triplicate originals. This correction is hereby submitted to replace the original document submitted on 11/09/2021 (BLM assigned number NMNM 144067) and to change the formation covered from “Wolfcamp” to **“Wolfbone”**.

Your attention to this matter is greatly appreciated. Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

Ilona T. Hoang
Landman

/Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lots 1, 2, S/2NE/4, SE/4
Section 9: E/2
Lea County, New Mexico

Containing 640.35 acres, more or less, and this agreement shall include only the **Wolfbone** 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.

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
 Wolfbone Formation
 E/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

- Page 266 of 433
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

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
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, 2021** 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.

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

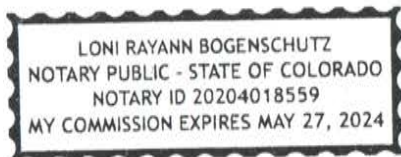
Title: Chief Executive Officer

Date: 9/13/2022

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
 Wolfbone Formation
 E/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive 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. Walters

Title: Chief Executive Officer

Date: 9/13/2022

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

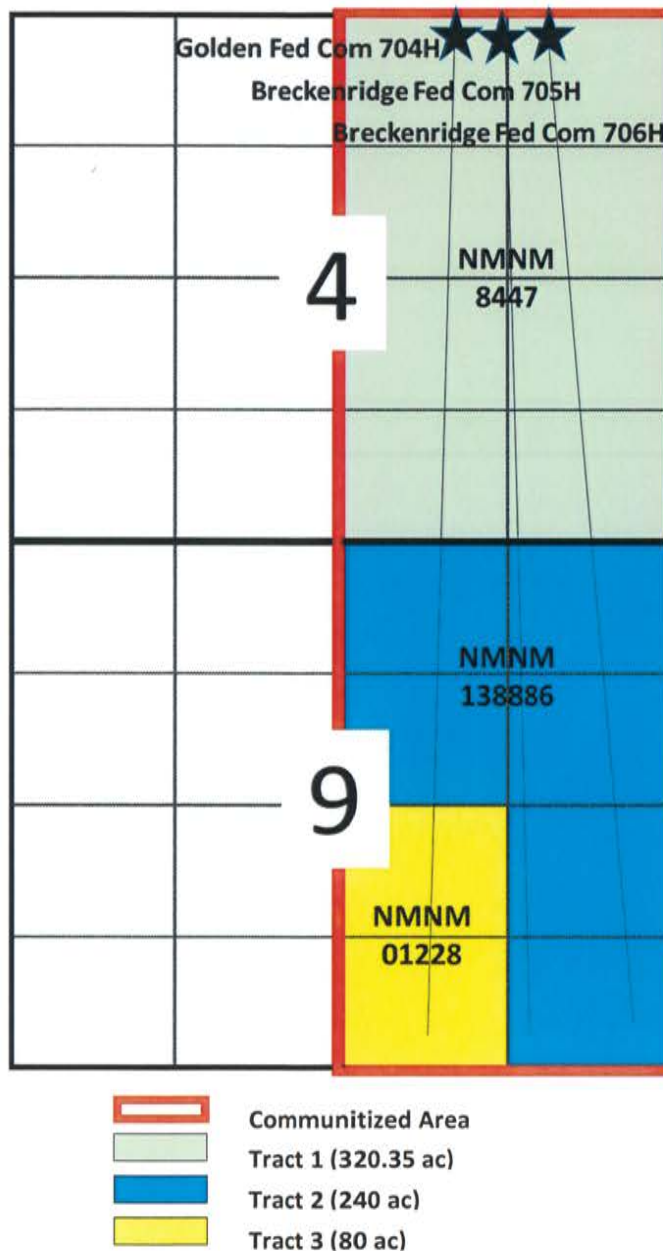
This instrument was acknowledged before me on this ____ day of _____, 2021,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

Notary Public in and for the State of Colorado

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.35** acres, more or less, in the
Lots 1 and 2, S/2NE/4 and SE/4 of Section 4 and E/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Golden Fed Com 704H and Breckenridge Fed Com 705H & 706H



Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described
land in Lots 1, 2, S/2NE/4, SE/4 of Section 4 and the E/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

TRACT NO. 1:

Lease Serial Number: NMNM 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lots 1, 2, S/2NE/4, SE/4
Lea County, New Mexico
Number of Acres: 320.35
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga
Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings,
LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.;
Charmar, LLC; Richard C. Deason; Thomas D. Deason;
Ronald H. Mayer, Trustee of the Ronald H. Mayer and
Martha M. Mayer Revocable Trust dated 3/19/1990; SAP,
LLC; Wells Fargo Bank, N.A. Trustee of the Robert N.
Enfield Revocable Trust dated 3/16/1999; Pony Oil
Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan
Bell Family, LLC; Magnum Hunter Productions, Inc.;
Featherstone Development Corp; McKay Petroleum
Corporation; St. Clair of Texas, LLC; Thomas J. Depke and
Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2SE/4, NE/4
Lea County, New Mexico
Number of Acres: 240.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC
ORRI Owners: Franklin Mountain Royalty Investments, LLC; Mary Ellen McClellan; TD Minerals, LLC; Elliott Hall Company
Authority for Pooling: Federal Lease

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.35	50.0273%
2	240.00	37.4795%
3	80.00	12.4932%
Total	640.35	100.000000%

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lots 1, 2, S/2NE/4, SE/4
Section 9: E/2
Lea County, New Mexico

Containing 640.35 acres, more or less, and this agreement shall include only the **Wolfbone** 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.

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

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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

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
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, 2021** 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.

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

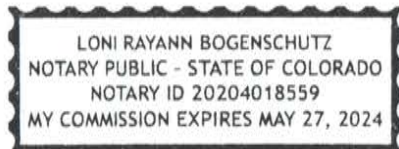
Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive 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 Executive Officer

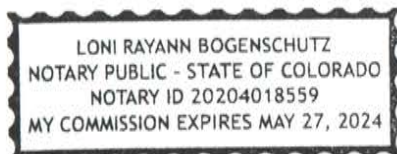
Date: 9/13/2022

THE STATE OF COLORADO

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§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware corporation.



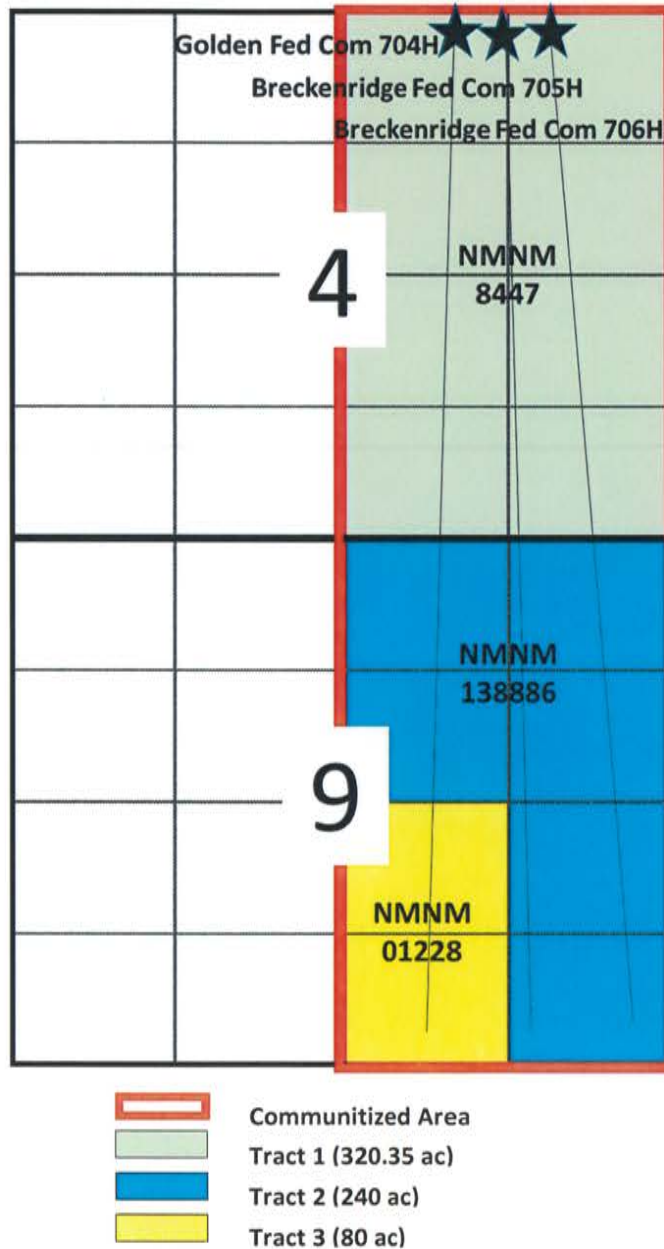


Notary Public in and for the State of Colorado

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.35** acres, more or less, in the
Lots 1 and 2, S/2NE/4 and SE/4 of Section 4 and E/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Golden Fed Com 704H and Breckenridge Fed Com 705H & 706H



Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described
land in Lots 1, 2, S/2NE/4, SE/4 of Section 4 and the E/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

TRACT NO. 1:

Lease Serial Number: NMNM 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lots 1, 2, S/2NE/4, SE/4
Lea County, New Mexico
Number of Acres: 320.35
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga
Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings,
LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.;
Charmar, LLC; Richard C. Deason; Thomas D. Deason;
Ronald H. Mayer, Trustee of the Ronald H. Mayer and
Martha M. Mayer Revocable Trust dated 3/19/1990; SAP,
LLC; Wells Fargo Bank, N.A. Trustee of the Robert N.
Enfield Revocable Trust dated 3/16/1999; Pony Oil
Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan
Bell Family, LLC; Magnum Hunter Productions, Inc.;
Featherstone Development Corp; McKay Petroleum
Corporation; St. Clair of Texas, LLC; Thomas J. Depke and
Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2SE/4, NE/4
Lea County, New Mexico

Number of Acres: 240.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%

ORRI Owners: Franklin Mountain Royalty Investments, LLC

Authority for Pooling: Federal Lease

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC
ORRI Owners: Franklin Mountain Royalty Investments, LLC; Mary Ellen
McClellan; TD Minerals, LLC; Elliott Hall Company
Authority for Pooling: Federal Lease

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.35	50.0273%
2	240.00	37.4795%
3	80.00	12.4932%
Total	640.35	100.000000%

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
 Wolfbone Formation
 E/2 Sections 4 & 9-24S-35E
 Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lots 1, 2, S/2NE/4, SE/4
Section 9: E/2
Lea County, New Mexico

Containing 640.35 acres, more or less, and this agreement shall include only the **Wolfbone** 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.

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
 Wolfbone Formation
 E/2 Sections 4 & 9-24S-35E
 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

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
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, 2021** 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.

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

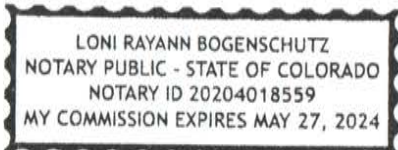
Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive 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]

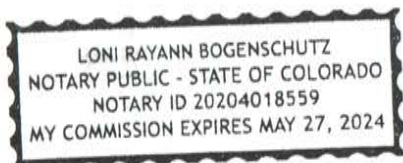
Name: Craig R. WaltersTitle: Chief Executive OfficerDate: 9/13/2022

THE STATE OF COLORADO

§
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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

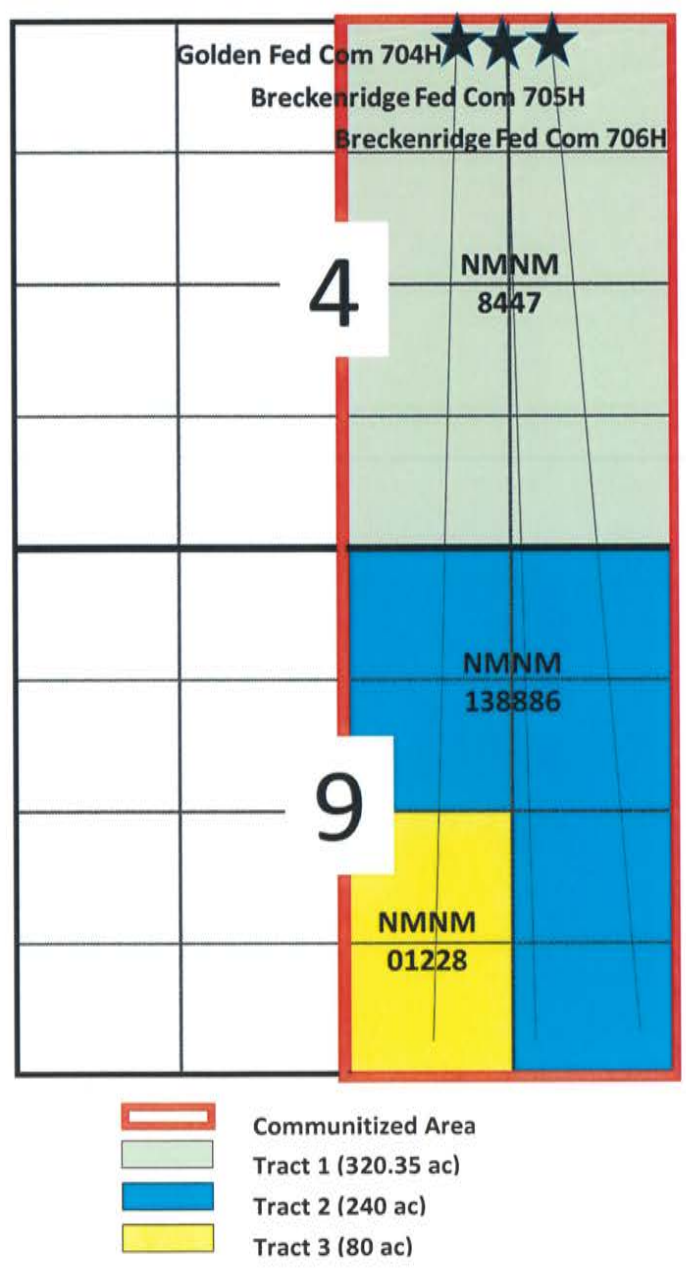


[Signature]
Notary Public in and for the State of Colorado

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **640.35** acres, more or less, in the
Lots 1 and 2, S/2NE/4 and SE/4 of Section 4 and E/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Golden Fed Com 704H and Breckenridge Fed Com 705H & 706H



Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described
land in Lots 1, 2, S/2NE/4, SE/4 of Section 4 and the E/2 of Section 9,
Township 24 South, Range 35 East,
Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

TRACT NO. 1:

Lease Serial Number: NMNM 008447
Lease Date: January 1, 1969
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United States of America**
Original Lessee: Tommie Cloar, Jr.
Current Lessee: Magnum Hunter Production Inc. – 100.00%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lots 1, 2, S/2NE/4, SE/4
Lea County, New Mexico
Number of Acres: 320.35
Royalty Rate: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
Franklin Mountain Energy, LLC - 0.04573%
Hinkle Living Trust, U/A - 0.04573%
Bean Family Limited Partnership - 0.71114%
Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga
Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings,
LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.;
Charmar, LLC; Richard C. Deason; Thomas D. Deason;
Ronald H. Mayer, Trustee of the Ronald H. Mayer and
Martha M. Mayer Revocable Trust dated 3/19/1990; SAP,
LLC; Wells Fargo Bank, N.A. Trustee of the Robert N.
Enfield Revocable Trust dated 3/16/1999; Pony Oil
Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan
Bell Family, LLC; Magnum Hunter Productions, Inc.;
Featherstone Development Corp; McKay Petroleum
Corporation; St. Clair of Texas, LLC; Thomas J. Depke and
Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2SE/4, NE/4
Lea County, New Mexico
Number of Acres: 240.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: W/2SE/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC
ORRI Owners: Franklin Mountain Royalty Investments, LLC; Mary Ellen McClellan; TD Minerals, LLC; Elliott Hall Company
Authority for Pooling: Federal Lease

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.35	50.0273%
2	240.00	37.4795%
3	80.00	12.4932%
Total	640.35	100.000000%

Golden Fed Com 704H, Breckenridge Fed Com 705H & 706H
Wolfbone Formation
E/2 Sections 4 & 9-24S-35E
Lea County, New Mexico

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

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

**CASE NO. 22120
ORDER NO. R-20944-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 23, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) requesting to amend Order R-20944 to (a) add the Golden Federal Com well No, 303H (“Well”) as described in Exhibit A and (b) extend the deadline to drill the well(s) as required by Order R-20944.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.
4. On October 31, 2019, the OCD issued Order R-20944 which pooled all uncommitted interests within a horizontal spacing unit described in the Order (“Unit”) and which required the Operator to commence drilling the wells dedicated to the Unit within one year. On August 27, 2020, the OCD granted an extension of the deadline to commence drilling the wells to October 31, 2021.
5. The Operator provided evidence that the extension of time was necessary due to delays caused by the global pandemic and by the Operator’s decision to batch drill the wells.

CONCLUSIONS OF LAW

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

10. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.
11. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

12. The Well will now be dedicated to the Unit established by Order R-20944.
13. If the location of the well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
14. The period to drill the well(s) is extended until October 31, 2022.
15. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-20944 for good cause shown.
16. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
17. The remaining provisions of Order R-20944 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AES/jag

Date: 10/07/2021

CASE NO. 22120
ORDER NO. R-20944-A

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 22120	APPLICANT'S RESPONSE
Date: September 23, 2021	
Applicant	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)
Applicant's Counsel:	Modrall Sperling (Deana Bennett, Jamie Allen)
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Colorado
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring / Wolfbone
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring / Wolfbone
Pool Name and Pool Code:	WC-025 G-07 S243517D; MIDDLE BONE SPRING, Pool Code 98294 WC-025 G-09 S243532M; WOLFBONE, Pool Code 98098
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	W/2E/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N
Applicant's Ownership in Each Tract	Exhibit 4.
Well(s)	

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Golden Fed Com 303H API: Pending SHL: 325 feet from the South line and 1443 feet from the East line, Section 9, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 1877 feet from the East line, Section 4, Township 24 South, Range 35 East, NMPM. Completion Target: Middle Bone Spring at approximately 10,100 feet. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 3A for C-102.
Well #2	Golden Fed Com 603 H API: 30-025-47054 SHL: 325 feet from the South line and 1408 feet from the East line, Section 9, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 1677 feet from the East line, Section 4, Township 24 South, Range 35 East, NMPM. Completion Target: Wolfbone at approximately 11,834' TVD. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 3B for C-102.
Horizontal Well First and Last Take Points	
Well #1	Golden Fed Com 303H Proposed first take point: 641' FSL, 1987' FEL, Proposed last take point: 150' FNL, 1877' FEL. See Exhibit 3A.
Well #2	Golden Fed Com 603H Proposed first take point: 640' FSL, 1786' FEL, Proposed last take point: 150' FNL, 1677' FEL. See Exhibit 3B.
Completion Target (Formation, TVD and MD)	See Tab B, Declaration of Shelly Albrecht, ¶ 14.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A

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Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 7
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 7
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 7
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	N/A
List of Interest Owners (ie Exhibit A of JOA)	N/A
Chronology of Contact with Non-Joined Working Interests	N/A
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibit 11
Gunbarrel/Lateral Trajectory Schematic	Exhibit 11
Well Orientation (with rationale)	Exhibit 13
Target Formation	Exhibits 12A through 12D
HSU Cross Section	Exhibit 12C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2
Tracts	Exhibit 4

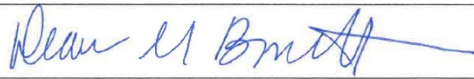
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Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 10
Well Bore Location Map	Exhibit 10
Structure Contour Map - Subsea Depth	Exhibit 12A
Cross Section Location Map (including wells)	Exhibit 12B
Cross Section (including Landing Zone)	Exhibit 12C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date:	September 21, 2021

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CASE NO. 22120
ORDER NO. R-20944-A

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20773
ORDER NO. R-20942**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 17, 2019, at Santa Fe, New Mexico, before Examiner Leonard R. Lowe.

NOW, on this 31st day of October 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) BTA Oil Producers, LLC and XTO Energy, Inc. entered an appearance. No other operator appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

Case No. 20773
Order No. R-20942
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- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

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Order No. R-20942
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IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Case No. 20773
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Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

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reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Case No. 20773
Order No. R-20942
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in blue ink, appearing to read "ASL".

ADRIENNE SANDOVAL
Director

Case No. 20773
Order No. R-20942
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Exhibit "A"

Applicant: Franklin Mountain Energy, LLC
Operator: Franklin Mountain Energy, LLC (OGRID No. 373910)

Spacing Unit: Horizontal Oil
Building Blocks: quarter-quarter section equivalents
Spacing Unit Size: 320 acres (more or less)
Orientation of Unit: North/South

Spacing Unit Description:

W/2 of Sections 9 and 4,
Township 24 South, Range 35 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: WC-025 G-09 S253502D - Upper Wolfcamp Pool (98187)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: Yes
Proximity Defining Well: Ouray Fed Com 702H is to be drilled closer than 330 feet from the Proximity Tracts and therefore defines the Horizontal Spacing Unit.

Monthly charge for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

There are 3 Proposed Well(s):

Ouray Federal Com 702H, API No. Pending

SHL: 325 feet from the South line and 1255 feet from the West line,
(Unit M) of Section 9, Township 24 South, Range 35 East, NMPM.
BHL: 150 feet from the North line and 1350 feet from the West line,
(Lot 3) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: Upper Wolfcamp at approx 11910 feet TVD.
Well Orientation: South to North
Completion Location expected to be: standard

Ouray Federal Com 703H, API No. Pending

SHL: 325 feet from the South line and 1325 feet from the West line,
(Unit N) of Section 9, Township 24 South, Range 35 East, NMPM.
BHL: 150 feet from the North line and 2276 feet from the West line,

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(Lot 3) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: Upper Wolfcamp at approximately 12025 feet TVD
Well Orientation: South to North
Completion Location expected to be: standard

Georgetown Federal Com 701H, API No. Pending

SHL: 325 feet from the South line and 1220 feet from the West line,
(Unit M) of Section 9, Township 24 South, Range 35 East, NMPM.
BHL: 150 feet from the North line and 350 feet from the West line,
(Lot 4) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: Upper Wolfcamp at approximately 12025 feet TVD
Well Orientation: South to North
Completion Location expected to be: standard

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20774
ORDER NO. R-20943**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 17, 2019, at Santa Fe, New Mexico, before Examiner Leonard R. Lowe.

NOW, on this 31st day of October 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) BTA Oil Producers, LLC and XTO Energy, Inc. entered an appearance. No other operator appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

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- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

Case No. 20774
Order No. R-20943
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IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Case No. 20774
Order No. R-20943
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Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

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reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Case No. 20774
Order No. R-20943
Page 6 of 8

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
Director

Case No. 20774
Order No. R-20943
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Exhibit "A"

Applicant: Franklin Mountain Energy, LLC
Operator: Franklin Mountain Energy, LLC (OGRID No. 373910)

Spacing Unit: Horizontal Oil
Building Blocks: quarter-quarter sections
Spacing Unit Size: 320 acres, more or less
Orientation of Unit: North/South

Spacing Unit Description:
W/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation
Depth Severance? (Yes/No): No

Pool: Ojo Chiso; Bone Spring (96553)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:

Georgetown Federal Com 301H, API No. Pending

SHL: 325 feet from the South line and 1150 feet from the West line,
(Unit M) of Section 9, Township 24 South, Range 35 East, NMPM.
BHL: 150 feet from the North line and 350 feet from the West line,
(Lot 4) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: 1st Bone Spring Sand at approx 10100 feet TVD.
Well Orientation: South to North
Completion Location expected to be: standard

Georgetown Federal Com 601H, API No. Pending

SHL: 325 feet from the South line and 1185 feet from the West line,
(Unit M) of Section 9, Township 24 South, Range 35 East, NMPM.
BHL: 150 feet from the North line and 350 feet from the West line,
(Lot 4) of Section 4, Township 24 South, Range 35 East, NMPM.

Case No. 20774
Order No. R-20943
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Completion Target: 3rd Bone Spring Sand at approx 11840 feet TVD.
Well Orientation: South to North
Completion Location expected to be: standard

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20775
ORDER NO. R-20944**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 17, 2019, at Santa Fe, New Mexico, before Examiner Leonard R. Lowe.

NOW, on this 31st day of October 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) XTO Energy, Inc. entered an appearance. No other operator appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

Case No. 20775
Order No. R-20944
Page 2 of 7

- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

Case No. 20775
Order No. R-20944
Page 3 of 7

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Case No. 20775
Order No. R-20944
Page 4 of 7

Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

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reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Case No. 20775
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Page 6 of 7

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL
Director

Case No. 20775
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Exhibit "A"

Applicant: Franklin Mountain Energy, LLC
Operator: Franklin Mountain Energy, LLC (OGRID No. 373910)

Spacing Unit: Horizontal Oil
Building Blocks: quarter-quarter sections
Spacing Unit Size: 320 acres, more or less
Orientation of Unit: North/ South

Spacing Unit Description:
W/2 E/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation
Depth Severance? (Yes/No): No

Pool: Ojo Chiso; Bone Spring (Pool code 96553)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

Proposed Well:

Golden Federal Com 603H, API No. Pending

SHL: 325 feet from the South line and 1408 feet from the East line,
(Unit O) of Section 9, Township 24 South, Range 35 East, NMPM.
BHL: 150 feet from the North line and 1677 feet from the East line,
(Lot 2) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 11760 feet TVD.
Well Orientation: South to North
Completion Location expected to be: standard

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20776
ORDER NO. R-20945**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 17, 2019, at Santa Fe, New Mexico, before Examiner Leonard R. Lowe.

