



Before the Oil Conservation Division  
Examiner Hearing November 5, 2020

Compulsory Pooling

**Case No. 21510, 21511, and 21512 (Re-opened)**

**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. 21510, 21511,  
AND 21512**

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## Tab 1: Affidavit of Shelly Albrecht

**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 NO. 21510, 21511, AND 21512  
ORDER NOS. R-21170, R-21171, AND R -21172  
(Re-Open)**

**AFFIDAVIT**

STATE OF COLORADO                    )  
  ) ss.  
COUNTY OF DENVER                    )

Shelly Albrecht, being duly sworn, deposes and states:

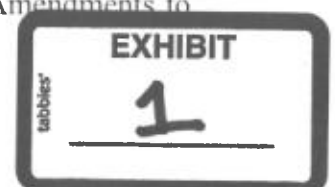
1. I am over the age of 18, I am the Director of Land for Franklin Mountain Energy, LLC ("Franklin"), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and I have been qualified by the Division as an expert petroleum 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 three cases, which are attached as Exhibit 1-A, 1-B, and 1-C.

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

5. The purpose of the applications is to re-open Order Nos. R-21170, R-21171, and R-21172 to 1) conform all of the Orders to the amended order template ("Amended Order Template") described in the April 9, 2020 Letter of the Division Director (Re: Amendments to



Compulsory Pooling Order Template), which is attached as Exhibit 2 to this Affidavit; and 2) amend all of the Orders to allow for an extension of time for drilling the wells under the Orders.

6. In addition, Franklin requests that Order No. R-21170 be amended to remove the Parade State 603H well from that Order.

7. Order No. R-21170 pooled uncommitted interest owners in a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. Order No. R-21171 pooled uncommitted interest owners in a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. Order No. R-21172 pooled uncommitted interest owners in a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.

8. Order Nos. R-21170, R-21171, and R-21172 designated Franklin as the operator of the well(s) and the unit described in each order.

9. Franklin's first request is to conform Order Nos. R-21170, R-21171, and R-21172 to the Amended Order Template.

10. Order Nos. R-21170, R-21171, and R-21172 are three of six orders covering Franklin's Carnival development. Order Nos. R-21170, R-21171, and R-21172 were issued before April 1, 2020 and do not conform with the Amended Order Template.<sup>1</sup> Order Nos. R-21170, R-21171, and R-21172 are attached hereto as Exhibits 3-A, 3-B, and 3-C respectively. The other

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<sup>1</sup> The Division's April 9 Letter includes a list of orders issued before April 1, 2020, which does not include Franklin's Order Nos. R-21170, R-21171, and R-21172. Nevertheless, these three orders were issued before April 1, 2020 and do not conform to the Amended Order Template.

three orders governing Franklin's Carnival development conform with the Amended Order Template.

11. Franklin thus requests that Order Nos. R-21170, R-21171, and R-21172 be amended to conform to the Amended Order Template for consistency purposes.

12. Franklin is in good standing under the statewide rules and regulations.

13. Franklin has reviewed the Amended Order Template and agrees to its terms and conditions.

14. Franklin further requests that Order Nos. R-21170, R-21171, and R-21172 be re-opened and amended to allow Franklin additional time to commence drilling the well(s) under the Orders.

15. Good cause exists for Franklin's request for an extension of time.

16. Franklin requests this extension because there have been changes in Franklin's drilling schedule due to COVID-19 and current market conditions.

17. Franklin's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.

18. Based on current market conditions, Franklin is able to move forward with its development for the W/2 of Sections 2 and 11 but needs additional time to move forward with its development of the E/2 of Sections 2 and 11.

19. Under Order Nos. R-21170, R-21171, and R-21172, Franklin is required to commence drilling the wells by February 26, 2021.

20. Franklin asks that the deadline to commence drilling the wells under Order Nos. R-21170, R-21171, and R-21172 be extended for a year from February 26, 2021 to February 26, 2022.

21. Franklin also requests that Order No. R-21170 be amended to remove the Parade State 603H well.

22. As originally contemplated, Franklin's development plans for the E/2 Bone Spring Unit included the Parade State 603H well and the Beauty Queen Fed Com 604H well. The Parade State 603H well was proposed at a non-standard location, which was approved by the Division.

23. Franklin reviewed its development plans and determined to change the location of the Parade State 603H well and, as a result, the Parade State 603H well is now proposed in a standard location and the non-standard location approval is no longer necessary.

24. Franklin also determined that more appropriate spacing for the Parade State 603H well is a W/2E/2 Bone Spring Unit.

25. Franklin filed a compulsory pooling application for the Parade State 603H well, which has been assigned case number 21519 and which is also set for hearing on November 5, 2020.

26. To the extent necessary, Franklin provides as Exhibit 4 a revised Compulsory Pooling Checklist for Order No. R-21170 reflecting the removal of the Parade State 603H well from the unit.

27. Franklin, through its counsel, notified all pooled parties of Franklin's request to re-open Nos. R-21170, R-21171, and R-21172 for the purposes specified in the applications. No opposition is expected because the pooled parties have been contacted, and have not indicated any opposition. Proof of notification is attached as Exhibit 5 to this Affidavit. Exhibit 5 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 October 13 and 14, 2020.

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

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


30. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.



  
Shelly Albrecht

SUBSCRIBED AND SWORN to before me this 2nd day of November 2020 by Shelly Albrecht on behalf of Franklin Mountain Energy, LLC.

 OFFICIAL SEAL  
Karlene Schuman  
NOTARY PUBLIC  
STATE OF NEW MEXICO  
My commission expires 02-27-21

  
Notary Public

## Exhibits 1A-C: Applications to Re-Open

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-21170,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 21510  
ORDER NO. R-21170  
(Re-Open)**

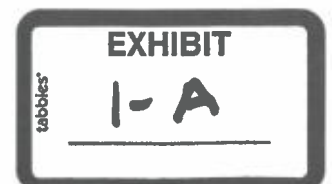
**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21170 as follows: 1) conforming Division Order No. R-21170 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template);<sup>1</sup> 2) removing the Parade State 603H Well from Order No. R-21170; and 3) amending Order No. R-21170 to allow for an extension of time for drilling the well under the Order. In support of this application, FME states as follows: FME has an interest in the subject lands and has a right to drill and operate a well thereon.

1. Order No. R-21170 is one of six orders relating to FME's "Carnival" well group.
2. Order No. R-21170 pooled uncommitted interest owners in a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico (the "E/2 Bone Spring Unit").

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<sup>1</sup> Exhibit 2 to the Division's April 9 Letter includes a list of orders issued before April 1, 2020. Exhibit 2 does not list FME's Order Nos. R-21170, R-21171, and R-21172. Nevertheless, these three orders were issued before April 1, 2020 and do not conform to the Amended Order Template.



3. Order No. R-21170 designated FME as the operator of the well and the E/2 Bone Spring Unit.

4. The Division Hearing for Case No. 20982 was held on January 9, 2020, in conjunction with two other FME cases, Case No. 20983 and 20984.

5. The Division entered Order No. R-21170 in Case No. 20982 on February 26, 2020. The Division also entered orders in Case Nos. 20983 and 20984 on February 26, 2020. These three orders were issued under the “interim form of order” and do not conform to the Amended Order Template.

6. Three of the Carnival cases were heard by the Division on December 12, 2019 (Case Nos. 20951, 20952, and 20953) and orders were issued for those three cases July 27, 2020. Those three orders conform to the Amended Order Template.

7. FME requests that Order No. R-21170 be re-opened to conform this order to the terms of the Amended Order Template.

8. FME further requests that Order No. R-21170 be re-opened and amended to remove the Parade State 603H well from the Order.

9. As originally contemplated, FME’s development plans for the E/2 Bone Spring Unit included the Parade State 603H well and the Beauty Queen Fed Com 604H well. The Parade State 603H well was proposed at a non-standard location, which was approved by the Division.

10. FME has reviewed its development plans and has determined to change the location of the Parade State 603H well and, as a result, the Parade State 603H well will be in a standard location and the non-standard location approval is no longer necessary.

11. FME has also determined that the Parade State 603H well should be dedicated to a separate spacing unit and not included in the E/2 Bone Spring Unit.

12. The Beauty Queen Fed Com 604H well remains within the E/2 Bone Spring Unit and holds the E/2 as a proximity tract well.

13. FME will file a compulsory pooling application for the Parade State 603H well.

14. FME further requests that Order No. R-21170 be re-opened and amended to allow FME additional time to commence drilling the Beauty Queen Fed Com 604H well under the Order.

15. Order No. R-21170, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21170, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

16. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

17. Good cause exists for FME’s request for an extension of time.

18. FME requests this extension because there have been changes in FME’s drilling schedule due to COVID-19 and current market conditions.

19. FME’s operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.

20. Under Order No. R-21170, FME would be required to commence drilling the well by February 26, 2021.

21. FME asks that the deadline to commence drilling the well be extended for a year from February 26, 2021 to February 26, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 2020, and after notice and hearing as required by law, the Division:

- A. Amend Order No. R-21170 to conform to the terms of the Amended Order Template;
- B. Remove the Parade State 603H well from the Order; and
- C. Amend Order No. R-21170 to extend the time for FME to commence drilling the Beauty Queen Fed Com 604H well under the Order for a year, through February 26, 2022.

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

By: Deana M. Bennett

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*Attorneys for Applicant*

**CASE NO. 21510: (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-21170, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21170 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); 2) removing the Parade State 603H Well from Order No. R-21170; and 3) amending Order No. R-21170 to allow for an extension of time to commence drilling the well under the Order.

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-21171,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 21511  
ORDER NO. R-21171  
(Re-Open)**

**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21171 as follows: 1) conforming Division Order No. R-21171 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template);<sup>1</sup> and 2) amending Order No. R-21171 to allow for an extension of time for drilling the well under the Order. In support of this application, FME states as follows: FME has an interest in the subject lands and has a right to drill and operate a well thereon.

1. Order No. R-21171 is one of six orders relating to FME's "Carnival" well group.
2. Order No. R-21171 pooled uncommitted interest owners in a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21171 designated FME as the operator of the well and the unit.

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<sup>1</sup> Exhibit 2 to the Division's April 9 Letter includes a list of orders issued before April 1, 2020. Exhibit 2 does not list FME's Order Nos. R-21170, R-21171, and R-21172. Nevertheless, these three orders were issued before April 1, 2020 and do not conform to the Amended Order Template.





4. The Division Hearing for Case No. 20983 was held on January 9, 2020, in conjunction with two other FME cases, Case No. 20982 and 20984.

5. The Division entered Order No. R-21171 in Case No. 20983 on February 26, 2020. The Division also entered orders in Case Nos. 20982 and 20984 on February 26, 2020. These three orders were issued under the “interim form of order” and do not conform to the Amended Order Template.

6. Three of the Carnival cases were heard by the Division on December 12, 2019 (Case Nos. 20951, 20952, and 20953) and orders were issued for those three cases July 27, 2020. Those three orders conform to the Amended Order Template.

