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

APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY, LLC, FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 21803-21805

STARBOARD PERMIAN'S AND MAX PERMIAN'S CONSOLIDATED PRE-HEARING STATEMENT

Starboard Permian Resources LLC ("Starboard") and Max Permian, LLC ("Max") submit this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Franklin Mountain Energy, LLC

OTHER

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Starboard Permian Resources, LLC Max Permian, LLC

ATTORNEY

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STATEMENT OF THE CASE

At this time, Starboard and Max object to the issuance of an order pooling their uncommitted interests in these consolidated cases on the grounds that Franklin Mountain has failed to meet the threshold prerequisite necessary to elicit a compulsory pooling order under NMSA 1978, Section 70-2-18(A) and (B). Having failed to do so, the application should be denied and the mineral interests of Starboard and Max should not be force pooled.

Starboard Permian Resources, LLC and Max Permian, LLC have been in continuing discussions with Franklin Mountain Energy, LLC regarding a potential agreement in these consolidated cases. In the event the parties are unable to reach agreement in advance of the hearing scheduled in this matter, Starboard and Max reserve the right to present exhibits either through the cross examination of Franklin Mountain Energy's witnesses or through the direct testimony of Jeff Lierly.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise **ESTIMATED TIME**

EXHIBITS

rame and Expertise

Jeff Lierly, Landman

Affidavit

Approx. 2

PROCEDURAL MATTERS

Starboard and Max Permian will not object to Franklin Mountain presenting these consolidated cases by affidavit at the May 20 hearing if the parties have reached an agreement in advance of that date. If the parties have not reached agreement by May 20, then the hearing would occur on May 21 and would be presented by affidavits as pre-filed direct testimony with the opportunity to cross-examine witnesses. In order to facilitate settlement discussions and voluntary agreement, the parties have mutually agreed to submit exhibits and pre-filed testimony on May 18, 2021.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR STARBOARD PERMIAN RESOURCES, LLC AND MAX PERMIAN, LLC

CERTIFICATE OF SERVICE

I hereby certify that on May 13, 2021, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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