

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

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, 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 for an order pooling all uncommitted mineral interests within a 800-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2SW/4 of Section 1, the W/2W/2 of Sections 12 and 13, and the E/2SE/4 of Section 2, the E/2E/2 of Sections 11 and 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the W/2SW/4 of Section 1, the W/2W/2 of Sections 12 and 13, and the E/2SE/4 of Section 2, the E/2E/2 of Sections 11 and 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a 800-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the **Blue Box Fed Com 505H well** to a depth sufficient to test the Bone Spring formation. The well will be horizontally drilled, and the producing area for the well is expected to be orthodox.

4. The completed interval for the Blue Box Fed Com 505H well is expected to be less than 330' from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

5. Franklin 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, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023 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/2SW/4 of Section 1, the W/2W/2 of Sections 12 and 13, and the E/2SE/4 of Section 2, the E/2E/2 of Sections 11 and 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

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

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

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

Respectfully submitted,

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

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CASE NO. _____: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a standard 800-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2SW/4 of Section 1, the W/2W/2 of Sections 12 and 13, and the E/2SE/4 of Section 2, the E/2E/2 of Sections 11 and 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico.. This spacing unit will be dedicated to the **Blue Box Fed Com 505H well**, to be horizontally drilled. The producing area for the well is expected to be orthodox. The completed interval for the Blue Box Fed Com 505H well is expected to be less than 330' from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. 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.