



Before the Oil Conservation Division
Examiner Hearing March 3, 2022

Compulsory Pooling

Case No. 22447: Elevate Fed Com 601H

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

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22447

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EXAMINER HEARING MARCH 3, 2022

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 22447	APPLICANT'S RESPONSE
Date: March 3, 2022	
Applicant	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)
Applicant's Counsel:	Modrall Sperling (Deana M. Bennett, Earl E. DeBrine, Bryce H. Smith)
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Tap Rock Resources, LLC / Tap Rock Resources II, LLC MONTGOMERY & ANDREWS, P.A. Sharon T. Shaheen Ricardo S. Gonzales sshaaheen@montand.com rgonzales@montand.com Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 986-2678
Well Family	Elevate
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	WC-025 G-09 S253502B-LWR BONE SPRING (98185)
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/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y



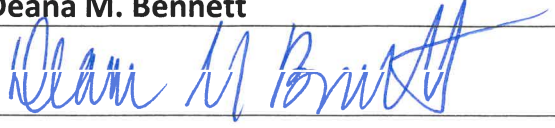
EXAMINER HEARING MARCH 3, 2022

Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit 4.
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Elevate Fed Com 601H API: 30-025-48588 SHL: 271 feet from the North line and 813 feet from the West line, Section 14, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 600 feet from the West line, Section 23, Township 24 South, Range 35 East, NMPM. Completion Target: Bone Spring. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 3 for C-102.
Horizontal Well First and Last Take Points	Elevate Fed Com 601H FTP: 615 feet from the North Line and 600 feet from the West line, Section 14, Township 24 South, Range 35 East, NMPM. LTP: 150 feet from the South line and 600 feet from the West line, Section 23, Township 24 South, Range 35 East, NMPM. See also Exhibit 3 for C-102.
Completion Target (Formation, TVD and MD)	Completion Target: Bone Spring TVD: 11,883' MD: 21,875' See also Exhibit 6.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Tab B, Declaration of Lee Zink
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibits 2, 8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 8

EXAMINER HEARING MARCH 3, 2022

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 8
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit 6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4
Chronology of Contact with Non-Joined Working Interests	Exhibit 5
Overhead Rates In Proposal Letter	Exhibit 6
Cost Estimate to Drill and Complete	Exhibit 7
Cost Estimate to Equip Well	Exhibit 7
Cost Estimate for Production Facilities	Exhibit 7
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibit 10
Gunbarrel/Lateral Trajectory Schematic	Exhibit 10
Well Orientation (with rationale)	Exhibit 12
Target Formation	Exhibits 11A-11D
HSU Cross Section	Exhibits 11A-11D
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 3
Tracts	Exhibit 4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 9
Well Bore Location Map	Exhibit 9
Structure Contour Map - Subsea Depth	Exhibit 11A
Cross Section Location Map (including wells)	Exhibit 11B

EXAMINER HEARING MARCH 3, 2022

Cross Section (including Landing Zone)	Exhibit 11C
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:	March 1, 2022



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

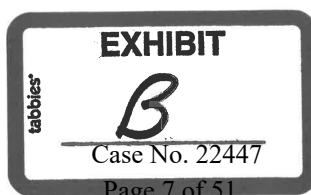
**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22447

SELF AFFIRMED DECLARATION OF LEE ZINK

Lee Zink hereby states and declares as follows:

1. I am over the age of 18, I am the Director of Land for Franklin Mountain Energy, LLC ("Franklin"), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and I have been qualified by the Division as an expert petroleum landman.
2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
3. I am familiar with the application filed by Franklin in this case.
4. I am familiar with the status of the lands that are subject to the application.
5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the well to be drilled in the unit.
7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well.



8. The spacing unit and well that Franklin proposes in this case is part of a comprehensive development plan covering Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Franklin's development plan includes a total of six units, including both Wolfcamp and Bone Spring units. The Development Overview is attached as **Exhibit 1**.

9. In this case, Franklin seeks an order from the Division pooling all uncommitted working interests and overriding royalty interests within a 320-acre, more or less, Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

10. This spacing unit will be dedicated to the **Elevate Fed Com 601H** well to be horizontally drilled. The Application is attached hereto as **Exhibit 2**.

11. Attached as **Exhibit 3** is the proposed C-102 for the well.

12. The C-102 identifies the proposed surface hole location, the first take point, and the bottom hole location. The C-102 also identifies the pool and pool code.

13. The well will develop the WC-025 G-09 S253502B; LWR BONE SPRING pool, pool code 98185.

14. This pool is an oil pool with 40-acre building blocks.

15. This pool is governed by the state-wide horizontal well rules. The producing interval for the well will be orthodox and will comply with the Division's set back requirements.

16. There are no depth severances within the proposed spacing unit.

17. **Exhibit 4** includes a lease tract map outlining the unit being pooled. Exhibit 4 also includes the parties being pooled, the nature, and the percent of their interests.

18. I have conducted a diligent search of the public records in the county where the well will be located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.

19. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder in the proposed well.

20. **Exhibit 5** is a summary of my contacts with the various working interest owners.

21. **Exhibit 6** is a sample of the well proposal letter that was sent. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.

22. **Exhibit 7** contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

23. Franklin requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

24. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

25. Franklin requests that it be designated operator of the well.

26. The parties Franklin is seeking to pool were notified of this hearing.

27. Franklin seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

28. **Exhibit 8** is an affidavit of notice prepared by counsel for Franklin that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper, showing that notice of this hearing was published on December 15, 2021.

29. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

30. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: January 4, 2022

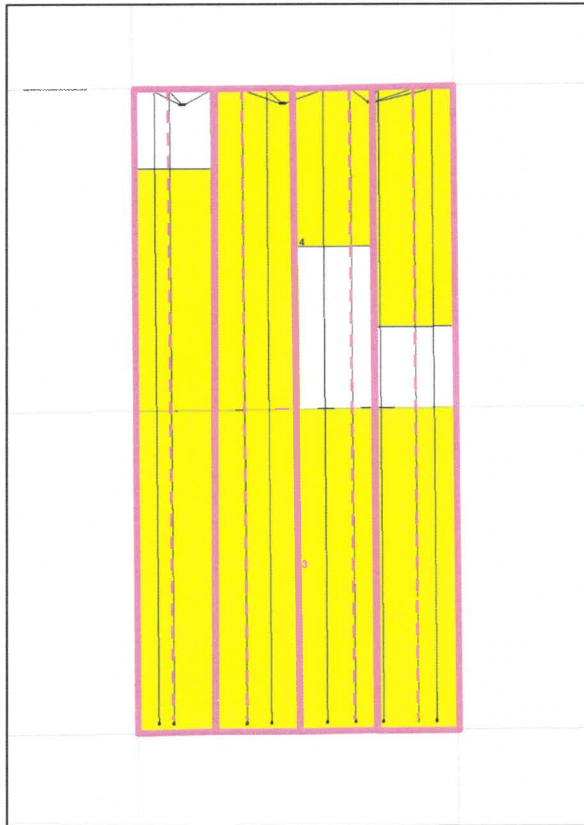
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Development Overview

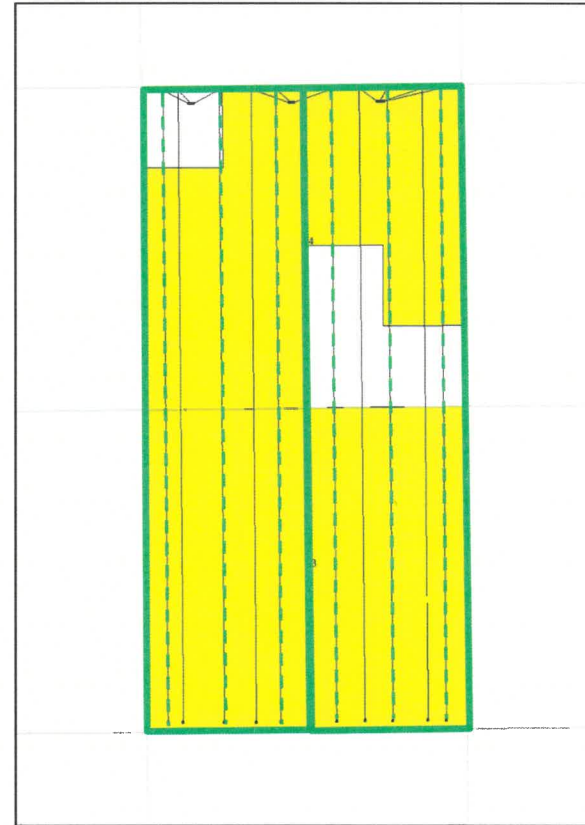
Case Nos. 22445, 22446, 22447, 22448, 22449, and 22450

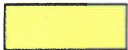




Bone Spring



Wolfcamp



-  Franklin Mountain Leasehold
-  Bone Spring Unit
-  Wolfcamp Unit



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

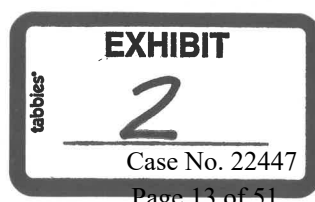
**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

CASE NO. 22447

APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. FME plans to drill the **Elevate Fed Com 601H** well to a depth sufficient to test the Bone Spring formation.
4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
5. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.