NOW, on this 31st day of October 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) XTO Energy, Inc. entered an appearance. No other operator appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

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- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

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IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

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Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

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reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

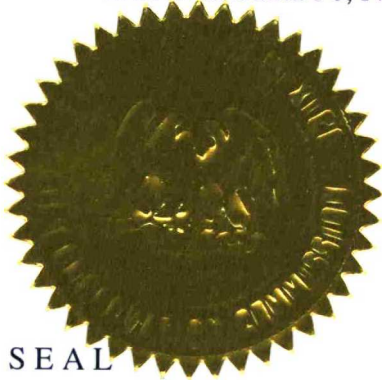
(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
Director

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Exhibit "A"

Applicant: Franklin Mountain Energy, LLC
Operator: Franklin Mountain Energy, LLC (OGRID No. 373910)

Spacing Unit: Horizontal Oil
Building Blocks: quarter-quarter section equivalents
Spacing Unit Size: 640 acres (more or less)
Orientation of Unit: North/South

Spacing Unit Description:

E/2 Equivalent of Sections 9 and 4,
Township 24 South, Range 35 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Wolfcamp Formation
Depth Severance? (Yes/No): No

Pool: WC-025G-09S253502D; Upper Wolfcamp (98187)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: Yes
Proximity Defining Well: Breckenridge Fed Com 705H is to be drilled closer than 330 feet from the Proximity Tracts and therefore defines the Horizontal Spacing Unit.

Monthly charge for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

There are 3 Proposed Well(s):

Breckenridge Federal Com 705H, API No. Pending

SHL: 325 feet from the South line and 1338 feet from the East line,
(Unit O) of Section 9, Township 24 South, Range 35 East, NMPM.
BHL: 150 feet from the North line and 1152 feet from the East line,
(Lot 1) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: Wolfcamp at approx 12025 feet TVD.
Well Orientation: South to North
Completion Location expected to be: standard

Breckenridge Federal Com 706H, API No. Pending

SHL: 325 feet from the South line and 1268 feet from the East line,
(Unit P) of Section 9, Township 24 South, Range 35 East, NMPM.
BHL: 150 feet from the North line and 350 feet from the East line,

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(Lot 1) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: Upper Wolfcamp at approximately 11910 feet TVD

Well Orientation: South to North

Completion Location expected to be: standard

Golden Fed Com 704H, API No. Pending

SHL: 325 feet from the South line and 1373 feet from the East line,
(Unit O) of Section 9, Township 24 South, Range 35 East, NMPM.

BHL: 150 feet from the North line and 2078 feet from the East line,
(Lot 2) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: Upper Wolfcamp at approximately 11910 feet TVD

Well Orientation: South to North

Completion Location expected to be: standard

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20777
ORDER NO. R-20946**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 17, 2019, at Santa Fe, New Mexico, before Examiner Leonard R. Lowe.

NOW, on this 31st day of October 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) XTO Energy, Inc and BTA Oil Producers, LLC entered an appearance. No other operator appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
 - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.

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- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

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IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

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Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

- (a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and
- (b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

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reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in blue ink, appearing to read "AS", written over the printed name.

ADRIENNE SANDOVAL
Director

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Exhibit "A"

Applicant: Franklin Mountain Energy, LLC
Operator: Franklin Mountain Energy, LLC (OGRID No. 373910)

Spacing Unit: Horizontal Oil
Building Blocks: quarter-quarter sections
Spacing Unit Size: 320 acres, more or less
Orientation of Unit: North/ South

Spacing Unit Description:
E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation
Depth Severance? (Yes/No): No

Pool: Ojo Chiso; Bone Spring (Pool code 96553)
Pool Spacing Unit Size: quarter-quarter sections
Governing Well Setbacks: Horizontal Oil Well Rules
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7000 While producing: \$700
As the charge for risk, 200 percent of reasonable well costs.

Proposed Well:

Ouray Federal Com 602H, API No. Pending

SHL: 325 feet from the South line and 1290 feet from the West line,
(Unit M) of Section 9, Township 24 South, Range 35 East, NMPM.

BHL: 150 feet from the North line and 2276 feet from the West line,
(Lot 3) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 11840 feet TVD
Well Orientation: South to North
Completion Location expected to be: standard



Date: September 14, 2022

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

Re: **Corrected Communitization Agreement NMNM 144071**
1. Lot 3, SE/4NW/4, E/2SW/4 of Sec. 4-T24S-R35E, N.M.P.M.
and E/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM
Well Name - OURAY FED COM 302H
API# 30-025-49414
Pool – [98294] WC-025 G-07 S243517D; MIDDLE BONE SPRING

Dear Ms. Rivera:

Please find enclosed the above mentioned corrected communitization agreement, in triplicate originals. This correction is hereby submitted to replace the original document submitted on 11/09/2021 (BLM assigned number NMNM 144071) and to change the formation covered from “Bone Spring and Wolfbone” to **“Bone Spring” only**.

Your attention to this matter is greatly appreciated. Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

Ilona T. Hoang
Landman

/Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 3, SE/4NW/4, E/2SW/4

Section 9: E/2W/2

Lea County, New Mexico

Containing 320.14 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.
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

Ouray Fed Com 302H
Bone Spring Formation
E/2W/2 of Sections 4 & 9-26S-35E
Lea County, New Mexico

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 considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and

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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, 2021** 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.

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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.

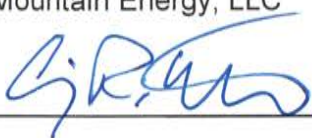
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

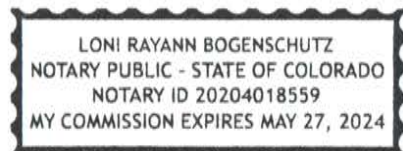
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Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive 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. Walters

Title: Chief Executive Officer

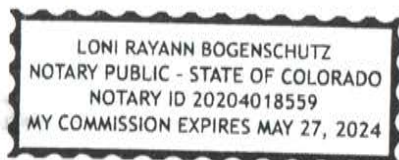
Date: 9/13/2022

THE STATE OF COLORADO

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COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022,
by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware
corporation.

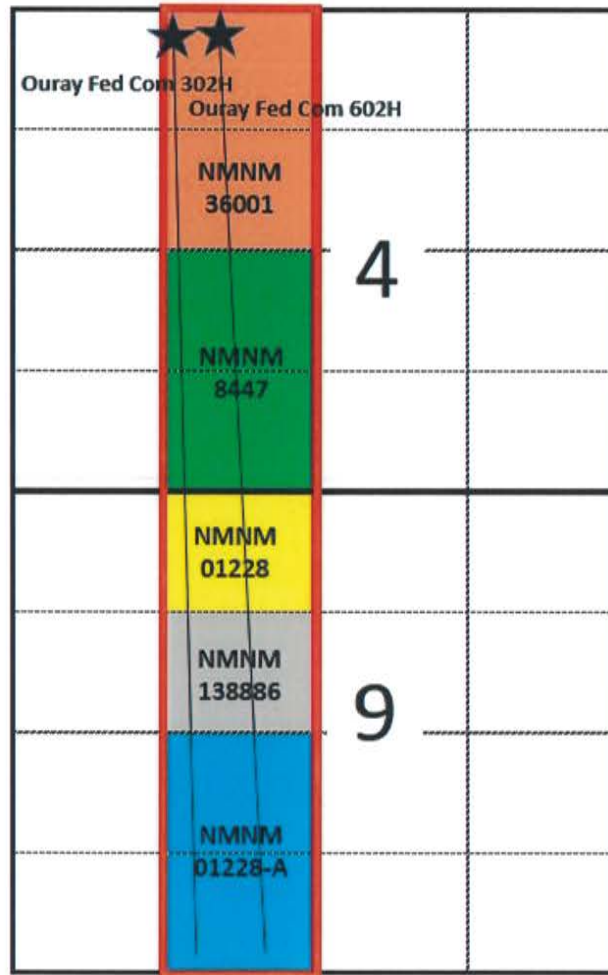








[Signature]
Notary Public in and for the State of Colorado

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E/2W/2 of Sections 4 & 9-26S-35E
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EXHIBIT "A"

Plat of communitized area covering **320.14** acres, more or less, in
Lot 3, SE/4NW/4 and E/2SW/4 of Section 4 and E/2W/2 of Section 9
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Ouray Fed Com 302H



	<u>Communitized Area</u>
	Tract 1 (80.14 ac)
	Tract 2 (80 ac)
	Tract 3 (40 ac)
	Tract 4 (40 ac)
	Tract 5 (80 ac)

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EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 3, SE/4NW/4 and E/2SW/4 of Section 4 and E/2W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 3, SE/4NW/4 Lea County, New Mexico
Number of Acres:	80.14
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC -- 98.04830%
	Franklin Mountain Energy, LLC - 0.17582%
	Hinkle Living Trust, UA - 0.17582%
	Bean Family Limited Partnership - 0.26668%
	Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease

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TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

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TRACT NO. 3:

Lease Serial Number: NMNM 001228
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: NE/4NW/4
Lea County, New Mexico
Number of Acres: 40.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
Investments, LLC; Mary Ellen McClellan;
TD Minerals, LLC
Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
Lease Date: November 1, 2018
Lease Primary Term: Ten (10) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Franklin Mountain Energy, LLC
Current Lessee: Franklin Mountain Energy, LLC - 100%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: SE/4NW/4
Lea County, New Mexico
Number of Acres: 40.00
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
ORRI Owners: Franklin Mountain Royalty Investments, LLC
Authority for Pooling: Federal Lease

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TRACT NO. 5:

Lease Serial Number: NMNM 001228-A
Lease Date: December 1, 1951
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Joseph L. McClellan Jr.
Current Lessee: XTO Holdings LLC - 50%
Occidental Permian LP - 50%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 9: E/2SW/4
Lea County, New Mexico
Number of Acres: 80.00
Royalty Rates: 12.50%
WI Owners Names and Interests: XTO Holdings LLC – 50%
Chevron USA Inc. - 50%
ORRI Owners: Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC
Authority for Pooling: Federal Lease

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RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.14	25.0328%
2	80.00	24.9891%
3	40.00	12.4945%
4	40.00	12.4945%
5	80.00	24.9891%
Total	320.14	100.00%

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Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 3, SE/4NW/4, E/2SW/4****Section 9: E/2W/2****Lea County, New Mexico**

Containing 320.14 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.
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

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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 considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and

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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, 2021** 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.

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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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

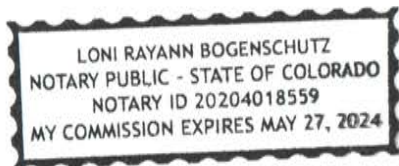
Title: Chief Executive Officer

Date: 9/13/2022

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Lea County, New Mexico

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive 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: 

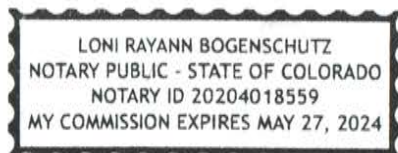
Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware corporation.

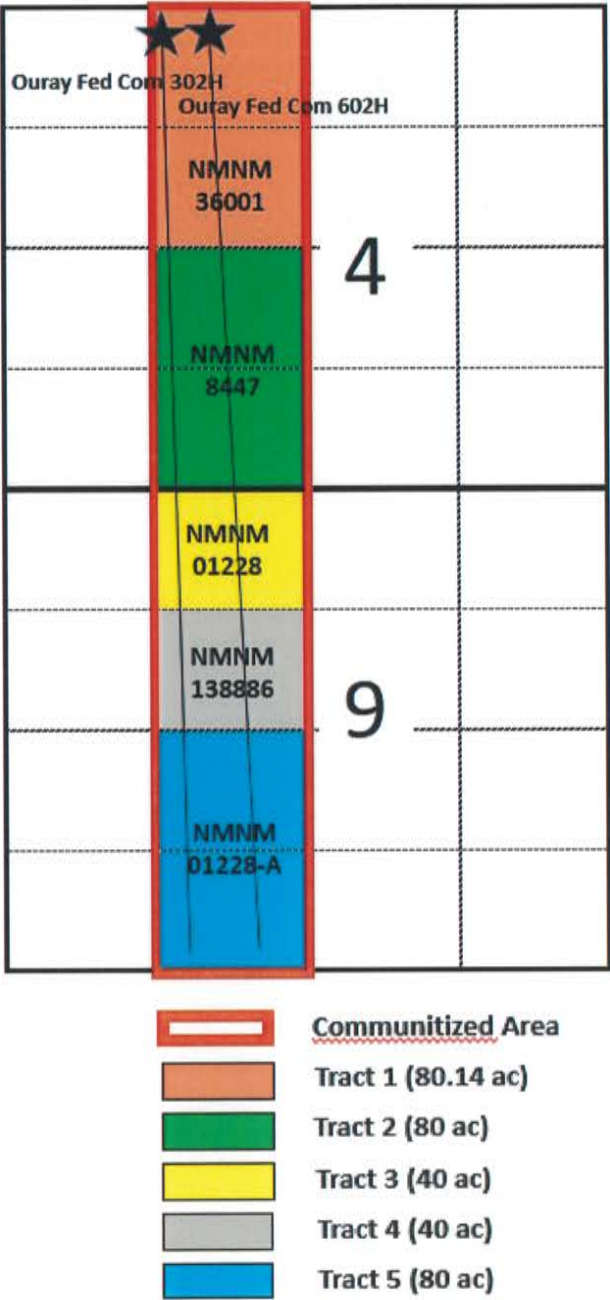



Notary Public in and for the State of Colorado

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EXHIBIT "A"

