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. 20984

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

STATEMENT OF CASES

APPLICANT:

In Case No. 20984, Franklin Mountain Energy, LLC seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/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 Beauty Queen Fed Com 705H 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. 6

PROCEDURAL ISSUES

Franklin intends to put this cases on by affidavit.

Respectfully submitted,

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

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