6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Designating FME as operator of this unit and the well to be drilled thereon;

C. Authorizing FME to recover its costs of drilling, completing, and equipping the well;

D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: Deana M. Bennett

Deana M. Bennett
Bryce H. Smith
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 22447: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Elevate Fed Com 601H** well to be horizontally drilled. The producing area for the Elevate Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 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 30-025-48588	² Pool Code 98185	³ Pool Name WC-025 G-09 S253502B; LWR BONE SPRING
⁴ Property Code 330333	⁵ Property Name ELEVATE FED COM	⁶ Well Number 601H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3395.3'

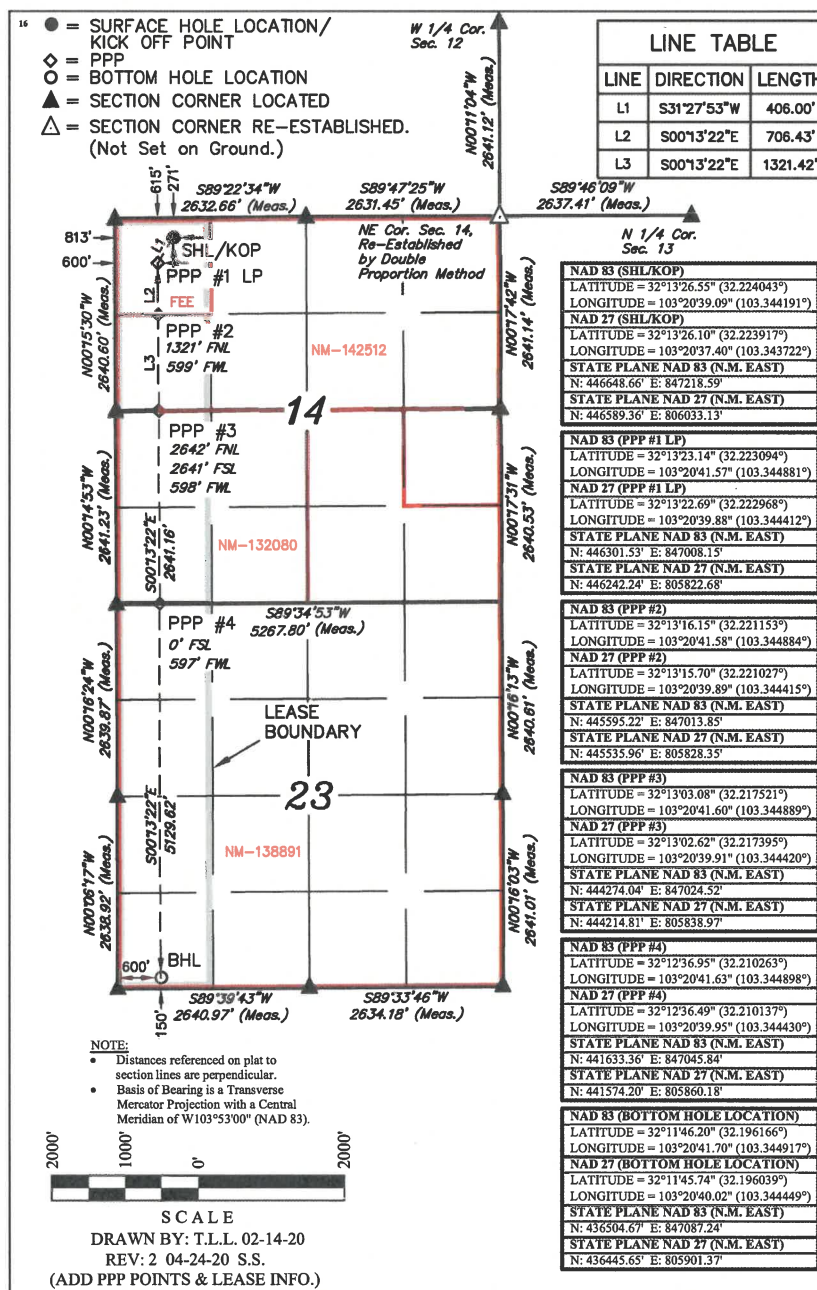
¹⁰ Surface Location

UL or lot no. D	Section 14	Township 24S	Range 35E	Lot Idn	Feet from the 271	North/South line NORTH	Feet from the 813	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. M	Section 23	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 600	East/West line WEST	County LEA
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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



¹⁷ OPERATOR
CERTIFICATION

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

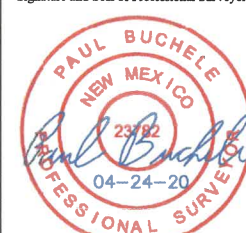
Signature _____ Date _____

¹⁸ SURVEYOR
CERTIFICATION

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

February 07, 2020

Date of Survey
Signature and Seal of Professional Surveyor:

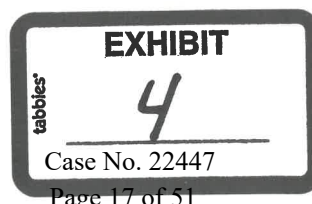
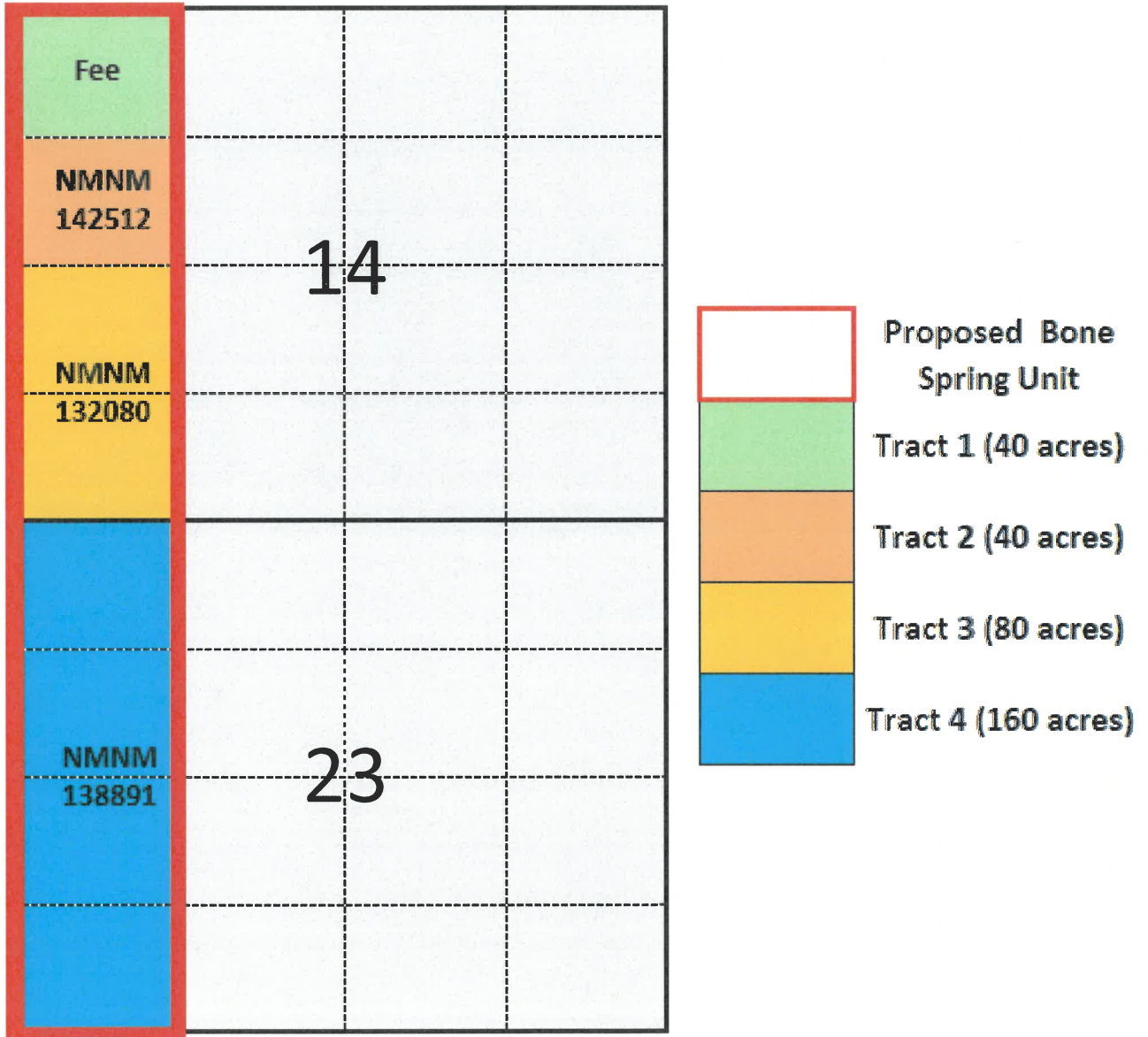


Certificate Number:

EXHIBIT

3

Lease Tract Map
Case No. 22447
W/2W/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres
Elevate Fed Com 601H



Summary of Interests

Case No. 22447

W/2W/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres

Elevate Fed Com 601H

Committed Working Interests	
Franklin Mountain Energy, LLC	67.572469%
Franklin Mountain Energy 2, LLC	25.000000%
Max Permian, LLC	1.501266%
Ash Oil & Gas, LLC	1.501266%
Uncommitted Working Interests	
Tap Rock Resources II, LLC	0.843750%
Uncommitted Unleased Interests	
Various	3.581250%
TOTAL:	100.000000%