Plat of communitized area covering **320.14** acres, more or less, in
Lot 3, SE/4NW/4 and E/2SW/4 of Section 4 and E/2W/2 of Section 9
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Ouray Fed Com 302H



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EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 3, SE/4NW/4 and E/2SW/4 of Section 4 and E/2W/2 of Section 9, 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 36001		
Lease Date:	April 1, 1952		
Lease Primary Term:	Five (5) years		
Recordation:	Not Recorded		
Lessor:	United State of America		
Original Lessee:	Jessie Thomson Kinahan		
Current Lessee:	McKay Petroleum Corp. -	50%	
	XTO Holdings LLC -	25%	
	Chevron USA Inc. -	25%	
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 3, SE/4NW/4 Lea County, New Mexico		
Number of Acres:	80.14		
Royalty Rates:	12.50%		
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC -	98.04830%	
	Franklin Mountain Energy, LLC -	0.17582%	
	Hinkle Living Trust, UA -	0.17582%	
	Bean Family Limited Partnership -	0.26668%	
	Prospector, LLC -	1.33338%	
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP		
Authority for Pooling:	Federal Lease		

Ouray Fed Com 302H
Bone Spring Formation
E/2W/2 of Sections 4 & 9-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

Ouray Fed Com 302H
 Bone Spring Formation
 E/2W/2 of Sections 4 & 9-26S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

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 Bone Spring Formation
 E/2W/2 of Sections 4 & 9-26S-35E
 Lea County, New Mexico

TRACT NO. 5:

Lease Serial Number:	NMNM 001228-A		
Lease Date:	December 1, 1951		
Lease Primary Term:	Five (5) years		
Recordation:	Not Recorded		
Lessor:	United State of America		
Original Lessee:	Joseph L. McClellan Jr.		
Current Lessee:	XTO Holdings LLC -	50%	
	Occidental Permian LP -	50%	
Description of Land Committed:	Insofar and only insofar as said lease covers:		
	<u>Township 24 South, Range 35 East</u>		
	Section 9: E/2SW/4		
	Lea County, New Mexico		
Number of Acres:	80.00		
Royalty Rates:	12.50%		
WI Owners Names and Interests:	XTO Holdings LLC -	50%	
	Chevron USA Inc. -	50%	
ORRI Owners:	Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC		
Authority for Pooling:	Federal Lease		

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 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.14	25.0328%
2	80.00	24.9891%
3	40.00	12.4945%
4	40.00	12.4945%
5	80.00	24.9891%
Total	320.14	100.00%

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Bone Spring Formation
E/2W/2 of Sections 4 & 9-26S-35E
Lea County, New Mexico

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of March, 2021** 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 4: Lot 3, SE/4NW/4, E/2SW/4

Section 9: E/2W/2

Lea County, New Mexico

Containing 320.14 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.
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

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Bone Spring Formation
E/2W/2 of Sections 4 & 9-26S-35E
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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 considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and

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Bone Spring Formation
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Lea County, New Mexico

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, 2021** 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.

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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 & Record Title Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Executive Officer

Date: 9/13/2022

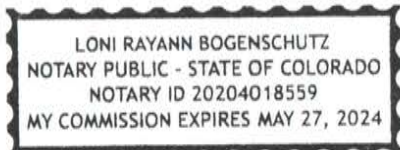
Ouray Fed Com 302H
Bone Spring Formation
E/2W/2 of Sections 4 & 9-26S-35E
Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive 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 Executive Officer

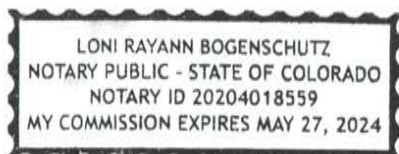
Date: 9/13/2022

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 13th day of September, 2022, by Craig R. Walters, as Chief Executive Officer of Franklin Mountain Energy 2, LLC, a Delaware corporation.



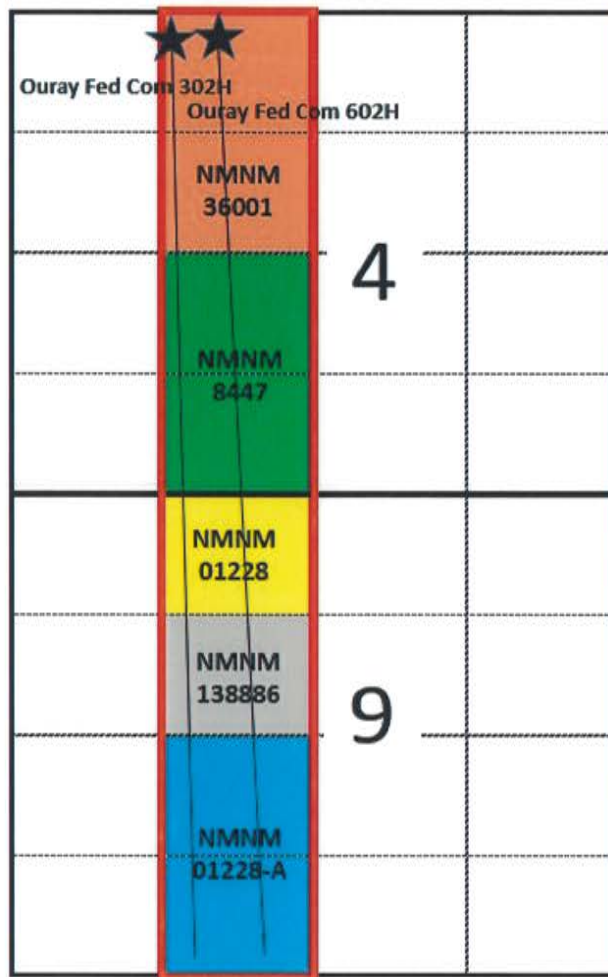


Notary Public in and for the State of Colorado

Ouray Fed Com 302H
Bone Spring Formation
E/2W/2 of Sections 4 & 9-26S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320.14** acres, more or less, in
Lot 3, SE/4NW/4 and E/2SW/4 of Section 4 and E/2W/2 of Section 9
Township 24 South, Range 35 East,
Lea County, New Mexico.
Well Names/Nos.
Ouray Fed Com 302H



- | | |
|--|--------------------------|
| | <u>Communitized Area</u> |
| | Tract 1 (80.14 ac) |
| | Tract 2 (80 ac) |
| | Tract 3 (40 ac) |
| | Tract 4 (40 ac) |
| | Tract 5 (80 ac) |

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Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated March 1, 2021, embracing the following described land in Lot 3, SE/4NW/4 and E/2SW/4 of Section 4 and E/2W/2 of Section 9, 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 36001
Lease Date: April 1, 1952
Lease Primary Term: Five (5) years
Recordation: Not Recorded
Lessor: **United State of America**
Original Lessee: Jessie Thomson Kinahan
Current Lessee: McKay Petroleum Corp. - 50%
XTO Holdings LLC - 25%
Chevron USA Inc. - 25%
Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
Section 4: Lot 3, SE/4NW/4
Lea County, New Mexico
Number of Acres: 80.14
Royalty Rates: 12.50%
WI Owners Names and Interests: Franklin Mountain Energy 2, LLC - 98.04830%
Franklin Mountain Energy, LLC - 0.17582%
Hinkle Living Trust, UA - 0.17582%
Bean Family Limited Partnership - 0.26668%
Prospector, LLC - 1.33338%
ORRI Owners: Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling: Federal Lease

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E/2W/2 of Sections 4 & 9-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%

ORRI Owners: Franklin Mountain Royalty Investments, LLC; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1990; SAP, LLC; Wells Fargo Bank, N.A. Trustee of the Robert N. Enfield Revocable Trust dated 3/16/1999; Pony Oil Operating, LLC; MerPel, LLC; TD Minerals, LLC; Bryan Bell Family, LLC; Magnum Hunter Productions, Inc.; Featherstone Development Corp; McKay Petroleum Corporation; St. Clair of Texas, LLC; Thomas J. Depke and Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brertt Dalton; David Trent Dalton; Milton R. Fry; Franklin Mountain Energy 2, LLC

Authority for Pooling: Federal Lease

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 Bone Spring Formation
 E/2W/2 of Sections 4 & 9-26S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

Ouray Fed Com 302H
 Bone Spring Formation
 E/2W/2 of Sections 4 & 9-26S-35E
 Lea County, New Mexico

TRACT NO. 5:

Lease Serial Number:	NMNM 001228-A		
Lease Date:	December 1, 1951		
Lease Primary Term:	Five (5) years		
Recordation:	Not Recorded		
Lessor:	United State of America		
Original Lessee:	Joseph L. McClellan Jr.		
Current Lessee:	XTO Holdings LLC -	50%	
	Occidental Permian LP -	50%	
Description of Land Committed:	Insofar and only insofar as said lease covers:		
	<u>Township 24 South, Range 35 East</u>		
	Section 9: E/2SW/4		
	Lea County, New Mexico		
Number of Acres:	80.00		
Royalty Rates:	12.50%		
WI Owners Names and Interests:	XTO Holdings LLC -	50%	
	Chevron USA Inc. -	50%	
ORRI Owners:	Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC		
Authority for Pooling:	Federal Lease		

Ouray Fed Com 302H
 Bone Spring Formation
 E/2W/2 of Sections 4 & 9-26S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.14	25.0328%
2	80.00	24.9891%
3	40.00	12.4945%
4	40.00	12.4945%
5	80.00	24.9891%
Total	320.14	100.00%

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Bone Spring Formation
E/2W/2 of Sections 4 & 9-26S-35E
Lea County, New Mexico



Date: September 14, 2022

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

Re: Wellbore-Specific Communitization Agreements:

1. Lot 2, SW/4NE/4, W/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name – **Golden Fed Com 603H**

API# 30-025-47054

Pool - WC-025 G-09 S243532M; Wolfbone (98098)

2. Lot 3, SE/4NW/4, E/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name – **Ouray Fed Com 602H**

API# 30-025-47266

Pool - WC-025 G-09 S243532M; Wolfbone (98098)

3. Lot 4, SW/4NW/4, W/2SW/4 of Section 4-T24S-R35E, N.M.P.M.
and W/2W/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name - **GEORGETOWN FED COM 601H**

API# 30-025-47264

Pool – [98098] WC-025 G-09 S243532M; WOLFBONE

4. Lot 1, SE/4NE/4, E/2SE/4 of Section 4-T24S-R35E, N.M.P.M.
and E/2E/2 of Section 9-T24S-R35E, N.M.P.M., Lea County, NM

Well Name - **BRECKENRIDGE FED COM 604H**

API# 30-025-47117

Pool – WC-025 G-09 S243532M; Wolfbone (98098)

Dear Ms. Rivera:

Please find enclosed the above mentioned wellbore-specific communitization agreements, in triplicate originals.



Should you have any questions please contact me at (970) 901-2200.

Respectfully,

Franklin Mountain Energy, LLC

A handwritten signature in blue ink, appearing to read "Ilona T. Hoang", is written over a light blue horizontal line.

Ilona T. Hoang
Landman

Enclosures

ORIGIN ID: 0BF A (720) 414-7868 LONI BOGENSCHULTZ FRANKLIN MOUNTAIN ENERGY LLC 44 COOK STREET SUITE 1000 DENVER, CO 80206 UNITED STATES US		SHIP DATE: 13SEP22 ACTWGT: 1.00 LB CAD: 250519288/NET/4530
TO ELIZABETH (LISA) M. RIVERA BUREAU OF LAND MANAGEMENT 301 DINOSAUR TRAIL		BILL SENDER
SANTA FE NM 87508 (720) 414-7868 REF: COLORADO GAS CORRECTED DEPT.		
		
		
TRK# 7779 2303 6555 0201	THU - 15 SEP 4:30P ** 2DAY **	
		
SX SAFA NM-US ABQ 87508		

581J1/EC8C/FE2D

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2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

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Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on [fedex.com](https://www.fedex.com). FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Ouray Fed Com 602H, API No. 30-025-47266** (Subject Well) in the **Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 3, SE/4NW/4, E/2SW/4

Section 9: E/2W/2

Lea County, New Mexico

Containing **320.14** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Ouray Fed Com 602H, API No. 30-025-47266**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Ouray Fed Com 602H, API No. 30-025-47266** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Ouray Fed Com 602H, API No. 30-025-47266** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Ouray Fed Com 602H, API No. 30-025-47266** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Ouray Fed Com 602H, API No. 30-025-47266** well: 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 **Ouray Fed Com 602H, API No. 30-025-47266** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.