7. Order No. R-21171 does not conform to the terms of the Amended Order Template.

8. FME requests that Order No. R-21171 be re-opened to conform this order to the terms of the Amended Order Template.

9. FME further requests that Order No. R-21171 be re-opened and amended to allow FME additional time to commence drilling the well under the Order.

10. Order No. R-21171, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21171, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

11. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

12. Good cause exists for FME's request for an extension of time.
13. FME requests this extension because there have been changes in FME's drilling schedule due to COVID-19 and current market conditions.
14. FME's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.
15. Under Order No. R-21171, FME would be required to commence drilling the well by February 26, 2021.
16. FME asks that the deadline to commence drilling the well be extended for a year from February 26, 2021 to February 26, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 2020, and after notice and hearing as required by law, the Division:

- A. Amend Order No. R-21171 to conform it to the terms of the Amended Order Template; and
- B. Amend Order No. R-21171 to extend the time for FME to commence drilling the well under the Order for a year, through February 26, 2022.

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

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**CASE NO. 21511 : (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-21171, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21171 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21171 to allow for an extension of time to commence drilling the well under the Order.

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-21172,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 21512  
ORDER NO. R-21172  
(Re-Open)**

**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21172 as follows: 1) conforming Division Order No. R-21172 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template),<sup>1</sup> and 2) amending Order No. R-21172 to allow for an extension of time for drilling the well under the Order. In support of this application, FME states as follows: FME has an interest in the subject lands and has a right to drill and operate a well thereon.

1. Order No. R-21172 is one of six orders relating to FME's "Carnival" well group.
2. Order No. R-21172 pooled uncommitted interest owners in a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.
3. Order No. R-21172 designated FME as the operator of the well and the unit.

<sup>1</sup> Exhibit 2 to the Division's April 9 Letter includes a list of orders issued before April 1, 2020. Exhibit 2 does not list FME's Order Nos. R-21170, R-21171, and R-21172. Nevertheless, these three orders were issued before April 1, 2020 and do not conform to the Amended Order Template.



4. The Division Hearing for Case No. 20984 was held on January 9, 2020, in conjunction with two other FME cases, Case No. 20982 and 20983.

5. The Division entered Order No. R-21172 in Case No. 20984 on February 26, 2020. The Division also entered orders in Case Nos. 20982 and 20983 on February 26, 2020. These three orders were issued under the “interim form of order” and do not conform to the Amended Order Template.

6. Three of the Carnival cases were heard by the Division on December 12, 2019 (Case Nos. 20951, 20952, and 20953) and orders were issued for those three cases on July 27, 2020. Those three orders conform to the Amended Order Template.

7. FME requests that Order No. R-21172 be re-opened to conform this order to the terms of the Amended Order Template.

8. FME further requests that Order No. R-21172 be re-opened and amended to allow FME additional time to commence drilling the well under the Order.

9. Order No. R-21172, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21172, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

10. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

11. Good cause exists for FME’s request for an extension of time.

12. FME requests this extension because there have been changes in FME's drilling schedule due to COVID-19 and current market conditions.

13. FME's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.

14. Under Order No. R-21172, FME would be required to commence drilling the well by February 26, 2021.

15. FME asks that the deadline to commence drilling the well be extended for a year from February 26, 2021 to February 26, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 2020, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21172 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21172 to extend the time for FME to commence drilling the well under the Order for a year, through February 26, 2022.

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

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*Attorneys for Applicant*

**CASE NO. 21512 : (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-21172, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21172 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21172 to allow for an extension of time to commence drilling the well under the Order.

## Exhibit 2: OCD April 9, 2020 Letter



State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne E. Sandoval**  
Director, Oil Conservation Division



**BY ELECTRONIC MAIL ONLY**

April 9, 2020

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**RE: Amendments to Compulsory Pooling Order Template**


Dear Counsel:

The Oil Conservation Division ("OCD") has amended the compulsory pooling order template effective on April 1, 2020. The amended template is attached as Exhibit 1.

Prior to April 1, 2020, OCD issued compulsory pooling orders for the cases identified in Exhibit 2. To conform an order with the amended template, please file an application for a hearing.

If you have any questions about this letter, please call Eric Ames, Office of General Counsel, at (505) 476-3463.

Respectfully,

  
Adrienne Sandoval  
Director

cc: Gabriel Wade, Deputy Director  
Eric Ames, OGC-EMNRD  
Scott Cox, OCD Engineering Bureau

## **EXHIBIT 1**

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
[OPERATOR]**

**CASE NO. \_\_\_\_\_  
ORDER NO. R-\_\_\_\_\_**

### **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on [DATE], and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

### **FINDINGS OF FACT**

1. [NAME] ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

### **CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.

8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the ~~described~~ depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

#### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. ~~If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.~~
- ~~19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well in accordance with 19.15.16.15(C) NMAC.~~
- ~~1920. The Operator shall commence drilling the Winitial well(s) within one year one (1) year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well; and (b) for an infill well, no later than thirty (30) days after completion of the well.~~
- ~~20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.~~

~~21.~~ ~~Operator shall comply with the~~ The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.

~~22.~~ ~~This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.~~

~~23.~~ Operator shall submit ~~to OCD and~~ each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs"), ~~no later than (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.~~

~~24.~~ No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

~~25.~~ No later than ~~within~~ one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.

~~26.~~ No later than sixty (60) days after ~~the later of~~ the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share

of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

267. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
278. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
289. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
3029. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
323. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.

3~~3~~4. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

3~~4~~5. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.

35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

**ADRIENNE SANDOVAL  
DIRECTOR**

AES/xxx

**Date:** \_\_\_\_\_

CASE NO. \_\_\_\_\_  
ORDER NO. R-\_\_\_\_\_



**EXHIBIT 2**

<b>ORDER</b>	<b>CASE</b>	<b>APPLICANT</b>
R-21168	21002	MEWBOURNE
R-21167	21001	MEWBOURNE
R-21166	21000	MEWBOURNE
R-21165	20869	MARATHON
R-21164	20811	MEWBOURNE
R-21162	21036	DEVON
R-21161	21035	DEVON
R-21160	21021	CIMAREX
R-21159	20997	DEVON
R-21158	20996	DEVON
R-21157	20995	DEVON
R-21156	20994	DEVON
R-21155	20990	DEVON
R-21154	20987	DEVON
R-21153	20986	DEVON
R-21152	20968	KAISER-FRANCIS
R-21151	20966	KAISER-FRANCIS
R-21150	20960	BTA
R-21149	20959	BTA
R-21148	20872	DEVON
R-21141	21030	MARATHON
R-21140	21028	APACHE
R-21139	21027	APACHE
R-21138	21026	APACHE
R-21137	20981	COG
R-21136	20980	COG
R-21135	20979	COG
R-21134	20597	TAP ROCK
R-21133	20596	TAP ROCK
R-21132	20468	MARATHON
R-21131	20993	CIMAREX
R-21130	20915	BTA
R-21129	20914	BTA
R-21128	20938	CHISHOLM
R-21127	20871	MARATHON
R-21136	20870	MARATHON
R-20924-A	20809	MEWBOURNE
R-21125	20946	MARATHON
R-21124	20936	MATADOR
R-21123	20858	SPC RESOURCES
R-21122	20708	MARATHON
R-21113	20864	MARATHON
R-21112	20822	MARATHON
R-21111	16210	MATADOR

R-21110	16209	MATADOR
R-21107	20903	COG
R-21106	20868	MARATHON
R-21105	20867	MARATHON
R-21104	20860	SPC RESOURCES
R-21103	20823	MARATHON
R-21102	20935	COG
R-21101	20934	COG
R-21100	20859	SPC RESOURCES
R-21099	20820	MARATHON
R-21098	20819	SEP PERMIAN
R-21097	20818	SEP PERMIAN
R-21096	20762	SPC RESOURCES
R-21095	20889	NOVO
R-21094	20888	NOVO
R-21093	20887	NOVO
R-21092	20886	NOVO
R-21091	20855	COG
R-21090	20854	COG
R-21089	20836	COG
R-21088	20826	XTO
R-21087	20813	OXY
R-21086	20789	OXY
R-21085	20788	OXY
R-21084	20786	OXY
R-21083	20863	COG
R-21082	20794	DEVON
R-21081	20793	DEVON
R-21080	20791	IMPETRO
R-21079	20790	IMPETRO
R-21078	20767	MATADOR
R-21077	20999	COG
R-21076	20998	COG
R-21075	20950	MARATHON
R-21074	20948	MARATHON
R-21073	20932	COG
R-21072	20931	COG
R-21071	20839	B.C. OPERATING
R-21070	20838	B.C. OPERATING
R-21069	20837	B.C. OPERATING
R-21066	20943	CENTENNIAL

## Exhibits 3A-C: Orders Being Re-Opened

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
FRANKLIN MOUNTAIN ENERGY, LLC**

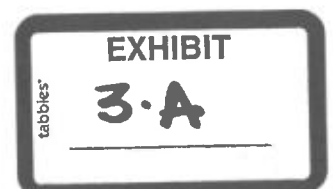
**CASE NO. 20982  
ORDER NO. R-21170**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 9, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Franklin Mountain Energy, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



### **CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.

20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well

Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL**  
**DIRECTOR**  
AS/jag

**Date:** February 26, 2020



CASE NO. 20982  
ORDER NO. R-21170



**Exhibit A**

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 20982</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b> January 9, 2020	
<b>Applicant</b>	Franklin Mountain Energy, LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Franklin Mountain Energy, LLC (373910)
<b>Applicant's Counsel:</b> <b>Case Title:</b>	Deana M. Bennett/Modrall Spering Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
<b>Entries of Appearance/Intervenors:</b>	Tap Rock Resources, LLC
<b>Well Family</b>	Carnival: Parade State 603H & Beauty Queen Fed Com 604H
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Bone Spring
<b>Pool Name and Pool Code:</b>	WC-025 G-09 S2535028, Lower Bone Spring, Pool Code 98185
<b>Well Location Setback Rules:</b>	Statewide rules
<b>Spacing Unit Size:</b>	640 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	640 acres
<b>Building Blocks:</b>	40 acres
<b>Orientation:</b>	North-South
<b>Description: TRS/County</b>	E2 of Sections 2 and 11, Township 25 South, Range 35 East, N24PM, Lea County, New Mexico
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Y
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	N
<b>Proximity Tracts: If yes, description</b>	The completed interval for the Beauty Queen Fed Com 604H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.
<b>Proximity Defining Well: if yes, description</b>	Beauty Queen Fed Com 604H
<b>Applicant's Ownership in Each Tract</b>	Exhibit A (Landman's affidavit page 2); Exhibit A-3 (page 16)
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	Add as needed

