



Before the Oil Conservation Division
Examiner Hearing January 9, 2020

Case No. 20983: Parade State 704H

Case No. 20984: Beauty Queen Fed Com 705H

Franklin Mountain Energy Case No. 20983 & 29084
Table of Contents

Tab A: Landman Affidavit (Shelly Albrecht)

Tab 1: Development Overview

Tab 2: Application Case No. 20983

Tab 3: Application Case No. 20984

Tab 4: C-102s

Tab 5: Lease Tract Maps and Interests

Tab 6: Proposal Letters

Tab 7: AFEs

Tab 8: Notice Affidavit

Tab B: Geology Affidavit (Ben Kessel)

Tab 9: Locator Map

Tab 10: Wellbore Schematic

Tab 11: Geology Study for Case No. 20983

- **Structure Map**
- **Reference Map for Cross-Section Wells**
- **Cross-Section**
- **Gross Interval Isochore**

Tab 12: Geology Study for Case No. 20984

- **Structure Map**
- **Reference Map for Cross-Section Wells**
- **Cross-Section**
- **Gross Interval Isochore**

Tab 13: Stress Orientation Slide

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

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

**CASE NOS. 20983, 20984
(E/2 Wolfcamp)**

AFFIDAVIT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Shelly Albrecht, being duly sworn, deposes and states:

1. I am over the age of 18, I am the Director of Land for Franklin Mountain Energy, LLC ("Franklin"), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and I have been qualified by the Division as an expert petroleum landman.

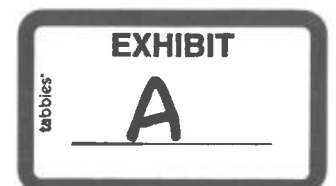
2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.

3. I am familiar with the applications filed by Franklin in these cases.

4. I am familiar with the status of the lands that are subject to the applications.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling applications.

6. The purpose of the applications is to force pool working interest owners into the horizontal spacing units described below, and in the wells to be drilled in the units.



7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.

8. The spacing units and wells that Franklin is proposing in these cases are part of a comprehensive development plan, covering the entirety of Sections 2 and 11 Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. These cases, along with case 20982, cover the E/2 of the Sections. Case numbers 20951, 20952, and 20953 cover the W/2 of the Sections, and those cases went to hearing on December 9, 2019. It is Franklin's intent to fully and efficiently development the entirety of both Sections under its comprehensive development plan. The Development Overview is attached as **Exhibit 1**

9. In Case No. 20983, Franklin seeks an order from the Division pooling all uncommitted mineral interest 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. The Application is attached hereto as **Exhibit 2**.

10. In Case No. 20984, Franklin seeks an order from the Division pooling all uncommitted mineral interest 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. The Application is attached hereto as **Exhibit 3**.

11. Franklin Mountain Energy 2, LLC has an 92.239271% interest in the W/2E/2, and a 100.000000% interest in the E/2E/2.

12. Franklin is a contract operator of Franklin Mountain Energy 2, LLC.

13. Franklin Mountain Energy 2, LLC has authorized Franklin to be the operator of the wells in this unit.

14. Attached as **Exhibit 4** are the proposed C-102s for the wells. Also included in Exhibit 4 is a chart showing the wells' proposed first and last take points.

15. The C-102s identify the proposed surface hole locations and bottom hole locations. The C-102s also identify the pool and pool code.

16. These wells will develop the WC-025-G-09-S253502D-Upper Wolfcamp Pool, Pool Code WC-98187.

17. This pool is an oil pool with 40-acre building blocks.

18. This pool is governed by the state-wide horizontal well rules.

19. There are no depth severances within the proposed spacing units.

20. The proposed first take point for the Parade State 704H well is 689' FNL and 1685' FEL and the proposed last take point is 150' FSL and 1690' FEL. The producing interval for the well will be orthodox and will comply with the Division's set back requirements.

21. The proposed first take point for the Beauty Queen Fed Com 705H well is 689' FNL and 756' FEL and the proposed last take point is 150' FSL and 760' FEL. The producing interval for the well will be orthodox and will comply with the Division's set back requirements.

22. **Exhibit 5** includes a lease tract map outlining the two units being pooled. Exhibit 5 also includes the parties being pooled, the nature, and the percent of their interests.

23. In Case No. 20983, Franklin seeks to pool only unleased mineral interest owners and overriding royalty interest owners. Franklin does not seek to pool any working interest owners because Franklin Mountain Energy 2, LLC is the sole working interest owner and is committed to the unit.

24. In Case No. 20984, Franklin seeks to pool only overriding royalty interest owners. Franklin does not seek to pool any working interest owners because Franklin Mountain Energy 2, LLC is the sole working interest owner and is committed to the unit. There are no unleased mineral interests at issue in Case No. 20984.

25. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners and unleased mineral owners well proposals, including an Authorization for Expenditure.

26. In our search, we identified several unprobated interests. We attempted to find the heirs by internet searches, phone directory searches, and searches of other publicly available information. We sent proposal letters to the addresses we were able to find for possible heirs. Also included in Exhibit 5 is a summary of contacts Franklin has had with potential unleased mineral owners.

27. I am continuing to work with unleased parties. Should any of the unleased parties choose to commit their interests to these wells, I will alert the Division of such developments.

28. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

29. Franklin seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

30. Exhibit 6 is an example of the well proposal letter that was sent to all unleased mineral owners with respect to the Parade State 704H well. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well. No

proposal letter was required to be sent for the Beauty Queen Fed Com 705H well because there are no other working interest owners and no unleased mineral interest owners.

31. **Exhibit 7** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

32. Franklin requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

33. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

34. Franklin requests that it be designated operator of the wells.

35. Franklin requests that it be allowed a period of one (1) year between when the wells are drilled and when the first well is completed under the order.

36. The parties Franklin is seeking to pool were notified of this hearing.

37. **Exhibit 8** is an affidavit of notice prepared by counsel for Franklin that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper, showing that notice of this hearing was published on December 22, 2019.

38. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

39. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

40. In my opinion, the granting of these applications are in the interests of conservation and the prevention of waste.

[Signature page follows]


Shelly Albrecht

SUBSCRIBED AND SWORN to before me this 20th day of December, 2019 by Shelly Albrecht on behalf of Franklin Mountain Energy, LLC.

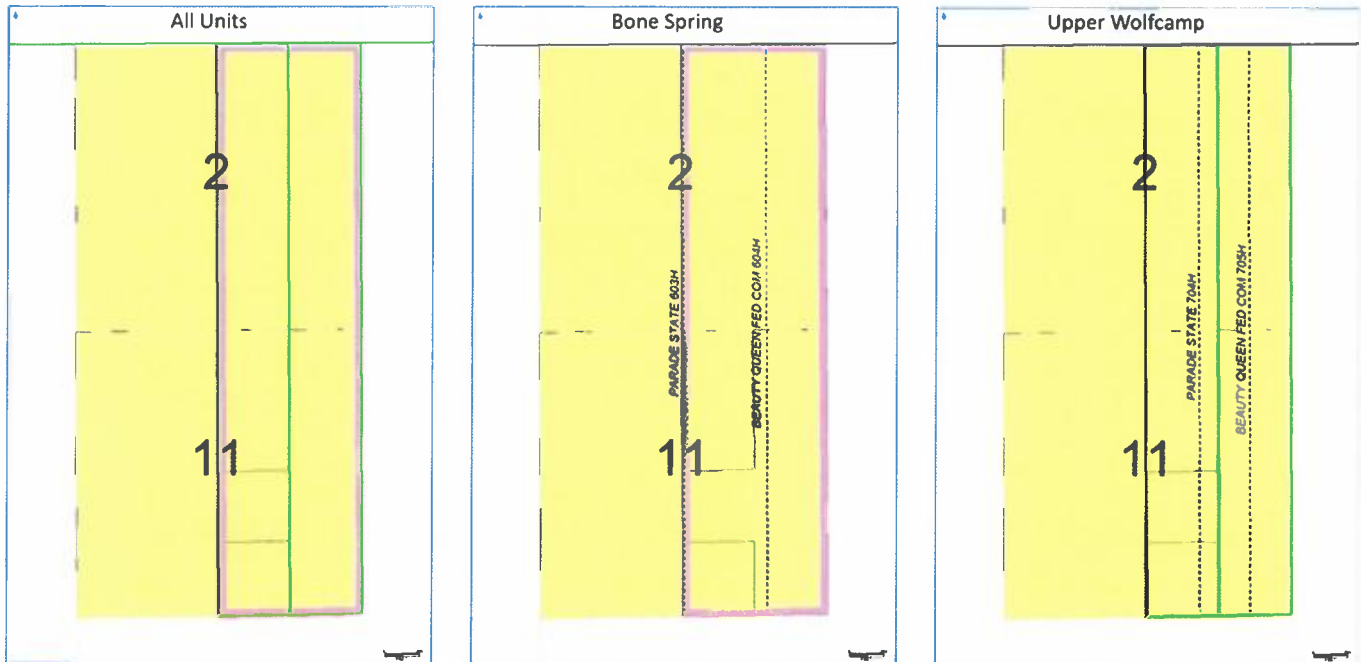

Notary Public



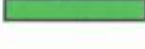
My commission expires Jan. 7, 2021

ELLIOT LESLIE BERARD Notary Public State of Colorado Notary ID # 20094000627 My Commission Expires 01-07-2021

Development Overview

Sections 2 & 11-25S-35E, Lea County, NM
Case Nos. 20982, 20983 & 20984



-  Franklin Mountain Leasehold
-  Bone Spring Proration Unit
-  Wolfcamp Proration Unit



**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. 20983

APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order 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

In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. FME plans to drill the **Parade State 704H** well to a depth sufficient to test the Wolfcamp formation. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
4. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.



5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

6. FME further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2020, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico;

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

C. Authorizing FME 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;

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;

F. Allowing a time period of one (1) year between when the well is drilled and completion of the well under the order issued by the Division.

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

By: Deana M. Bennett
Deana M. Bennett
Nicole T. Russell

Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant 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. Said area is located approximately 9 miles Northwest of Jal, New Mexico

**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**

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

C. Authorizing FME 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;

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;

F. Allowing a time period of one (1) year between when the well is drilled and completion of the well under the order issued by the Division.

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

By: Deana M. Bennett

Deana M. Bennett
Nicole T. Russell
Post Office Box 2168

500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant 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. Said area is located approximately 9 miles Northwest of Jal, New Mexico

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code WC-98187	³ Pool Name WC025 G09 S253502D;UPR WOLFCAMP
⁴ Property Code	⁵ Property Name BEAUTY QUEEN FED COM	⁶ Well Number 705H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3258.2'

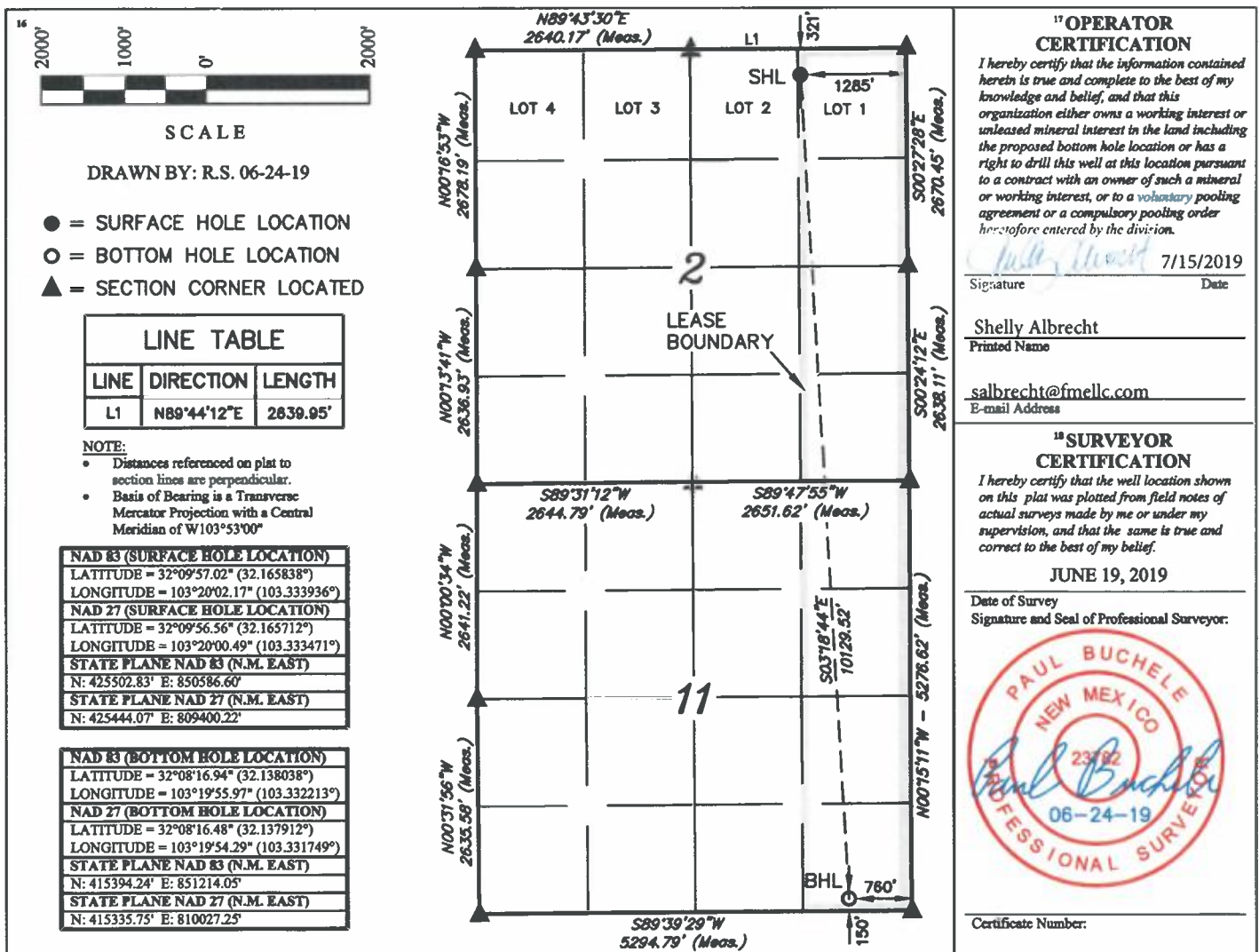
¹⁰ Surface Location

UL or lot no. LOT 1	Section 2	Township 25S	Range 35E	Lot Idn	Feet from the 321	North/South line NORTH	Feet from the 1285	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. P	Section 11	Township 25S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 760	East/West line EAST	County LEA
¹² Dedicated Acres 320.81	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