 Franklin Mountain Energy, LLC
 Operator

9/13/2022
 Date

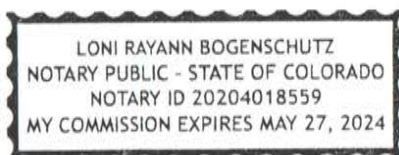
By: Craig R. Walters, Chief Executive Officer
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 15th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
 My Commission Expires


 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

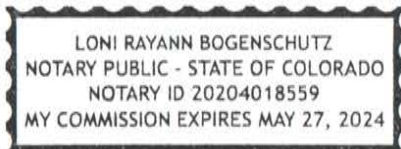

By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires



Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.14 acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Ouray Fed Com 602H, API No. 30-025-47266

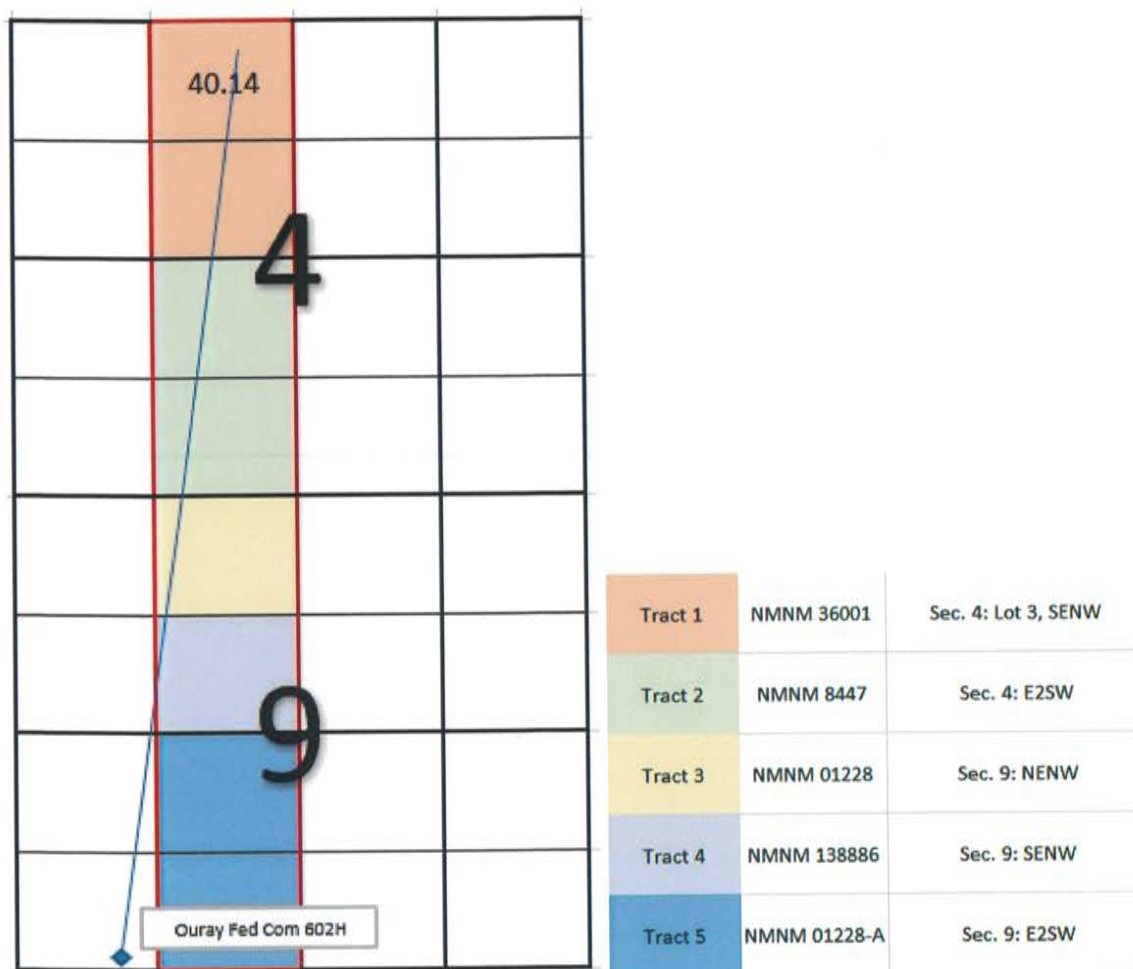


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, 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:	NMMN 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 3, SE/4NW/4 Lea County, New Mexico
Number of Acres:	80.14
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 98.04830% Franklin Mountain Energy, LLC - 0.17582% Hinkle Living Trust, UA - 0.17582% Bean Family Limited Partnership - 0.26668% Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC;
 Cayuga Royalties, LLC; Prevail Energy, LLC;
 Rheiner Holdings, LLC; Monticello Minerals, LLC;
 Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C.
 Deason; Thomas D. Deason; Ronald H. Mayer,
 Trustee of the Ronald H. Mayer and Martha M. Mayer
 Revocable Trust dated 3/19/1990; SAP, LLC; Wells
 Fargo Bank, N.A. Trustee of the Robert N. Enfield
 Revocable Trust dated 3/16/1999; Pony Oil
 Operating, LLC; MerPel, LLC; TD Minerals, LLC;
 Bryan Bell Family, LLC; Magnum Hunter
 Productions, Inc.; Featherstone Development Corp;
 McKay Petroleum Corporation; St. Clair of Texas,
 LLC; Thomas J. Depke and Marilyn A. Depke,
 Trustees U/I of Thomas J. Depke dated 11/19/2004;
 C. Richard Overly; BPL Fish Pond, LLC; Millis
 Jeffrey Oakes; Stephen William Oakes; Elizabeth ann
 Cline; Benjamin Jacob Oakes; Matthew David Oakes;
 Olin Brertt Dalton; David Trent Dalton; Milton R.
 Fry; Franklin Mountain Energy 2, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number:	NMNM 001228-A		
Lease Date:	December 1, 1951		
Lease Primary Term:	Five (5) years		
Recordation:	Not Recorded		
Lessor:	United State of America		
Original Lessee:	Joseph L. McClellan Jr.		
Current Lessee:	XTO Holdings LLC -	50%	
	Occidental Permian LP -	50%	
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 9: E/2SW/4 Lea County, New Mexico		
Number of Acres:	80.00		
Royalty Rates:	12.50%		
WI Owners Names and Interests:	XTO Holdings LLC --	50%	
	Chevron USA Inc. -	50%	
ORRI Owners:	Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC		
Authority for Pooling:	Federal Lease		

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.14	25.0328%
2	80.00	24.9891%
3	40.00	12.4945%
4	40.00	12.4945%
5	80.00	24.9891%
Total	320.14	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Ouray Fed Com 602H, API No. 30-025-47266** (Subject Well) in **the Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 3, SE/4NW/4, E/2SW/4

Section 9: E/2W/2

Lea County, New Mexico

Containing **320.14** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Ouray Fed Com 602H, API No. 30-025-47266**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Ouray Fed Com 602H, API No. 30-025-47266** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Ouray Fed Com 602H, API No. 30-025-47266** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Ouray Fed Com 602H, API No. 30-025-47266** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Ouray Fed Com 602H, API No. 30-025-47266** well: 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 **Ouray Fed Com 602H, API No. 30-025-47266** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.


 Franklin Mountain Energy, LLC
 Operator

9/13/2022
 Date

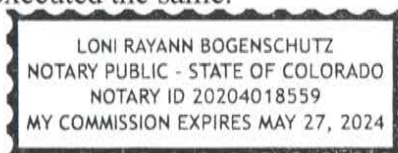
By: Craig R. Walters, Chief Executive Officer
 Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
 COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
 My Commission Expires


 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

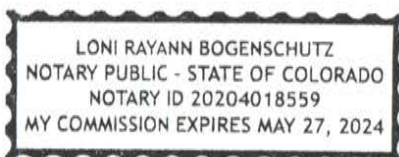
C.R. Walters
By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Denver Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires

[Signature]
Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.14 acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Ouray Fed Com 602H, API No. 30-025-47266

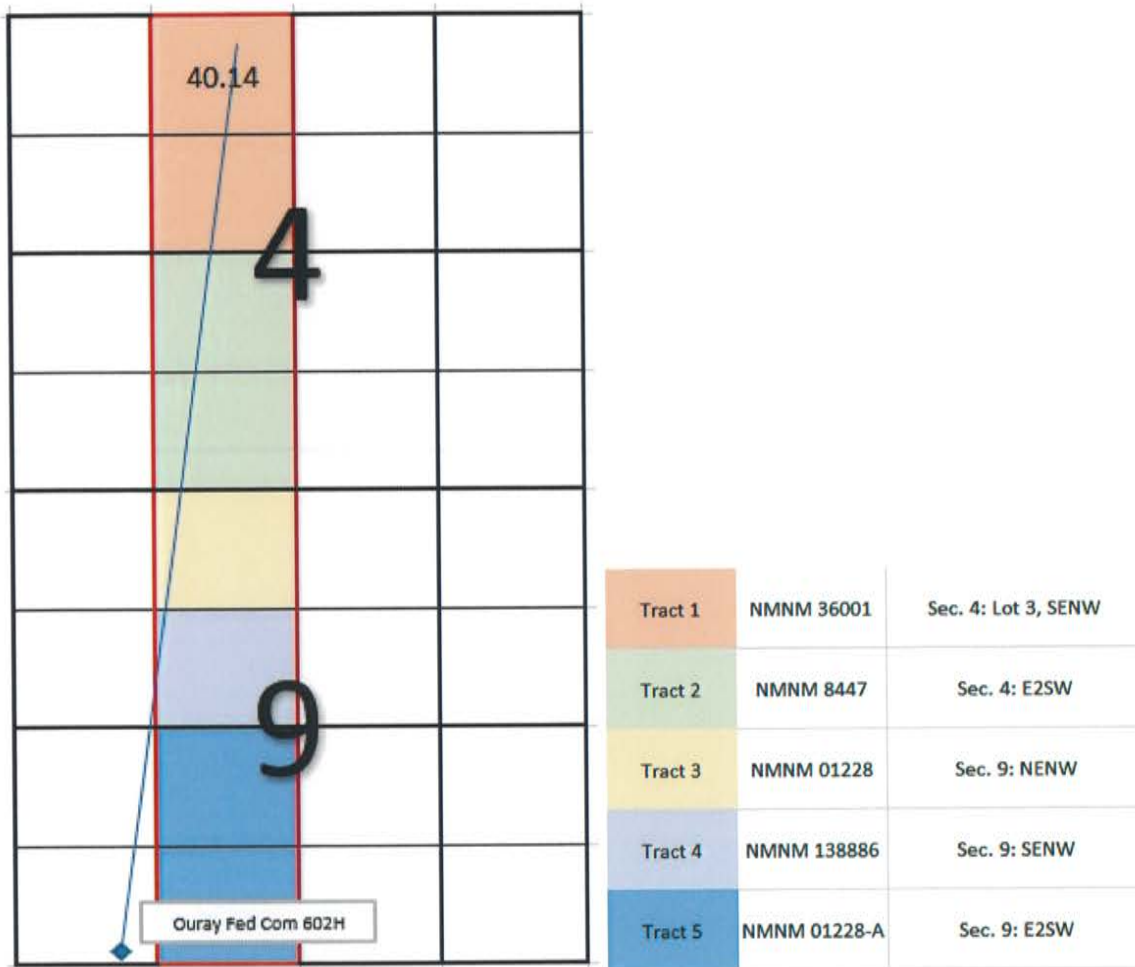


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 3, SE/4NW/4 Lea County, New Mexico
Number of Acres:	80.14
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 98.04830% Franklin Mountain Energy, LLC - 0.17582% Hinkle Living Trust, UA - 0.17582% Bean Family Limited Partnership - 0.26668% Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%

 ORRI Owners: Franklin Mountain Royalty Investments, LLC;
 Cayuga Royalties, LLC; Prevail Energy, LLC;
 Rheiner Holdings, LLC; Monticello Minerals, LLC;
 Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C.
 Deason; Thomas D. Deason; Ronald H. Mayer,
 Trustee of the Ronald H. Mayer and Martha M. Mayer
 Revocable Trust dated 3/19/1990; SAP, LLC; Wells
 Fargo Bank, N.A. Trustee of the Robert N. Enfield
 Revocable Trust dated 3/16/1999; Pony Oil
 Operating, LLC; MerPel, LLC; TD Minerals, LLC;
 Bryan Bell Family, LLC; Magnum Hunter
 Productions, Inc.; Featherstone Development Corp;
 McKay Petroleum Corporation; St. Clair of Texas,
 LLC; Thomas J. Depke and Marilyn A. Depke,
 Trustees U/I of Thomas J. Depke dated 11/19/2004;
 C. Richard Overly; BPL Fish Pond, LLC; Millis
 Jeffrey Oakes; Stephen William Oakes; Elizabeth ann
 Cline; Benjamin Jacob Oakes; Matthew David Oakes;
 Olin Brertt Dalton; David Trent Dalton; Milton R.
 Fry; Franklin Mountain Energy 2, LLC

 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number:	NMNM 001228-A		
Lease Date:	December 1, 1951		
Lease Primary Term:	Five (5) years		
Recordation:	Not Recorded		
Lessor:	United State of America		
Original Lessee:	Joseph L. McClellan Jr.		
Current Lessee:	XTO Holdings LLC -	50%	
	Occidental Permian LP -	50%	
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 9: E/2SW/4 Lea County, New Mexico		
Number of Acres:	80.00		
Royalty Rates:	12.50%		
WI Owners Names and Interests:	XTO Holdings LLC --	50%	
	Chevron USA Inc. -	50%	
ORRI Owners:	Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC		
Authority for Pooling:	Federal Lease		

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.14	25.0328%
2	80.00	24.9891%
3	40.00	12.4945%
4	40.00	12.4945%
5	80.00	24.9891%
Total	320.14	100.00%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the **1st day of March, 2021**, 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 have drilled a **Wolfbone** oil and gas well designated the **Ouray Fed Com 602H, API No. 30-025-47266** (Subject Well) in **the Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.**

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 4: Lot 3, SE/4NW/4, E/2SW/4

Section 9: E/2W/2

Lea County, New Mexico

Containing **320.14** acres, and this agreement shall include only the **Wolfbone** Formation underlying said lands and the *oil and gas*

and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation(s) and only through the well bore of the **Ouray Fed Com 602H, API No. 30-025-47266**.

