Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO.
30-025-52748

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
SATELLITE STATE COM

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 604H

2. Name of Operator FRANKLIN MOUNTAIN ENERGY 3, LLC

9. OGRID Number 331595

3. Address of Operator 44 COOK STREET, SUITE 1000, DENVER, CO 80206

10. Pool name [97930] WC-025 G-06 S183518A; BONESPRING & [960] AIRSTRIP; BONESPRING

4. Well Location
Unit Letter A : 1032 feet from the NORTH line and 952 feet from the EAST line
Section 36 Township 18S Range 34E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3958

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☒	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER:			☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Franklin Mountain Energy, LLC (FME), Operator, respectfully requests approval to make the following changes to the proposed drilling plan for the above referenced well: Hole Size: FME requests approval to change the lateral hole size from 8.75" to 7.875". Please see attached directional plan and revised 14-point plan.

Spud Date: Rig Release Date:

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

SIGNATURE Rachael Overbey TITLE Dir. Ops Planning & Regulatory DATE 6/13/2024

Type or print name Rachael Overbey E-mail address: roverbey@fmellc.com PHONE: 303.570.4057

For State Use Only

APPROVED BY: TITLE DATE
Conditions of Approval (if any):

FRANKLIN MOUNTAIN ENERGY

Satellite State Com 604H

1. **Geologic name of surface location:** Permian
2. **Estimated tops of important geological markers:**

Formations	PROG SS	PROG TVD	Picked TVD	delta	Potential/Issues
Cenozoic Alluvium (surface)	3,957'	30'	30'	0	Sand/Gravels/Unconsolidated
Rustler	2,048'	1,940'			Carbonates
Salado	1,785'	2,203'			Salt, Carbonate & Clastics
Base Salt	731'	3,257'			Shaley Carbonate & Shale
Yates	386'	3,601'			Anhydrite/Shale
Seven Rivers	44'	3,944'			Interbedded Shale/Carbonate
Queen	-715'	4,703'			Sandstone & Dolomite & Anhydrite
Delaware Mtn Group	-2,360'	6,347'			Sandstone/Carb/Shale - oil/gas/water
Bone Spring Lime	-3,716'	7,703'			Shale/Carbonates - oil/gas
First Bone Spring Sand	-5,245'	9,233'			Sandstone - oil/gas/water
Second Bone Spring Carbonate	-5,411'	9,399'			Shale/Carbonates - oil/gas
Second Bone Spring Sand	-5,506'	9,493'			Sandstone - oil/gas/water
Third Bone Spring Carbonate	-6,165'	10,152'			Shale/Carbonates - oil/gas
Third Bone Spring Sand	-6,257'	10,244'			Sandstone - oil/gas/water
HZ Target	-6,455'	10,442'			Overpressure Shale/Sand- oil/gas
Wolfcamp	-6,585'	10,572'			Overpressure Shale/Sand- oil/gas

3. **Estimated depth of anticipated fresh water, oil or gas:**

Upper Permian Sands	0- 400’	Fresh Water
Delaware Sands	6,347'	Oil
1st Bone Spring Sand	9,233'	Oil
2nd Bone Spring Carb	9,399'	Oil
2nd Bone Spring Sand	9,493'	Oil
3rd Bone Spring Sand	10,244'	Oil
Wolfcamp	N/A	Oil
Wolfcamp B	N/A	Oil

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Surface freshwater sands will be protected by setting 13-3/8" casing at 1,990' and circulating cement back to surface.

4. **Casing Program:**

All casing strings will be run new.

Casing string	Weight	Grade	Burst	Collapse	Tension	Conn	Length	API design factor			
								Burst	Collapse	Tension	Coupling
Surface 13 3/8"	54.5	J-55	2730	1130	853	BTC 909	1,990	1.00	1.09	4.09	4.36
Intermediate 9 5/8"	40	HCL-80	7430	4230	916	BTC 1042	4,150	2.03	2.18	3.44	3.92
Production 7"	32	HCP-110	12460	10760	1025	CDC-HTQ 1053	9,886	1.88	2.33	2.46	2.53
Production 5 1/2"	20	HCP-110	12640	12200	641	CDC-HTQ 667	12,054	1.15	2.16	1.88	1.96
							10,442				2.16

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Tapered production string will be ran with a X-over installed at the KOP of 9,886'.