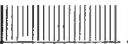


Well_Name	DSU	First Take Point_FTG	Last Take Point_FTG
Parade State 704H	W/2 E/2 Sec 2 & 11 T25S R35E	689' FNL 1685' FEL	150' FSL 1690' FEL
Beauty Queen Fed Com 705H	E/2 E/2 Sec 2 & 11 T25S R35E	689' FNL 756' FEL	150' FSL 760' FEL

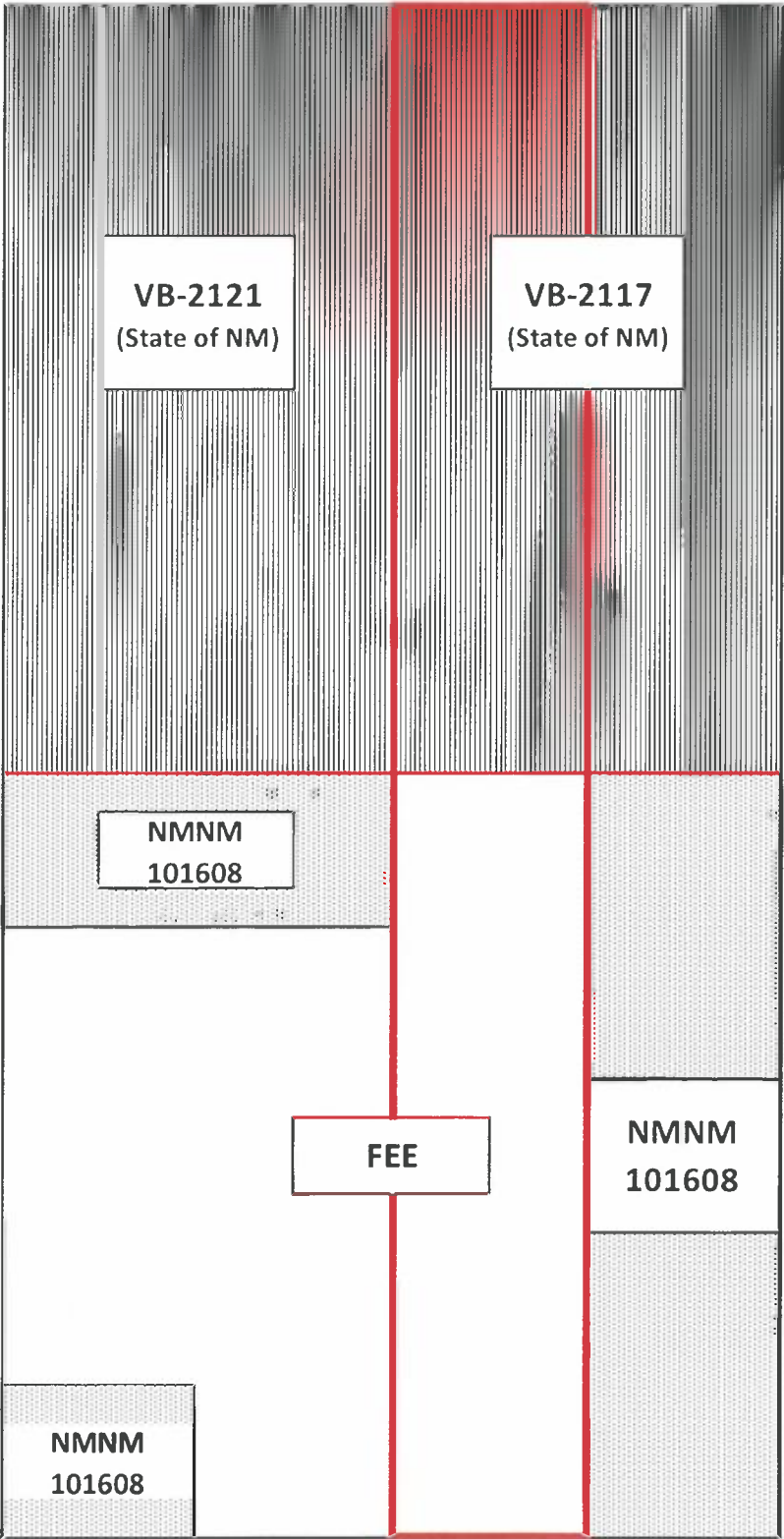
Lease Tract Map

Case No. 20983

W/2E/2 of Sections 2 & 11-25S-35E – 320.85 Gross Acres

Parade State 704H

State	
Federal	
FEE	



Summary of Interests

Case No. 20983

W/2E/2 of Sections 2 & 11-25S-35E – 320.85 Gross Acres

Parade State 704H

Committed Working Interest

<u>Working Interest Owner</u>	<u>Interest</u>
Franklin Mountain Energy 2, LLC	92.239271%
Total Committed Working Interest	92.239271%

Unleased (Uncommitted)

Total Unleased

7.760729%

Total

100.000000%



Parade State 704H

Name	Interest Type	Address	City	State	Zip
Franklin Mountain Energy 2, LLC	WI	2401 E 2nd Ave., Suite 300	Denver	CO	80206
Franklin Mountain Royalty Investments, LLC	UNL	2401 E 2nd Ave., Suite 300	Denver	CO	80206
Franklin Mountain Royalty Investments, LLC	UNL	2401 E 2nd Ave., Suite 300	Denver	CO	80206
Lawrence Edward Boulter, as his separate property	UNL	3736 Topeka Street	Riverbank	CA	95367
Lawrence Edward Boulter, as his separate property	UNL	236 N. 5th Ave.	Oakdale	CA	95361
Lawrence Edward Boulter, as his separate property	UNL	23307 W Arrow Dr. c/o James Troy Boulter	Buckeye	AZ	85326
Lawrence Edward Boulter, as his separate property	UNL	9925 Ulmerton Rd., c/o Jessie Ellen Boulter Crum	Largo	FL	33771
Lista Catherine Ammirati McDonald, as her separate property	UNL	3950 E. Midas Ave.	Rocklin	CA	95677
Sandia Minerals, LLC	UNL	2401 E 2nd Ave., Suite 300	Denver	CO	80206
The heirs or devisees of Dock C. Coates, deceased c/o D.B. Coates	UNL	P.O. Box 1443	Lakeside	UT	85929
The heirs or devisees of Dock C. Coates, deceased c/o Irene Coates	UNL	609 Copper Ln.	Santaquin	UT	84655-56933
The heirs or devisees of Dock C. Coates, deceased c/o Irene Coates	UNL	475 S 300 W	Santaquin	UT	84655-8156
The heirs or devisees of Dock C. Coates, deceased c/o Irene Coates	UNL	499 W Pacific Dr	American Fork	UT	84003-1403
The heirs or devisees of Dock C. Coates, deceased c/o James Ronald	UNL	3608 North County Road 1130	Midland	TX	79705
The heirs or devisees of Dock C. Coates, deceased c/o Kimberly Fran	UNL	3147 Adobe Dam Rd.	Phoenix	AZ	85027
The heirs or devisees of Dock C. Coates, deceased c/o Mary O. Coat	UNL	3719 S. Eunice Hwy	Hobbs	NM	88240
The heirs or devisees of Dock C. Coates, deceased c/o Sharon Lyde	UNL	PO Box 666	Overton	NV	89040
The heirs or devisees of Dock C. Coates, deceased c/o Sharon Lyde	UNL	780 E. Lee Ave.	Overton	NV	89040
The heirs or devisees of Dock C. Coates, deceased c/o Timothy G. C	UNL	PO Box 23	Red Rock	NM	88055
BC Operating, Inc.	ORRI	4000 N. Big Spring St. #310	Midland	TX	79705
Chilmark Properties, LLC	ORRI	110 W. Louisiana Ave., #404	Midland	TX	79701
Constitution Resources II, LP	ORRI	5707 Southwest Parkway	Austin	TX	78735
Encanto Minerals, LLC	ORRI	2929 Allen Parkway, Suite 200	Houston	TX	77019
Monticello Minerals LLC	ORRI	5528 Vickery Blvd.	Dallas	TX	75206
Prevail Energy LLC	ORRI	521 Dexter St.	Denver	CO	80220
Rheiner Holdings, LLC	ORRI	P.O. Box 980552	Houston	TX	77098
Robert E. Landreth and wife, Donna P. Landreth	ORRI	110 W. Louisiana Ave. #404	Midland	TX	79701
Tierra Royalties, LLC	ORRI	2930 Allen Parkway, Suite 200	Houston	TX	77019
Viper Energy Partners, LLC	ORRI	500 W. Texas Ave., #1200	Midland	TX	79701

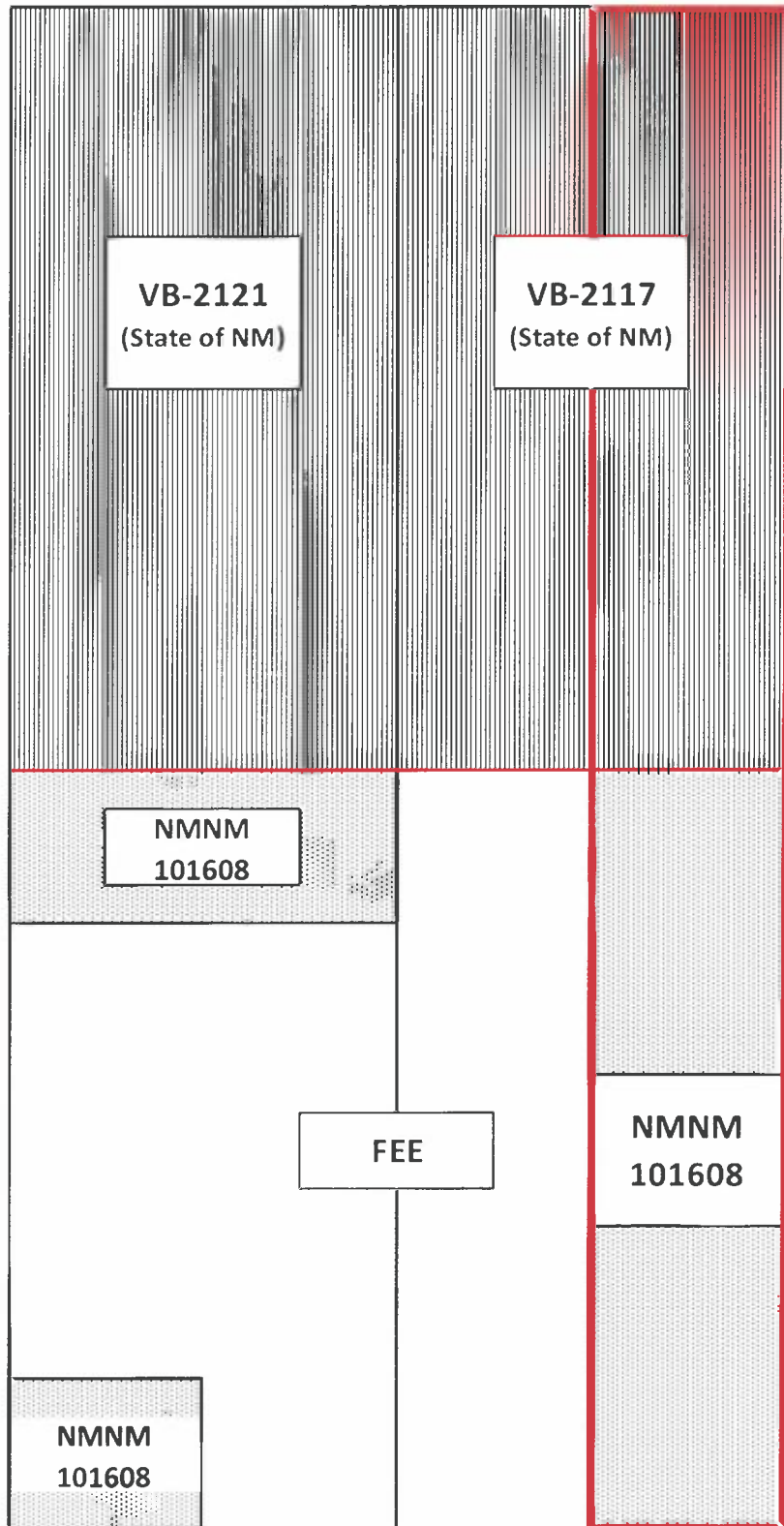
Lease Tract Map

Case No. 20984

E/2E/2 of Sections 2 & 11-25S-35E – 320.81 Gross Acres

Beauty Queen Fed Com 705H

State	
Federal	
FEE	



Summary of Interests

Case No. 20984

E/2E/2 of Sections 2 & 11-25S-35E – 320.81 Gross Acres

Beauty Queen Fed Com 705H

Committed Working Interest

<u>Working Interest Owner</u>	<u>Interest</u>
Franklin Mountain Energy 2, LLC	100.000000%
Total Committed Working Interest	100.000000%