Unit Recapitulation

Case No. 22447

W/2W/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres

Elevate Fed Com 601H

Working Interest Owner	Tract 1 (40 ac)	Tract 2 (40 ac)	Tract 3 (80 ac)	Tract 4 (160 ac)
Franklin Mountain Energy, LLC	40.579750%	100.000000%	0.000000%	100.000000%
Franklin Mountain Energy 2, LLC	0.000000%	0.000000%	100.000000%	0.000000%
Max Permian, LLC	12.010125%	0.000000%	0.000000%	0.000000%
Ash Oil & Gas, LLC	12.010125%	0.000000%	0.000000%	0.000000%
Tap Rock Resources II, LLC	6.750000%	0.000000%	0.000000%	0.000000%
Various	28.650000%	0.000000%	0.000000%	0.000000%
TOTAL:	100.000000%	100.000000%	100.000000%	100.000000%



Tract	Lease
1	Fee
2	NMNM 142512
3	NMNM 132080
4	NMNM 138891



Parties to Be Pooled--Case 22447	Interest Type
Tap Rock Resources II, LLC	WI
Energen Resources Corporation	UMI
Energen Resources Corporation c/o Diamondback Energy Inc.	UMI
Beverly Bowen DeLucia	UMI
Candace Delgado	UMI
Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oil Trust	UMI
Elisa Delgado	UMI
Heirs of Thomas H. Turner and Tullie C. Flowers c/o Heirs of Eulene T. Freeman	UMI
Helen Learmont Bedford, as Trustee/Helen Learmont Bedford Family Trust	UMI
Kirchner Investments, LLC	UMI
Sheryn A. Turner heir to J.C. Turner	UMI
Susan Elisabeth Bowen	UMI
Sylvia Delgado	UMI
William E. Richardson, Revocable Inter Vivos Trust of William E. Richardson 4/28/94	UMI
Prevail Energy, LLC	ORRI
Rheiner Holdings, LLC	ORRI
Monticello Minerals, LLC	ORRI
Cayuga Royalties, LLC	ORRI

Summary of Attempted Contacts

- Franklin Mountain Energy conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around October 22, 2021.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners and offered to send said form to owners upon request.
- Franklin also corresponded with the unleased mineral interest owners.
- Franklin corresponded with Max Permian, LLC and ASH Oil & Gas, LLC and related entities on numerous occasions and those entities have now signed the JOA and are participating in all of the wells.
- Franklin sent a JOA to Tap Rock Resources II, LLC (Tap Rock) on November 4, 2021 and has since corresponded with Tap Rock on numerous occasions and has reached an agreement allowing Franklin to proceed with this case.
- Franklin filed an application to force pool parties who had not entered in to an agreement.
- Franklin's counsel sent notices of the force pooling application to the addresses of record for the uncommitted interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.





Sent via Certified Mail:
Tracking No.: 9414 7116 9900 0636 8458 34

October 22, 2021

Tap Rock Resources II, LLC
523 Park Point Drive, Suite 200
Golden, CO 80401
Attn: Land Department

RE: Elevate Fed Com 601H Well Proposal
Township 24 South, Range 35 East:
Sections 14 and 23: W/2 W/2, 320 acres m/l
Lea County, New Mexico

Dear Working Interest Owner:

Franklin Mountain Energy, LLC ("FME"), as Operator, hereby proposes the drilling and completion of the following horizontal wells located in the W/2 W/2 of Sections 14 and 23:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	AFE
Elevate Fed Com 601H	Bone Spring	11,883'	21,875'	Sec. 14-T24S-R35E: 271' FNL, 813' FWL	Sec. 23-T24S-R35E: 150' FSL, 600' FWL	\$11,349,174.05

FME reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.

FME is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- Franklin Mountain Energy, LLC designated as Operator

Should you be interested in participating under an Operating Agreement, FME will send you our proposed form.





Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE to Ilona Hoang at ihoang@fme LLC.com or to the address provided below.

FME looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please contact the undersigned at (720) 414-7855 or by email at the address mentioned above.

Respectfully,

Franklin Mountain Energy, LLC



Ilona T. Hoang
Contract Landman

Enclosures



Elevate Fed Com 601H:

_____ I/We hereby elect to participate in the **Elevate Fed Com 601H** well.

_____ I/We hereby elect **NOT** to participate in the **Elevate Fed Com 601H** well.

Owner: _____

By: _____

Printed Name: _____

Title: _____

Date: _____



Franklin Mountain Energy, LLC
44 Cook Street, Suite 1000
Denver, CO 80206
Phone: 720-414-7868
franklinmountainenergy.com

AUTHORITY FOR EXPENDITURE

Well Name:	Elevate Fed Com 601H
Location:	SHL: Sec 14-T24S-R35E 271' FNL 813' FWL BHL: Sec 23-T24S-R35E 150' FSL 600' FWL
Operator:	Franklin Mountain Energy, LLC
Purpose:	Drill and complete a 9,800' BS3 well. TVD 11,883'. MD 21,875'

Well #:	601H
County/State:	Lea Co., NM
Date Prepared:	10/11/2021
AFE #:	DCE210901

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$22,000
225	10	CASING CREW & EQPT	\$60,000
225	15	CEMENTING INTERMEDIATE CASING	\$85,000
225	16	CEMENTING PRODUCTION CASING	\$45,000
225	20	CEMENTING SUFACE CASING	\$25,000
225	25	COMMUNICATIONS	\$28,000
225	30	COMPLETION FLUIDS	\$7,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$65,000
225	40	CONTRACT LABOR	\$40,000
225	45	DAMAGES	\$15,000
225	50	DAYWORK CONTRACT	\$506,000
225	55	DRILLING - DIRECTIONAL	\$220,000
225	60	DRILLING - FOOTAGE	\$80,000
225	65	DRILLING BITS	\$100,000
225	70	ELECTRICAL POWER/GENERATION	\$0
225	75	ENGINEERING	\$18,000
225	80	ENVIRONMENTAL SERVICES	\$250,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$45,000
225	85	EQUIPMENT RENTAL SURFACE	\$60,000
225	90	FISHING TOOLS/SERVICES	\$0
225	95	HEALTH & SAFETY	\$20,000
225	100	HOUSING AND SUPPORT SERVICES	\$28,000
225	105	INSURANCE	\$24,000
225	106	INSPECTIONS	\$18,000
225	110	LEGAL, TITLE SERVICES	\$6,000
225	115	MATERIALS & SUPPLIES	\$10,000
225	120	MISCELLANEOUS	\$5,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$23,000
225	130	MUD & CHEMICALS	\$220,000
225	140	OPENHOLE LOGGING	\$50,000
225	141	CASED HOLE LOGGING	\$0
225	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$150,000
225	155	RIG MOVE & RACKING COSTS	\$70,000
225	160	RIG UP TEAR OUT & STANDBY	\$0
225	163	SITE RESTORATION	\$10,000
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$86,400
225	175	SUPERVISION - GEOLOGICAL	\$45,000
225	180	TRANSPORTATION/TRUCKING	\$26,000
225	178	TAXES	\$134,662
225	35	CONTINGENCY COSTS 5%	\$12,420
		Total Intangible Drilling Costs:	\$2,705,282

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$600,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$707,000
230	35	SURFACE CASING & ATTACHMENTS	\$75,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$78,000
230	40	TAXES	\$83,900
Total Turnable Drilling Costs:			\$1,609,900

Tangible Facility Costs

Major	Minor	Description	Amount
270	10	FACILITY PIPE/LINES/FITTINGS	\$110,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0
270	30	PRIMARY POWER MATERIALS	\$75,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$69,063
270	60	H2S TREATING EQUIPMENT	\$720,000
270	65	SEPARATION EQUIPMENT	\$200,750
270	70	ROAD/LOCATION PAVING/REPAIRS	\$0
270	75	PRE-FABRICATED SKIDS	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$141,600
270	90	H2S SAFETY SYSTEM	\$8,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$88,231
270	110	TANKS & WALKWAYS	\$33,440
270	130	MECHANICAL BATTERY BUILD	\$60,473
270	132	EI&C BATTERY BUILD	\$34,446
270	134	CONTROLS AND SCADA BATTERY BUILD	\$3,000
270	136	PRIMARY POWER BUILD	\$75,000
270	138	FLOWLINE INSTALLATION	\$32,175
270	140	SIGNAGE	\$250
270	125	TAXES	\$90,829
Total Tangible Facility Costs:			\$1,742,257

Total Drill:	\$4,315,412.00
Total Completion:	\$5,216,553.36
Total Facility:	\$1,817,208.69
Total DC Intangible:	\$7,558,587.86
Total DC Tangible:	\$1,973,377.50

Total AFE:	\$11,349,174.05
------------	-----------------

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: Franklin Mountain Energy, LLC
Approved By: 
Jeff Stevens
Chief Executive Officer