Well #1	<p>Parade State 603H, API Pending  SHL: 675 feet from the North line and 2624 feet from the East line (Lot 2), Section 2, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 2580 feet from the East line (Unit O), Section 11, Township 25 South, Range 35 East, NMPM. Completion Target: Third Bone Spring Sand at approximate 11,790' TVD.  Well Orientation: South to North  Completion location: Expected to be non-standard  Non-standard location approval application submitted. See also C 102 Exhibit A 2 page 12.</p>
Well #2	<p>Beauty Queen Fed Com 604H, API Pending  SHL: 321 feet from the North line and 1320 feet from the East line (Lot 1), Section 2, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 1080 feet from the East line (Unit P), Section 11, Township 25 South, Range 35 East, NMPM. Completion Target: Third Bone Spring Sand at approximate 11,730' TVD.  Well Orientation: South to North  Completion location: Expected to be standard. See also C 102: Exhibit A-2 page 13.</p>
Horizontal Well First and Last Take Points	<p>Parade State 603H: Proposed first take point 793' FNL and 2566' FEL and the proposed last take point is 150' FSL and 2580' FEL. Beauty Queen Fed Com 604: Proposed first take point is 689' FNL and 1076' FEL and the proposed last take point is 150' FSL and 1080' FEL. See also Exhibit A-2 page 14.</p>
Completion Target (Formation, TVD and MD)	See Proposal Letters Exhibit A-4, Pages 19-24.
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$7000: See also Proposal Letters Exhibit A-4, Pages 19-24.
Production Supervision/Month \$	\$700: See also Proposal Letters Exhibit A-4, Pages 19-24.
Justification for Supervision Costs	See AFEs Exhibits A-5, pages 25-26.
Requested Risk Charge	200%: See also Proposal Letters Exhibit A-4, Pages 19-24.
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	A-6, specifically pages 28-33.
Proof of Mailed Notice of Hearing (20 days before hearing)	A-6, specifically pages 34-37.
Proof of Published Notice of Hearing (10 days before hearing)	A-6, specifically page 38.
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	A-3 (page 15)

CASE NO. 20982  
ORDER NO. R-21170

Tract List (including lease numbers and owners)	A 3 (page 16-17)
Pooled Parties (including ownership type)	A 3 (page 16-17)
Unlocatable Parties to be Pooled	A 3 (page 17)
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	A-4 (pages 19-24)
List of Interest Owners (ie Exhibit A of JOA)	A-3 (page 16-17)
Chronology of Contact with Non-Joined Working Interests	N/A: no unjoined working interest owners but see page p 18 for summary of contacts with unleased mineral interest owners.
Overhead Rates In Proposal Letter	A-4 (specifically pages 19 & 22)
Cost Estimate to Drill and Complete	A-4 (specifically pages 19 & 22 for total costs); A-5 (pages 25-26: AFEs)
Cost Estimate to Equip Well	A-4 (specifically pages 19 & 22 for total costs); A-5 (pages 25-26: AFEs)
Cost Estimate for Production Facilities	A-4 (specifically pages 19 & 22 for total costs) A-5 (pages 25-26: AFEs)
Geology	
Summary (including special considerations)	Exhibit B, pages 39-42
Spacing Unit Schematic	A-1-B (page 11)
Gunbarrel/Lateral Trajectory Schematic	B-8 (page 44)
Well Orientation (with rationale)	B-10 (Page 50)
Target Formation	B-9-C (page 48)
HSU Cross Section	B-9-C (page 48)
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	A-2 (pages 12 & 13)
Tracts	A-3 (page 15-17)
Summary of Interests, Unit Recapitulation (Tracts)	A-3 (page 16-17)
General Location Map (including basin)	B-7 (page 43)
Well Bore Location Map	A-1-B (page 11)
Structure Contour Map - Subsea Depth	B-9-A (page 46)
Cross Section Location Map (including wells)	B-9-B (page 47)
Cross Section (including Landing Zone)	B-9-C (page 48)
Additional Information	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Deana M Bennett
Signed Name (Attorney or Party Representative):	Deana M Bennett
Date:	1/7/2020

CASE NO. 20982  
ORDER NO. R-21170

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 20983  
ORDER NO. R-21171**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 9, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Franklin Mountain Energy, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



### **CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.

20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well

Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
**ADRIENNE SANDOVAL**  
**DIRECTOR**  
AS/jag

Date: February 26, 2020



CASE NO. 20983  
ORDER NO. R-21171



## Exhibit A

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 20983</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b> January 9, 2020	
<b>Applicant</b>	Franklin Mountain Energy, LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Franklin Mountain Energy, LLC (373910)
<b>Applicant's Counsel:</b>	Deana M. Bennett/Modrall Sperling
<b>Case Title:</b>	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
<b>Entries of Appearance/Intervenors:</b>	Tap Rock/Jim Bruce
<b>Well Family</b>	Carnival Parade State 704H
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Wolfcamp
<b>Pool Name and Pool Code:</b>	WC 025 G 09 S2535020 Upper Wolfcamp Pool Pool Code WC-98187
<b>Well Location Setback Rules:</b>	Statewide rules
<b>Spacing Unit Size:</b>	320 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	320 acres
<b>Building Blocks:</b>	40 acres
<b>Orientation:</b>	North-South
<b>Description: TRS/County</b>	W 21.2 of Sections 2 and 11 Township 25 South Range 35 East NMEFM Lea County New Mexico
<b>Standard Horizontal Well Spacing Unit (Y/N), if No, describe</b>	Y
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	N
<b>Proximity Tracts: If yes, description</b>	N
<b>Proximity Defining Well: if yes, description</b>	N
<b>Applicant's Ownership in Each Tract</b>	Exhibit A (Landman's affidavit page 2); Exhibit 5 (page 21)
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	Add as needed

CASE NO. 20983  
 ORDER NO. R-21171

<b>Well #1</b>	<p>Parade State 704H, API Pending</p> <p>SHL: 321 feet from the North line and 1355 feet from the East line (Lot 2), Section 2, Township 25 South, Range 35 East, NMPPM BHL: 150 feet from the South line and 1690 feet from the East line (Unit O), Section 11, Township 25 South, Range 35 East, NMPPM Completion Target: Upper Wolfcamp at approximately 12,020' TVD.</p> <p>Well Orientation: South to North</p> <p>Completion location: Expected to standard See also C 102: Exhibit A-4 page 17</p>
<b>Horizontal Well First and Last Take Points</b>	<p>Parade State 704H: Proposed first take point is 689' FNL and 1685' FEL and the proposed last take point is 150' FSL and 1690' FEL. See also Exhibit A-4 page 19</p>
<b>Completion Target (Formation, TVD and MD)</b>	See Proposal Letter Exhibit A-6, Pages 27-29.
<b>AFE Capex and Operating Costs</b>	
<b>Drilling Supervision/Month \$</b>	\$7000: See Proposal Letter Exhibit A-6, Pages 27-29.
<b>Production Supervision/Month \$</b>	\$700: See Proposal Letter Exhibit A-6, Pages 27-29.
<b>Justification for Supervision Costs</b>	See AFE Exhibits A-7, pages 30.
<b>Requested Risk Charge</b>	200%: See Proposal Letter Exhibit A-6, Pages 27-29.
<b>Notice of Hearing</b>	
<b>Proposed Notice of Hearing</b>	A-8, specifically pages 32, 33-44.
<b>Proof of Mailed Notice of Hearing (20 days before hearing)</b>	A-8, specifically pages 32, 45-50.
<b>Proof of Published Notice of Hearing (10 days before hearing)</b>	A-8, specifically page 32, 51.
<b>Ownership Determination</b>	
<b>Land Ownership Schematic of the Spacing Unit</b>	A-5 (page 20)

Tract List (including lease numbers and owners)	A 5 (page 21-22)
Pooled Parties (including ownership type)	A 5 (page 21-22)
Unlocatable Parties to be Pooled	A 5 (page 21-22)
Ownership Depth Severance (including percentage above & below N/A)	
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6, Pages 27-29.
List of Interest Owners (ie Exhibit A of JOA)	A-5 (page 21-22) N/A: no unjoined working interest owners but see page p. 26 for summary of contacts with unleased mineral interest owners
Chronology of Contact with Non-Joined Working Interests	
Overhead Rates in Proposal Letter	A-6 (specifically pages 27)
Cost Estimate to Drill and Complete	A-6 (specifically page 27 for total costs); A-7 (pages 30-AFE)
Cost Estimate to Equip Well	A-6 (specifically page 27 for total costs); A-7 (pages 30-AFE)
Cost Estimate for Production Facilities	A-6 (specifically page 27 for total costs); A-7 (pages 30-AFE)
Geology	
Summary (including special considerations)	Exhibit B, pages 52-56
Spacing Unit Schematic	A-1 (page 8)
Gunbarrel/Lateral Trajectory Schematic	B-10 (page 58)
Well Orientation (with rationale)	B-13 (Page 69)
Target Formation	B-11-C (page 62)
HSU Cross Section	B-11-C (page 62)
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	A-4 (page 17)
Tracts	A-5 (page 20)
Summary of Interests, Unit Recapitulation (Tracts)	A-5 (page 21-22)
General Location Map (including basin)	B-9 (page 57)
Well Bore Location Map	A-1 (page 8)
Structure Contour Map - Subsea Depth	B-11-A (page 60)
Cross Section Location Map (including wells)	B-11-B (page 61)
Cross Section (including Landing Zone)	B-11-C (page 62)
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Debra M Bennett
Signed Name (Attorney or Party Representative):	Debra M Bennett
Date:	11/7/2020

CASE NO. 20983  
ORDER NO. R-21171

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 20984  
ORDER NO. R-21172**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 9, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Franklin Mountain Energy, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.



### CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.

20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well

Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL**  
**DIRECTOR**  
AS/jag

Date: February 26, 2020





## Exhibit A

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 20984</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 9, 2020</b>	
<b>Applicant</b>	Franklin Mountain Energy, LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Franklin Mountain Energy, LLC (373910)
<b>Applicant's Counsel:</b>	Deana M. Bennett/Modrall Spiering
<b>Case Title:</b>	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
<b>Entries of Appearance/Intervenors:</b>	Tap Rock/Jim Bruce
<b>Well Family</b>	Carnival Beauty Queen Fed Com 70SH
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas)</b>	Oil
<b>Pooling this vertical extent:</b>	Wolfcamp
<b>Pool Name and Pool Code:</b>	WC 025 G 09 5253502D Upper Wolfcamp Pool, Pool Code WC 94187
<b>Well Location Setback Rules:</b>	Statewide rules
<b>Spacing Unit Size</b>	320 acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	320 acres
<b>Building Blocks:</b>	40 acres
<b>Orientation:</b>	North-South
<b>Description TRS/County</b>	42822 Surface and 11 Leasing 24 South Range 19 East MEM East Unit, New Mexico
<b>Standard Horizontal Well Spacing Unit (Y/N). If No, describe</b>	Y
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	N
<b>Proximity Tracts: If yes, description</b>	N
<b>Proximity Defining Well: if yes, description</b>	N
<b>Applicant's Ownership in Each Tract</b>	Exhibit A (Landman's affidavit page 2); Exhibit 5 (page 24)
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non standard)</b>	Add as needed

Well #1	<p>Beauty Queen Fed Com 705H, AFE Pending</p> <p>SHL: 321 feet from the North line and 1285 feet from the East line (Lot 1), Section 2, Township 25 South, Range 35 East, NMPM. Bit: 150 feet from the South line and 760 feet from the East line (Unit P), Section 11, Township 25 South, Range 35 East, NMPM. Completion Target: Upper Wolfcamp at approximately 11,675' TVD. Well Orientation: South to North. Completion location: Expected to be standard. See also C-102- Exhibit A-4 page 18.</p>
Well #2	
Horizontal Well First and Last Take Points	<p>Beauty Queen Fed Com 705H: Proposed first take point is 689' FNL and 756' FEL and the proposed last take point is 150' FSL and 760' FEL. See also Exhibit A-4 page 19.</p>
Completion Target (Formation, TVD and MD)	See AFE, Exhibit A-7 (page 31)
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$7000: See Affidavit Exhibit A, Page 32.
Production Supervision/Month \$	\$700: See Affidavit Exhibit A, Page 32.
Justification for Supervision Costs	See AFE Exhibits A-7, page 31, See Affidavit Exhibit A, Page 32.
Requested Risk Charge	200%: See Affidavit Exhibit A, Page 32.
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	A-8, specifically pages 33-44.
Proof of Mailed Notice of Hearing (20 days before hearing)	A-8, specifically pages 45-50.
Proof of Published Notice of Hearing (10 days before hearing)	A-8, specifically page 51.
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	A-5 (page 23)

Tract List (including lease numbers and owners)	A-5 (page 24-25)
Pooled Parties (including ownership type)	A-5 (page 24-25)
Unlocatable Parties to be Pooled	A-5 (page 24-25)
Ownership Depth Severance (including percentage above & below N/A)	
<b>Joinder</b>	
Sample Copy of Proposal Letter	N/A: Only seeking to pool ORR
List of Interest Owners (ie Exhibit A of JOA)	A-5 (page 24-25)
Chronology of Contact with Non-Joined Working Interests	N/A: Only seeking to pool ORR
Overhead Rates in Proposal Letter	N/A: No proposal letters required to send to ORR
Cost Estimate to Drill and Complete	A-7 (page 31: AFE)
Cost Estimate to Equip Well	A-7 (page 31: AFE)
Cost Estimate for Production Facilities	A-7 (page 31: AFE)
<b>Geology</b>	
Summary (including special considerations)	Exhibit B, pages 52-56
Spacing Unit Schematic	A-1 (page 8)
Gunbarrel/Lateral Trajectory Schematic	B-10 (page 58)
Well Orientation (with rationale)	B-13 (Page 69)
Target Formation	B-12-C (page 67)
HSU Cross Section	B-12-C (page 67)
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	A-4 (page 18)
Tracts	A-5 (page 23)
Summary of Interests, Unit Recapitulation (Tracts)	A-5 (page 24-25)
General Location Map (including basin)	B-9 (page 57)
Well Bore Location Map	A-1 (page 8)
Structure Contour Map - Subsea Depth	B-12-A (page 65)
Cross Section Location Map (including wells)	B-12-B (page 66)
Cross Section (including Landing Zone)	B-12-C (page 67)
<b>Additional Information</b>	
<b>CERTIFICATION:</b> I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Debra M. Bennett
Signed Name (Attorney or Party Representative):	Debra M. Bennett
Date:	1/7/2020

Exhibit 4: Revised Compulsory Pooling Checklist  
Case 21510 (Order R-21170)

# AMENDED COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21510 (Re-opened Order R-21170)

APPLICANT'S RESPONSE

Date November 5, 2020

Amended Checklist Only to Remove Parade State  
603H Well

Applicant

Franklin Mountain Energy, LLC

Designated Operator & OGRID (affiliation if applicable)

Franklin Mountain Energy, LLC (373910)

Applicant's Counsel:

Deana M. Bennett/Modrall Spering

Case Title:

Application of Franklin Mountain Energy, LLC for  
Compulsory Pooling, Lea County, New Mexico

Entries of Appearance/Intervenors:

Tap Rock Resources, LLC

Well Family

Carnival: Beauty Queen Fed Com 604H

## Formation/Pool

Formation Name(s) or Vertical Extent:

Bone Spring

Primary Product (Oil or Gas):

Oil

Pooling this vertical extent:

Bone Spring

Pool Name and Pool Code:

WC-025 G-09 S253502B, Lower Bone Spring, Pool Code 98185

Well Location Setback Rules:

Statewide rules

Spacing Unit Size:

640 acres

## Spacing Unit

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

640 acres

Building Blocks:

40 acres

Orientation:

North-South

Description: TRS/County

E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico

Standard Horizontal Well Spacing Unit (Y/N), If No, describe

Y

## Other Situations

Depth Severance: Y/N. If yes, description

N

Proximity Tracts: If yes, description

The completed interval for the Beauty Queen Fed Com 604H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.

Proximity Defining Well: if yes, description

Beauty Queen Fed Com 604H

Applicant's Ownership in Each Tract

Exhibit A (Landman's affidavit page 2); Exhibit A-3  
(page 16)

## Well(s)

Name & API (if assigned), surface and bottom hole location,  
footages, completion target, orientation, completion status  
(standard or non-standard)

Add as needed

EXHIBIT

4

Well #1	<p>Beauty Queen Fed Com 604H, API Pending  SHL: 321 feet from the North line and 1320 feet from the East line (Lot 1), Section 2, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 1080 feet from the East line (Unit P), Section 11, Township 25 South, Range 35 East, NMPM. Completion Target: Third Bone Spring Sand at approximate 11,730' TVD.  Well Orientation: South to North  Completion location: Expected to be standard. See also C-102: Exhibit A-2 page 13.</p>
Horizontal Well First and Last Take Points	<p>Beauty Queen Fed Com 604: Proposed first take point is 689' FNL and 1076' FEL and the proposed last take point is 150' FSL and 1080' FEL. See also Exhibit A-2 page 14.</p>
Completion Target (Formation, TVD and MD)	<p>See Proposal Letters Exhibit A-4, Pages 19-24.</p>
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<p>\$7000: See also Proposal Letters Exhibit A-4, Pages 19-24.</p>
Production Supervision/Month \$	<p>\$700: See also Proposal Letters Exhibit A-4, Pages 19-24.</p>
Justification for Supervision Costs	<p>See AFEs Exhibits A-5, pages 25-26.</p>
Requested Risk Charge	<p>200%: See also Proposal Letters Exhibit A-4, Pages 19-24.</p>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<p>A-6, specifically pages 28-33.</p>
Proof of Mailed Notice of Hearing (20 days before hearing)	<p>A-6, specifically pages 34-37.</p>
Proof of Published Notice of Hearing (10 days before hearing)	<p>A-6, specifically page 38.</p>
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	<p>A-3 (page 15)</p>
Tract List (including lease numbers and owners)	<p>A-3 (page 16-17)</p>
Pooled Parties (including ownership type)	<p>A-3 (page 16-17)</p>

Unlocatable Parties to be Pooled	A-3 (page 17)
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	A-4 (pages 19-24)
List of Interest Owners (ie Exhibit A of JOA)	A-3 (page 16-17)
Chronology of Contact with Non-Joined Working Interests	N/A: no unjoined working interest owners but see page p. 18 for summary of contacts with unleased mineral interest owners.
Overhead Rates In Proposal Letter	A-4 (specifically pages 19 & 22)
Cost Estimate to Drill and Complete	A-4 (specifically pages 19 & 22 for total costs); A-5 (pages 25-26:AFEs)
Cost Estimate to Equip Well	A-4 (specifically pages 19 & 22 for total costs); A-5 (pages 25-26:AFEs)
Cost Estimate for Production Facilities	A-4 (specifically pages 19 & 22 for total costs); A-5 (pages 25-26:AFEs)
<b>Geology</b>	
Summary (including special considerations)	Exhibit B, pages 39-42
Spacing Unit Schematic	A-1-B (page 11)
Gunbarrel/Lateral Trajectory Schematic	B-8 (page 44)
Well Orientation (with rationale)	B-10 (Page 50)
Target Formation	B-9-C (page 48)
HSU Cross Section	B-9-C (page 48)
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	A-2 (pages 12 & 13)
Tracts	A-3 (page 15-17)
Summary of Interests, Unit Recapitulation (Tracts)	A-3 (page 16-17)
General Location Map (including basin)	B-7 (page 43)
Well Bore Location Map	A-1-B (page 11)
Structure Contour Map - Subsea Depth	B-9-A (page 46)
Cross Section Location Map (including wells)	B-9-B (page 47)
Cross Section (including Landing Zone)	B-9-C (page 48)
<b>Additional Information</b>	Amended November 3, 2020 to remove Parade State 603H Well.
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Date:</b>	11/3/2020

## Exhibit 5: Notice Affidavits



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


**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-21170,  
LEA COUNTY, NEW MEXICO**

CASE NO. 21510

**AFFIDAVIT**

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

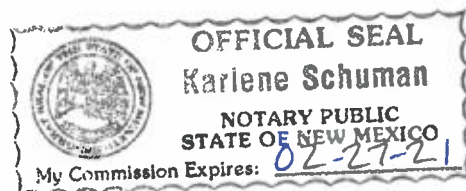
Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under a notice letter, attached, and that proof of receipt is attached hereto. I also state that notice of the November 5, 2020 hearing was published in the Hobbs News-Sun on October 14, 2020, as reflected in the attached Affidavit of Publication.

  
\_\_\_\_\_  
Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 2nd day of November, 2020 by Deana M. Bennett.

  
\_\_\_\_\_  
Notary Public

My commission expires: 02-27-21





MODRALL SPERLING

L A W Y E R S

October 9, 2020

Deana M. Bennett  
505.848.1834  
[Deana.Bennett@modrall.com](mailto:Deana.Bennett@modrall.com)

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO  
AMEND ORDER NO. R-21170, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21510**

**TO: AFFECTED PARTIES**

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

In Case No. 21510, FME seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21170 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); 2) removing the Parade State 603H Well from Order No. R-21170; and 3) amending Order No. R-21170 to allow for an extension of time to commence drilling the Beauty Queen Fed Com 604H well under the Order.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.**

As a party who may be affected by this 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 this 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](http://www.modrall.com)

Page 2

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

Sincerely,

A handwritten signature in cursive script that reads "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 TO AMEND ORDER NO. R-21170,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 21510  
ORDER NO. R-21170  
(Re-Open)**

**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21170 as follows: 1) conforming Division Order No. R-21170 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template);<sup>1</sup> 2) removing the Parade State 603H Well from Order No. R-21170; and 3) amending Order No. R-21170 to allow for an extension of time for drilling the well under the Order. In support of this application, FME states as follows: FME has an interest in the subject lands and has a right to drill and operate a well thereon.