Beauty Queen 705H

Name	Interest Type	Address	City	State	Zip
Franklin Mountain Energy 2, LLC	WI	2401 E 2nd Ave., Suite 300	Denver	CO	80206
Franklin Mountain Royalty Investments, LLC	ORRI	2401 E 2nd Ave., Suite 300	Denver	CO	80206
Encanto Minerals, LLC	ORRI	2929 Allen Parkway, Suite 200	Houston	TX	77019
Tierra Royalties, LLC	ORRI	2930 Allen Parkway, Suite 200	Houston	TX	77019
Prevail Energy LLC	ORRI	521 Dexter St.	Denver	CO	80220
Rheiner Holdings, LLC	ORRI	P.O. Box 980552	Houston	TX	77098
Monticello Minerals LLC	ORRI	5528 Vickery Blvd.	Dallas	TX	75206
Chilmark Properties, LLC	ORRI	110 W. Louisiana Ave., #404	Midland	TX	79701
CrownRock Minerals, L.P.	ORRI	P.O. Box 51933	Midland	TX	79710
Foundation Minerals, LLC	ORRI	P.O. Box 50820	Midland	TX	79710
Mavros Minerals II, LLC	ORRI	P.O. Box 50820	Midland	TX	79710
Oak Valley Minerals and Land, LP	ORRI	P.O. Box 50820	Midland	TX	79710

Summary of Attempted Contacts: Wolfcamp E/2

- Franklin Mountain Energy conducted extensive title work to determine the working interest owners and unleased mineral interest owners.
- Franklin Mountain Energy 2, LLC is the only working interest owner.
- The title work revealed many unprobated interests that potentially have unleased mineral interests.
- Franklin searched public records, phone directory, and various different types of internet searches to try to identify any potential heirs of the unprobated interests.
- Franklin sent well proposal letters to the estates and potential heirs it could identify on July 24, 2019 & October 11, 2019.
- Some of the letters Franklin sent out were returned undeliverable.
- Franklin has received phone calls and other communication from many of the potential heirs Franklin has contacted.
- Franklin filed an application to force pool parties who had not entered in to an agreement.
- Franklin's counsel sent notices of the force pooling application to the addresses of record for the unleased mineral owners, as well as any potential heirs Franklin had identified.
- Franklin has continued to receive phone calls and other communication from potential heirs. Franklin continues to work with those potential heirs to review their potential ownership.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.



July 24, 2019

Lawrence Edward Boulter, as his separate property
c/o James Troy Boulter
23307 W Arrow Dr.
Buckeye, AZ 85326

RE: Parade State 704H Well Proposal
Township 25 South, Range 35 East, Sections 2 & 11: W/2E/2
Lea County, New Mexico

Dear Working Interest Owner:

Franklin Mountain Energy, LLC ("FME"), as Operator, hereby proposes the drilling and completion of the Parade State 704H well ("Well") to test the upper Wolfcamp formation at a total vertical depth of 12,020' and a measured depth of 21,885' ("Operation"). The Well will be drilled from a SHL approximately 300' FNL & 1,355' FEL in Section 2-T25S-R35E to a BHL approximately 150' FSL & 1,690' FEL in Section 11-T25S-R35E. The total estimated costs associated with the Operation are \$10,911,225, as detailed on the enclosed Authority for Expenditure dated June 7, 2019 ("AFE").

Additionally, FME hereby proposes the aforementioned operations under the terms of a modified 1989 AAPL Form 610 Model Form Operating Agreement ("OA") with the following general provisions:

- Contract Area: Township 25 South, Range 35 East, Sections 2 & 11: W/2E/2
- 100%/300%/300% non-consent risk penalties
- \$7,000.00/\$700.00 drilling and producing overhead rates
- Franklin Mountain Energy, LLC listed as the Operator

FME reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns. Should there be any modifications to the plans listed above, FME will notify you.

If you do NOT wish to participate, FME proposes to acquire your interest at the following terms, on a mutually agreeable conveyance form:





Please indicate your elections on the following page and return to Shelly Albrecht at salbrecht@fme LLC.com or to the address provided below at your earliest convenience. Should you elect to participate, please also return executed versions of the AFE enclosed as well as the OA proposed herein.

FME looks forward to working with you and/or your company on this proposed development and encourages you to call with any questions pertaining to the Operation. However, please be advised that, in the near term, FME will file an application for compulsory pooling to pool any uncommitted working interest owners.

Should you have any questions, please contact the undersigned at (720) 414-7855 or by email at the address mentioned above.

Respectfully,

Franklin Mountain Energy, LLC

Shelly Albrecht, CPL
Director of Land

Enclosures



Parade State 704H:

☐ I/We hereby elect to participate in the Parade State 704H well.
☐ I/We hereby elect **NOT** to participate in the Parade State 704H well.

☐ I/We hereby elect to sell our interest.

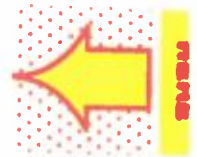
Working Interest Owner: _____

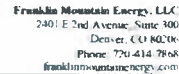
By: _____

Printed Name: _____

Title: _____

Date: _____





Purpose: Drill and complete a 9500' upper Wolfcamp well with 1750 lbs-ft Slackwater frac. TVD 12020', MD 21885'

DOI: 10.1002/for

Lease and Well Equipment Costs			
Major	Minor	Description	Amount
250	5	ADMINISTRATIVE OVERHEAD	\$12,500
250	10	AUTOMATION/TELEMETRY/METERING	\$50,000
250	15	COMMUNICATIONS	\$5,000
250	20	COMPANY DIRECT LABOR	\$0
250	25	COMPRESSORS	\$0
250	35	CONTRACT LABOR/ROUABOUTS	\$10,000
250	40	DAMAGES/RECLAMATION	\$5,000
250	45	DIAGNOSTIC EQUIPMENT	\$0
250	50	DISPOSAL SOLIDS	\$0
250	55	ELECTRICAL	\$20,000
250	60	ELECTRICAL POWER/GENERATION	\$5,000
250	65	ENGINEERING	\$15,000
250	70	ENVIRONMENTAL/CLEANUP	\$25,000
250	75	FLOWLINES	\$25,000
250	80	FLUIDS HAULING/ DISPOSAL	\$10,000
250	85	FUEL, POWER, DIESEL	\$0
250	90	HEALTH & SAFETY	\$2,000
250	95	HOUSING AND SUPPORT SERVICES	\$1,500
250	100	MATERIALS & SUPPLIES	\$25,000
250	110	NON-OPERATED	\$0
250	115	PIPE VALVES/FITTINGS	\$15,000
250	120	PIPELINE & METERING	\$5,000
250	125	PRODUCTION PROCESSING FACILITY	\$0
250	130	PUMPS (SURFACE)	\$20,000
250	135	ROAD, LOCATIONS REPAIRS	\$10,000
250	140	SUBSURFACE EQUIPMENT	\$15,000
250	145	SUPERVISION	\$25,000
250	150	TANKS WALKWAYS, STAIRS, BUILDING STRUCTURES	\$60,000
250	155	TAXES	\$0
250	160	TRANSPORTATION/TRUCKING	\$5,000
250	165	WELDING SERVICES	\$1,000
250		WELLHEAD EQUIPMENT	\$15,000
		Total Lease and Well Equipment Costs	\$478,000

Total AFE	\$109,123.00
-----------	--------------

Date: 6-7-2019

Date _____

Title _____

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH

7

30



Franklin Mountain Energy, LLC
2401 E 2nd Avenue, Suite 300
Denver, CO 80206
Phone: 720-414-7868
franklinmountainenergy.com

AUTHORITY FOR EXPENDITURE

Well Name: Beauty Queen Federal 705H
Location: SHL: Sec 2-7255-R35E 300' FNL 1285' FEL
BHL: Sec 11-7255-R35E 150' FSL 760' FEL
Operator: Franklin Mountain Energy, LLC
Purpose: Drill and complete a 9500' upper Wolfcamp well with 1750
lbs ft slickwater frac. TVD 11875', MD 21740'

Well #: 705H
County/State: Lea Co., NM
Date Prepared: 6/7/2019
AFE #: DCE190626

Intangible Drilling Costs			
Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$12,500
225	10	CASING CREW & EQPT	\$35,000
225	15	CEMENTING INTERMEDIATE CASING	\$60,000
225	20	CEMENTING SURFACE CASING	\$20,000
225	25	COMMUNICATIONS	\$15,000
225	30	COMPLETION FLUIDS	\$45,000
225	40	CONTRACT LABOR	\$30,000
225	45	DAMAGES	\$0
225	50	DAYWORK CONTRACT	\$736,000
225	55	DRILLING - DIRECTIONAL	\$420,000
225	60	DRILLING - FOOTAGE	\$0
225	65	DRILLING BITS	\$105,000
225	70	ELECTRICAL POWER/GENERATION	\$60,000
225	75	ENGINEERING	\$15,000
225	80	ENVIRONMENTAL SERVICES	\$0
225	85	EQUIPMENT RENTAL	\$122,500
225	90	FISHING TOOLS/SERVICES	\$0
225	95	HEALTH & SAFETY	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$45,000
225	105	INSURANCE	\$16,000
225	11	LEGAL, TITLE SERVICES	\$5,000
225	115	MATERIALS & SUPPLIES	\$0
225	120	MISCELLANEOUS	\$0
225	125	MOUSE/HATHOLE/CONDUCT PIPE	\$5,000
225	130	MUD & CHEMICALS	\$120,000
225	140	OPENHOLE LOGGING	\$100,000
225	145	PERMITS, LICENSES, ETC	\$2,000
225	150	POWER FUEL & WATER HAULING	\$0
225	155	RIG MOVE & RACKING COSTS	\$200,000
225	160	RIG UP TEAR OUT & STANDBY	\$50,000
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$96,000
225	175	SUPERVISION - GEOLOGICAL	\$24,000
225	180	TRANSPORTATION/TRUCKING	\$25,000
225	35	CONTINGENCY 5%	\$118,500
Total Intangible Drilling Costs:			\$2,488,500

Intangible Completion Costs			
Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	\$12,500
240	10	CASED HOLE LOGS & SURVEYS	\$15,000
240	15	CASING CREW & EQPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$130,000
240	25	COMMUNICATIONS	\$15,000
240	30	COMPANY DIRECT LABOR	\$15,000
240	35	CONTRACT LABOR/ROUSTABOUTS	\$50,000
240	45	CONTRACT LABOR/ROUSTABOUTS	\$0
240	50	DAMAGES/RECLAMATION	\$25,000
240	55	DISPOSAL SOLIDS	\$0
240	60	ELECTRICAL POWER/GENERATION	\$0
240	65	ENVIRONMENTAL/CLEANUP	\$0
240	70	FISHING TOOLS / SERVICES	\$0
240	75	FUEL, POWER/DIESEL	\$200,000
240	80	HEALTH & SAFETY	\$10,000
240	85	HOUSING AND SUPPORT SERVICES	\$0
240	90	MATERIALS & SUPPLIES	\$0
240	95	MISCELLANEOUS	\$50,000
240	100	MUD & CHEMICALS	\$0
240	110	PISTA COSTS	\$0
240	115	PERFORATING/WIRELINE SERVICE	\$200,000
240	120	PIPE INSPECTION	\$25,000
240	125	ROAD, LOCATIONS REPAIRS	\$25,000
240	130	STIMULATION	\$4,400,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$0
240	140	SUPERVISION	\$42,000
240	145	SURFACE EQUIP RENTAL	\$40,000
240	150	TRANSPORTATION/TRUCKING	\$20,000
240	155	WATER HEATING	\$0
240	160	WELDING SERVICES	\$0
240	165	WELL TESTING/FLOWBACK	\$100,000
240	40	CONTINGENCY COSTS 5%	\$268,725
Total Intangible Completion Costs:			\$5,683,225

Tangible Drilling Costs			
Major	Minor	Description	Amount
230	5	CONSTRUCTION/LOCATION & ROAD	\$80,000
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$635,000
230	20	PACKERS SLEEVES/PLUGS	\$0
230	25	PRODUCTION CASING & ATTACHMENTS	\$580,000
230	30	SITE RESTORATION	\$0
230	35	SURFACE CASING & ATTACHMENTS	\$65,000
230	40	TAXES	\$10,000
230	45	WELLHEAD EQUIPMENT/CASINO BOWL	\$0
Total Tangible Drilling Costs:			\$1,390,000

Tangible Completion Costs			
Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$250,000
245	10	ENGINEERING	\$10,000
245	15	FLOWLINES	\$10,000
245	20	FLUIDS/HAULING/DISPOSAL	\$135,000
245	25	FRAC STRING	\$50,000
245	30	FRAC WATER/COMPLETION FLUID	\$360,000
245	40	PACKERS/SLEEVES/PLUGS/OL MANDRELS	\$25,000
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$55,000
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$0
245	70	TAXES	\$0
245	75	WELLHEAD EQUIPMENT	\$20,000
Total Tangible Completion Costs:			\$915,000