Cementing Program:
Cementing Stage tool can be placed in the 1st Intermediate string as a contingency to ensure required TOC to surface.
To increase efficiency of drilling operations and minimize disturbance of the area the batch-drilling approach will be used.
Off-line cementing may be utilized for Surface, Intermediate, and Production strings to further optimization of drilling process and reduction of disturbance.

String Type	Hole Size	Casing Size	Casing Setting Depth	Lead Sacks	Lead Type of cmt	Lead Yield ft3/sk	Lead Water gal/sk	Lead TOC ft	Tail Sacks	Tail Type of cmt	Tail Yield ft3/sk	Tail Water gal/sk	Tail TOC	Excess
Surf	17.5	13.375	1,990	1077	85:15 Compass Poz, 12.8 ppg Class C, 5%Gel,3#/sk Kol Seal, 4.64#/sk Salt	2.05	11.12	0	441	Tail, 14.8 ppg, 100% Class C, 1%CaCl2, 0.1%	1.34	6.35	1,590	100%
Int1	12.25	9.625	4,150	666	Lead, 11.3 ppg, HSLD 82 10% Gel, 4% STE, 2#/sk, Gyp Seal	2.74	16.31	0	201	Econolite Tail, 14.8 ppg, 100% Class C, 0.08% C-51	1.33	6.33	3,750	100%
Prod	8.75	7	9,886	299	HSLD 9420, 10.5 ppg, Class C, 1#/sk Salt, 4% STE 1% C-45	3.99	25.51	3,150						20%
Prod	7.875	5.5	21,940						1709	HSLD 80, 13.ppg , 32#/sk Salt, 4% STE, 1#/sk Gyp Seal	1.52	7.59	9,886	20%

5. Minimum Specifications for Pressure Control:

The minimum blowout preventer equipment (BOPE) shown in Exhibit #1 will consist of a single ram, mud cross and double ram-type (10,000 psi WP) preventer and an annular preventer (5,000-psi WP). Both units will be hydraulically operated, and the ram-type will be equipped with blind rams on bottom and 4 ½" x 7" variable pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas order No. 2.
Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 5,000/250 psig and the annular preventer to 3,500/250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 10,000/250 psig and the annular preventer to 3,500/250 psig.
Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

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A hydraulically operated choke will be installed prior to drilling out of the intermediate casing shoe.

6. Types and characteristics of the proposed mud system:

During this procedure we plan to use a Closed-Loop System and haul contents to the required disposal. The applicable depths and properties of the drilling fluid systems are as follows.

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,990'	Fresh - Gel	8.6-8.8	28-34	N/c
1,990' – 4,150'	Brine	8.8-10.2	28-34	N/c
4,150'' – 10,786'	Brine	8.8-10.2	28-34	N/c
10,786' – 21,940' Lateral	Oil Base	9.0-11	58-68	3 - 6

The highest mud weight needed to balance formation is expected to be 9-11 ppg. In order to maintain hole stability, mud weights up to 11 ppg may be utilized.

An electronic pit volume totalizer (PVT) will be utilized on the circulating system, to monitor pit volume, flow rate, pump pressure and stroke rate.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. Auxiliary well control and monitoring equipment:

(A) A kelly cock will be kept in the drill string at all times.

(B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be kept on the rig floor at all times.

(C) H2S monitoring and detection equipment will be utilized from surface casing point to TD.

(D) A wear bushing will be installed in the wellhead prior to drilling out of the surface casing.

8. Logging, testing and coring program:

GR–CCL-CNL Will be run in cased hole during completions phase of operations.

Open-hole logs are not planned for this well.