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.
3. The Operator of the communitized area shall be **Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, CO 80206**. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator maybe designated by the lessees of record and 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 operating regulations.
5. The communitized area shall be developed and operated as an entirety insofar as the production from the **Ouray Fed Com 602H, API No. 30-025-47266** well is concerned, with the understanding and agreement between the parties hereto that all communitized substances produced from the **Ouray Fed Com 602H, API No. 30-025-47266** well 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

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 shall not be affected by 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 noncommunitized 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 lease 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 the **Ouray Fed Com 602H, API No. 30-025-47266** well for communitized substances on the communitized area shall be construed and 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, 2021**, 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 representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities from the **Ouray Fed Com 602H, API No. 30-025-47266** well: 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 **Ouray Fed Com 602H, API No. 30-025-47266** well are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2- 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 interests 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 assure that no avoidable loss of hydrocarbons occur 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 the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.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.



Franklin Mountain Energy, LLC
Operator

9/13/2022
Date

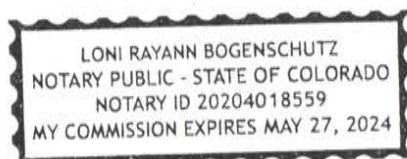
By: Craig R. Walters, Chief Executive Officer
Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado personally appeared Craig Walters, known to me to be the CEO of FME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)




5/27/24
My Commission Expires


Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

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

9/13/2022
Date

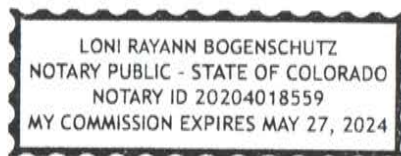

By: Craig R. Walters
Title: Chief Executive Officer

ACKNOWLEDGEMENT

STATE OF Grand Colorado)
) ss.
COUNTY OF Denver)

On this 13th day of September, 2022, before me, a Notary Public for the State of Colorado, personally appeared Craig Walters, known to me to be the CEO of AME, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



5/27/24
My Commission Expires


Notary Public

EXHIBIT "A"

Plat of communitized area covering 320.14 acres in the Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, Township 24 South, Range 35 East, Lea County, New Mexico.

Ouray Fed Com 602H, API No. 30-025-47266

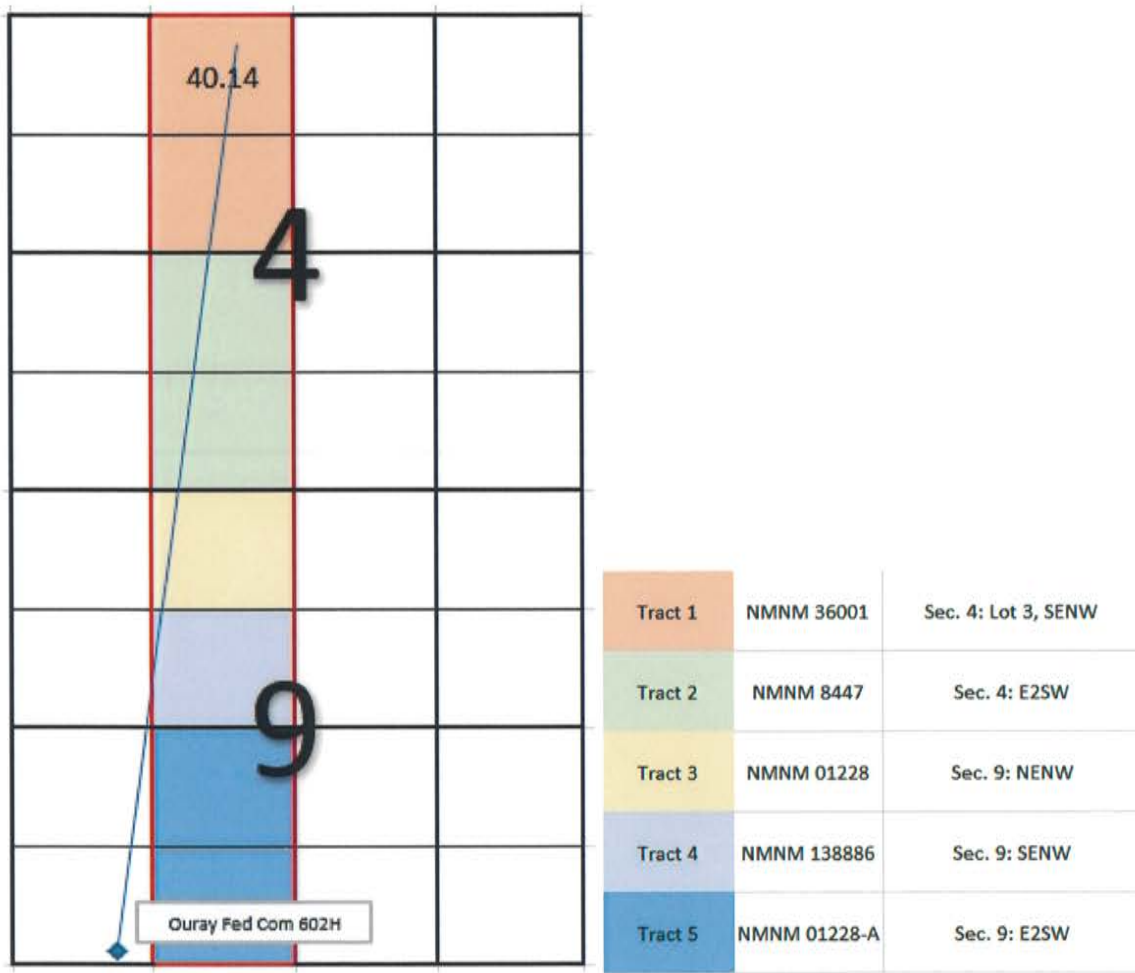


EXHIBIT "B"

To Communitization Agreement Dated **March 1, 2021** embracing the following described land in **the Lot 3, SE/4NW/4, E/2SW/4 of Section 4, and the E/2W/2 of Section 9, 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 36001
Lease Date:	April 1, 1952
Lease Primary Term:	Five (5) years
Recordation:	Not Recorded
Lessor:	United State of America
Original Lessee:	Jessie Thomson Kinahan
Current Lessee:	McKay Petroleum Corp. - 50%
	XTO Holdings LLC - 25%
	Chevron USA Inc. - 25%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 4: Lot 3, SE/4NW/4 Lea County, New Mexico
Number of Acres:	80.14
Royalty Rates:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy 2, LLC – 98.04830% Franklin Mountain Energy, LLC - 0.17582% Hinkle Living Trust, UA - 0.17582% Bean Family Limited Partnership - 0.26668% Prospector, LLC - 1.33338%
ORRI Owners:	Free Ride, LLC; Paul Slayton; Stewart Heighten; TD Minerals, LLC; Occidental Permian, LP; McKay Petroleum Corp.; St. Clair of Texas, LLC; Thomas J. Depke & Marilyn A. Depke, Trustees U/I of Thomas J. Depke dated 11/19/2004; C. Richard Overly; BPL Fish Pond, LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oaks; Matthew David Oaks; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners, LP
Authority for Pooling:	Federal Lease

TRACT NO. 2:

Lease Serial Number: NMNM 008447
 Lease Date: January 1, 1969
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Tommie Cloar, Jr.
 Current Lessee: Magnum Hunter Production Inc. – 100.00%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 4: E/2SW/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy 2, LLC – 95.64171%
 Franklin Mountain Energy, LLC - 0.04573%
 Hinkle Living Trust, U/A - 0.04573%
 Bean Family Limited Partnership - 0.71114%
 Prospector, LLC - 3.55569%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC;
 Cayuga Royalties, LLC; Prevail Energy, LLC;
 Rheiner Holdings, LLC; Monticello Minerals, LLC;
 Jerune Allen; DMA, Inc.; Charmar, LLC; Richard C.
 Deason; Thomas D. Deason; Ronald H. Mayer,
 Trustee of the Ronald H. Mayer and Martha M. Mayer
 Revocable Trust dated 3/19/1990; SAP, LLC; Wells
 Fargo Bank, N.A. Trustee of the Robert N. Enfield
 Revocable Trust dated 3/16/1999; Pony Oil
 Operating, LLC; MerPel, LLC; TD Minerals, LLC;
 Bryan Bell Family, LLC; Magnum Hunter
 Productions, Inc.; Featherstone Development Corp;
 McKay Petroleum Corporation; St. Clair of Texas,
 LLC; Thomas J. Depke and Marilyn A. Depke,
 Trustees U/I of Thomas J. Depke dated 11/19/2004;
 C. Richard Overly; BPL Fish Pond, LLC; Millis
 Jeffrey Oakes; Stephen William Oakes; Elizabeth ann
 Cline; Benjamin Jacob Oakes; Matthew David Oakes;
 Olin Brertt Dalton; David Trent Dalton; Milton R.
 Fry; Franklin Mountain Energy 2, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 3:

Lease Serial Number: NMNM 001228
 Lease Date: December 1, 1951
 Lease Primary Term: Five (5) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Joseph L. McClellan Jr.
 Current Lessee: XTO Holdings LLC - 50%
 Occidental Permian LP - 50%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: NE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Elliott-Hall Company; Franklin Mountain Royalty
 Investments, LLC; Mary Ellen McClellan;
 TD Minerals, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 4:

Lease Serial Number: NMNM 138886
 Lease Date: November 1, 2018
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United State of America**
 Original Lessee: Franklin Mountain Energy, LLC
 Current Lessee: Franklin Mountain Energy, LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 24 South, Range 35 East
 Section 9: SE/4NW/4
 Lea County, New Mexico
 Number of Acres: 40.00
 Royalty Rates: 12.50%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 100%
 ORRI Owners: Franklin Mountain Royalty Investments, LLC
 Authority for Pooling: Federal Lease

TRACT NO. 5:

Lease Serial Number:	NMNM 001228-A		
Lease Date:	December 1, 1951		
Lease Primary Term:	Five (5) years		
Recordation:	Not Recorded		
Lessor:	United State of America		
Original Lessee:	Joseph L. McClellan Jr.		
Current Lessee:	XTO Holdings LLC -	50%	
	Occidental Permian LP -	50%	
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 24 South, Range 35 East</u> Section 9: E/2SW/4 Lea County, New Mexico		
Number of Acres:	80.00		
Royalty Rates:	12.50%		
WI Owners Names and Interests:	XTO Holdings LLC --	50%	
	Chevron USA Inc. -	50%	
ORRI Owners:	Frank O. Elliott; Mary Ellen McClellan; TD Minerals, LLC		
Authority for Pooling:	Federal Lease		

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.14	25.0328%
2	80.00	24.9891%
3	40.00	12.4945%
4	40.00	12.4945%
5	80.00	24.9891%
Total	320.14	100.00%

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

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

**CASE NO. 22121
ORDER NO. R-20946-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 23, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) requesting to amend Order R-20946 to (a) add the Ouray Federal Com well No, 302H (“Well”) as described in Exhibit A and (b) extend the deadline to drill the well(s) as required by Order R-20946.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.
4. On October 31, 2019, the OCD issued Order R-20946 which pooled all uncommitted interests within a horizontal spacing unit described in the Order (“Unit”) and which required the Operator to commence drilling the wells dedicated to the Unit within one year. On August 27, 2020, the OCD granted an extension of the deadline to commence drilling the wells to October 31, 2021.
5. The Operator provided evidence that the extension of time was necessary due to delays caused by the global pandemic and by the Operator’s decision to batch drill the wells.