Office Use Only:			
Total Dr: \$3,878,500.00			
Total Completion: \$7,032,725.00			
Total Intangible: \$8,131,725.00			
Total Tangible: \$2,719,500.00			
Total AFE: \$10,911,225.00			

Lease and Well Equipment Costs			
Major	Minor	Description	Amount
250	5	ADMINISTRATIVE OVERHEAD	\$12,500
250	10	AUTOMATION/TELEMETRY/METERING	\$50,000
250	15	COMMUNICATIONS	\$5,000
250	20	COMPANY DIRECT LABOR	\$0
250	25	COMPRESSORS	\$0
250	35	CONTRACT LABOR/ROUSTABOUTS	\$10,000
250	40	DAMAGES/RECLAMATION	\$5,000
250	45	DIAGNOSTIC EQUIPMENT	\$0
250	50	DISPOSAL SOLIDS	\$0
250	55	ELECTRICAL	\$20,000
250	60	ELECTRICAL POWER/GENERATION	\$50,000
250	65	ENGINEERING	\$15,000
250	70	ENVIRONMENTAL/CLEANUP	\$25,000
250	75	FLOWLINES	\$25,000
250	80	FLUIDS/HAULING/DISPOSAL	\$10,000
250	85	FUEL, POWER/DIESEL	\$0
250	90	HEALTH & SAFETY	\$2,000
250	95	HOUSING AND SUPPORT SERVICES	\$1,500
250	100	MATERIALS & SUPPLIES	\$25,000
250	110	NON OPERATED	\$0
250	115	PIPE VALVES/FITTINGS	\$15,000
250	120	PIPELINE & METERING	\$50,000
250	125	PRODUCTION PROCESSING FACILITY	\$0
250	130	PUMPS (SURFACE)	\$20,000
250	135	ROAD, LOCATIONS REPAIRS	\$10,000
250	140	SUBSURFACE EQUIPMENT	\$15,000
250	145	SUPERVISION	\$25,000
250	150	TANKS WALKWAYS, STAIRS, BUILDING STRUCTURES	\$60,000
250	155	TAXES	\$0
250	160	TRANSPORTATION/TRUCKING	\$5,000
250	165	WELDING SERVICES	\$3,500
250		WELLHEAD EQUIPMENT	\$15,000
Total Lease and Well Equipment Costs:			\$474,500

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: Franklin Mountain Energy, LLC
Approved By:
David Ramaden-Wood
Chief Operating Officer

Date: 6/7/2019

Witness: _____
Approved By: _____
Printed Name: _____

Date: _____
Title: _____

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME

**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,
and 20984


AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

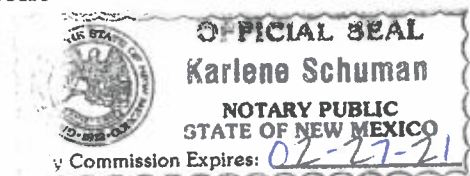
Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under a notice letter, attached, and that proof of receipt is attached hereto. I also state that notice of the January 9, 2020 hearing was published in the Hobbs News-Sun on December 22, 2019, as reflected in the attached Affidavit of Publication.


Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 7th day of January, 2020 by Deana M. Bennett.


Notary Public

My commission expires: 02-27-21





MODRALL SPERLING

L A W Y E R S

December 18, 2019

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 20983

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy LLC ("FME") has filed the above-listed application.

In Case No. 20983, FME 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.

This case has been set for hearing before a Division Examiner on January 9, 2020, starting at 8:15 a.m. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by the application, we are notifying you of your right to appear at the hearing and participate in the case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in the case at a later date.

You are further notified that if you desire to appear in the case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the

Modrall Sperling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

Page 2

Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in dark ink, appearing to read "Deana M. Bennett". The signature is written in a cursive style with some capitalization.

Deana M. Bennett

Attorney for Applicant

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. 20983

APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order 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

In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. FME plans to drill the **Parade State 704H** well to a depth sufficient to test the Wolfcamp formation. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
4. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

6. FME further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2020, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico;

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

C. Authorizing FME 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;

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;

F. Allowing a time period of one (1) year between when the well is drilled and completion of the well under the order issued by the Division.

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

By: Deana M. Bennett
Deana M. Bennett
Nicole T. Russell

Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant 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. Said area is located approximately 9 miles Northwest of Jal, New Mexico



MODRALL SPERLING

L A W Y E R S

December 18, 2019

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 20984

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy LLC ("FME") has filed the above-listed application.

In Case No. 20984, FME 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.

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You are further notified that if you desire to appear in the case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the

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500 Fourth Street NW
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New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

Page 2

Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deana M. Bennett".

Deana M. Bennett

Attorney for Applicant

**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

APPLICATION

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1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
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4. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

6. FME further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2020, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMMPM, Lea County, New Mexico;

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

C. Authorizing FME 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;

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;

F. Allowing a time period of one (1) year between when the well is drilled and completion of the well under the order issued by the Division.

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

By: Deana M. Bennett

Deana M. Bennett
Nicole T. Russell
Post Office Box 2168

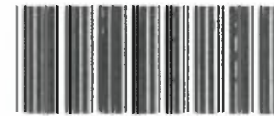
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. _____: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant 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. Said area is located approximately 9 miles Northwest of Jal, New Mexico

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
12/18/2019



Firm Mailing Book ID: 181174

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0066 8470 87	BC Operating, Inc. 4000 N. Big Spring St. #310 Midland TX 79705	\$1.15	\$3.50	\$1.60	\$0.00	10154 No. 20983. Notice
2	9314 8699 0430 0066 8470 94	Chilmark Properties, LLC 110 W. Louisiana Ave., #404 Midland TX 79701	\$1.15	\$3.50	\$1.60	\$0.00	10155 No. 20983. Notice
3	9314 8699 0430 0066 8471 00	Constitution Resources II, LP 5707 Southwest Parkway Austin TX 78735	\$1.15	\$3.50	\$1.60	\$0.00	10156 No. 20983. Notice
4	9314 8699 0430 0066 8471 17	Encanto Minerals, LLC 2929 Allen Parkway, Suite 200 Houston TX 77019	\$1.15	\$3.50	\$1.60	\$0.00	10157 No. 20983. Notice
5	9314 8699 0430 0066 8471 24	Franklin Mountain Energy 2, LLC 2401 E 2nd Ave., Suite 300 Denver CO 80206	\$1.15	\$3.50	\$1.60	\$0.00	10158 No. 20983. Notice
6	9314 8699 0430 0066 8471 31	Franklin Mountain Royalty Investments, LLC 2401 E 2nd Ave., Suite 300 Denver CO 80206	\$1.15	\$3.50	\$1.60	\$0.00	10159 No. 20983. Notice
7	9314 8699 0430 0066 8471 48	Franklin Mountain Royalty Investments, LLC 2401 E 2nd Ave., Suite 300 Denver CO 80206	\$1.15	\$3.50	\$1.60	\$0.00	10160 No. 20983. Notice
8	9314 8699 0430 0066 8471 55	Lawrence Edward Boulter, as his separate property 3736 Topeka Street Riverbank CA 95367	\$1.15	\$3.50	\$1.60	\$0.00	10161 No. 20983. Notice
9	9314 8699 0430 0066 8471 62	Lawrence Edward Boulter, as his separate property 236 N. 5th Ave. Oakdale CA 95361	\$1.15	\$3.50	\$1.60	\$0.00	10162 No. 20983. Notice
10	9314 8699 0430 0066 8471 79	Lawrence Edward Boulter, as his separate property c/o James Troy Boulter 23307 W Arrow Dr. Buckeye AZ 85326	\$1.15	\$3.50	\$1.60	\$0.00	10163 No. 20983. Notice
11	9314 8699 0430 0066 8471 86	Lawrence Edward Boulter, as his separate property c/o Jessie Ellen Boulter Crum 9925 Ulmerton Rd. Largo FL 33771	\$1.15	\$3.50	\$1.60	\$0.00	10164 No. 20983. Notice
12	9314 8699 0430 0066 8471 93	Lista Catherine Ammirati McDonald 3950 E. Midas Ave. Rocklin CA 95677	\$1.15	\$3.50	\$1.60	\$0.00	10165 No. 20983. Notice
13	9314 8699 0430 0066 8472 09	Monticello Minerals LLC 5528 Vickery Blvd. Dallas TX 75206	\$1.15	\$3.50	\$1.60	\$0.00	10166 No. 20983. Notice
14	9314 8699 0430 0066 8472 16	Prevail Energy LLC 521 Dexter St. Denver CO 80220	\$1.15	\$3.50	\$1.60	\$0.00	10167 No. 20983. Notice
15	9314 8699 0430 0066 8472 23	Rheiner Holdings, LLC P.O. Box 980552 Houston TX 77098	\$1.15	\$3.50	\$1.60	\$0.00	10168 No. 20983. Notice

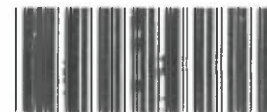
DEC 18 2019

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Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
12/18/2019



Firm Mailing Book ID: 181174

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0066 8472 30	Robert E. Landreth and wife, Donna P. Landreth 110 W. Louisiana Ave. #404 Midland TX 79701	\$1.15	\$3.50	\$1.60	\$0.00	10169 No. 20983. Notice
17	9314 8699 0430 0066 8472 47	Sandia Minerals, LLC 2401 E 2nd Ave., Suite 300 Denver CO 80206	\$1.15	\$3.50	\$1.60	\$0.00	10170 No. 20983. Notice
18	9314 8699 0430 0066 8472 54	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.15	\$3.50	\$1.60	\$0.00	10171 No. 20983. Notice
19	9314 8699 0430 0066 8472 61	Tap Rock Resources, LLC 602 Park Point Drive, Suite 200 Golden CO 80401	\$1.15	\$3.50	\$1.60	\$0.00	10172 No. 20983. Notice
20	9314 8699 0430 0066 8472 78	The heirs or devisees of Dock C. Coates, deceased c/o D.B. Coates P.O. Box 1443 Lakeside UT 85929	\$1.15	\$3.50	\$1.60	\$0.00	10173 No. 20983. Notice
21	9314 8699 0430 0066 8472 85	The heirs or devisees of Dock C. Coates, deceased c/o Irene Coates 609 Copper Ln. Santaquin UT 84655	\$1.15	\$3.50	\$1.60	\$0.00	10174 No. 20983. Notice
22	9314 8699 0430 0066 8472 92	The heirs or devisees of Dock C. Coates, deceased c/o Irene Coates 475 S 300 W Santaquin UT 84655	\$1.15	\$3.50	\$1.60	\$0.00	10175 No. 20983. Notice
23	9314 8699 0430 0066 8473 08	The heirs or devisees of Dock C. Coates, deceased c/o Irene Coates 499 W Pacific Dr American Fork UT 84003	\$1.15	\$3.50	\$1.60	\$0.00	10176 No. 20983. Notice
24	9314 8699 0430 0066 8473 15	The heirs or devisees of Dock C. Coates, deceased c/o James Ronald Stanley 3608 North County Road 1130 Midland TX 79705	\$1.15	\$3.50	\$1.60	\$0.00	10177 No. 20983. Notice
25	9314 8699 0430 0066 8473 22	The heirs or devisees of Dock C. Coates, deceased c/o Kimberly Franzoy Becker 3147 Adobe Dam Rd. Phoenix AZ 85027	\$1.15	\$3.50	\$1.60	\$0.00	10178 No. 20983. Notice
26	9314 8699 0430 0066 8473 39	The heirs or devisees of Dock C. Coates, deceased c/o Mary O. Coates 3719 S. Eunice Hwy Hobbs NM 88240	\$1.15	\$3.50	\$1.60	\$0.00	10179 No. 20983. Notice
27	9314 8699 0430 0066 8473 46	The heirs or devisees of Dock C. Coates, deceased c/o Sharon Lyde Miller PO Box 666 Overton NV 89040	\$1.15	\$3.50	\$1.60	\$0.00	10180 No. 20983. Notice
28	9314 8699 0430 0066 8473 53	The heirs or devisees of Dock C. Coates, deceased c/o Sharon Lyde Miller 780 E. Lee Ave. Overton NV 89040	\$1.15	\$3.50	\$1.60	\$0.00	10181 No. 20983. Notice

DEC 18 2019

46

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
12/18/2019



Firm Mailing Book ID: 181174

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
29	9314 8699 0430 0066 8473 60	The heirs or devisees of Dock C. Coates, deceased c/o Timothy G. Coates PO Box 23 Red Rock NM 88055	\$1.15	\$3.50	\$1.60	\$0.00	10182 No. 20983. Notice
30	9314 8699 0430 0066 8473 77	Tierra Royalties, LLC 2930 Allen Parkway, Suite 200 Houston TX 77019	\$1.15	\$3.50	\$1.60	\$0.00	10183 No. 20983. Notice
31	9314 8699 0430 0066 8473 84	Viper Energy Partners, LLC 500 W. Texas Ave., #1200 Midland TX 79701	\$1.15	\$3.50	\$1.60	\$0.00	10184 No. 20983. Notice
Totals:			\$35.65	\$108.50	\$49.60	\$0.00	
			Grand Total:		\$193.75		

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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31

