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 21440

FRANKLIN MOUNTAIN ENERGY, LLC'S PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

FRANKLIN MOUNTAIN ENERGY, LLC

ATTORNEY

Deana M. Bennett MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. P. O. Box 2168 Albuquerque, New Mexico 87103-2168 (505) 848-1800

STATEMENT OF CASE

APPLICANT:

In Case No. 21440, Franklin 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 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **LHS Wildcat 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:

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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 case on by affidavit.

Respectfully submitted,

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

By: Klema M. Bennett

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