Date: 10/11/2021

WI Owner: _____

Approved By: _____

Printed Name: _____

Date: _____

Title: _____

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	\$12,500
240	10	CASED HOLE LOGS & SURVEYS	\$10,000
240	15	CASING CREW & EQPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$300,000
240	25	COMMUNICATIONS	\$6,100
240	30	COMPANY DIRECT LABOR	\$0
240	35	COMPLETION/WORKOVER RIG	\$44,000
240	45	CONTRACT LABOR/ROUSTABOUTS	\$15,000
240	50	DAMAGES/RECLAMATION	\$25,000
240	55	DISPOSAL SOLIDS	\$0
240	60	ELECTRICAL POWER/GENERATION	\$0
240	62	ENGINEERING	\$10,000
240	65	ENVIRONMENTAL/CLEANUP	\$0
240	70	FISHING TOOLS / SERVICES	\$0
240	71	FLUIDS/HAULING/DISPOSAL	\$210,000
240	72	FRAC WATER/COMPLETION FLUID	\$425,000
240	75	FUEL, POWER/DIESEL	\$700,000
240	80	HEALTH & SAFETY	\$10,000
240	85	HOUSING AND SUPPORT SERVICES	\$35,000
240	90	MATERIALS & SUPPLIES	\$0
240	95	MISCELLANEOUS	\$25,000
240	100	MUD & CHEMICALS	\$250,000
240	110	P&A/TA COSTS	\$0
240	115	PERFORATING/WIRELINE SERVICE	\$400,000
240	120	PIPE INSPECTION	\$0
240	125	ROAD, LOCATIONS REPAIRS	\$25,000
240	130	STIMULATION	\$1,500,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$55,200
240	140	SUPERVISION	\$46,249
240	145	SURFACE EQUIP RENTAL	\$107,902
240	150	TRANSPORTATION/TRUCKING	\$20,000
240	155	WATER TRANSFER	\$60,000
240	160	WELDING SERVICES	\$10,000
240	165	WELL TESTING/FLOWBACK	\$90,000
240	148	TAXES	\$241,557
240	40	CONTINGENCY COSTS 5%	\$219,598
		Total Intangible Completion Costs:	\$4,853,106

Tangible Completion Costs

Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$50,000
245	15	FLOWLINES	\$20,000
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$48,000
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$87,500
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$50,000
245	75	WELLHEAD EQUIPMENT	\$89,000
245	70	TAXES	\$18,948
Total Tangible Completion Costs:			\$363,248

Intangible Facility Costs

Major	Minor	Description	Amount
265	5	CONSULTING	\$15,840
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$10,970
265	22	PAD/ROAD CONSTRUCTION	\$22,770
265	25	ENGINEERING / SCIENCE	\$12,000
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$5,250
265	80	SURVEY / PLATS / STAKINGS	\$1,000
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$3,731
265	10	CONTINGENCY COSTS 5%	\$3,392
Total Intangible Facility Costs:			\$74,952

Office Use Only:

EXHIBIT

7

tabbies:

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

**APPLICATIONS OF FRANKLIN MOUNTAIN
ENERGY, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 22447-22448

AFFIDAVIT


STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications were provided under a notice letter mailed December 10, 2021, attached, and that proof of receipt is attached hereto. I also state that notice of the hearing was published in the Hobbs News-Sun on December 15, 2021, as reflected in the attached Affidavit of Publication.



Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 1st day of March, 2022 by Deana M. Bennett.



Notary Public

My commission expires: 12-01-2023

**STATE OF NEW MEXICO
NOTARY PUBLIC
Zina Carmelita Crum
Commission No. 1062220
December 07, 2023**

STATE OF NEW MEXICO
NOTARY PUBLIC
Zina Carmelita Crum
Commission No. 1062220
December 07, 2023



BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MARCH 3, 2022

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 219408
Generated: 2/22/2022 1:51:28 PM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300089636361	2021-12-10 12:52 PM	10154.0001 601H	United States of America		Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 2:48 PM
9314869904300089636354	2021-12-10 12:52 PM	10154.0001 601H	HK Oil & Gas, LLC		South Jordan	UT	84095	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-14 8:52 AM
9314869904300089636347	2021-12-10 12:52 PM	10154.0001 601H	Max Exploration, LLC		Salt Lake City	UT	84109	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 7:42 AM
9314869904300089636330	2021-12-10 12:52 PM	10154.0001 601H	Cayuga Royalties, LLC		Houston	TX	77254	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300089636323	2021-12-10 12:52 PM	10154.0001 601H	Monticello Minerals, LLC		Dallas	TX	75206	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 5:25 PM
9314869904300089636316	2021-12-10 12:52 PM	10154.0001 601H	Rheiner Holdings, LLC		Houston	TX	77098	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-17 9:40 AM
9314869904300089636309	2021-12-10 12:52 PM	10154.0001 601H	Prevail Energy, LLC		Denver	CO	80220	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 7:25 PM
9314869904300089636293	2021-12-10 12:52 PM	10154.0001 601H	William E. Richardson, Revocable Inter Vivos	Trust of William E. Richardson 4/28/94	Tulsa	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 10:22 AM
9314869904300089636286	2021-12-10 12:52 PM	10154.0001 601H	Sylvia Delgado		Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 2:29 PM
9314869904300089636279	2021-12-10 12:52 PM	10154.0001 601H	Susan Elisabeth Bowen		Verdugo City	CA	91046	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-28 12:56 PM
9314869904300089636262	2021-12-10 12:52 PM	10154.0001 601H	Sheryn A. Turner	heir to J.C. Turner	Amarillo	TX	79109	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 2:00 PM
9314869904300089636255	2021-12-10 12:52 PM	10154.0001 601H	Sheryn A. Turner	heir to J.C. Turner	Dallas	TX	75230	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 2:39 PM
9314869904300089636248	2021-12-10 12:52 PM	10154.0001 601H	Kirchner Investments, LLC		Tulsa	OK	74136	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 11:48 AM
9314869904300089636231	2021-12-10 12:52 PM	10154.0001 601H	Helen Learmont Bedford, as Trustee/Helen Learmont	Bedford Family Trust	ForthWorth	TX	76116	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-20 12:32 PM
9314869904300089636224	2021-12-10 12:52 PM	10154.0001 601H	Heirs of Thomas H. Turner and Tullie C. Flowers	c/o Heirs of Eulene T. Freeman	Erick	OK	73645	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300089636217	2021-12-10 12:52 PM	10154.0001 601H	Elisa Delgado		Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 2:29 PM
9314869904300089636200	2021-12-10 12:52 PM	10154.0001 601H	Deborah Lyeth Master and First Interstate Bank of	Denver, Trustees of Lyeth Oil Trust	Houston	TX	77252	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-27 9:07 AM
9314869904300089636194	2021-12-10 12:52 PM	10154.0001 601H	Candace Delgado		Santa Fe	NM	87505	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 12:15 PM
9314869904300089636187	2021-12-10 12:52 PM	10154.0001 601H	Beverly Bowen DeLucia		Sunland	CA	91040	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300089636170	2021-12-10 12:52 PM	10154.0001 601H	ASH Oil & Gas, LLC		South Jordan	UT	84095	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-15 8:27 AM
9314869904300089636163	2021-12-10 12:52 PM	10154.0001 601H	Max Permian, LLC		Salt Lake City	UT	84109	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-14 5:00 AM
9314869904300089636156	2021-12-10 12:52 PM	10154.0001 601H	Energen Resources Corporation	c/o Diamondback Energy Inc.	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 3:08 PM
9314869904300089636149	2021-12-10 12:52 PM	10154.0001 601H	Energen Resources Corporation		Birmingham	AL	35203	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300089636132	2021-12-10 12:52 PM	10154.0001 601H	Tap Rock Resources II, LLC		Golden	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	

BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MARCH 3, 2022

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
12/10/2021

No 22447 + No 22448
Firm Mailing Book ID: 219408

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0089 6361 32	Tap Rock Resources II, LLC 523 Park Point Drive, Suite 200 Golden CO 80401	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
2	9314 8699 0430 0089 6361 49	Energen Resources Corporation 605 Richard Arrington Jr. Blvd. North Birmingham AL 35203	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
3	9314 8699 0430 0089 6361 56	Energen Resources Corporation c/o Diamondback Energy Inc. 500 W. Texas Ave. Ste 1200 Midland TX 79701	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
4	9314 8699 0430 0089 6361 63	Max Permian, LLC P.O. Box 9287 Salt Lake City UT 84109	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
5	9314 8699 0430 0089 6361 70	ASH Oil & Gas, LLC P.O. Box 95285 South Jordan UT 84095	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
6	9314 8699 0430 0089 6361 87	Beverly Bowen DeLucia 8454 Day Street Sunland CA 91040	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
7	9314 8699 0430 0089 6361 94	Candace Delgado 2110 Rancho Siringo Rd., Apt 6 Santa Fe NM 87505	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
8	9314 8699 0430 0089 6362 00	Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oil Trust P.O. Box 2227 Houston TX 77252	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
9	9314 8699 0430 0089 6362 17	Elisa Delgado 2 Paseo Galisteo Santa Fe NM 87508	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
10	9314 8699 0430 0089 6362 24	Heirs of Thomas H. Turner and Tullie C. Flowers c/o Heirs of Eulene T. Freeman PO Box 435 Erick OK 73645	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
11	9314 8699 0430 0089 6362 31	Helen Learmont Bedford, as Trustee/Helen Learmont Bedford Family Trust 6421 Camp Bowie Blvd., Suite 314 ForthWorth TX 76116	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
12	9314 8699 0430 0089 6362 48	Kirchner Investments, LLC 7130 South Lewis, Suite 900 Tulsa OK 74136	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
13	9314 8699 0430 0089 6362 55	Sheryn A. Turner heir to J.C. Turner 7515 Woodthrush Dr #6 Dallas TX 75230	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice



BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MARCH 3, 2022

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
12/10/2021

Firm Mailing Book ID: 219408

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
14	9314 8699 0430 0089 6362 62	Sheryn A. Turner heir to J.C. Turner 7301 Bayswater Rd., Amarillo TX 79109	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
15	9314 8699 0430 0089 6362 79	Susan Elisabeth Bowen P.O. Box 584 Verdugo City CA 91046	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
16	9314 8699 0430 0089 6362 86	Sylvia Delgado 2 Paseo Galisteo Santa Fe NM 87508	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
17	9314 8699 0430 0089 6362 93	William E. Richardson, Revocable Inter Vivos Trust of William E. Richardson 4/28/94 502 South Main Street Tulsa OK 74103	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
18	9314 8699 0430 0089 6363 09	Prevail Energy, LLC 521 Dexter St. Denver CO 80220	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
19	9314 8699 0430 0089 6363 16	Rheiner Holdings, LLC P.O. Box 980552 Houston TX 77098	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
20	9314 8699 0430 0089 6363 23	Monticello Minerals, LLC 5528 Vickery Blvd Dallas TX 75206	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
21	9314 8699 0430 0089 6363 30	Cayuga Royalties, LLC P.O. Box 540711 Houston TX 77254	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
22	9314 8699 0430 0089 6363 47	Max Exploration, LLC P.O. Box 9287 Salt Lake City UT 84109	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
23	9314 8699 0430 0089 6363 54	HK Oil & Gas, LLC P.O. Box 95285 South Jordan UT 84095	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
24	9314 8699 0430 0089 6363 61	United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 601H Notice
Totals:			\$32.64	\$90.00	\$44.40	\$0.00	
			Grand Total:		\$167.04		

List Number of Pieces
Listed by Sender

24

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

24



EXAMINER HEARING MARCH 3, 2022

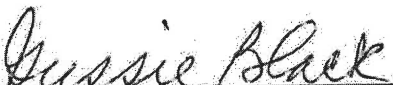
LEGAL NOTICE
December 15, 2021**Affidavit of Publication**STATE OF NEW MEXICO
COUNTY OF LEA

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

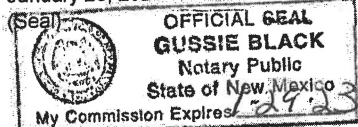
Beginning with the issue dated
December 15, 2021
and ending with the issue dated
December 15, 2021.


Publisher

Sworn and subscribed to before me this
15th day of December 2021:


Business Manager

My commission expires
January 29, 2023



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

CASE NO. 22445: Notice to all affected parties, as well as the heirs and devisees of United States of America; XTO Holdings, LLC; Occidental Permian, LP; Pony Oil Operating, LLC; Elliot Hall Company; TD Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Cayuga Royalties, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Master Fed Com 704H, Triumph Fed Com 705H, and Triumph Fed Com 706H wells to be horizontally drilled. The completed interval for the Triumph Fed Com 705H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

CASE NO. 22446: Notice to all affected parties, as well as the heirs and devisees of United States of America; Prevall Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Cayuga Royalties, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application. Applicant seeks an order from the Division pooling all overriding royalty interests within a Bone Spring horizontal spacing unit underlying the E/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Prevall Fed Com 602H well to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be designation of Franklin Mountain Energy, LLC as operator of the well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

CASE NO. 22447: Notice to all affected parties, as well as the heirs and devisees of United States of America; Tap Rock Resources II, LLC; Energen Resources Corporation; Max Permian, LLC; ASH Oil & Gas, LLC; Beverly Bowen Delucia; Candace Delgado; Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oil Trust; Elissa Delgado; Heirs of Thomas H. Turner and Tullie C. Flowers c/o Heirs of Eugene T. Freeman; Heirs of Thomas H. Turner and Tullie C. Flowers c/o Phyllis Homberg; Helen Learmont Bedford, as Trustee; Helen Learmont Bedford Family Trust, Helen L. Bedford, Edwin L. Bedford, William J. Bedford, as Trustees; Kirchner Investments, LLC; Sheryn A. Bedford, potential heir to J.C. Turner; Susan Elisabeth Bowen; Sylvia Delgado; William E. Richardson, Trustee, Revocable Inter Vivos Trust of William E. Richardson U/A dtd 4/28/94 C/O State Bank & Trust Co.; Prevall Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Cayuga Royalties, LLC; Max Exploration, LLC; HK Oil & Gas, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Elevate Fed Com 601H well to be horizontally drilled. The producing area for the Elevate Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

CASE NO. 22448: Notice to all affected parties, as well as the heirs and devisees of United States of America; Tap Rock Resources II, LLC; Energen Resources Corporation; Max Permian, LLC; ASH Oil & Gas, LLC; Beverly Bowen Delucia; Candace Delgado; Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oil Trust; Elissa Delgado; Heirs of Thomas H. Turner and Tullie C. Flowers c/o Heirs of Eugene T. Freeman; Heirs of Thomas H. Turner and Tullie C. Flowers c/o Phyllis Homberg; Helen Learmont Bedford, as Trustee; Helen Learmont Bedford Family Trust, Helen L. Bedford, Edwin L. Bedford, William J. Bedford, as Trustees; Kirchner Investments, LLC; Sheryn A. Bedford, potential heir to J.C. Turner; Susan Elisabeth Bowen; Sylvia Delgado; William E. Richardson, Trustee, Revocable Inter Vivos Trust of William E. Richardson U/A dtd 4/28/94 C/O State Bank & Trust Co.; Prevall Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Cayuga Royalties, LLC; Max Exploration, LLC; HK Oil & Gas, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Elevate Fed Com 701H, Elevate Fed Com 702H, and Prevall Fed Com 703H wells to be horizontally drilled. The completed interval for the Elevate Fed Com 702H well will be within 330' from the adjoining tracts to allow the inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

CASE NO. 22449: Notice to all affected parties, as well as the heirs and devisees of United States of America; XTO Holdings, LLC; Occidental Permian, LP; Pony Oil Operating, LLC; Elliot Hall Company; TD Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Cayuga Royalties, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Master Fed Com 603H well to be horizontally drilled. The producing area for the Master Fed Com 603H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

CASE NO. 22450: Notice to all affected parties, as well as the heirs and devisees of United States of America; XTO Holdings, LLC; Occidental Permian, LP; Pony Oil Operating, LLC; Elliot Hall Company; TD Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Cayuga Royalties, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Triumph Fed Com 604H well to be horizontally drilled. The producing area for the Triumph Fed Com 604H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

#37127



MODRALL SPERLING

L A W Y E R S

December 10, 2021

Deana M. Bennett
505.848.1834
Deana.Bennett@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 22447

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 22448

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy, LLC ("FME") has filed the above-listed applications.

In Case No. 22447, FME seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Elevate Fed Com 601H** well to be horizontally drilled. The producing area for the Elevate Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

In Case No. 22448, FME seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Elevate Fed Com 701H, Elevate Fed Com 702H, and Prevail Fed Com 703H** wells to be horizontally drilled. The completed interval for the Elevate Fed Com 702H well will be within 330' from the adjoining tracts to allow inclusion of

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Page 2

proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on January 6, 2022 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearings and participate in the cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in the cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

Attorney for Applicant

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

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

CASE NO. 22447

APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. FME plans to drill the **Elevate Fed Com 601H** well to a depth sufficient to test the Bone Spring formation.
4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
5. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Designating FME as operator of this unit and the well to be drilled thereon;

C. Authorizing FME to recover its costs of drilling, completing, and equipping the well;

D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: Deana M. Bennett

Deana M. Bennett
Bryce H. Smith
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 22447: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Elevate Fed Com 601H** well to be horizontally drilled. The producing area for the Elevate Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

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

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

CASE NO. 22448

APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the W2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
3. FME plans to drill the **Elevate Fed Com 701H, Elevate Fed Com 702H, and Prevail Fed Com 703H** wells to a depth sufficient to test the Wolfcamp formation.
4. The completed interval for the Elevate Fed Com 702H well will be less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit.
5. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

6. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Designating FME as operator of this unit and the wells to be drilled thereon;

C. Authorizing FME to recover its costs of drilling, completing, and equipping the wells;

D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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Bryce H. Smith

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Attorneys for Applicant

CASE NO. 22448: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Elevate Fed Com 701H, Elevate Fed Com 702H, and Prevail Fed Com 703H** wells to be horizontally drilled. The completed interval for the Elevate Fed Com 702H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

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

APPLICATION OF FRANKLIN MOUNTAIN
ENERGY, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 22447

SELF AFFIRMED DECLARATION OF BEN KESSEL

Ben Kessel hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Franklin Mountain Energy, LLC (“Franklin”), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
3. I am familiar with the application filed by Franklin in this case.
4. **Exhibit 9** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
5. **Exhibit 10** is a wellbore schematic showing Franklin’s development plan, which includes the wells proposed in Case Numbers 22445 through 22450, including in this case.
6. The exhibits behind **Tab 11** are the geology study I prepared for the **Elevate Fed Com 601H** well.
7. **Exhibit 11-A** is structure map of the Third Bone Spring Sand. The proposed spacing unit is identified by a pink box. The Elevate Fed Com 601H well is the black dashed line



identified by the box labeled "1". The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

8. **Exhibit 11-B** is a cross section reference map that identifies four wells in the vicinity of the proposed well, shown by a line of cross-section running from A to A'.

9. **Exhibit 11-C** is a stratigraphic cross section hung on the Wolfcamp. The well logs on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone is identified by a bracket and the words "Producing Interval". I have also identified where the proposed well falls within the wells I used for the cross-section.

10. In my opinion, the gross interval thickness thins slightly to the southeast.

11. **Exhibit 11-D** is a Gross Sand Isochore of the Third Bone Spring Sand. The gross interval thickness thins slightly to the southeast.