12/18/2019

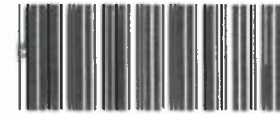
Transaction Report Details - CertifiedPro.net
 Firm Mail Book ID- 181174
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USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300066847384	2019-12-18 12:51 PM	10184 No. 20983.	Viper Energy Partners, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066847377	2019-12-18 12:51 PM	10183 No. 20983.	Tierra Royalties, LLC		Houston	TX	77019	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300066847360	2019-12-18 12:51 PM	10182 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o Timothy G. Coates	Red Rock	NM	88055	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066847353	2019-12-18 12:51 PM	10181 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o Sharon Lyde Miller	Overton	NV	89040	Delivered	Return Receipt - Electronic, Certified Mail	12-30-2019
9314869904300066847346	2019-12-18 12:51 PM	10180 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o Sharon Lyde Miller	Overton	NV	89040	Delivered	Return Receipt - Electronic, Certified Mail	12-30-2019
9314869904300066847339	2019-12-18 12:51 PM	10179 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o Mary O. Coates	Hobbs	NM	88240	Delivered	Return Receipt - Electronic, Certified Mail	12-26-2019
9314869904300066847322	2019-12-18 12:51 PM	10178 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o Kimberly Franzoy Becker	Phoenix	AZ	85027	Delivered	Return Receipt - Electronic, Certified Mail	12-26-2019
9314869904300066847315	2019-12-18 12:51 PM	10177 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o James Ronald Stanley	Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	12-21-2019
9314869904300066847308	2019-12-18 12:51 PM	10176 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o Irene Coates	American Fork	UT	84003	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300066847292	2019-12-18 12:51 PM	10175 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o Irene Coates	Santaquin	UT	84655	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300066847285	2019-12-18 12:51 PM	10174 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o Irene Coates	Santaquin	UT	84655	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066847278	2019-12-18 12:51 PM	10173 No. 20983.	The heirs or devisees of Dock C. Coates, deceased	c/o D B Coates	Lakeside	UT	85929	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066847261	2019-12-18 12:51 PM	10172 No. 20983.	Tap Rock Resources, LLC		Golden	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	12-20-2019
9314869904300066847254	2019-12-18 12:51 PM	10171 No. 20983.	State of New Mexico		Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	12-30-2019
9314869904300066847247	2019-12-18 12:51 PM	10170 No. 20983.	Sandia Minerals, LLC		Denver	CO	80206	Delivered	Return Receipt - Electronic, Certified Mail	12-20-2019
9314869904300066847230	2019-12-18 12:51 PM	10169 No. 20983.	Robert E. Landreth and wife, Donna P. Landreth		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066847223	2019-12-18 12:51 PM	10168 No. 20983.	Rheiner Holdings, LLC		Houston	TX	77098	Delivered	Return Receipt - Electronic, Certified Mail	01-02-2020
9314869904300066847216	2019-12-18 12:51 PM	10167 No. 20983.	Prevail Energy LLC		Denver	CO	80220	Delivered	Return Receipt - Electronic, Certified Mail	12-30-2019
9314869904300066847209	2019-12-18 12:51 PM	10166 No. 20983.	Monticello Minerals LLC		Dallas	TX	75206	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300066847193	2019-12-18 12:51 PM	10165 No. 20983.	Lista Catherine Ammirati McDonald		Rocklin	CA	95677	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066847186	2019-12-18 12:51 PM	10164 No. 20983.	Lawrence Edward Boulter, as his separate property	c/o Jessie Ellen Boulter Crum	Largo	FL	33771	Delivered	Return Receipt - Electronic, Certified Mail	12-28-2019
9314869904300066847179	2019-12-18 12:51 PM	10163 No. 20983.	Lawrence Edward Boulter, as his separate property	c/o James Troy Boulter	Buckeye	AZ	85326	Delivered	Return Receipt - Electronic, Certified Mail	12-31-2019
9314869904300066847162	2019-12-18 12:51 PM	10162 No. 20983.	Lawrence Edward Boulter, as his separate property		Oakdale	CA	95361	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300066847155	2019-12-18 12:51 PM	10161 No. 20983.	Lawrence Edward Boulter, as his separate property		Riverbank	CA	95367	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300066847148	2019-12-18 12:51 PM	10160 No. 20983.	Franklin Mountain Royalty Investments, LLC		Denver	CO	80206	Delivered	Return Receipt - Electronic, Certified Mail	12-20-2019
9314869904300066847131	2019-12-18 12:51 PM	10159 No. 20983.	Franklin Mountain Royalty Investments, LLC		Denver	CO	80206	Delivered	Return Receipt - Electronic, Certified Mail	12-20-2019
9314869904300066847124	2019-12-18 12:51 PM	10158 No. 20983.	Franklin Mountain Energy 2, LLC		Denver	CO	80206	Delivered	Return Receipt - Electronic, Certified Mail	12-20-2019
9314869904300066847117	2019-12-18 12:51 PM	10157 No. 20983.	Encanto Minerals, LLC		Houston	TX	77019	Delivered	Return Receipt - Electronic, Certified Mail	12-30-2019
9314869904300066847100	2019-12-18 12:51 PM	10156 No. 20983.	Constitution Resources II, LP		Austin	TX	78735	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300066847094	2019-12-18 12:51 PM	10155 No. 20983.	Chilmark Properties, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066847087	2019-12-18 12:51 PM	10154 No. 20983.	BC Operating, Inc.		Midland	TX	79705	Mailed	Return Receipt - Electronic, Certified Mail	

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
12/18/2019



Firm Mailing Book ID: 181180

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0066 8500 70	Franklin Mountain Energy 2, LLC 2401 E 2nd Ave., Suite 300 Denver CO 80206	\$1.15	\$3.50	\$1.60	\$0.00	10154 - No. 20984. Notice
2	9314 8699 0430 0066 8500 87	Franklin Mountain Royalty Investments, LLC 2401 E 2nd Ave., Suite 300 Denver CO 80206	\$1.15	\$3.50	\$1.60	\$0.00	10155 - No. 20984. Notice
3	9314 8699 0430 0066 8500 94	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.15	\$3.50	\$1.60	\$0.00	10156 - No. 20984. Notice
4	9314 8699 0430 0066 8501 00	United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.15	\$3.50	\$1.60	\$0.00	10157 - No. 20984. Notice
5	9314 8699 0430 0066 8501 17	Encanto Minerals, LLC 2929 Allen Parkway, Suite 200 Houston TX 77019	\$1.15	\$3.50	\$1.60	\$0.00	10158 - No. 20984. Notice
6	9314 8699 0430 0066 8501 24	Tierra Royalties, LLC 2930 Allen Parkway, Suite 200 Houston TX 77019	\$1.15	\$3.50	\$1.60	\$0.00	10159 - No. 20984. Notice
7	9314 8699 0430 0066 8501 31	Prevail Energy LLC 521 Dexter St. Denver CO 80220	\$1.15	\$3.50	\$1.60	\$0.00	10160 - No. 20984. Notice
8	9314 8699 0430 0066 8501 48	Rheiner Holdings, LLC P.O. Box 980552 Houston TX 77098	\$1.15	\$3.50	\$1.60	\$0.00	10161 - No. 20984. Notice
9	9314 8699 0430 0066 8501 55	Monticello Minerals LLC 5528 Vickery Blvd. Dallas TX 75206	\$1.15	\$3.50	\$1.60	\$0.00	10162 - No. 20984. Notice
10	9314 8699 0430 0066 8501 62	Chilmark Properties, LLC 110 W. Louisiana Ave., #404 Midland TX 79701	\$1.15	\$3.50	\$1.60	\$0.00	10163 - No. 20984. Notice
11	9314 8699 0430 0066 8501 79	CrownRock Minerals, L.P. P.O. Box 51933 Midland TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	10164 - No. 20984. Notice
12	9314 8699 0430 0066 8501 86	Foundation Minerals, LLC P.O. Box 50820 Midland TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	10165 - No. 20984. Notice
13	9314 8699 0430 0066 8501 93	Mavros Minerals II, LLC P.O. Box 50820 Midland TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	10166 - No. 20984. Notice
14	9314 8699 0430 0066 8502 09	Oak Valley Minerals and Land, LP P.O. Box 50820 Midland TX 79710	\$1.15	\$3.50	\$1.60	\$0.00	10167 - No. 20984. Notice
Totals:			\$16.10	\$49.00	\$22.40	\$0.00	
			Grand Total:		\$87.50		

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

12/18/2019

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 181180
Generated: 1/7/2020 1:12:53 PM

USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300066850209	2019-12-18 1:25 PM	10167 - No. 20984.	Oak Valley Minerals and Land, LP	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	12-26-2019
9314869904300066850193	2019-12-18 1:25 PM	10166 - No. 20984.	Mavros Minerals II, LLC	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	12-26-2019
9314869904300066850186	2019-12-18 1:25 PM	10165 - No. 20984.	Foundation Minerals, LLC	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	12-26-2019
9314869904300066850179	2019-12-18 1:25 PM	10164 - No. 20984.	CrownRock Minerals, L.P.	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	12-27-2019
9314869904300066850162	2019-12-18 1:25 PM	10163 - No. 20984.	Chilmark Properties, LLC	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066850155	2019-12-18 1:25 PM	10162 - No. 20984.	Monticello Minerals LLC	Dallas	TX	75206	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300066850148	2019-12-18 1:25 PM	10161 - No. 20984.	Rheiner Holdings, LLC	Houston	TX	77098	Delivered	Return Receipt - Electronic, Certified Mail	01-02-2020
9314869904300066850131	2019-12-18 1:25 PM	10160 - No. 20984.	Prevail Energy LLC	Denver	CO	80220	Delivered	Return Receipt - Electronic, Certified Mail	12-30-2019
9314869904300066850124	2019-12-18 1:25 PM	10159 - No. 20984.	Tierra Royalties, LLC	Houston	TX	77019	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300066850117	2019-12-18 1:25 PM	10158 - No. 20984.	Encanto Minerals, LLC	Houston	TX	77019	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019
9314869904300066850100	2019-12-18 1:25 PM	10157 - No. 20984.	United States of America	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	12-20-2019
9314869904300066850094	2019-12-18 1:25 PM	10156 - No. 20984.	State of New Mexico	Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	12-30-2019
9314869904300066850087	2019-12-18 1:25 PM	10155 - No. 20984.	Franklin Mountain Royalty Investments, LLC	Denver	CO	80206	Delivered	Return Receipt - Electronic, Certified Mail	12-20-2019
9314869904300066850070	2019-12-18 1:25 PM	10154 - No. 20984.	Franklin Mountain Energy 2, LLC	Denver	CO	80206	Delivered	Return Receipt - Electronic, Certified Mail	12-23-2019

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
December 22, 2019
and ending with the issue dated
December 22, 2019.



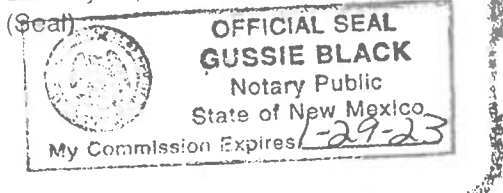
Publisher

Sworn and subscribed to before me this
22nd day of December 2019.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL

LEGAL NOTICE December 22, 2019

CASE NO. 20982: Notice to all affected parties, as well as the heirs and devisees of BC Operating, Inc., Chilmark Properties, LLC, Constitution Resources II, LP, CrownRock Minerals, L.P., Encanto Minerals, LLC, Foundation Minerals, LLC, Franklin Mountain Energy 2, LLC, Franklin Mountain Royalty Investments, Lawrence Edward Boulter, Lawrence Edward Boulter c/o: James Troy Boulter and Jessie Ellen Boulter Crum, Lista Catherine Ammirati McDonald, Mavros Minerals II, LLC, Monticello Minerals LLC, Oak Valley Minerals and Land, LP, Prevail Energy LLC, Rheiner Holdings, LLC, Robert E. Landreth and wife Donna P. Landreth, Sandia Minerals, LLC, State of New Mexico, Tap Rock Resources, LLC, Heirs or devisees of Dock C. Coates c/o: D.B. Coates; Irene Coates; James Ronald Stanley; Kimberly Franzoy Becker; Mary O. Coates; Sharon Lyde Miller; or Timothy G. Coates, Tierra Royalties, LLC, United States of America, Viper Energy Partners, LLC of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 9, 2020, to consider this application. Applicant 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. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

CASE NO. CASE NO. 20983: Notice to all affected parties, as well as the heirs and devisees of BC Operating, Inc., Chilmark Properties, LLC, Constitution Resources II, LP, Encanto Minerals, LLC, Franklin Mountain Energy 2, LLC, Franklin Mountain Royalty Investments, Lawrence Edward Boulter, Lawrence Edward Boulter c/o James Troy Boulter, and Jessie Ellen Boulter Crum, Lista Catherine Ammirati McDonald, Monticello Minerals LLC, Prevail Energy LLC, Rheiner Holdings, LLC, Robert E. Landreth and wife Donna P. Landreth, Sandia Minerals, LLC, State of New Mexico, Tap Rock Resources, LLC, Heirs and devisees of Dock C. Coates c/o: D.B. Coates; Irene Coates; James Ronald Stanley; Kimberly Franzoy Becker; Mary O. Coates; Sharon Lyde Miller; or Timothy G. Coates, Tierra Royalties, LLC, Viper Energy Partners, LLC of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 9, 2020, to consider this application. Applicant 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. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

CASE NO. 20984: Notice to all affected parties, as well as the heirs and devisees of Franklin Mountain Energy 2, LLC, Franklin Mountain Royalty Investments, LLC, State of New Mexico, United States of America, Encanto Minerals, LLC, Tierra Royalties, LLC, Prevail Energy LLC, Rheiner Holdings, LLC, Monticello Minerals LLC, Chilmark Properties, LLC, CrownRock Minerals L.P., Foundation Minerals, LLC, Mavros Minerals II, LLC, Oak Valley Minerals and Land, LP of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 9, 2020, to consider this application. Applicant 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. Said area is located approximately 9 miles Northwest of Jal, New Mexico.