1. Order No. R-21170 is one of six orders relating to FME's "Carnival" well group.
2. Order No. R-21170 pooled uncommitted interest owners in a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico (the "E/2 Bone Spring Unit").

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<sup>1</sup> Exhibit 2 to the Division's April 9 Letter includes a list of orders issued before April 1, 2020. Exhibit 2 does not list FME's Order Nos. R-21170, R-21171, and R-21172. Nevertheless, these three orders were issued before April 1, 2020 and do not conform to the Amended Order Template.

3. Order No. R-21170 designated FME as the operator of the well and the E/2 Bone Spring Unit.

4. The Division Hearing for Case No. 20982 was held on January 9, 2020, in conjunction with two other FME cases, Case No. 20983 and 20984.

5. The Division entered Order No. R-21170 in Case No. 20982 on February 26, 2020. The Division also entered orders in Case Nos. 20983 and 20984 on February 26, 2020. These three orders were issued under the "interim form of order" and do not conform to the Amended Order Template.

6. Three of the Carnival cases were heard by the Division on December 12, 2019 (Case Nos. 20951, 20952, and 20953) and orders were issued for those three cases July 27, 2020. Those three orders conform to the Amended Order Template.

7. FME requests that Order No. R-21170 be re-opened to conform this order to the terms of the Amended Order Template.

8. FME further requests that Order No. R-21170 be re-opened and amended to remove the Parade State 603H well from the Order.

9. As originally contemplated, FME's development plans for the E/2 Bone Spring Unit included the Parade State 603H well and the Beauty Queen Fed Com 604H well. The Parade State 603H well was proposed at a non-standard location, which was approved by the Division.

10. FME has reviewed its development plans and has determined to change the location of the Parade State 603H well and, as a result, the Parade State 603H well will be in a standard location and the non-standard location approval is no longer necessary.

11. FME has also determined that the Parade State 603H well should be dedicated to a separate spacing unit and not included in the E/2 Bone Spring Unit.

12. The Beauty Queen Fed Com 604H well remains within the E/2 Bone Spring Unit and holds the E/2 as a proximity tract well.

13. FME will file a compulsory pooling application for the Parade State 603H well.

14. FME further requests that Order No. R-21170 be re-opened and amended to allow FME additional time to commence drilling the Beauty Queen Fed Com 604H well under the Order.

15. Order No. R-21170, ¶ 20 states: "The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well." Order No. R-21170, ¶ 22 states: "This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21."

16. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown." Amended Order Template, ¶ 20.

17. Good cause exists for FME's request for an extension of time.

18. FME requests this extension because there have been changes in FME's drilling schedule due to COVID-19 and current market conditions.

19. FME's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.

20. Under Order No. R-21170, FME would be required to commence drilling the well by February 26, 2021.

21. FME asks that the deadline to commence drilling the well be extended for a year from February 26, 2021 to February 26, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 2020, and after notice and hearing as required by law, the Division:

- A. Amend Order No. R-21170 to conform to the terms of the Amended Order Template;
- B. Remove the Parade State 603H well from the Order; and
- C. Amend Order No. R-21170 to extend the time for FME to commence drilling the Beauty Queen Fed Com 604H well under the Order for a year, through February 26, 2022.

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

By: Deana M. Bennett  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 21510: (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-21170, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21170 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); 2) removing the Parade State 603H Well from Order No. R-21170; and 3) amending Order No. R-21170 to allow for an extension of time to commence drilling the well under the Order.



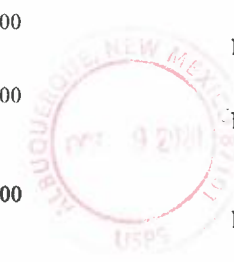
Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
500 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
10/09/2020

Firm Mailing Book ID: 196890

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0075 8626 06	Lista Catherine Ammirati McDonald 3950 E. Midas Ave. Rocklin CA 95677	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
2	9314 8699 0430 0075 8626 13	Cayuga Royalties LLC P.O. Box 540711 Houston TX 77254	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
3	9314 8699 0430 0075 8626 20	Prevail Energy LLC 521 Dexter St. Denver CO 80220	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
4	9314 8699 0430 0075 8626 37	Rheiner Holdings LLC P.O. Box 980552 Houston TX 77098	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
5	9314 8699 0430 0075 8626 44	Monticello Minerals LLC 5528 Vickery Blvd Dallas TX 75206	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
6	9314 8699 0430 0075 8626 51	Viper Energy Partners LLC 500 W. Texas Ave., Suite 1200 Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
7	9314 8699 0430 0075 8626 68	BC Operating Inc. 4000 N. Big Spring, Suite 310 Midland TX 79705	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
8	9314 8699 0430 0075 8626 75	Constitution Resources II, LP 5707 Southwest Parkway Austin TX 78735	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
9	9314 8699 0430 0075 8626 82	Tap Rock Resources, LLC 523 Park Point Drive Suite #200 Golden CO 80401	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
10	9314 8699 0430 0075 8626 99	Heirs or devisees of Dock C. Coates c/o D.B. Coates P.O. Box 1443 Lakeside UT 85929	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
11	9314 8699 0430 0075 8627 05	Heirs or devisees of Dock C. Coates c/o Irene Coates 609 Copper Ln., Santaquin 609 Copper Ln. 609 Copper Ln. Santaquin UT 84655	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
12	9314 8699 0430 0075 8627 12	Heirs or devisees of Dock C. Coates c/o Irene Coates 475 S 300 W, Santaquin 475 S 300 W 475 S 300 W Santaquin UT 84655	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
13	9314 8699 0430 0075 8627 29	Heirs or devisees of Dock C. Coates c/o Irene Coates 499 W Pacific Dr, American Fork 499 W Pacific Dr 499 W Pacific Dr American Fork UT 84003	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice



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

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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
14	9314 8699 0430 0075 8627 36	Heirs or devisees of Dock C. Coates c/o James Ronald Stanley 3608 North County Road 1130 3608 North County Road 1130 3608 North County Road 1130 Midland TX 79705	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
15	9314 8699 0430 0075 8627 43	Heirs or devisees of Dock C. Coates c/o Kimberly Franzoy Becker 3147 Adobe Dam Rd. 3147 Adobe Dam Rd. 3147 Adobe Dam Rd. Phoenix AZ 85027	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
16	9314 8699 0430 0075 8627 50	Heirs or devisees of Dock C. Coates Mary O.Coates 3719 S. Eunice Hwy 3719 S. Eunice Hwy 3719 S. Eunice Hwy Hobbs NM 88240	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
17	9314 8699 0430 0075 8627 67	Heirs or devisees of Dock C. Coates Sharon Lyde Miller PO Box 666 PO Box 666 PO Box 666 Overton NV 89040	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
18	9314 8699 0430 0075 8627 74	Heirs or devisees of Dock C. Coates Sharon Lyde Miller 780 E. Lee Ave. 780 E. Lee Ave. 780 E. Lee Ave. Overton NV 89040	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
19	9314 8699 0430 0075 8627 81	Heirs or devisees of Dock C. Coates Timothy G.Coates PO Box 23 PO Box 23 PO Box 23 Red Rock NM 88055	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
20	9314 8699 0430 0075 8627 98	Heirs or devisees of Dock C. Coates Oscar Sherman Coates 2201 W Madison St. Phoenix AZ 86401	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
21	9314 8699 0430 0075 8628 04	Heirs or devisees of Dock C. Coates or Alice Coates Miller 124 Chestman Ave Kingman AZ 86401	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
22	9314 8699 0430 0075 8628 11	Heirs or devisees of Dock C. Coates or Alice Coates Miller PO Box 98 #C21 Niland CA 92257	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice

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24	9314 8699 0430 0075 8628 35	Heirs or devisees of Dock C. Coates or Alice Coates Miller 12618 3rd St #25 Yucaipa CA 92399	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
25	9314 8699 0430 0075 8628 42	Heirs or devisees of Dock C. Coates or Alice Coates Miller 780 Lee Ave Overton NV 89040	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
26	9314 8699 0430 0075 8628 59	Heirs or devisees of Dock C. Coates or Alice Coates Miller 7323 S Denker Ave Los Angeles CA 90047	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
27	9314 8699 0430 0075 8628 66	Heirs or devisees of Dock C. Coates or Alice Coates Miller 5160 Carfax Ave Lakewood CA 90713	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
28	9314 8699 0430 0075 8628 73	Heirs or devisees of Dock C. Coates or Alice Coates Miller 5121 N Huffman Rd Kingman AZ 86409	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
29	9314 8699 0430 0075 8628 80	Heirs or devisees of Dock C. Coates or Alice Coates Miller 11th Ave Rt 6 BX 1386C Phoenix AZ 85007	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
30	9314 8699 0430 0075 8628 97	Heirs or devisees of Dock C. Coates or Alice Coates Miller 2238 N 24th St Milwaukee WI 53205	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
31	9314 8699 0430 0075 8629 03	Heirs or devisees of Dock C. Coates or Alice Coates Miller 5227 N 66th St Milwaukee WI 53218	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
32	9314 8699 0430 0075 8629 10	Heirs or devisees of Dock C. Coates Alice Coates Miller 2908 Highland Dr Colgate WI 53017	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
33	9314 8699 0430 0075 8629 27	Heirs or devisees of Dock C. Coates or Alice Coates Miller 2917 Arthur St Kingman AZ 86409	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
34	9314 8699 0430 0075 8629 34	Heirs or devisees of Dock C. Coates or Alice Coates Miller 3501 E Virginia Ave Phoenix AZ 85008	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice

Karlene Schuman  
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35	9314 8699 0430 0075 8629 41	Heirs or devisees of Dock C. Coates or Alice Coates Miller 874 E 56th St, Los Angeles Los Angeles CA 90011	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
36	9314 8699 0430 0075 8629 58	Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright 507 S Mineola Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
37	9314 8699 0430 0075 8629 65	Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright PO Box 751 Sonora TX 76950	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
38	9314 8699 0430 0075 8629 72	Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright 305 E California Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
39	9314 8699 0430 0075 8629 89	Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright 728 Beckley Dr Midland TX 79703	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
40	9314 8699 0430 0075 8629 96	State of New Mexico, SLO 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
41	9314 8699 0430 0075 8630 09	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
42	9314 8699 0430 0075 8630 16	Foundation Minerals LLC PO Box 50820 Midland TX 79710	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
43	9314 8699 0430 0075 8630 23	Mavros Minerals II, LP PO Box 50820 Midland TX 79711	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
44	9314 8699 0430 0075 8630 30	Oak Valley Minerals and Land LP PO Box 50820 Midland TX 79712	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
45	9314 8699 0430 0075 8630 47	United States of America, BLM 301 Dinosaur Trail Santa Fe NM 87508	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
Totals:			\$54.00	\$159.75	\$76.50	\$0.00	
			Grand Total:		\$290.25		