CONCLUSIONS OF LAW

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

10. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.
11. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

12. The Well will now be dedicated to the Unit established by Order R-20946.
13. If the location of the well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
14. The period to drill the well(s) is extended until October 31, 2022.
15. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-20946 for good cause shown.
16. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
17. The remaining provisions of Order R-20946 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 10/07/2021

CASE NO. 22121
ORDER NO. R-20946-A

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Well #1	<p>Ouray Fed Com 302H API: Pending SHL: 325 feet from the South line and 1360 feet from the West line, Section 9, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 1877 feet from the West line, Section 4, Township 24 South, Range 35 East, NMPM. Completion Target: Middle Bone Spring at approximately 10,100' TVD. Well Orientation: North/South Completion location: Expected to be standard. See Exhibit 3A for C-102 and Exhibit 5 for Completion Target.</p>
Well #2	<p>Ouray Fed Com 602H API: 30-025-47266 SHL: 325 feet from the South line and 1290 feet from the West line, Section 9, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 2267 feet from the West line, Section 4, Township 24 South, Range 35 East, NMPM. Completion Target: Wolfbone at approximately 11,904' TVD. Well Orientation: North/South Completion location: Expected to be standard. See Exhibit 3B for C-102 and Exhibit 5 for Completion Target.</p>
Horizontal Well First and Last Take Points	Exhibits 3A & 3B.
Well #1	Ouray Fed Com 302H Proposed first take point: 631' FSL, 1876' FWL, Proposed last take point: 150' FNL, 1,877' FWL
Well #2	Ouray Fed Com 602H Proposed first take point: 947' FSL, 2,148' FWL, Proposed last take point: 150' FNL, 2,276' FWL
Completion Target (Formation, TVD and MD)	See Proposal Letter Exhibit 5.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000: See also Proposal Letter Exhibit 5
Production Supervision/Month \$	\$700: See also Proposal Letter Exhibit 5
Justification for Supervision Costs	See AFE Exhibit 6

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Requested Risk Charge	200%: See also Proposal Letter Exhibit 5
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 9
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 9
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 9
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit 5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4
Chronology of Contact with Non-Joined Working Interests	See Exhibit 5 for Summary of Contacts
Overhead Rates In Proposal Letter	Proposal Letter Exhibit 5
Cost Estimate to Drill and Complete	Proposal Letter Exhibit 5; AFE Exhibit 6.
Cost Estimate to Equip Well	Proposal Letter Exhibit 5; AFE Exhibit 6.
Cost Estimate for Production Facilities	Proposal Letter Exhibit 5; AFE Exhibit 6.
Geology	
Summary (including special considerations)	Tab B
Spacing Unit Schematic	Exhibit 13
Gunbarrel/Lateral Trajectory Schematic	Exhibit 13
Well Orientation (with rationale)	Exhibit 15
Target Formation	Exhibits 14 through 14D
HSU Cross Section	Exhibit 14C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 3A and Exhibit 3B
Tracts	Exhibit 4

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Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 12
Well Bore Location Map	Exhibit 12
Structure Contour Map - Subsea Depth	Exhibit 14A
Cross Section Location Map (including wells)	Exhibit 14B
Cross Section (including Landing Zone)	Exhibit 14C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date:	September 23, 2021

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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 and Regulatory 10/6/2021

Title
roverbey@fmellc.com

Date

e-mail Address

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Rachael Overbey](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-826
Date: Friday, October 14, 2022 12:48:48 PM
Attachments: [PLC826 Order.pdf](#)

NMOCD has issued Administrative Order PLC-826 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
30-025-47027	Breckenridge Federal Com #304H	E/2 E/2	4-24S-35E	97958
		E/2 E/2	9-24S-35E	
30-025-47117	Breckenridge Federal Com #604H	E/2 E/2	4-24S-35E	98098
		E/2 E/2	9-24S-35E	
30-025-47028	Breckenridge Federal Com #705H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	
30-025-47029	Breckenridge Federal Com #706H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	
30-025-47263	Georgetown Federal Com #301H	W/2 W/2	4-24S-35E	98294
		W/2 W/2	9-24S-35E	
30-025-47264	Georgetown Federal Com #601H	W/2 W/2	4-24S-35E	98098
		W/2 W/2	9-24S-35E	
30-025-47265	Georgetown Federal Com #701H	W/2	4-24S-35E	98098
		W/2	9-24S-35E	
30-025-49413	Golden Federal Com #303H	W/2 E/2	4-24S-35E	98294
		W/2 E/2	9-24S-35E	
30-025-47054	Golden Federal Com #603H	W/2 E/2	4-24S-35E	98098
		W/2 E/2	9-24S-35E	
30-025-47055	Golden Federal Com #704H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	
30-025-49414	Ouray Federal Com #302H	E/2 W/2	4-24S-35E	98294
		E/2 W/2	9-24S-35E	
30-025-47266	Ouray Federal Com #602H	E/2 W/2	4-24S-35E	98098
		E/2 W/2	9-24S-35E	
30-025-47173	Ouray Federal Com #702H	W/2	4-24S-35E	98098
		W/2	9-24S-35E	
30-025-47267	Ouray Federal Com #703H	W/2	4-24S-35E	98098
		W/2	9-24S-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-826
Date: Tuesday, September 13, 2022 2:56:50 PM
Attachments: Colorado BLM CAs Submitted 9.13.22.zig
 Colorado BLM CA Summary 9.13.22.xlsx

Mr. McClure,

Please find attached, the Colorado CA summary sheet along with the zipped file with all the agreements submitted today (6 corrected CAs and 4 new agreements). Please let me know if you have any questions or if you require any additional information.

Thank you!

Rachael

From: Rachael Overbey
Sent: Monday, September 12, 2022 12:08 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: RE: [External] surface commingling application PLC-826

Mr. McClure,

Please see comments below in [BLUE](#). This is messy but our Land group has a plan to get all of the documents straightened out and resubmitted this week.

Rachael

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Monday, September 12, 2022 9:51 AM
To: Rachael Overbey <roverbey@fmellc.com>
Subject: RE: [External] surface commingling application PLC-826

Ms. Overbey,

So to make sure I am on the same page, your intent is to:

- Amend the BS/WB CAs (144069, 144070, 144071, 144072) to exclude the WB – [Correct \(I just got off the phone with Jordan Yawn at the BLM who indicated that they are adjudicating CAs from July 2021 and suggested we submit a corrected CA which will list the Bone Spring formation only, excluding the Wolfbone. This will not change the BLM CA agreement number and will be considered a correction to the existing file\).](#)
- Submit new CAs for the 600 series of wells for the WB – [Correct \(these 600-series Wolfbone CAs will have to be submitted as wellbore-specific CAs as they are in the same formation and pool as the 700-series but are under a different spacing configuration. This newly released \(7/22\) CA form allows for overlapping CAs in the same formation\)](#)
- Amend the WC CAs for the 700 series of wells to the WB (144067, 144068) – [Correct \(we will send in a corrected CA, and the agreement number will stay the same. Like the Bone Spring corrections, this will be treated as a correction to an existing file\).](#)

Once you have had a chance to speak to the BLM regarding these CAs, please update me on the plan. To be honest, when considering the position that the BLM has taken prior, these CAs seem a little problematic for the following reasons:

- Generally the BLM had not been approving dual formation CAs; this is why I am still surprised that I have it in my notes that the BS/WB CAs are dual formation and have numbers assigned to them indicating it has been input into the system at least. My concern here would be that the BLM may not actually approve the CAs even if they did accept them into the system for review. Having said that, I would presume they would only return them to you and have you resubmit as a single formation accomplishing your same goal of changing them to be only BS anyway. I'm not sure if this would require you to submit a newly executed agreement though. – [As mentioned above, we will be submitting corrected CAs for each of the existing agreements this week. We do not have to wait for approved agreements to submit a correction to the existing pending agreement.](#)
- Generally the BLM has not been issuing overlapping CAs. Presuming I have your intent correct above, then your plan would cause 144067 and 144068 to overlap with 144069, 144070, 144071, and 144072. [\(This will not be an issue here as 144067 and 144068 are Wolfbone wells, while 144069, 144070, 144071, 144072 are Bone Spring wells\).](#) Presumably the BLM makes exceptions for instances of depth severances; so perhaps they will make an exception here as well, but I do know of other instances where issues have raised when an operator wished to have their BS3 wells laid down and their BS2 stood up. I would suggest alternatively that you allocate your 600 series of wells to the same CAs as your 700 series of wells, but I'm guessing that may conflict with your CP orders for the 600 series of wells. [\(The 600-series wells and the 700-series are all Wolfbone, which is where we will have overlapping agreements in the same formation. We will submit wellbore-specific agreements for 600-series to address that issue, and change the 700-series to Wolfbone formation from previous Wolfcamp\).](#)

Regardless, its not that the Division has a preference on this topic. I just need to know what the BLM approved plan is going to be so that I know which "leases" and their layout to include in the commingling permit. I will need the following submitted:

- For CAs which a newly executed pooling agreement will need to be submitted, please submit a draft of that new pooling agreement. [\(We will submit four new 600-series CAs\)](#)
- For CAs which the BLM will accept your currently executed pooling agreement but which will need to be amended to change the pool, please submit a summary detailing the current status of the CA, the current configuration of the CA, and the proposed configuration of the CA. [\(I will update the table with this info and send you a copy\)](#)

Before submitting anything, please confirm with the BLM that your intent will meet their approval. [\(Just did on 9/12/22 @ 9:37 am MDT\)](#)

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: Monday, September 12, 2022 7:43 AM

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

Subject: RE: [External] surface commingling application PLC-826

Mr. McClure,

Your questions have prompted more investigation on our end. Please see the not below from our Land group. Sounds like we have some significant CA and amendment work to do. The wellbore specific CA's should be submitted today or tomorrow; I will follow-up with you when they are.

On second thought, instead of submitting the amendments for the 601, 602, 603, and 604, we will have to submit a brand new CA for each. This is because the 600-series wells are under the same pool code and in the same formation as the 700-series wells. This would have been fine if the 600s and 700s had the same spacing and pooling, but they do not. Below is the list of wells in the Colorado unit and the corresponding CA number they will be under. I believe these formation and pool code changes happened because Deana re-opened the pooling cases as she insisted overriding royalty interest owners be pooled out of an abundance of caution ... Please let me know if I can provide anything else, thank you!

Well Name	API	Spacing Unit	Pool Code	Formation	CA Status	CA Number
Breckenridge Fed Com 304H	30025470270000	E/2 E/2 Sec 4 & 9 T24S R35E	97958	Bone Spring	Original Submitted 11/9/21, Amendment correcting to only Bone Spring formation will be submitted once CA is approved	NMNM 144069
Breckenridge Fed Com 604H	30025471170000	E/2 E/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	New wellbore-specific agreement will be submitted ASAP	N/A
Breckenridge Fed Com 705H	30025470280000	E/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	Original Submitted 11/9/21, Amendment correcting to Wolfbone formation will be submitted once CA is approved	NMNM 144067
Breckenridge Fed Com 706H	30025470290000	E/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	Original Submitted 11/9/21, Amendment correcting to Wolfbone formation will be submitted once CA is approved	NMNM 144067
Golden Fed Com 303H	30025494130000	W/2 E/2 Sec 4 & 9 T24S R35E	98294	Bone Spring	Original Submitted 11/9/21, Amendment correcting to only Bone Spring formation will be submitted once CA is approved	NMNM 144072
Golden Fed Com 603H	30025470540000	W/2 E/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	New wellbore-specific agreement will be submitted ASAP	N/A
Golden Fed Com 704H	30025470550000	E/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	Original Submitted 11/9/21, Amendment correcting to Wolfbone formation will be submitted once CA is approved	NMNM 144067
Georgetown Fed Com 301H	30025472630000	W/2 W/2 Sec 4 & 9 T24S R35E	98294	Bone Spring	Original Submitted 11/9/21, Amendment correcting to only Bone Spring formation will be submitted once CA is approved	NMNM 144070
Georgetown Fed Com 601H	30025472640000	W/2 W/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	New wellbore-specific agreement will be submitted ASAP	N/A
Georgetown Fed Com 701H	30025472650000	W/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	Original Submitted 11/9/21, Amendment correcting to Wolfbone formation will be submitted once CA is approved	NMNM 144068
Ouray Fed Com 302H	30025494140000	E/2W/2 Sec 4 & 9-R24S-R35E	98294	Bone Spring	Original Submitted 11/9/21, Amendment correcting to only Bone Spring formation will be submitted once CA is approved	NMNM 144071
Ouray Fed Com 602H	30025472660000	E/2W/2 Sec 4 & 9-R24S-R35E	98098	Wolfbone	New wellbore-specific agreement will be submitted ASAP	N/A
Ouray Fed Com 702H	30025471730000	W/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	Original Submitted 11/9/21, Amendment correcting to Wolfbone formation will be submitted once CA is approved	NMNM 144068
Ouray Fed Com 703H	30025472670000	W/2 Sec 4 & 9 T24S R35E	98098	Wolfbone	Original Submitted 11/9/21, Amendment correcting to Wolfbone formation will be submitted once CA is approved	NMNM 144068

Rachael

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

Sent: Friday, September 9, 2022 3:45 PM

To: Rachael Overbey <roverbey@fmeilc.com>

Subject: RE: [External] surface commingling application PLC-826

Additionally,

The BLM servers are currently down and I cannot look again, but within my notes I have the following CAs as being listed for both the BS and WB. What is the BLM's

intent for these then overlapping CAs?