#35017

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

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

**CASE NOS. 20983 & 20984
(E/2 Wolfcamp)**

AFFIDAVIT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Ben Kessel, being duly sworn, deposes and states:

1. I am over the age of 18, I am a geologist for Franklin Mountain Energy, LLC ("Franklin"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.

2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.

3. I am familiar with the applications filed by Franklin in these cases.

4. **Exhibit 9** is a locator map showing the approximate location of the proposed units in relation to the Capitan Reef.

5. **Exhibit 10** is a wellbore schematic showing FME's E/2 development plan, which includes the wells at issue in these cases and the well proposed in Case No. 20982. FME's proposed E/2 wells are identified by a blue circle around a blue dot.



6. The exhibits behind **Tab 11** are the geology study I prepared for the Parade State 704H well, which is the subject of Case No. 20983, and which is an upper Wolfcamp well.

7. **Exhibit 11-A** is structure map of the top of the Wolfcamp. The proposed project area is identified by a green box, and the proposed well is identified by a black dashed line. The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips to the east.

8. **Exhibit 11-B** is the reference map showing the wells I chose for the cross-section. The slide identifies four wells in the vicinity of the Parade State 704H well, shown by a line of cross-section running from A to A'.

9. **Exhibit 11-C** is a stratigraphic cross section hung on the top of the Wolfcamp. The well logs on the cross-section give a representative sample of the upper Wolfcamp formation in the area. The target zone is identified by the words "Producing Zone" and the shaded area across the cross section, along with a red arrow. I have also identified where the Parade State 704H well falls within the wells I used for cross-section.

10. In my opinion, the gross interval thickness of the formations decreases slightly from west to east.

11. **Exhibit 11-D** is a Upper Wolfcamp Gross Interval Isochore. This slide shows that the gross interval thickness decreases slightly from west to east.

12. The exhibits behind **Tab 12** are the geology study I prepared for the Beauty Queen Fed Com 705H, which is the subject of Case No. 20984, and which is an upper Wolfcamp well.

13. **Exhibit 12-A** is structure map of the top of the Wolfcamp. The proposed project area is identified by a green box, and the proposed well is identified by a black dashed line. The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips to the east.

14. **Exhibit 12-B** is the reference map showing the wells I chose for the cross-section. The slide identifies four wells in the vicinity of the Beauty Queen Fed Com 705H well, shown by a line of cross-section running from A to A'.

15. **Exhibit 12-C** is a stratigraphic cross section hung on the top of the Wolfcamp. The well logs on the cross-section give a representative sample of the upper Wolfcamp formation in the area. The target zone is identified by the words "Producing Zone" and the shaded area across the cross section, along with a red arrow. I have also identified where the Beauty Queen Fed Com 705H well falls within the wells I used for cross-section.

16. In my opinion, the gross interval thickness decreases slightly from west to east.

17. **Exhibit 12-D** is an Upper Wolfcamp Gross Interval Isochore. This slide shows that the gross interval thickness decreases slightly from west to east.

18. I conclude from the maps that:

- a. The horizontal spacing units are justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter quarter section in the proposed units will contribute more or less equally to production.

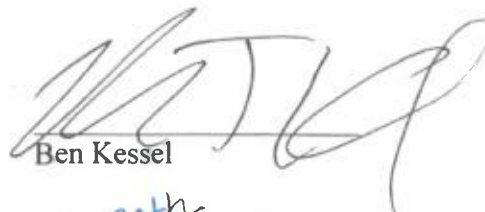
19. **Exhibit 13** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

20. The preferred well orientation in this area is either north/south or south/north. This is because the S_{Hmax} is at approximately 265 degrees in in this area of Lea County.

21. Exhibits 9-13 were prepared by my or under my supervision or compiled from company business records.

22. In my opinion, the granting of Franklin's applications is in the interests of conservation and the prevention of waste.

[Signature page follows]


Ben Kessel

SUBSCRIBED AND SWORN to before me this 20th day of December, 2019 by Ben Kessel, on behalf of Franklin Mountain Energy, LLC.



Notary Public

My commission expires: Jan. 7, 2021

ELLIOT LESLIE BERARD Notary Public State of Colorado Notary ID # 20094000627 My Commission Expires 01-07-2021

Parade State/Beauty Queen Development



Locator Map



- Red box shows the location of Parade State/Beauty Queen development
- Planned wells are located on the western edge of the Capitan Reef

Capitan Reef Outline modified from Ruppel S.C., 2019, Anatomy of a Paleozoic Basin; The Permian Basin, USA: Introduction, Overview, and Evolution, pg 3., in Ruppel, S.C., ed., Anatomy of a Paleozoic Basin; The Permian Basin, USA.



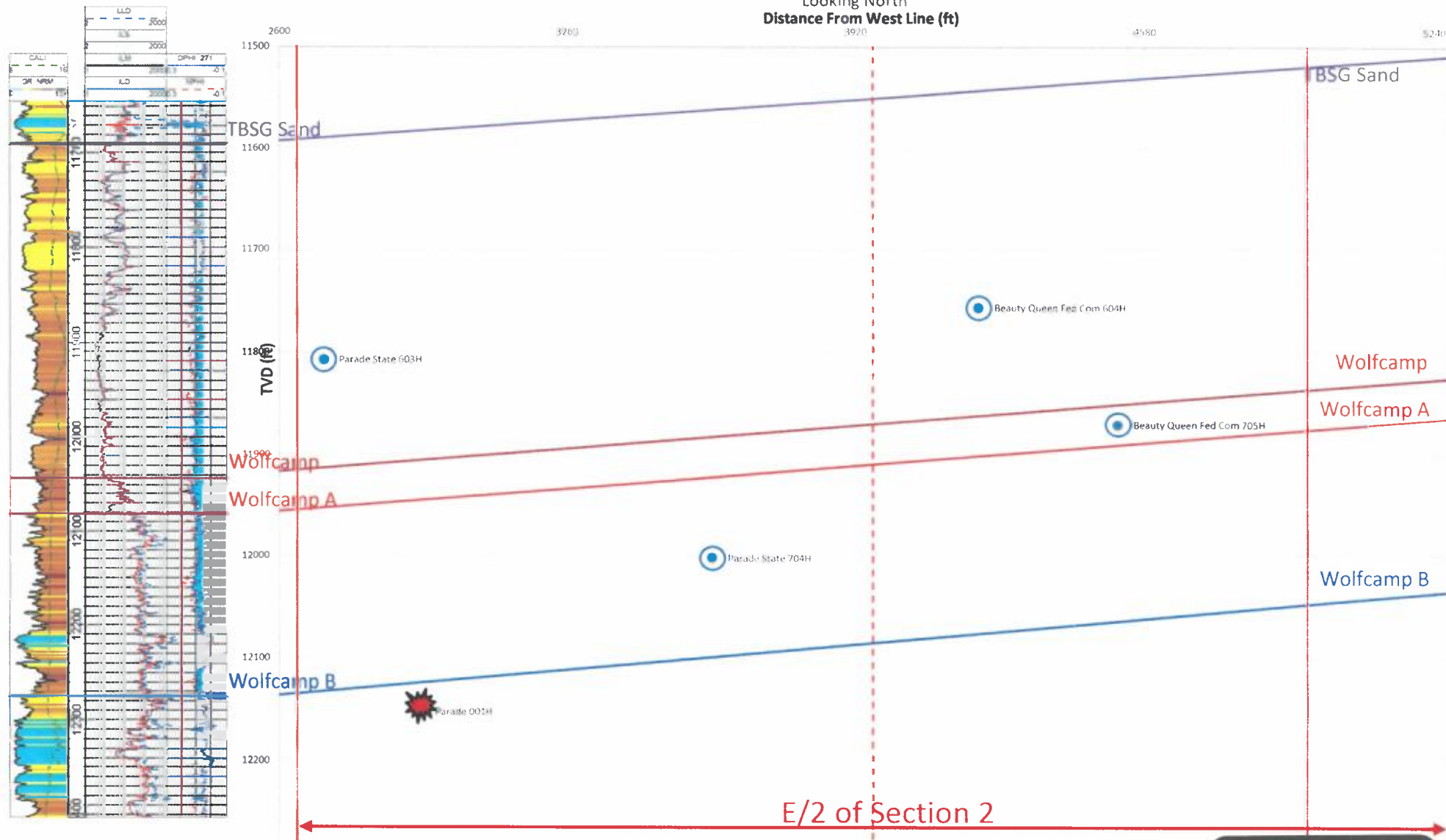
57

Wellbore Schematic



RENO COM-1
X
0002000700
JANUARY 14, 2007
5/23/1981

25S 35E Section 2
Looking North
Distance From West Line (ft)



