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 NOS. 20982, 20983

FRANKLIN MOUNTAIN ENERGY, LLC'S PRE-HEARING STATEMENT

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

APPEARANCES

<u>APPLICANT</u> <u>ATTORNEY</u>

FRANKLIN MOUNTAIN ENERGY, LLC Deana M. Bennett

MODRALL, SPERLING, ROEHL,

HARRIS & SISK, P.A.

P. O. Box 2168

Albuquerque, New Mexico 87103-

2168

(505) 848-1800

OTHER PARTY

TAP ROCK RESOURCES, LLC

James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

STATEMENT OF CASES

APPLICANT:

In Case No. 20982, Franklin Mountain Energy, LLC seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Parade State 603H well and the Beauty Queen Fed Com 604H well, to be horizontally drilled. The producing area for the Parade State 603H well will be unorthodox. The producing area for the Beauty Queen Fed Com 604H well will 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, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the first well is drilled and when the wells are completed.

In Case No. 20983, Franklin Mountain Energy LLC seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Parade State 704H well, to be horizontally drilled. The producing area for the well will be orthodox. 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, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Shelly Albrecht	Approx. 30 minutes	Approx. 8
Geologist: Ben Kessel	Approx. 30 minutes	Approx. 8

PROCEDURAL ISSUES

If these cases are uncontested, Franklin will request to put them on by affidavit and requests that they be consolidated for purposes of the hearing.

Respectfully submitted,

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

3y: ____

Deana M. Bennett Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Deana.Bennett@modrall.com

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served upon the following counsel of record this 2^{nd} day of January, 2020.

James Bruce P.O. Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

By: Dema M. Bennett