12. I conclude from the maps that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.

13. **Exhibit 12** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

14. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to S_{Hmax} , optimal for induced fracture propagation. This is because the S_{Hmax} is at approximately 265 degrees ENE in this area of Lea County.

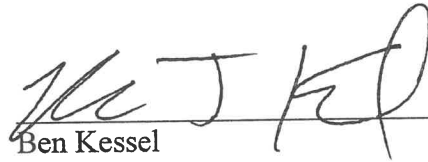
15. Exhibits 9-12 were prepared by me or under my supervision or compiled from company business records.

16. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

[Signature page follows]

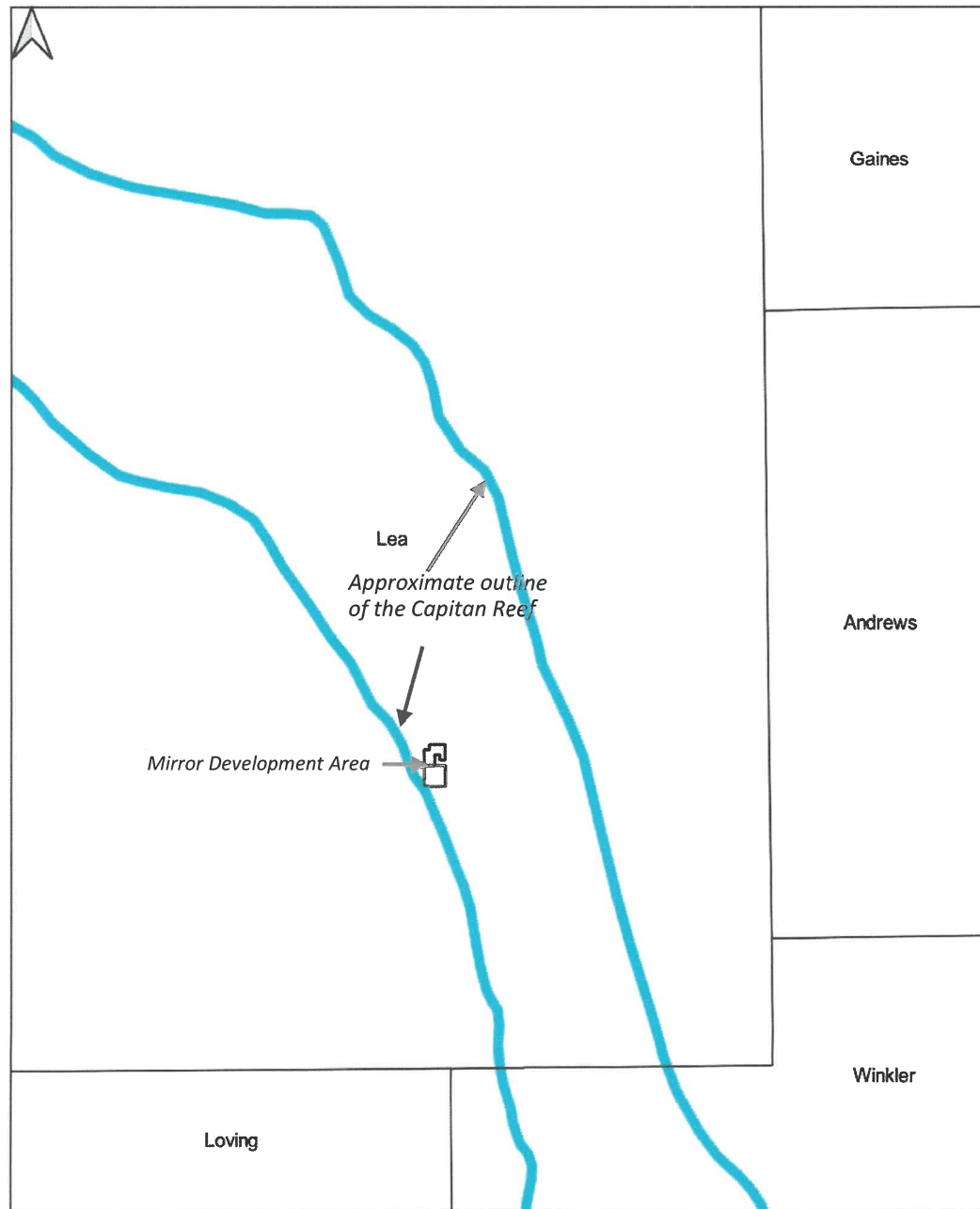
I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: December 23, 2021


Ben Kessel

Mirror Development

Locator Map



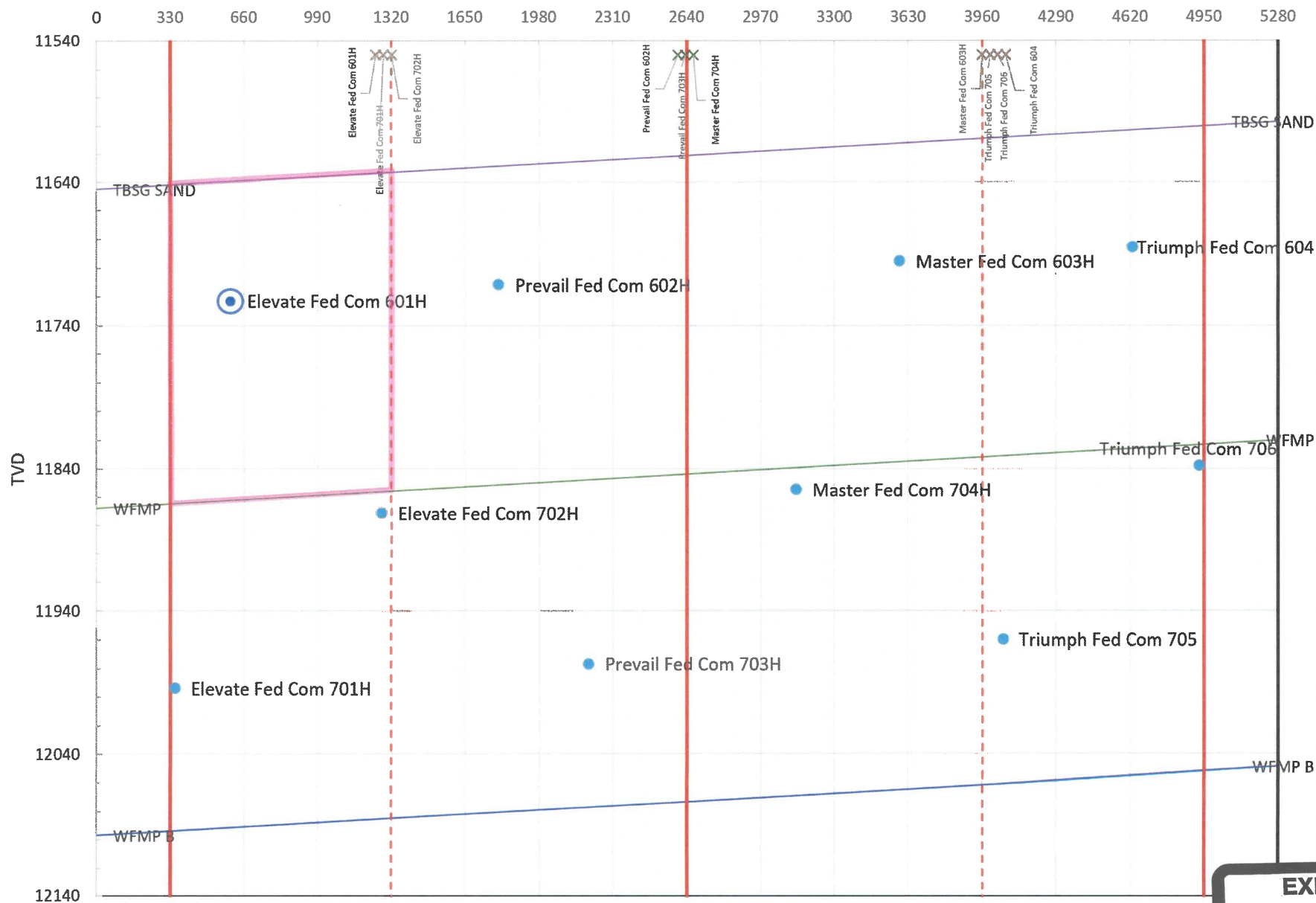
- Black box shows the location of Mirror development area
- Planned wells are located inside of the western edge of the Capitan Reef