List Number of Pieces  
Listed by Sender

45

Total Number of Pieces  
Received at Post Office

45

Postmaster:  
Name of receiving employee

*[Signature]*

Dated:

Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID= 196890  
Generated: 11/2/2020 1:37:17 PM

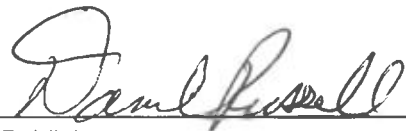
USPS Article Number	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300075863047	10154. -No. 21510.	United States of America, BLM		Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075863030	10154. -No. 21510.	Oak Valley Minerals and Land LP		Midland	TX	79712	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075863023	10154. -No. 21510.	Mavros Minerals II, LP		Midland	TX	79711	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075863016	10154. -No. 21510.	Foundation Minerals LLC		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075863009	10154. -No. 21510.	CrownRock Minerals, L.P.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	10-14-2020
9314869904300075862996	10154. -No. 21510.	State of New Mexico, SLO		Santa Fe	NM	87501	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075862989	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	devisees of Delray Coates Wright	Midland	TX	79703	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075862972	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	devisees of Delray Coates Wright	Midland	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075862965	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	devisees of Delray Coates Wright	Sonora	TX	76950	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075862958	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	devisees of Delray Coates Wright	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075862941	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Los Angeles	CA	90011	To be Returned	Return Receipt - Electronic, Certified Mail	
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9314869904300075862927	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Kingman	AZ	86409	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075862910	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	Alice Coates Miller	Colgate	WI	53017	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
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9314869904300075862866	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Lakewood	CA	90713	To be Returned	Return Receipt - Electronic, Certified Mail	
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9314869904300075862842	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Overton	NV	89040	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075862835	10154. -No. 21510.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Yucaipa	CA	92399	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	10-13-2020
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9314869904300075862798	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	Oscar Sherman Coates	Phoenix	AZ	86401	Delivered	Return Receipt - Electronic, Certified Mail	10-14-2020
9314869904300075862781	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	Timothy G. Coates	Red Rock	NM	88055	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075862774	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	Sharon Lyde Miller	Overton	NV	89040	Delivered	Return Receipt - Electronic, Certified Mail	10-21-2020
9314869904300075862767	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	Sharon Lyde Miller	Overton	NV	89040	Delivered	Return Receipt - Electronic, Certified Mail	10-21-2020
9314869904300075862750	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	Mary O. Coates	Hobbs	NM	88240	Delivered	Return Receipt - Electronic, Certified Mail	10-14-2020
9314869904300075862743	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	c/o Kimberly Franzoy Becker	Phoenix	AZ	85027	Delivered	Return Receipt - Electronic, Certified Mail	10-17-2020
9314869904300075862736	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	c/o James Ronald Stanley	Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075862729	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	c/o Irene Coates	American Fork	UT	84003	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075862712	10154. -No. 21510.	Heirs or devisees of Dock C. Coates	c/o Irene Coates	Santaquin	UT	84655	Returned to Sender	Return Receipt - Electronic, Certified Mail	10-26-2020
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9314869904300075862682	10154. -No. 21510.	Tap Rock Resources, LLC		Golden	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075862675	10154. -No. 21510.	Constitution Resources II, LP		Austin	TX	78735	Undelivered	Return Receipt - Electronic, Certified Mail	
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9314869904300075862637	10154. -No. 21510.	Rheiner Holdings LLC		Houston	TX	77098	Delivered	Return Receipt - Electronic, Certified Mail	10-16-2020
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9314869904300075862606	10154. -No. 21510.	Lista Catherine Ammirati McDonald		Rocklin	CA	95677	Undelivered	Return Receipt - Electronic, Certified Mail	

# 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  
October 14, 2020  
and ending with the issue dated  
October 14, 2020.



Publisher

Sworn and subscribed to before me this  
14th day of October 2020.

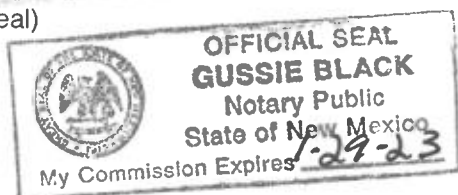


Business Manager

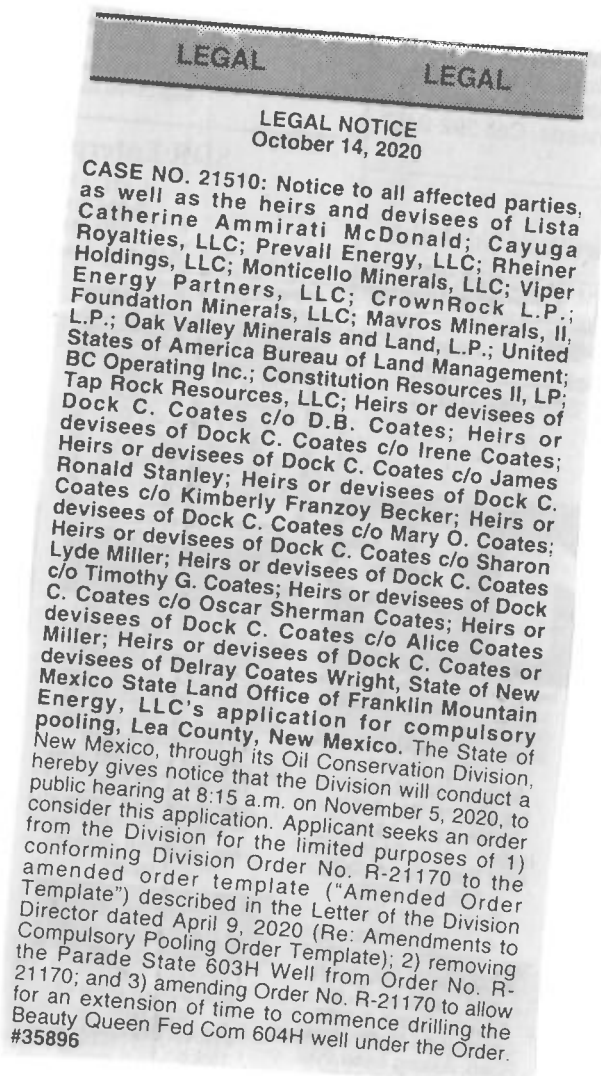
My commission expires

January 29, 2023

(Seal)



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



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00247453

DOLORES SERNA  
MODRALL, SPERLING, ROEHL, HARRIS &  
P. O. BOX 2168  
ALBUQUERQUE, NM 87103-2168



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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-21171,  
LEA COUNTY, NEW MEXICO**

CASE NO. 21511

**AFFIDAVIT**

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

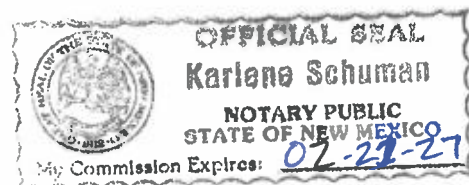
Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under a notice letter, attached, and that proof of receipt is attached hereto. I also state that notice of the November 5, 2020 hearing was published in the Hobbs News-Sun on October 14, 2020, as reflected in the attached Affidavit of Publication.

  
\_\_\_\_\_  
Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 2nd day of November, 2020 by Deana M. Bennett.

  
\_\_\_\_\_  
Notary Public

My commission expires: 02-21-27





October 9, 2020

Deana M. Bennett  
505.848.1834  
[Deana.Bennett@modrall.com](mailto:Deana.Bennett@modrall.com)

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO  
AMEND ORDER NO. R-21171, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21511**

**TO: AFFECTED PARTIES**

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

In Case No. 21511, FME seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21171 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21171 to allow for an extension of time to commence drilling the Parade State 704H well under the Order.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.**

As a party who may be affected by this 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 this 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](http://www.modrall.com)



Page 2

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

Sincerely,

A handwritten signature in cursive script that reads "Deana M. Bennett". The ink is dark and the signature is fluid.

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 TO AMEND ORDER NO. R-21171,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 21511  
ORDER NO. R-21171  
(Re-Open)**

**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21171 as follows: 1) conforming Division Order No. R-21171 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template);<sup>1</sup> and 2) amending Order No. R-21171 to allow for an extension of time for drilling the well under the Order. In support of this application, FME states as follows: FME has an interest in the subject lands and has a right to drill and operate a well thereon.

1. Order No. R-21171 is one of six orders relating to FME's "Carnival" well group.

2. Order No. R-21171 pooled uncommitted interest owners in a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.

3. Order No. R-21171 designated FME as the operator of the well and the unit.

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<sup>1</sup> Exhibit 2 to the Division's April 9 Letter includes a list of orders issued before April 1, 2020. Exhibit 2 does not list FME's Order Nos. R-21170, R-21171, and R-21172. Nevertheless, these three orders were issued before April 1, 2020 and do not conform to the Amended Order Template.

4. The Division Hearing for Case No. 20983 was held on January 9, 2020, in conjunction with two other FME cases, Case No. 20982 and 20984.

5. The Division entered Order No. R-21171 in Case No. 20983 on February 26, 2020. The Division also entered orders in Case Nos. 20982 and 20984 on February 26, 2020. These three orders were issued under the “interim form of order” and do not conform to the Amended Order Template.

6. Three of the Carnival cases were heard by the Division on December 12, 2019 (Case Nos. 20951, 20952, and 20953) and orders were issued for those three cases July 27, 2020. Those three orders conform to the Amended Order Template.

7. Order No. R-21171 does not conform to the terms of the Amended Order Template.

8. FME requests that Order No. R-21171 be re-opened to conform this order to the terms of the Amended Order Template.

9. FME further requests that Order No. R-21171 be re-opened and amended to allow FME additional time to commence drilling the well under the Order.

10. Order No. R-21171, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21171, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

11. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

12. Good cause exists for FME's request for an extension of time.

13. FME requests this extension because there have been changes in FME's drilling schedule due to COVID-19 and current market conditions.

14. FME's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.

15. Under Order No. R-21171, FME would be required to commence drilling the well by February 26, 2021.

16. FME asks that the deadline to commence drilling the well be extended for a year from February 26, 2021 to February 26, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 2020, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21171 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21171 to extend the time for FME to commence drilling the well under the Order for a year, through February 26, 2022.

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

By: Deana M. Bennett

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

**CASE NO. 21511 : (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-21171, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21171 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21171 to allow for an extension of time to commence drilling the well under the Order.

