

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

**APPLICATIONS OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR APPROVAL OF NON-STANDARD
SPACING UNIT, AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 23436

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR APPROVAL OF NON-STANDARD
SPACING UNIT, COMPULSORY POOLING, AND NOTICE OF
OVERLAPPING SPACING UNITS,
LEA COUNTY, NEW MEXICO**

CASE NOS. 23439

CONSOLIDATED PRE-HEARING STATEMENT

Franklin Mountain Energy 3, LLC ("Franklin") submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

FRANKLIN MOUNTAIN ENERGY 3, LLC

ATTORNEY

Deana M. Bennett
Earl E. DeBrine
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
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2168
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OTHER PARTIES

None

ATTORNEY

STATEMENT OF CASES

APPLICANT:

In Case No. 23436, Franklin seeks an order from the Division (1) approving a non-standard spacing unit, to the extent necessary, and (2) pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 3 and W/2NW/4 and the NW/4S'W/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Eagle State Com 301H and the Eagle State Com 501H** wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 18 miles west of Hobbs, New Mexico.

In Case No. 23439, Franklin seeks an order from the Division (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 560-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 of Section 3 and the NW/4 and the N/2SW/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Eagle State Com 701H** well, to be horizontally drilled. The producing area for the well is expected to be orthodox. The completed interval for the Eagle State Com 701H well will be less than 330 feet from the adjoining tracts allowing inclusion of the proximity tracts within the spacing unit. Applicant is proposing overlapping spacing units, which overlap the E/2W/2 of Section 3 and the E/2NW/4 and the NE/4SW/4 of Section 10. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Ilona Hoang	Approx. 15 minutes	Approx. 8
Geologist: Ben Kessel	Approx. 15 minutes	Approx. 7

PROCEDURAL ISSUES

To date, no party has entered an appearance nor is there any expected opposition to these cases and Franklin intends to present these cases by affidavit.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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

QUESTIONS

Action 206991

QUESTIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 206991
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.