CA Bone Spring and Wolfbone NMNM 144070	W/2 W/2 W/2 W/2	4-24S-35E 9-24S-35E	320.11
CA Bone Spring and Wolfbone NMNM 144071	E/2 W/2 E/2 W/2	4-24S-35E 9-24S-35E	320.14
CA Bone Spring and Wolfbone NMNM 144072	W/2 E/2 W/2 E/2	4-24S-35E 9-24S-35E	320.16
CA Bone Spring and Wolfbone NMNM 144069	E/2 E/2 E/2 E/2	4-24S-35E 9-24S-35E	320.19

Diversely, perhaps my notes are incorrect and these CAs are only for the Bone Spring?

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: Friday, September 9, 2022 3:43 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: RE: [External] surface commingling application PLC-826

Mr. McClure,

Pre our Land group:
We would submit an Amendment to the existing CA, and the lease / agreement number will stay the same.

Rachael

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, September 9, 2022 3:36 PM
To: Rachael Overbey <roverbey@fmellc.com>
Subject: RE: [External] surface commingling application PLC-826

Ms. Overbey,

Do you know what the BLM's intent is for you to amend these CAs? As in, will you submit a request to amend the formation and that be evaluated or will a new agreement need to be executed for the new formation? Additionally, will the BLM amend the currently proposed CAs or will they be abolished and new CAs issued? Presumably if they will be amended then the lease number will remain the same, but if they are abolished then new lease numbers will be assigned.

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: Friday, September 9, 2022 3:09 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: RE: [External] surface commingling application PLC-826

Mr. McClure,

I have conferred with our Land group. These CA's were submitted to the BLM December 2021. Unfortunately, due to turnover and internal oversight, the CA's were submitted as WOLFCAMP and do need to be revised to WOLFBONE. Apparently, approvals are about 12 months behind. We cannot revise or amend what has been submitted until we have an approval.

What should we do or provide to help facilitate the OCD C-107B approval while we continue to wait on the BLM? Please advise.

Well list with APIs:

Well Name	API
Breckenridge Fed Com 304H	30025470270000
Breckenridge Fed Com 604H	30025471170000
Breckenridge Fed Com 705H	30025470280000
Breckenridge Fed Com 706H	30025470290000
Golden Fed Com 303H	30025494130000
Golden Fed Com 603H	30025470540000
Golden Fed Com 704H	30025470550000
Georgetown Fed Com 301H	30025472630000
Georgetown Fed Com 601H	30025472640000
Georgetown Fed Com 701H	30025472650000
Ouray Fed Com 302H	30025494140000
Ouray Fed Com 602H	30025472660000
Ouray Fed Com 702H	30025471730000
Ouray Fed Com 703H	30025472670000

30-025-47028	Breckenridge Federal Com #705H	E/2	4-24S-35E	98098	CA Wolfcamp NMNM 144067
		E/2	9-24S-35E		
30-025-47029	Breckenridge Federal Com #706H	E/2	4-24S-35E	98098	CA Wolfcamp NMNM 144067
		E/2	9-24S-35E		
30-025-47265	Georgetown Federal Com #701H	W/2	4-24S-35E	98098	CA Wolfcamp NMNM 144068
		W/2	9-24S-35E		
30-025-47055	Golden Federal Com #704H	E/2	4-24S-35E	98098	CA Wolfcamp NMNM 144067
		E/2	9-24S-35E		
30-025-47173	Ouray Federal Com #702H	W/2	4-24S-35E	98098	CA Wolfcamp NMNM 144068
		W/2	9-24S-35E		
30-025-47267	Ouray Federal Com #703H	W/2	4-24S-35E	98098	CA Wolfcamp NMNM 144068
		W/2	9-24S-35E		

Rachael

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, September 9, 2022 2:51 PM
To: Rachael Overbey <roverbey@fmellc.com>
Subject: RE: [External] surface commingling application PLC-826

Ms. Overbey,

Do you have an update on the below request for additional information?

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, May 26, 2022 2:15 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: RE: [External] surface commingling application PLC-826

Mr. McClure,

I have passed this question along to our land group. I will get back to you ASAP once I have a reply.

Thank you!

Rachael

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Wednesday, May 25, 2022 11:08 AM
To: Rachael Overbey <roverbey@fmellc.com>
Subject: [External] surface commingling application PLC-826

Ms. Overbey,

I am reviewing surface commingling application PLC-826 which involves a commingling project that includes the Colorado Central Tank Battery and is operated by Franklin Mountain Energy, LLC (373910).

As referenced in another email, please provide a list of the wells included in this commingling project that includes their API numbers.

Please confirm which CA the wells listed below are going to be allocated to. Presumably, it would be the pending CAs listed below, except these CAs are for the Wolfcamp formation rather than the Wolfbone which is what the Division has them listed as producing from.

30-025-47028	Breckenridge Federal Com #705H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	
30-025-47029	Breckenridge Federal Com #706H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	
30-025-47265	Georgetown Federal Com #701H	W/2	4-24S-35E	98098
		W/2	9-24S-35E	
30-025-47055	Golden Federal Com #704H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	
30-025-47173	Ouray Federal Com #702H	W/2	4-24S-35E	98098
		W/2	9-24S-35E	
30-025-47267	Ouray Federal Com #703H	W/2	4-24S-35E	98098
		W/2	9-24S-35E	

Pooled Area	UL or Q/Q	S-T-R	Acres
CA Wolfcamp NMNM 144068	W/2	4-24S-35E	640.25
	W/2	9-24S-35E	
CA Wolfcamp NMNM 144067	E/2	4-24S-35E	640.35
	E/2	9-24S-35E	

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

[External Email]
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**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-826

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 or gas title transfer meter 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 it with production from another well.
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: 10/13/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-826

Operator: Franklin Mountain Energy, LLC (373910)

Central Tank Battery: Colorado Central Tank Battery

Central Tank Battery Location: UL O, Section 9, Township 24 South, Range 35 East

Gas Title Transfer Meter Location: UL O, Section 9, Township 24 South, Range 35 East

Pools

Pool Name	Pool Code
WC-025 G-08 S233528D; LWR BONE SPRIN	97958
WC-025 G-09 S243532M; WOLFBONE	98098
WC-025 G-07 S243517D; MIDDLE BONE SP	98294

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 036001	NW/4	4-24S-35E
NMNM 008447	E/2, E/2 SW/4	4-24S-35E
NMNM 019628	W/2 SW/4	4-24S-35E
NMNM 0001228	N/2 NW/4	9-24S-35E
NMNM 138886	A B E F G H I P	9-24S-35E
NMNM 0001228A	SW/4	9-24S-35E
NMNM 0001228	W/2 SE/4	9-24S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-47027	Breckenridge Federal Com #304H	E/2 E/2	4-24S-35E	97958
		E/2 E/2	9-24S-35E	
30-025-47117	Breckenridge Federal Com #604H	E/2 E/2	4-24S-35E	98098
		E/2 E/2	9-24S-35E	
30-025-47028	Breckenridge Federal Com #705H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	
30-025-47029	Breckenridge Federal Com #706H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	
30-025-47263	Georgetown Federal Com #301H	W/2 W/2	4-24S-35E	98294
		W/2 W/2	9-24S-35E	
30-025-47264	Georgetown Federal Com #601H	W/2 W/2	4-24S-35E	98098
		W/2 W/2	9-24S-35E	
30-025-47265	Georgetown Federal Com #701H	W/2	4-24S-35E	98098
		W/2	9-24S-35E	
30-025-49413	Golden Federal Com #303H	W/2 E/2	4-24S-35E	98294
		W/2 E/2	9-24S-35E	
30-025-47054	Golden Federal Com #603H	W/2 E/2	4-24S-35E	98098
		W/2 E/2	9-24S-35E	
30-025-47055	Golden Federal Com #704H	E/2	4-24S-35E	98098
		E/2	9-24S-35E	

30-025-49414	Ouray Federal Com #302H	E/2 W/2	4-24S-35E	98294
		E/2 W/2	9-24S-35E	
30-025-47266	Ouray Federal Com #602H	E/2 W/2	4-24S-35E	98098
		E/2 W/2	9-24S-35E	
30-025-47173	Ouray Federal Com #702H	W/2	4-24S-35E	98098
		W/2	9-24S-35E	
30-025-47267	Ouray Federal Com #703H	W/2	4-24S-35E	98098
		W/2	9-24S-35E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **PLC-826**
Operator: **Franklin Mountain Energy, LLC (373910)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfbone NMNM 144068	W/2	4-24S-35E	640.25	A
	W/2	9-24S-35E		
CA Wolfbone NMNM 144067	E/2	4-24S-35E	640.35	B
	E/2	9-24S-35E		
CA Bone Spring NMNM 144070	W/2 W/2	4-24S-35E	320.11	C
	W/2 W/2	9-24S-35E		
CA Bone Spring NMNM 144071	E/2 W/2	4-24S-35E	320.14	D
	E/2 W/2	9-24S-35E		
CA Bone Spring NMNM 144072	W/2 E/2	4-24S-35E	320.16	E
	W/2 E/2	9-24S-35E		
CA Bone Spring NMNM 144069	E/2 E/2	4-24S-35E	320.19	F
	E/2 E/2	9-24S-35E		
CA Wolfbone NMNM 105785726	W/2 W/2	4-24S-35E	320.11	G
	W/2 W/2	9-24S-35E		
CA Wolfbone NMNM 105785717	E/2 W/2	4-24S-35E	320.14	H
	E/2 W/2	9-24S-35E		
CA Wolfbone BLM	W/2 E/2	4-24S-35E	320.16	I
	W/2 E/2	9-24S-35E		
CA Wolfbone NMNM 105785728	E/2 E/2	4-24S-35E	320.19	J
	E/2 E/2	9-24S-35E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 036001	NW/4	4-24S-35E	160.25	A
NMNM 019628	W/2 SW/4	4-24S-35E	80	A
NMNM 008447	E/2 SW/4	4-24S-35E	80	A
NMNM 0001228	N/2 NW/4	9-24S-35E	80	A
NMNM 138886	S/2 NW/4	9-24S-35E	80	A
NMNM 0001228A	SW/4	9-24S-35E	160	A
NMNM 008447	E/2	4-24S-35E	320.35	B
NMNM 138886	A B G H I P	9-24S-35E	240	B
NMNM 0001228	W/2 SE/4	9-24S-35E	80	B
NMNM 036001	W/2 NW/4	4-24S-35E	80.11	C
NMNM 019628	W/2 SW/4	4-24S-35E	80	C
NMNM 0001228	NW/4 NW/4	9-24S-35E	40	C
NMNM 138886	SW/4 NW/4	9-24S-35E	40	C
NMNM 0001228A	W/2 SW/4	9-24S-35E	80	C

NMNM 036001	E/2 NW/4	4-24S-35E	80.14	D
NMNM 008447	E/2 SW/4	4-24S-35E	80	D
NMNM 0001228	NE/4 NW/4	9-24S-35E	40	D
NMNM 138886	SE/4 NW/4	9-24S-35E	40	D
NMNM 0001228A	E/2 SW/4	9-24S-35E	80	D
NMNM 008447	W/2 E/2	4-24S-35E	160.16	E
NMNM 138886	W/2 NE/4	9-24S-35E	80	E
NMNM 0001228	W/2 SE/4	9-24S-35E	80	E
NMNM 008447	E/2 E/2	4-24S-35E	160.19	F
NMNM 138886	E/2 E/2	9-24S-35E	160	F
NMNM 036001	W/2 NW/4	4-24S-35E	80.11	G
NMNM 019628	W/2 SW/4	4-24S-35E	80	G
NMNM 0001228	NW/4 NW/4	9-24S-35E	40	G
NMNM 138886	SW/4 NW/4	9-24S-35E	40	G
NMNM 0001228A	W/2 SW/4	9-24S-35E	80	G
NMNM 036001	E/2 NW/4	4-24S-35E	80.14	H
NMNM 008447	E/2 SW/4	4-24S-35E	80	H
NMNM 0001228	NE/4 NW/4	9-24S-35E	40	H
NMNM 138886	SE/4 NW/4	9-24S-35E	40	H
NMNM 0001228A	E/2 SW/4	9-24S-35E	80	H
NMNM 008447	W/2 E/2	4-24S-35E	160.16	I
NMNM 138886	W/2 NE/4	9-24S-35E	80	I
NMNM 0001228	W/2 SE/4	9-24S-35E	80	I
NMNM 008447	E/2 E/2	4-24S-35E	160.19	J
NMNM 138886	E/2 E/2	9-24S-35E	160	J

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 67182

CONDITIONS

Operator: Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206	OGRID: 373910
	Action Number: 67182
	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.	10/14/2022