Existing Lateral



Proposed Lateral

EXHIBIT

10

tabbles

89

Parade State 704H

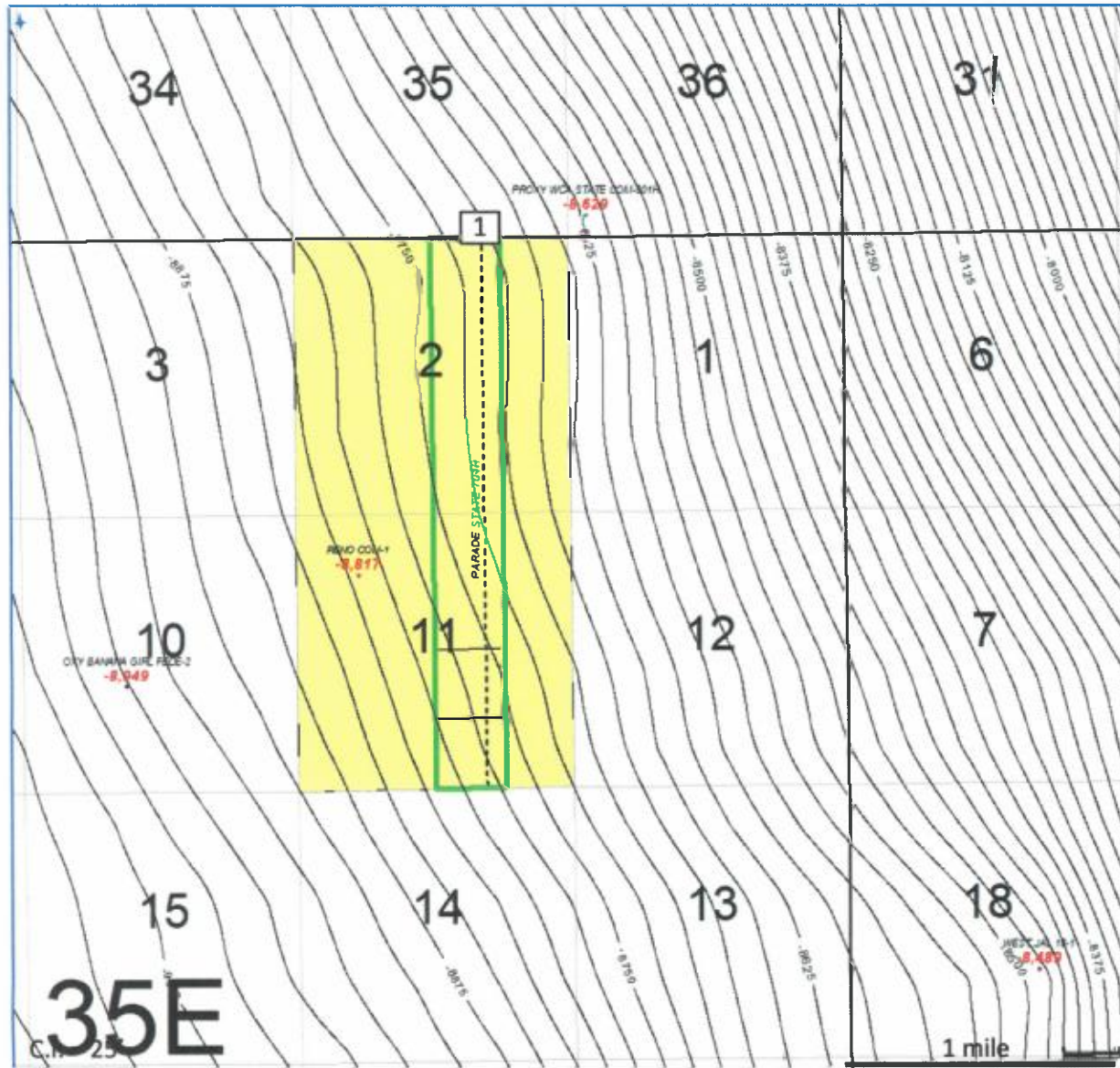
Case No. 20983


Wolfcamp




Upper Wolfcamp Structure Map

Parade State 704H



 Franklin Mountain Acreage

 Upper Wolfcamp Proration Unit

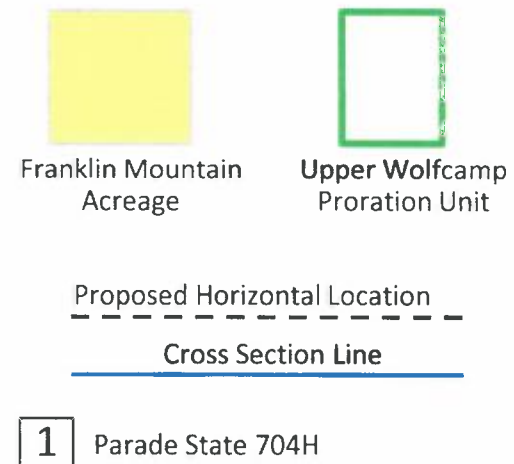
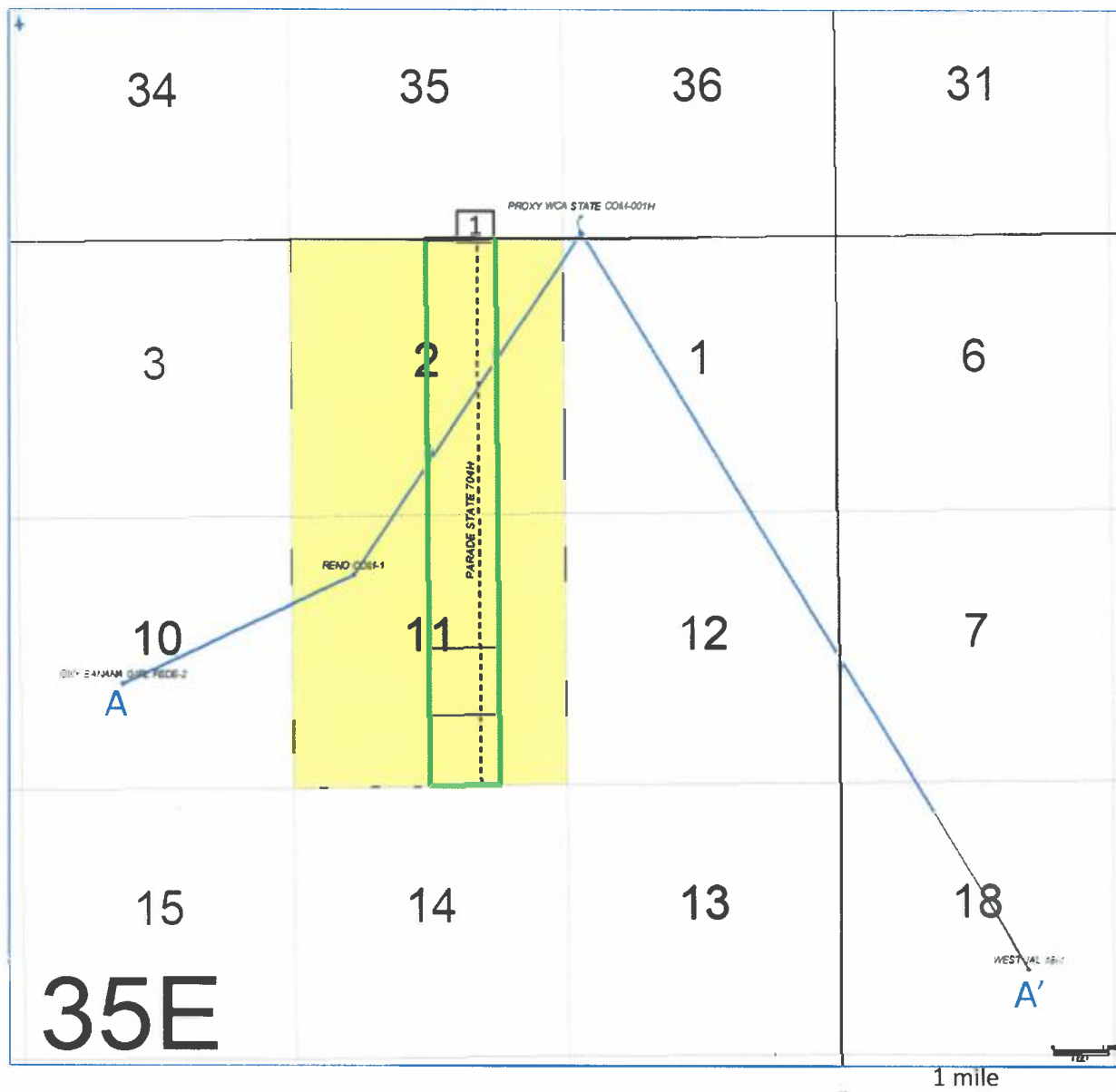
 Proposed Horizontal Location

 Parade State 704H

EXHIBIT
11. A

Upper Wolfcamp Cross Section Reference Map

Parade State 704H



Upper Wolfcamp Cross Section



A

OXY BANANA GIRL FEDE-2

300283532200
COG OPERATING LLC
4/5/2003

<4,966FT>

RENO COM-1

300283532200
LANDRETH ROBERT E
6/23/1981

<8,195FT>

PROXY WCA STATE COM-001H

30028439220100
FRANKLIN MOUNTAIN EN
2/3/2018

<16,890FT>

WEST JAL 18-1

30028210330000
SKELLY OIL COMPANY
4/19/1965

A'

Third Bone Spring Sand

Wolfcamp
Wolfcamp A

Wolfcamp B

Third Bone Spring Sand

Wolfcamp

Wolfcamp A

← Producing Zone

Wolfcamp B

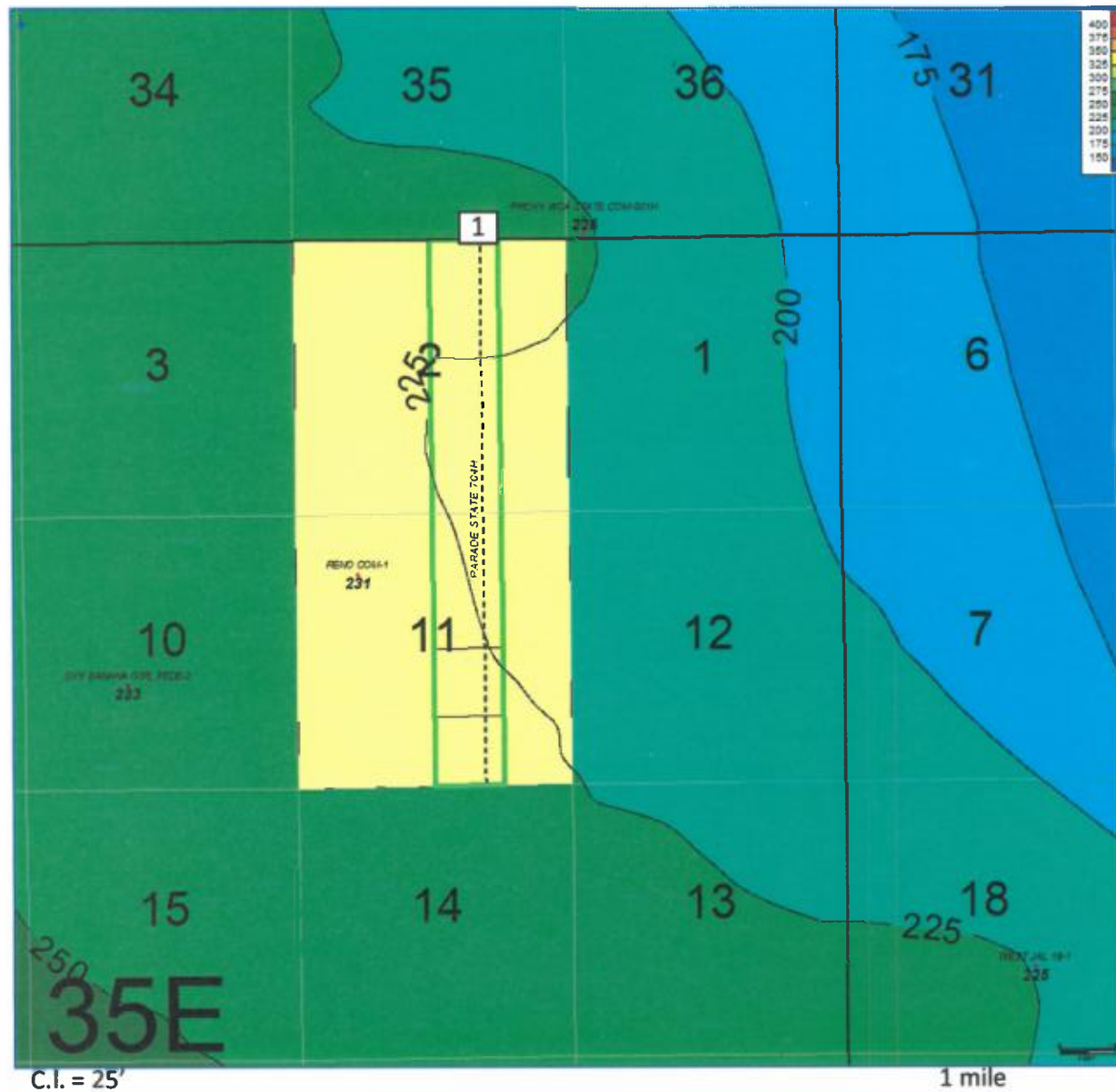
↑
Parade State 704H



62

Upper Wolfcamp Gross Interval Isochore Map

Parade State 704H



Franklin Mountain
Acreage



Upper Wolfcamp
Proration Unit

Proposed Horizontal Location

1 Parade State 704H



63

Beauty Queen Fed Com 705H

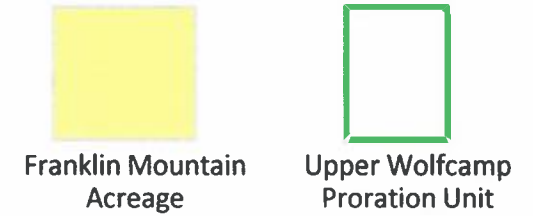
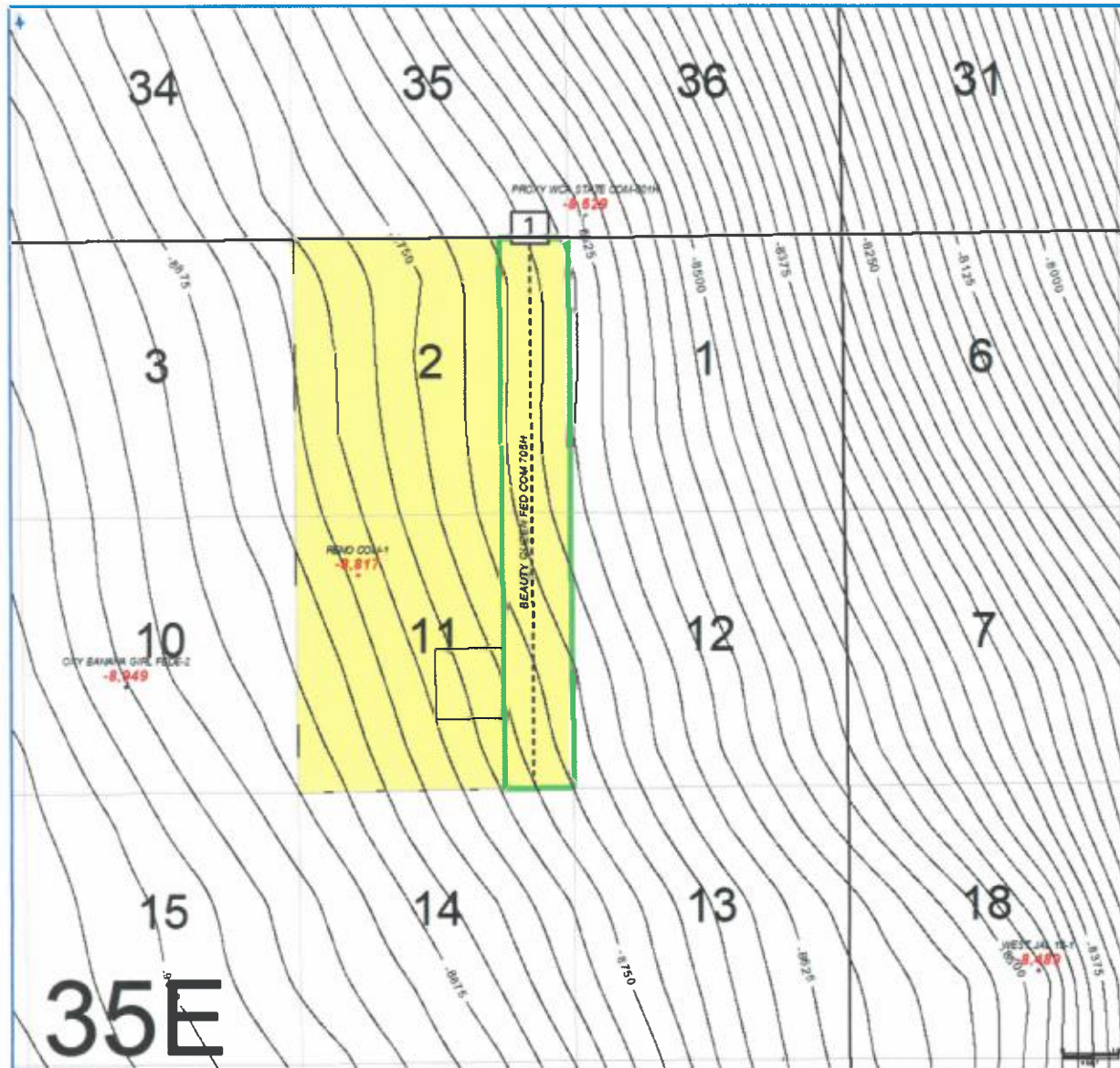
Case No. 20984