Wellbore Schematic



24S 35E Section 14-Looking North



Proposed Laterals

Bone Spring Spacing Unit

Wolfcamp Spacing Unit

Case No. 22447

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EXHIBIT

10

tabbles

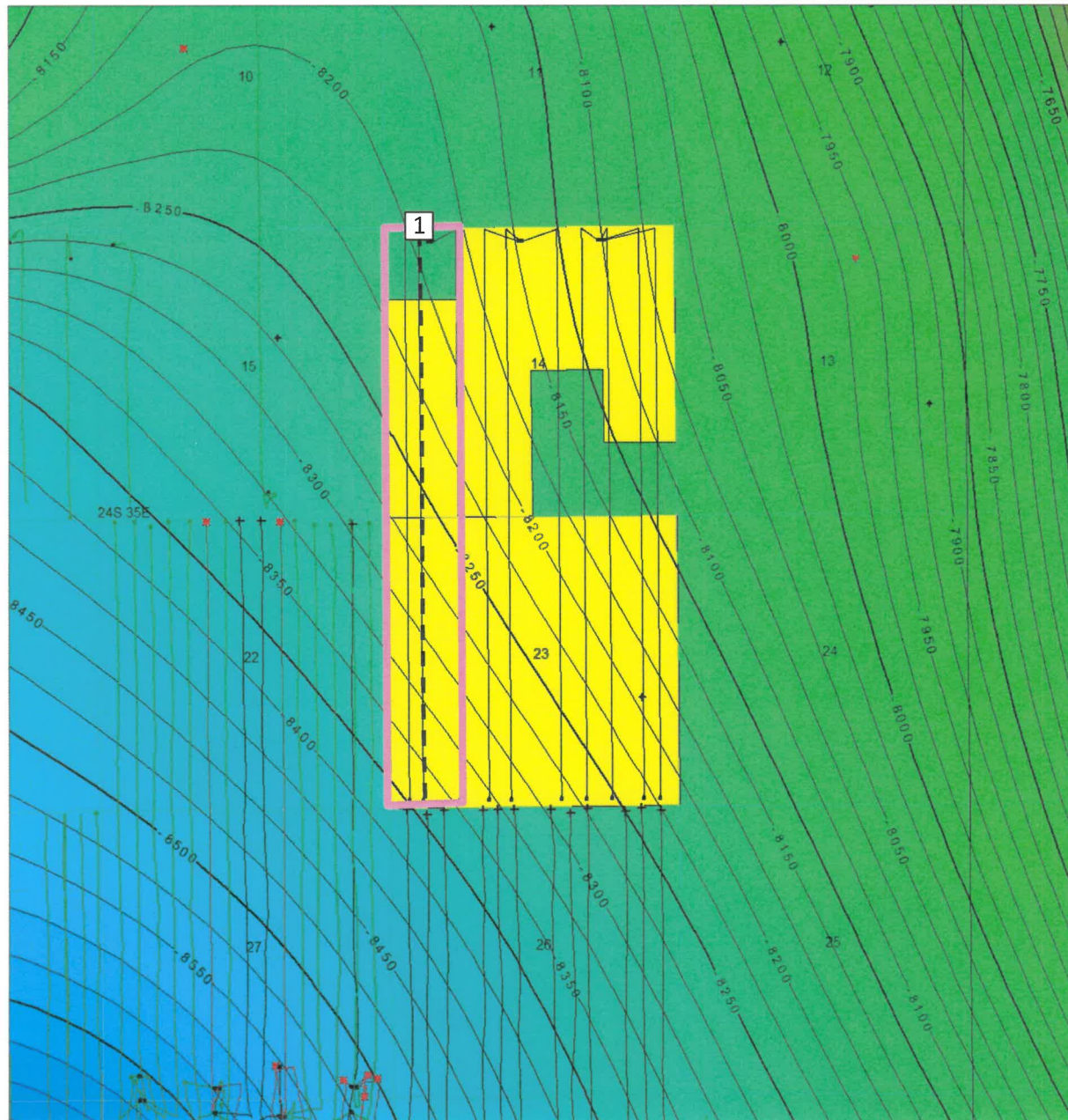
Elevate Fed Com 601H

Case No. 22447

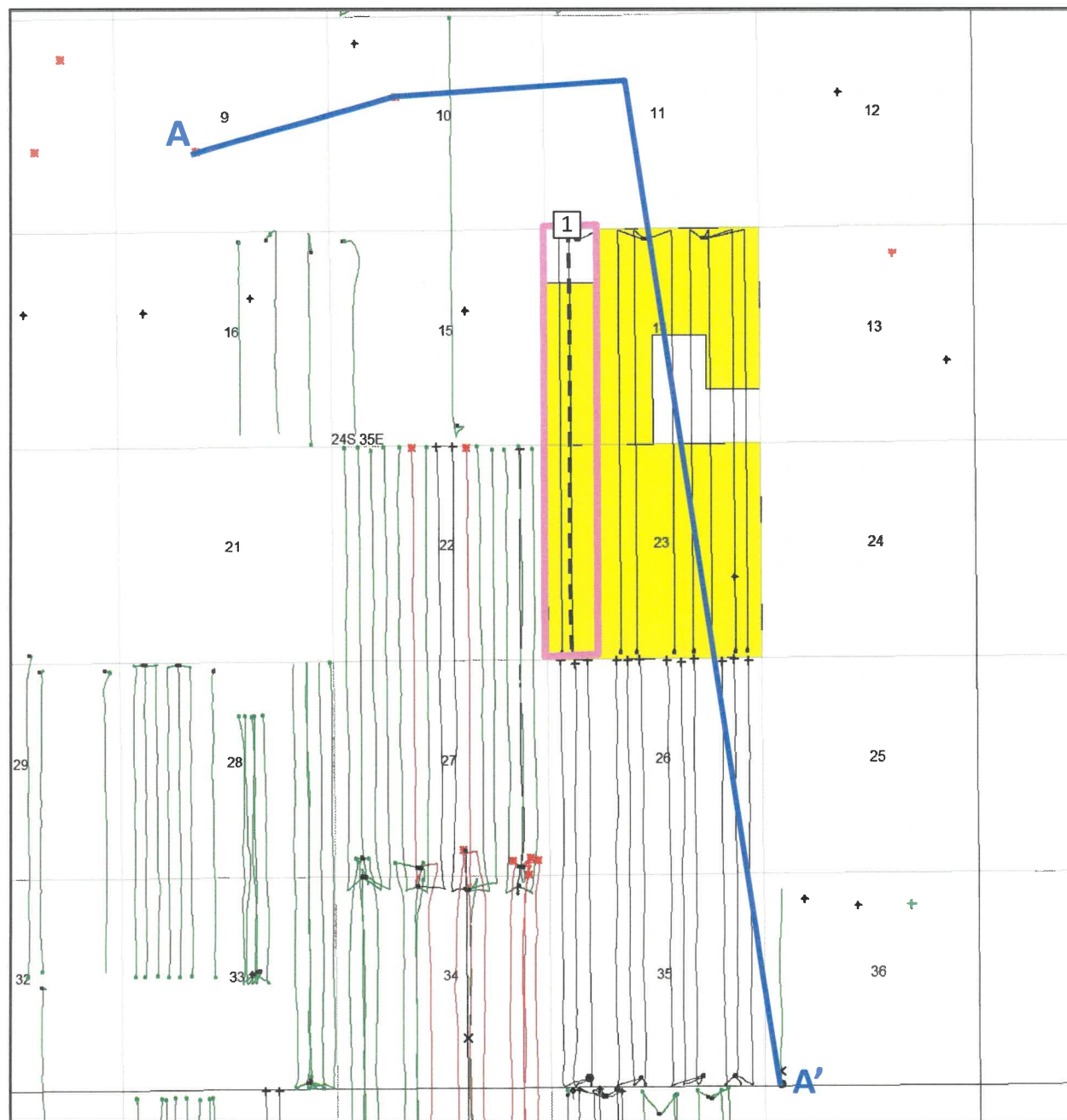
Bone Spring



Bone Spring Structure



Bone Spring Cross Section Reference Map



- Franklin Mountain Acreage
- Bone Spring Spacing Unit

Proposed Horizontal Location

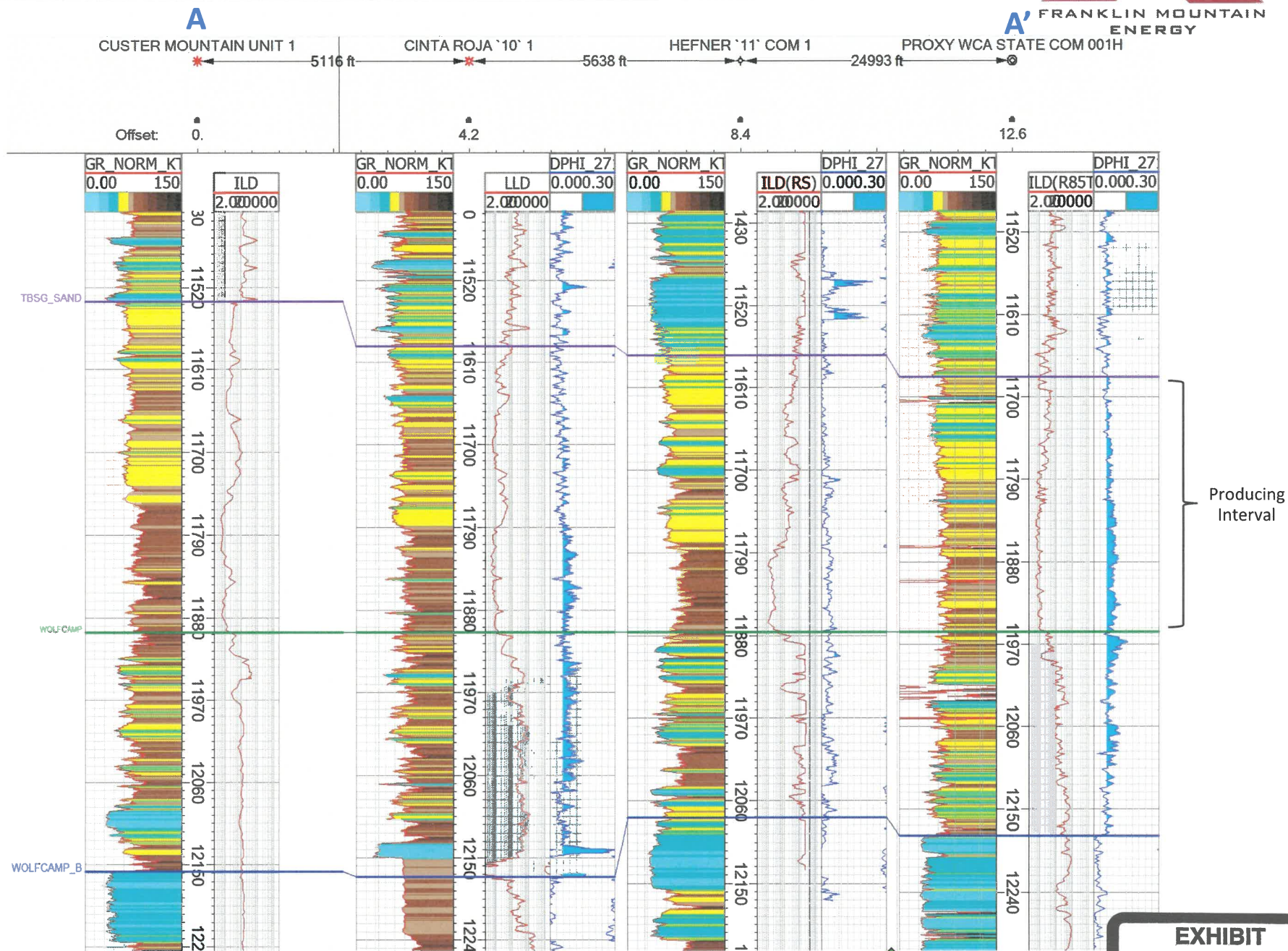
Elevate Fed Com 601

All wells shown

1 mile



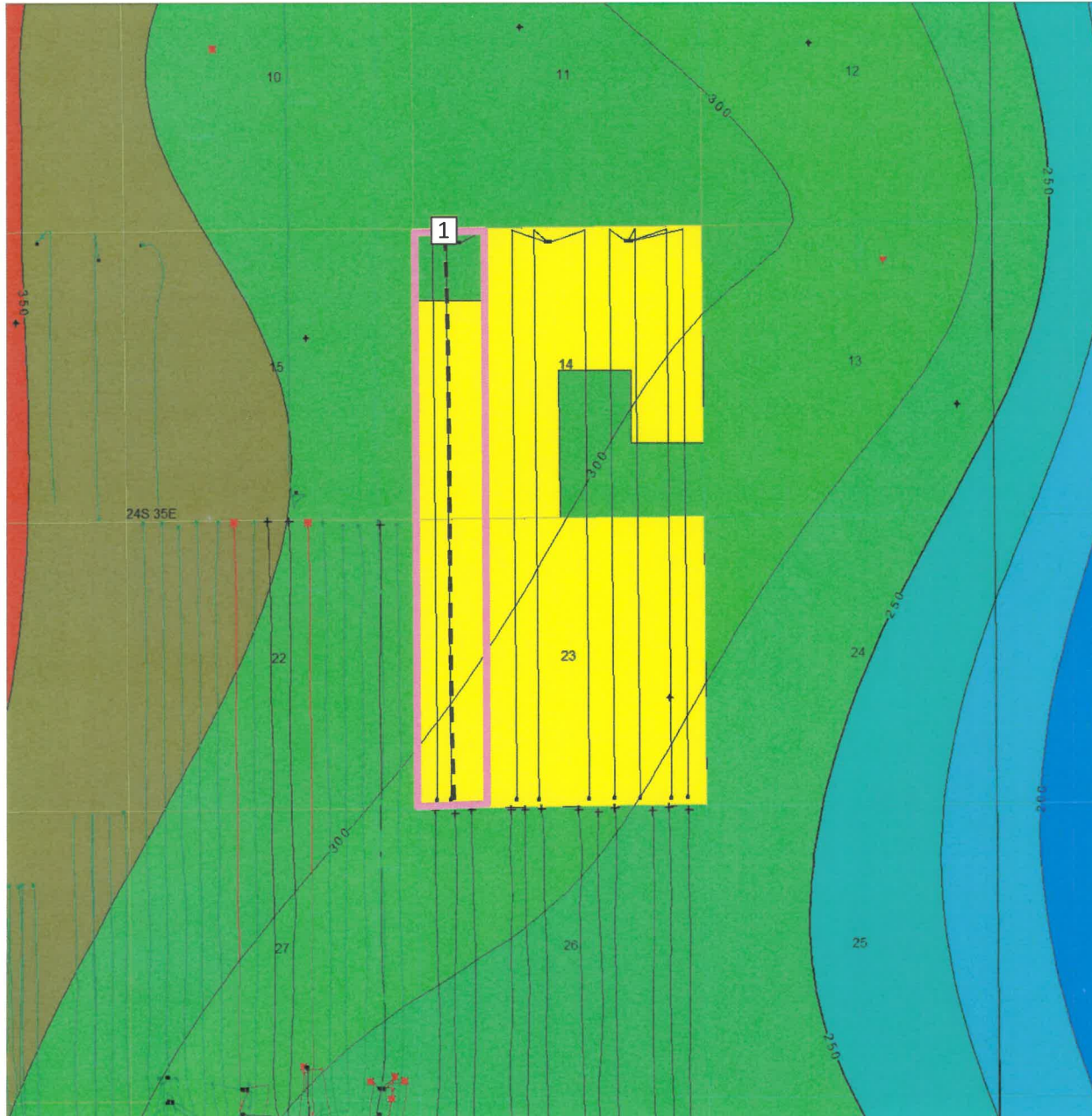