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  
10/09/2020

Firm Mailing Book ID: 196910

*All one  
21511*

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0075 8726 81	Lista Catherine Ammirati McDonald 3950 E. Midas Ave. Rocklin CA 95677	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21511. Notice
2	9314 8699 0430 0075 8726 98	Cayuga Royalties LLC P.O. Box 540711 Houston TX 77254	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
3	9314 8699 0430 0075 8727 04	Prevail Energy LLC 521 Dexter St. Denver CO 80220	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
4	9314 8699 0430 0075 8727 11	Rheiner Holdings LLC P.O. Box 980552 Houston TX 77098	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
5	9314 8699 0430 0075 8727 28	Monticello Minerals LLC 5528 Vickery Blvd Dallas TX 75206	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
6	9314 8699 0430 0075 8727 35	Viper Energy Partners LLC 500 W. Texas Ave., Suite 1200 Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
7	9314 8699 0430 0075 8727 42	BC Operating Inc. 4000 N. Big Spring, Suite 310 Midland TX 79705	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
8	9314 8699 0430 0075 8727 59	Constitution Resources II, LP 5707 Southwest Parkway Austin TX 78735	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
9	9314 8699 0430 0075 8727 66	Tap Rock Resources, LLC 523 Park Point Drive Suite #200 Golden CO 80401	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
10	9314 8699 0430 0075 8727 73	Heirs or devisees of Dock C. Coates c/o D.B. Coates P.O. Box 1443 Lakeside UT 85929	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
11	9314 8699 0430 0075 8727 80	Heirs or devisees of Dock C. Coates c/o Irene Coates 609 Copper Ln., Santaquin 609 Copper Ln. 609 Copper Ln. Santaquin UT 84655	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
12	9314 8699 0430 0075 8727 97	Heirs or devisees of Dock C. Coates c/o Irene Coates 475 S 300 W, Santaquin 475 S 300 W 475 S 300 W Santaquin UT 84655	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
13	9314 8699 0430 0075 8728 03	Heirs or devisees of Dock C. Coates c/o Irene Coates 499 W Pacific Dr, American Fork 499 W Pacific Dr 499 W Pacific Dr American Fork UT 84003	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice

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  
 10/09/2020

Firm Mailing Book ID: 196910

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
14	9314 8699 0430 0075 8728 10	Heirs or devisees of Dock C. Coates c/o James Ronald Stanley 3608 North County Road 1130 3608 North County Road 1130 3608 North County Road 1130 Midland TX 79705	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
15	9314 8699 0430 0075 8728 27	Heirs or devisees of Dock C. Coates c/o Kimberly Franzoy Becker 3147 Adobe Dam Rd. 3147 Adobe Dam Rd. 3147 Adobe Dam Rd. Phoenix AZ 85027	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
16	9314 8699 0430 0075 8728 34	Heirs or devisees of Dock C. Coates Mary O.Coates 3719 S. Eunice Hwy 3719 S. Eunice Hwy 3719 S. Eunice Hwy Hobbs NM 88240	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
17	9314 8699 0430 0075 8728 41	Heirs or devisees of Dock C. Coates Sharon Lyde Miller PO Box 666 PO Box 666 PO Box 666 Overton NV 89040	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
18	9314 8699 0430 0075 8728 58	Heirs or devisees of Dock C. Coates Sharon Lyde Miller 780 E. Lee Ave. 780 E. Lee Ave. 780 E. Lee Ave. Overton NV 89040	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
19	9314 8699 0430 0075 8728 65	Heirs or devisees of Dock C. Coates Timothy G.Coates PO Box 23 PO Box 23 PO Box 23 Red Rock NM 88055	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
20	9314 8699 0430 0075 8728 72	Heirs or devisees of Dock C. Coates Oscar Sherman Coates 2201 W Madison St. Phoenix AZ 86401	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
21	9314 8699 0430 0075 8728 89	Heirs or devisees of Dock C. Coates or Alice Coates Miller 124 Chestman Ave Kingman AZ 86401	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
22	9314 8699 0430 0075 8728 96	Heirs or devisees of Dock C. Coates or Alice Coates Miller PO Box 98 #C21 Niland CA 92257	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice

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  
10/09/2020

Firm Mailing Book ID: 196910

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
23	9314 8699 0430 0075 8729 02	Heirs or devisees of Dock C. Coates or Alice Coates Miller 185 Beverly Dr. Banning CA 92220	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
24	9314 8699 0430 0075 8729 19	Heirs or devisees of Dock C. Coates or Alice Coates Miller 12618 3rd St #25 Yucaipa CA 92399	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
25	9314 8699 0430 0075 8729 26	Heirs or devisees of Dock C. Coates or Alice Coates Miller 780 Lee Ave Overton NV 89040	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
26	9314 8699 0430 0075 8729 33	Heirs or devisees of Dock C. Coates or Alice Coates Miller 7323 S Denker Ave Los Angeles CA 90047	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
27	9314 8699 0430 0075 8729 40	Heirs or devisees of Dock C. Coates or Alice Coates Miller 5160 Carfax Ave Lakewood CA 90713	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
28	9314 8699 0430 0075 8729 57	Heirs or devisees of Dock C. Coates or Alice Coates c/o Heirs of Claude Cecil Thommason 5121 N Huffman Rd Kingman AZ 86409	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
29	9314 8699 0430 0075 8729 64	Heirs or devisees of Dock C. Coates or Alice Coates c/o Heirs of Walter R. Miller 11th Ave Rt 6 BX 1386C Phoenix AZ 85007	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
30	9314 8699 0430 0075 8729 71	Heirs or devisees of Dock C. Coates or Alice Coates Miller 2238 N 24th St Milwaukee WI 53205	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
31	9314 8699 0430 0075 8729 88	Heirs or devisees of Dock C. Coates or Alice Coates Miller 5227 N 66th St Milwaukee WI 53218	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
32	9314 8699 0430 0075 8729 95	Heirs or devisees of Dock C. Coates Alice Coates Miller 2908 Highland Dr Colgate WI 53017	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
33	9314 8699 0430 0075 8730 08	Heirs or devisees of Dock C. Coates or Alice Coates Miller 2917 Arthur St Kingman AZ 86409	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
34	9314 8699 0430 0075 8730 15	Heirs or devisees of Dock C. Coates or Alice Coates Miller 3501 E Virginia Ave Phoenix AZ 85008	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice



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

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Type of Mailing: CERTIFIED MAIL  
10/09/2020

Firm Mailing Book ID: 196910

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
35	9314 8699 0430 0075 8730 22	Heirs or devisees of Dock C. Coates or Alice Coates Miller 874 E 56th St, Los Angeles Los Angeles CA 90011	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
36	9314 8699 0430 0075 8730 39	Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright 507 S Mineola Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
37	9314 8699 0430 0075 8730 46	Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright PO Box 751 Sonora TX 76950	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
38	9314 8699 0430 0075 8730 53	Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright 305 E California Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
39	9314 8699 0430 0075 8730 60	Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright 728 Beckley Dr Midland TX 79703	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
40	9314 8699 0430 0075 8730 77	State of New Mexico, SLO 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21510. Notice
Totals:			\$48.00	\$142.00	\$68.00	\$0.00	
Grand Total:						\$258.00	

List Number of Pieces  
Listed by Sender

40

Total Number of Pieces  
Received at Post Office

40

Postmaster:  
Name of receiving employee

JRC

Dated:

Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID= 196910  
Generated: 11/2/2020 1:57:27 PM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mail No.	Status	Service Options	Mail Delivery Date
9314869904300075873077	2020-10-09 12:48 PM	10154. -No. 21511.	State of New Mexico, SLO		Santa Fe	NM	87501		Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075873060	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	devisees of Delray Coates Wright	Midland	TX	79703		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075873053	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	devisees of Delray Coates Wright	Midland	TX	79701		Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075873046	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	devisees of Delray Coates Wright	Sonora	TX	76950		Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075873039	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	devisees of Delray Coates Wright	Midland	TX	79701		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075873022	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Los Angeles	CA	90011		Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075873015	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Phoenix	AZ	85008		To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075873008	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Kingman	AZ	86409		Delivered	Return Receipt - Electronic, Certified Mail	10-19-2020
9314869904300075872995	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Colgate	WI	53017		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872988	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Milwaukee	WI	53218		Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075872971	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Milwaukee	WI	53205		Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075872964	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or Alice Coates	c/o Heirs of Walter R. Miller	Phoenix	AZ	85007		Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300075872957	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or Alice Coates	c/o Heirs of Claude Cecil Thomason	Kingman	AZ	86409		Delivered	Return Receipt - Electronic, Certified Mail	10-14-2020
9314869904300075872940	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Lakewood	CA	90713		To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075872933	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Los Angeles	CA	90047		Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075872926	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Overton	NV	89040		Delivered	Return Receipt - Electronic, Certified Mail	10-21-2020
9314869904300075872919	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Yucaipa	CA	92399		Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872902	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Banning	CA	92220		Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075872896	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Niland	CA	92257		Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075872889	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates or	Alice Coates Miller	Kingman	AZ	86401		Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075872872	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	Oscar Sherman Coates	Phoenix	AZ	86401		To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075872865	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	Timothy G.Coates	Red Rock	NM	88055		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872858	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	Sharon Lyde Miller	Overton	NV	89040		Delivered	Return Receipt - Electronic, Certified Mail	10-21-2020
9314869904300075872841	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	Sharon Lyde Miller	Overton	NV	89040		Delivered	Return Receipt - Electronic, Certified Mail	10-21-2020
9314869904300075872834	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	Mary O.Coates	Hobbs	NM	88240		Delivered	Return Receipt - Electronic, Certified Mail	10-14-2020
9314869904300075872827	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	c/o Kimberly Franzoy Becker	Phoenix	AZ	85027		Delivered	Return Receipt - Electronic, Certified Mail	10-14-2020
9314869904300075872810	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	c/o James Ronald Stanley	Midland	TX	79705		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872803	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	c/o Irene Coates	American Fork	UT	84003		Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075872797	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	c/o Irene Coates	Santaquin	UT	84655		Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075872780	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	c/o Irene Coates	Santaquin	UT	84655		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872773	2020-10-09 12:48 PM	10154. -No. 21511.	Heirs or devisees of Dock C. Coates	c/o D.B. Coates	Lakeside	UT	85929		Delivered	Return Receipt - Electronic, Certified Mail	10-15-2020
9314869904300075872766	2020-10-09 12:48 PM	10154. -No. 21511.	Tap Rock Resources, LLC		Golden	CO	80401		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872759	2020-10-09 12:48 PM	10154. -No. 21511.	Constitution Resources II, LP		Austin	TX	78735		Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075872742	2020-10-09 12:48 PM	10154. -No. 21511.	BC Operating Inc.		Midland	TX	79705		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872735	2020-10-09 12:48 PM	10154. -No. 21511.	Viper Energy Partners LLC		Midland	TX	79701		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872728	2020-10-09 12:48 PM	10154. -No. 21511.	Monticello Minerals LLC		Dallas	TX	75206		Delivered	Return Receipt - Electronic, Certified Mail	10-17-2020
9314869904300075872711	2020-10-09 12:48 PM	10154. -No. 21511.	Rheiner Holdings LLC		Houston	TX	77098		Delivered	Return Receipt - Electronic, Certified Mail	10-16-2020
9314869904300075872704	2020-10-09 12:48 PM	10154. -No. 21511.	Prevail Energy LLC		Denver	CO	80220		Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075872698	2020-10-09 12:48 PM	10154. -No. 21511.	Cayuga Royalties LLC		Houston	TX	77254		To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300075872681	2020-10-09 12:48 PM	10154. -No. 21511.	Lista Catherine Ammirati McDonald		Rocklin	CA	95677		Undelivered	Return Receipt - Electronic, Certified Mail	

# 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  
October 14, 2020  
and ending with the issue dated  
October 14, 2020.