9. Abnormal conditions, pressures, temperatures and potential hazards:

The estimated bottom-hole temperature at 10,442' TVD (deepest point of the well) is 185F with an estimated maximum bottom-hole pressure (BHP) at the same point of 5,973' psig (based on 11 ppg MW). Hydrogen Sulfide may be present in the area. All necessary precautions will be taken before drilling operations commence. See Hydrogen Sulfide Plan below:

10. Hydrogen Sulfide Plan:

A. All personnel shall receive proper awareness H2S training.
B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
C. Required Emergency Equipment
    a. Well Control Equipment
        i. Flare line 150’ from wellhead to be ignited by auto ignition sparking system.
        ii. Choke manifold with a remotely operated hydraulic choke.

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iii. Mud/gas separator

b. Protective equipment for essential personnel
   i. Breathing Apparatus
      1. Rescue packs (SCBA) – 1 unit shall be placed at each briefing area, 2 shall be stored in a safety trailer on site.
      2. Work/Escape packs – 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity
      3. Emergency Escape Packs – 4 packs shall be stored in the doghouse for emergency evacuation.
   ii. Auxiliary Rescue Equipment
      1. Stretcher
      2. Two OSHA full body harnesses
      3. 100 feet of 5/8 inches OSHA approved rope
      4. 1-20# class ABC fire extinguisher
c. H2S Detection and Monitoring Equipment
   i. A stationary detector with three sensors will be placed in the doghouse if equipped, set to visually alarm at 10 ppm and audible at 14 ppm. The detector will be calibrated a minimum of every 30 days or as needed. The sensors will be placed in the following places:
      1. Rig Floor
      2. Below Rig Floor / Near BOPs
      3. End of flow line or where well bore fluid is being discharged (near shakers)
   ii. If H2S is encountered, measured values and formations will be provided to the BLM.
d. Visual Warning Systems
   i. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
   ii. A colored condition flag will be on display, reflecting the current condition at the site at the time.
   iii. Two windsocks will be placed in strategic locations, visible from all angles.
e. Mud Program
   i. The Mud program will be designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.
f. Metallurgy
   i. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service at the anticipated operating pressures to prevent sour sulfide stress cracking.
g. Communication
   i. Communication will be via cell phones and walkie talkies on location.

Based on concentrations of offset wells, proximity to main roads, and distance to populated areas, the radius of exposure created by a potential release was determined to be minimal and low enough to not necessitate an H2S contingency plan. This will be reevaluated during wellbore construction if H2S is observed and after the well is on production.

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11. Anticipated starting date and duration of operations:

The drilling operations on the well should be finished in approximately one month. However, in order to minimize disturbance in the area and to improve efficiency Franklin Mountain is planning to drill all the wells on the pad prior to commence completion operations. To even further reduce the time heavy machinery is used the "batch drilling" method may be used. A batch drilling sequence sundry will be submitted for State approval prior to spud. A drilling rig with walking/skidding capabilities will be used.

12. Disposal/environmental concerns:

(A) Drilled cuttings will be hauled to and disposed of in a state-certified disposal site.
(B) Non-hazardous waste mud/cement from the drilling process will also be hauled to and disposed of in a state-certified disposal site.
(C) Garbage will be hauled to the Pecos City Landfill.
(D) Sewage (grey water) will be hauled to the Carlsbad City Landfill

13. Wellhead:

A multi-bowl wellhead system will be utilized.
After running the 13 3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum working pressure of 10,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 5,000 psi pressure test. This pressure test will be repeated at least every 30 days.

The minimum working pressure of the BOP and related BOPE required for drilling below the surface casing shoe shall be 5,000 psi.

The wellhead will be installed by a third party welder while being monitored by WH vendor's representative.

All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type.

A solid steel body pack-off will be utilized after running and cementing the intermediate casing string. After installation of the first intermediate string the pack-off and lower flanges will be pressure tested to 5000 psi.

Both the surface and intermediate casing strings will be tested as per NMOCD Rules to the one-third of manufacture's rated yield pressure, no less than 600 psi, but not greater than 1,500 psi.

14. Additional variance requests

A. Casing.

1. Variance is requested to wave/reduce the centralizer requirements for the 7" and 5 ½" production casing due to the tight clearance with 8 3/4" hole.

District I
1625 N. French Dr., Hobbs, NM 88240
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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

CONDITIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 353989
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
pkautz	ALL PREVIOUS COA'S APPLY.	6/14/2024