Wolfcamp Cross Section



601

EXHIBIT
11C

Bone Spring Isopach



Franklin Mountain
Acreage



Bone Spring Spacing
Unit

Proposed Horizontal Location

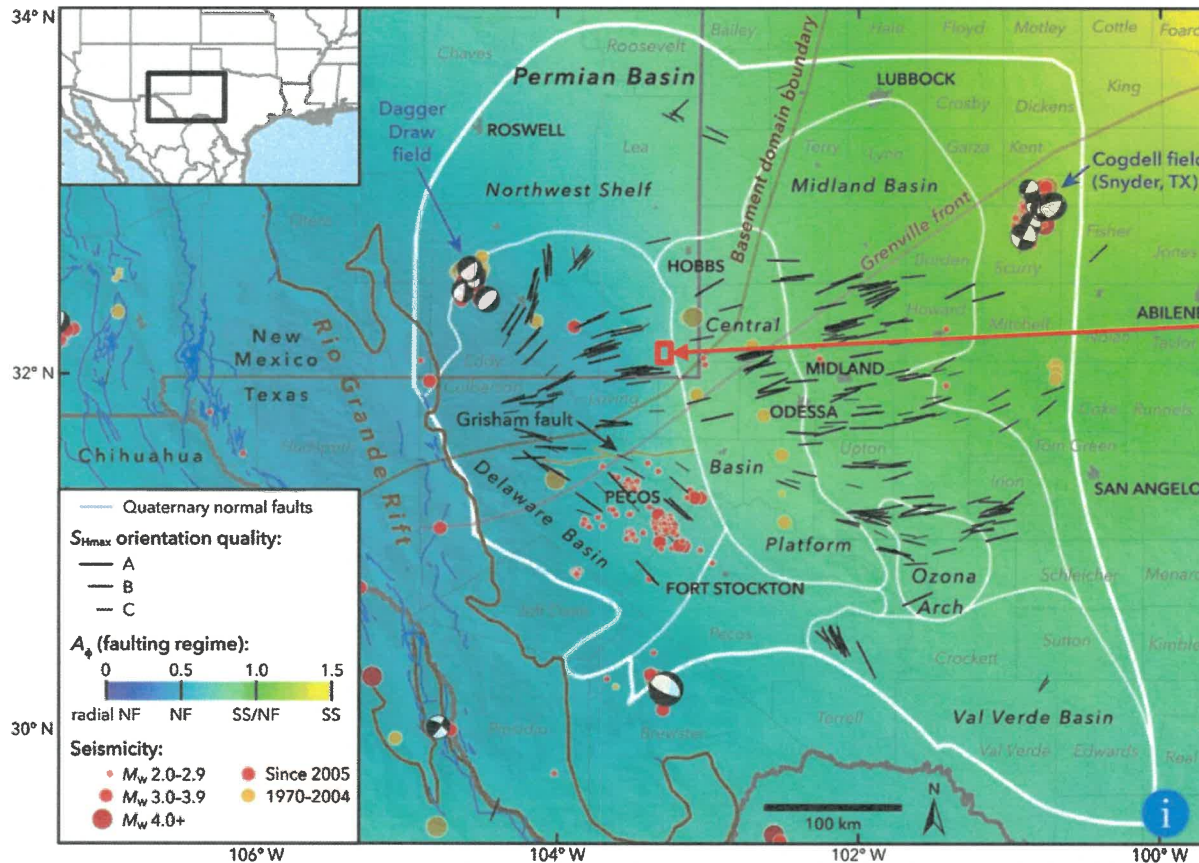
1 Prevail Fed Com 601

C.I. = 25'

1 mile



Regional Stress



- Red box shows the approximate location of the Mirror development
- Reported local S_{hmax} (Snee and Zoback, 2018) direction is ENE, around 265°
- The Prevail Fed Com 601 well is planned to drill N-S, nearly orthogonal to S_{hmax} , optimal for induced fracture propagation

Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2
http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603