  
Publisher

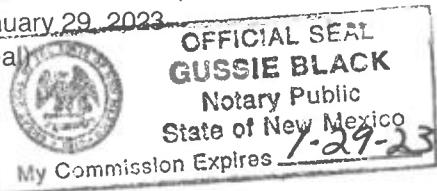
Sworn and subscribed to before me this  
14th day of October 2020.

  
Business Manager

My commission expires

January 29, 2023

(Seal)



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 NOTICE October 14, 2020

CASE NO. 21511: Notice to all affected parties, as well as the heirs and devisees of Lista Catherine Ammirati McDonald; Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Viper Energy Partners, LLC; BC Operating Inc.; Constitution Resources II, LP; Tap Rock Resources, LLC; Heirs or devisees of Dock C. Coates c/o D.B. Coates; Heirs or devisees of Dock C. Coates c/o Irene Coates; Heirs or devisees of Dock C. Coates c/o James Ronald Stanley; Heirs or devisees of Dock C. Coates c/o Kimberly Franzoy Becker; Heirs or devisees of Dock C. Coates c/o Mary O. Coates; Heirs or devisees of Dock C. Coates c/o Sharon Lyde Miller; Heirs or devisees of Dock C. Coates c/o Timothy G. Coates; Heirs or devisees of Dock C. Coates c/o Oscar Sherman Coates; Heirs or devisees of Dock C. Coates c/o Alice Coates Miller; Heirs or devisees of Dock C. Coates c/o Heirs or devisees of Claude Cecil Thomasson, Jr.; Heirs or devisees of Dock C. Coates c/o heirs or devisees of Walter R. Miller; Heirs or devisees of Dock C. Coates or devisees of Delray Coates Wright, State of New Mexico State Land Office 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 November 5, 2020, to consider this application. Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21171 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21171 to allow for an extension of time to commence drilling the Parade State 704H well under the Order. #35895

01104570

00245445

DOLORES SERNA  
MODRALL, SPERLING, ROEHL, HARRIS &  
P. O. BOX 2168  
ALBUQUERQUE, NM 87103-2168

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-21172,  
LEA COUNTY, NEW MEXICO**

CASE NO. 21512

**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 November 5, 2020 hearing was published in the Hobbs News-Sun on October 13, 2020, as reflected in the attached Affidavit of Publication.

  
\_\_\_\_\_  
Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 2nd day of November, 2020 by Deana M. Bennett.

  
\_\_\_\_\_  
Notary Public

My commission expires: 02-27-21





October 9, 2020

Deana M. Bennett  
505.848.1834  
[Deana.Bennett@modrall.com](mailto:Deana.Bennett@modrall.com)

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO  
AMEND ORDER NO. R-21172, LEA COUNTY, NEW MEXICO.**

**CASE NO. 21512**

**TO: AFFECTED PARTIES**

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

In Case No. 21512, FME seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21172 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21172 to allow for an extension of time to commence drilling the Beauty Queen Fed Com 705H well under the Order.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 5, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.**

As a party who may be affected by this 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 this 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](http://www.modrall.com)

Page 2

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

Sincerely,

A handwritten signature in cursive script, 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 TO AMEND ORDER NO. R-21172,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 21512  
ORDER NO. R-21172  
(Re-Open)**

**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21172 as follows: 1) conforming Division Order No. R-21172 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template);<sup>1</sup> and 2) amending Order No. R-21172 to allow for an extension of time for drilling the well under the Order. In support of this application, FME states as follows: FME has an interest in the subject lands and has a right to drill and operate a well thereon.

1. Order No. R-21172 is one of six orders relating to FME's "Carnival" well group.

2. Order No. R-21172 pooled uncommitted interest owners in a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.

3. Order No. R-21172 designated FME as the operator of the well and the unit.

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<sup>1</sup> Exhibit 2 to the Division's April 9 Letter includes a list of orders issued before April 1, 2020. Exhibit 2 does not list FME's Order Nos. R-21170, R-21171, and R-21172. Nevertheless, these three orders were issued before April 1, 2020 and do not conform to the Amended Order Template.

4. The Division Hearing for Case No. 20984 was held on January 9, 2020, in conjunction with two other FME cases, Case No. 20982 and 20983.

5. The Division entered Order No. R-21172 in Case No. 20984 on February 26, 2020. The Division also entered orders in Case Nos. 20982 and 20983 on February 26, 2020. These three orders were issued under the "interim form of order" and do not conform to the Amended Order Template.

6. Three of the Carnival cases were heard by the Division on December 12, 2019 (Case Nos. 20951, 20952, and 20953) and orders were issued for those three cases on July 27, 2020. Those three orders conform to the Amended Order Template.

7. FME requests that Order No. R-21172 be re-opened to conform this order to the terms of the Amended Order Template.

8. FME further requests that Order No. R-21172 be re-opened and amended to allow FME additional time to commence drilling the well under the Order.

9. Order No. R-21172, ¶ 20 states: "The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well." Order No. R-21172, ¶ 22 states: "This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21."

10. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶19. It also states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown." Amended Order Template, ¶ 20.

11. Good cause exists for FME's request for an extension of time.



12. FME requests this extension because there have been changes in FME's drilling schedule due to COVID-19 and current market conditions.

13. FME's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions.

14. Under Order No. R-21172, FME would be required to commence drilling the well by February 26, 2021.

15. FME asks that the deadline to commence drilling the well be extended for a year from February 26, 2021 to February 26, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 2020, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21172 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21172 to extend the time for FME to commence drilling the well under the Order for a year, through February 26, 2022.

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

By: Deana M. Bennett  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 21512 : (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-21172, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21172 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21172 to allow for an extension of time to commence drilling the well under the Order.

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**  
10/09/2020

Firm Mailing Book ID: 196917

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0075 8741 66	Cayuga Royalties LLC P.O. Box 540711 Houston TX 77254	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
2	9314 8699 0430 0075 8741 73	Prevail Energy LLC 521 Dexter St. Denver CO 80220	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
3	9314 8699 0430 0075 8741 80	Rheiner Holdings LLC P.O. Box 980552 Houston TX 77098	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
4	9314 8699 0430 0075 8741 97	Monticello Minerals LLC 5528 Vickery Blvd Dallas TX 75206	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
5	9314 8699 0430 0075 8742 03	Viper Energy Partners LLC 500 W. Texas Ave., Suite 1200 Midland TX 79701	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
6	9314 8699 0430 0075 8742 10	State of New Mexico, SLO 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
7	9314 8699 0430 0075 8742 27	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
8	9314 8699 0430 0075 8742 34	Foundation Minerals LLC PO Box 50820 Midland TX 79710	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
9	9314 8699 0430 0075 8742 41	Mavros Minerals II, LP PO Box 50820 Midland TX 79711	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
10	9314 8699 0430 0075 8742 58	Oak Valley Minerals and Land LP PO Box 50820 Midland TX 79712	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
11	9314 8699 0430 0075 8742 65	United States of America, BLM 301 Dinosaur Trail Santa Fe NM 87508	\$1.20	\$3.55	\$1.70	\$0.00	10154. -No. 21512. Notice
Totals:			\$13.20	\$39.05	\$18.70	\$0.00	
				Grand Total:		\$70.95	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
11	11	7/FC	

Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID= 196917  
Generated: 11/2/2020 2:40:26 PM

USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300075874265	2020-10-09 PM	10154. -No. 21512.	United States of America, BLM	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075874258	2020-10-09 1:14 PM	10154. -No. 21512.	Oak Valley Minerals and Land LP	Midland	TX	79712	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075874241	2020-10-09 1:14 PM	10154. -No. 21512.	Mavros Minerals II, LP	Midland	TX	79711	Delivered	Return Receipt - Electronic, Certified Mail	10-15-2020
9314869904300075874234	2020-10-09 1:14 PM	10154. -No. 21512.	Foundation Minerals LLC	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075874227	2020-10-09 1:14 PM	10154. -No. 21512.	CrownRock Minerals, L.P.	Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	10-14-2020
9314869904300075874210	2020-10-09 1:14 PM	10154. -No. 21512.	State of New Mexico, SLO	Santa Fe	NM	87501	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300075874203	2020-10-09 1:14 PM	10154. -No. 21512.	Viper Energy Partners LLC	Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075874197	2020-10-09 1:14 PM	10154. -No. 21512.	Monticello Minerals LLC	Dallas	TX	75206	Delivered	Return Receipt - Electronic, Certified Mail	10-17-2020
9314869904300075874180	2020-10-09 1:14 PM	10154. -No. 21512.	Rheiner Holdings LLC	Houston	TX	77098	Delivered	Return Receipt - Electronic, Certified Mail	10-16-2020
9314869904300075874173	2020-10-09 1:14 PM	10154. -No. 21512.	Prevail Energy LLC	Denver	CO	80220	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020
9314869904300075874166	2020-10-09 1:14 PM	10154. -No. 21512.	Cayuga Royalties LLC	Houston	TX	77254	Delivered	Return Receipt - Electronic, Certified Mail	10-13-2020

# 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  
October 13, 2020  
and ending with the issue dated  
October 13, 2020.



Publisher

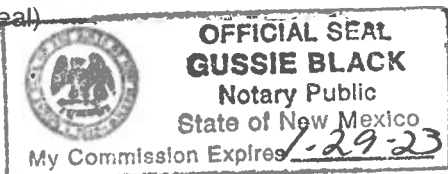
Sworn and subscribed to before me this  
13th day of October 2020.



Business Manager

My commission expires  
January 29, 2023

(Seal)



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

## LEGALS

LEGAL NOTICE  
October 13, 2020

CASE NO. 21512:  
Notice to all affected parties, as well as the heirs and devisees of Cayuga Royalties, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; Viper Energy Partners, LLC; CrownRock L.P.; Foundation Minerals, LLC; Mavros Minerals, II, L.P.; Oak Valley Minerals and Land, L.P.; United States of America Bureau of Land Management; State of New Mexico State Land Office 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 November 5, 2020, to consider this application. Applicant seeks an order from the Division for the limited purposes of 1) conforming Division Order No. R-21172 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and 2) amending Order No. R-21172 to allow for an extension of time to commence drilling the Beauty Queen Fed Com 705H well under the Order.  
#35894

01104570

00247446

DOLORES SERNA  
MODRALL, SPERLING, ROEHL, HARRIS &  
P. O. BOX 2168  
ALBUQUERQUE, NM 87103-2168