Wolfcamp



Top Wolfcamp Structure Map (SSTVD)

Beauty Queen Fed Com 705H



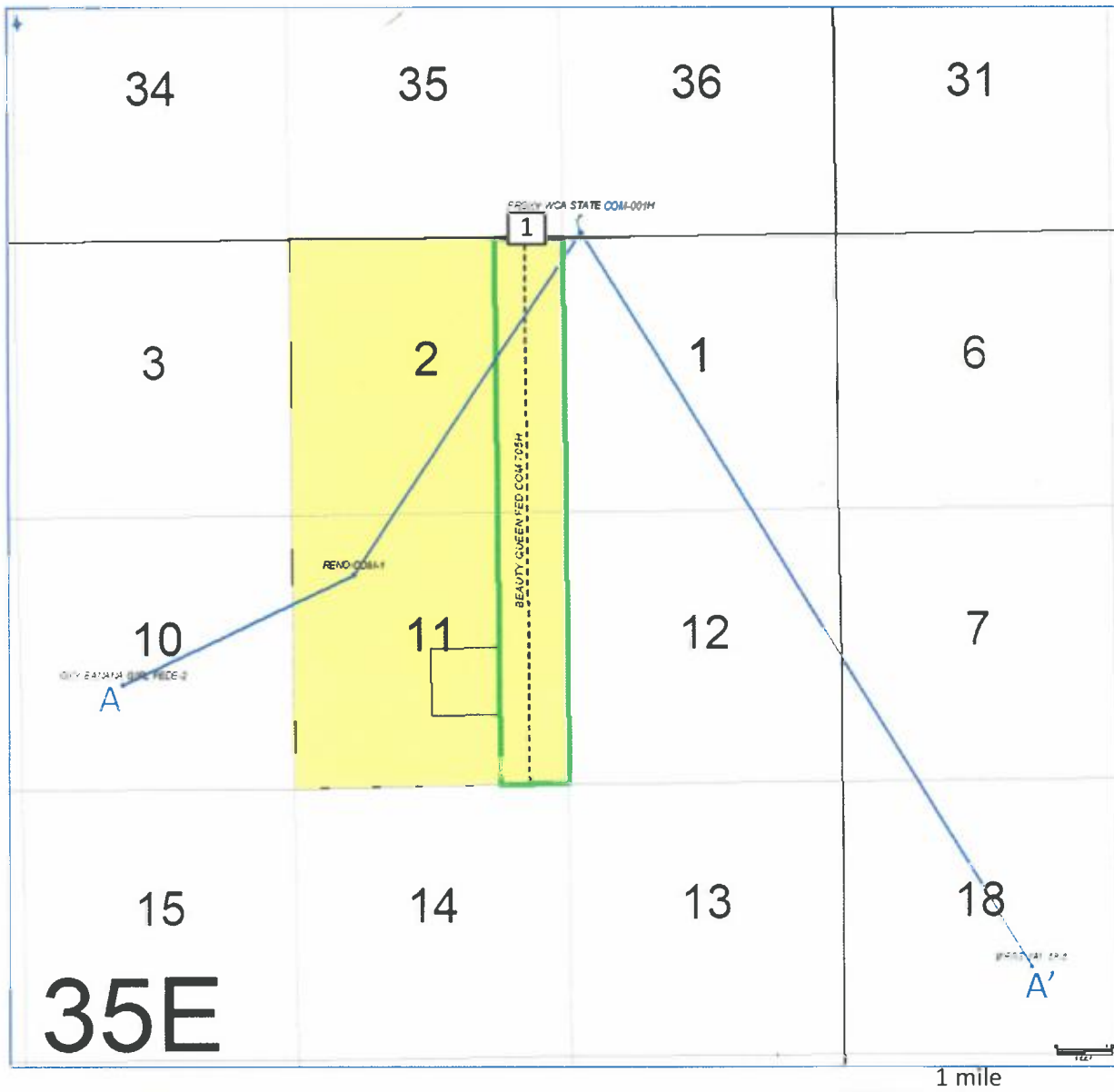
Proposed Horizontal Location

1 Beauty Queen Fed Com 705H



Upper Wolfcamp Cross Section Reference Map

Beauty Queen Fed Com 705H



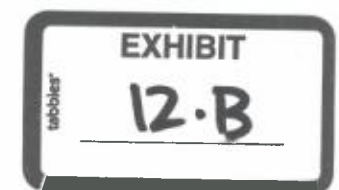
Franklin Mountain Acreage

Upper Wolfcamp Proration Unit

Proposed Horizontal Location

Cross Section Line

1 Beauty Queen Fed Com 705H



8

Upper Wolfcamp Cross Section



A

A'

OXY BANANA GIRL FEDE-2

30025332300
COG OPERATING LLC
4/5/2003

<4,968FT>

RENO COM-1

30025268700
LANDRETH ROBERT E
6/23/1981

<8,195FT>

PROXY WCA STATE COM-001H

30025439220100
FRANKLIN MOUNTAIN EN
2/3/2018

<16,890FT>

WEST JAL 18-1

30025210380000
SKELLY OIL COMPANY
4/19/1965

Third Bone
Spring Sand

Third Bone Spring Sand

Wolfcamp
Wolfcamp A

Wolfcamp
Wolfcamp A

← Producing Zone

Wolfcamp B

Wolfcamp B

Beauty Queen Fed Com 705H

EXHIBIT

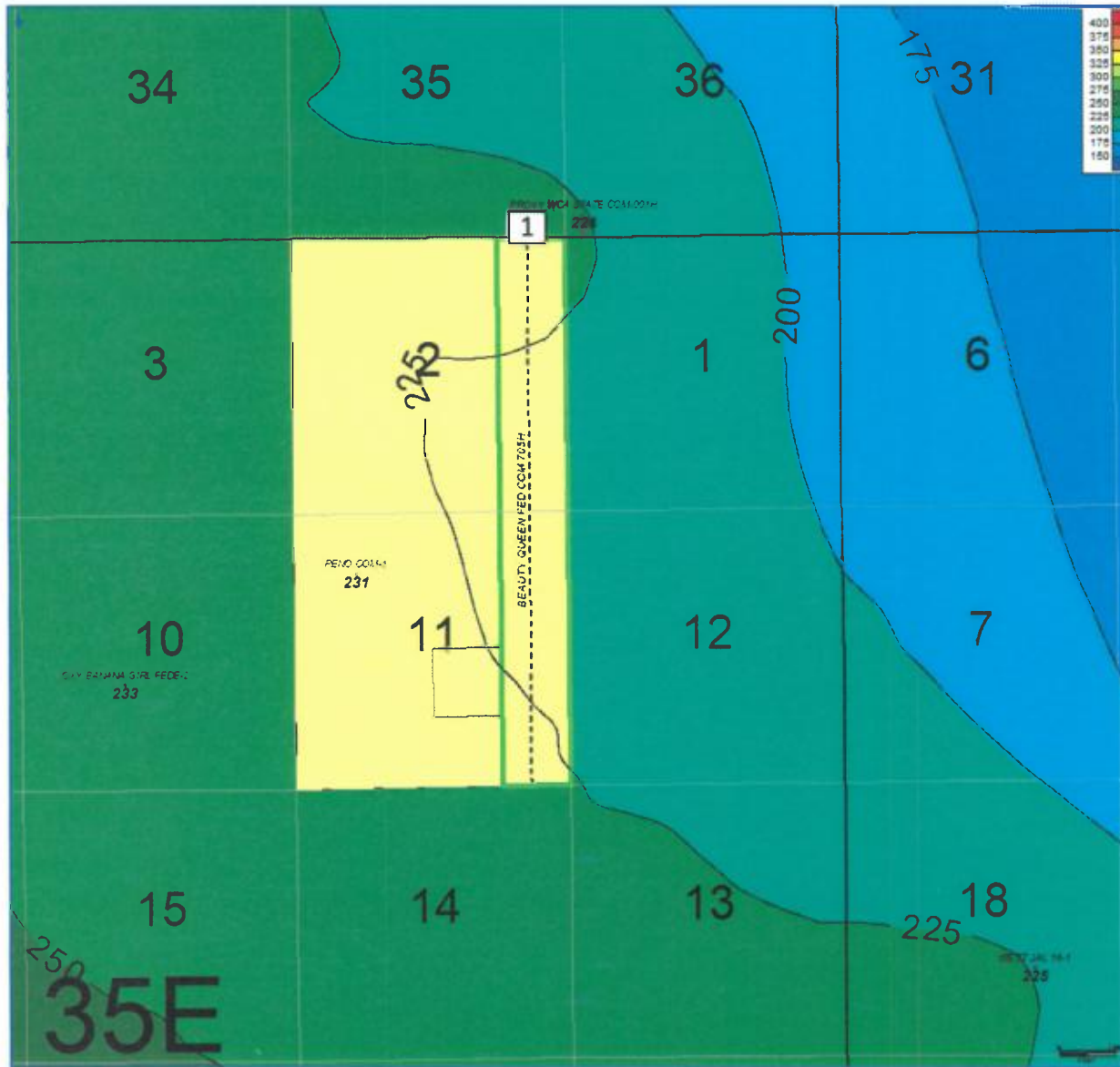
12.C

tabbles

67

Upper Wolfcamp Gross Interval Isochore Map

Beauty Queen Fed Com 705H



Franklin Mountain
Acreage



Upper Wolfcamp
Proration Unit

Proposed Horizontal Location

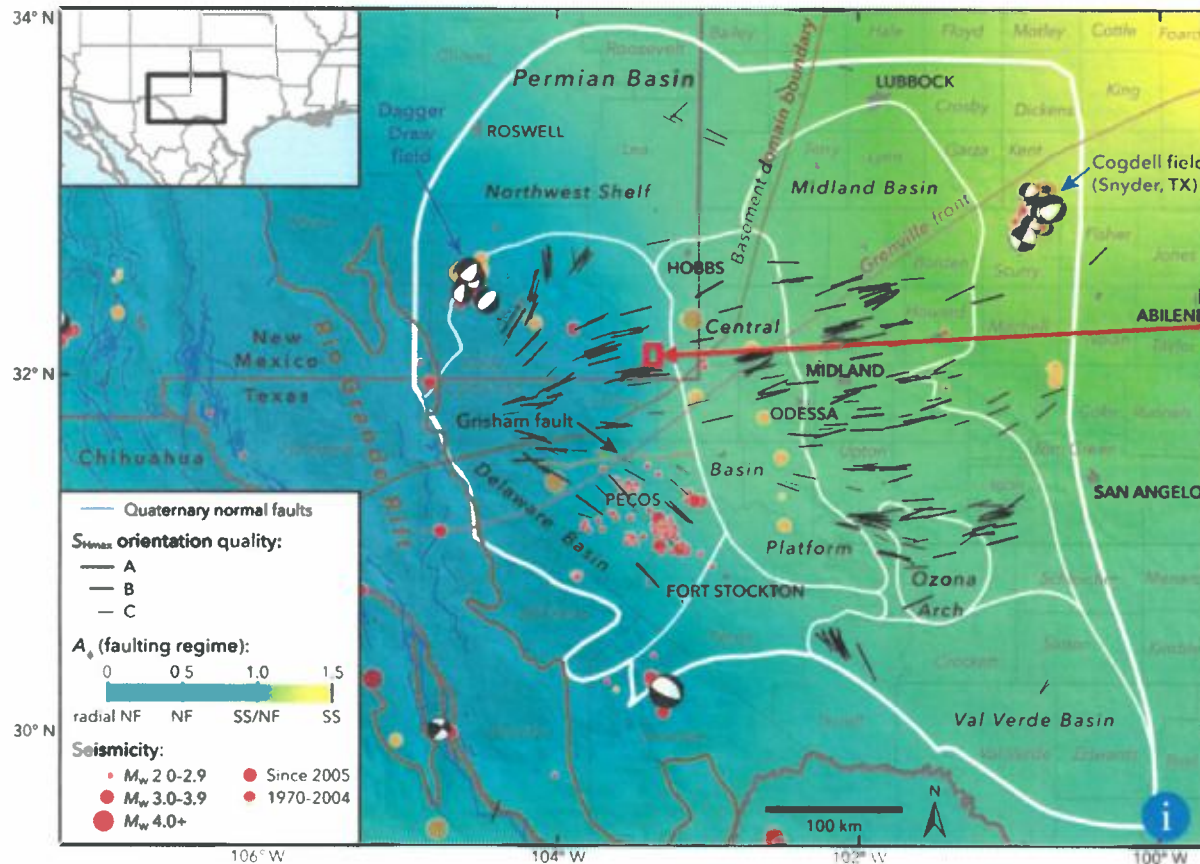
1 Beauty Queen Fed Com 705H

C.I. = 25'

1 mile



69



- Red box shows the approximate location of Parade State/Beauty Queen development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 265°
- Parade State/Beauty Queen wells are planned to drill N-S, nearly orthogonal to S_{Hmax} , optimal for induced fracture propagation

Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2
http://www.tleonline.org/theleadingedge/february_2018/MobilePageArticle.action?articleId=1331603#articleId1331603

