



Before the Oil Conservation Division  
Examiner Hearing February 13th, 2025

Compulsory Pooling

**Case No. 25161**

**Order No. R-22816**

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY 3, LLC TO AMEND ORDER NO. R-22816  
FOR THE LIMITED PURPOSE OF ADDING  
ADDITIONAL POOLED PARTIES,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25161  
ORDER NO. R-22816**

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- Exhibit A-5: Summary of Contacts

**Tab B: Declaration of Deana M. Bennett**

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- Exhibit B-2: Mailing List of Interested Parties
- Exhibit B-3: Certified Mailing Tracking List
- Exhibit B-4: Affidavit of Publication for January 28, 2025

**STATE OF NEW MEXICO  
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**CASE NO. 25161  
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**SELF-AFFIRMED STATEMENT OF DON JOHNSON**

Don Johnson hereby states and declares as follows:

1. I am employed by Franklin Mountain Energy 3, LLC ("FME3") as a landman. I am over the age of 18, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement.

2. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in petroleum land matters were accepted as a matter of record.

3. I am familiar with the application filed by FME3 in this case and with the land matters involved in this case. A copy of the application, which includes the proposed hearing notice, is attached as **Exhibit A-1**.

4. On August 4, 2023, the Division entered Order No. R-22816 ("Order") in Case No. 23613, which pooled uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico ("Unit"), dedicated to the Treble State Com 602H well ("Well"). FME3 was designated as operator of the Unit and Well.

5. A copy of the Order is attached as **Exhibit A-2**.

**Franklin Mountain Energy 3, LLC  
Case No. 25161  
Exhibit A**

6. Since the Order was entered, FME3 has identified additional uncommitted mineral interests in the Unit that have not been pooled under the terms of the Order.

7. **Exhibit A-3** identifies the additional interest owners FME3 seeks to pool in this case, including the nature and percentage of ownership.

8. **Exhibit A-4** is a sample well proposal letter and AFE sent to the interest owners FME3 seeks to pool in this case. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

9. **Exhibit A-5** is a summary of contacts with the additional parties FME3 seeks to pool.

10. In my opinion, FME3 made a good faith effort to obtain voluntary joinder in the proposed wells.

11. FME3 requests overhead and administrative rates of \$9,000.00/month for drilling a well and \$900.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. FME3 requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

12. FME3 requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

13. None of the additional parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

14. FME3 requests the additional uncommitted mineral interest owners be pooled under the terms of the Order.

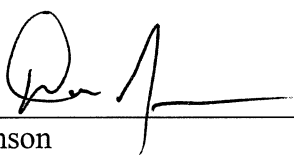
15. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

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

17. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico.

*[Signature page follows]*

Dated: February 3<sup>rd</sup>, 2025

  
\_\_\_\_\_  
Don Johnson

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY 3, LLC TO AMEND ORDER NO. R-22816  
FOR THE LIMITED PURPOSE OF ADDING  
ADDITIONAL POOLED PARTIES,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25161  
ORDER NO. R-22816**

**APPLICATION**

Franklin Mountain Energy 3, LLC (“FME3”), OGRID Number 331595, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for the limited purpose of amending Order No. R-22816 (the “Order”) to pool additional parties under the Order. In support of this application, FME3 states:

1. FME3 is an interest owner in the subject lands and has a right to drill a well thereon.
2. Order R-22816 was issued in Case No. 23613. Pursuant to Order No. R-22816, FME3 is the operator of a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. The Order pooled uncommitted interest owners in the spacing unit described above.
4. Since the entry of the Order, FME3 has identified additional interest owners that it seeks to pool under the Order and include under the Order’s terms.
5. FME3 sought, but has been unable to obtain, a voluntary agreement from the additional interest owners FME3 seeks to pool in this case to participate in the drilling of the wells or to otherwise commit their interests to the wells.

**Franklin Mountain Energy 3, LLC  
Case No. 25161  
Exhibit A-1**

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

WHEREFORE, FME3 requests this application be set for hearing before an Examiner of the Oil Conservation Division on February 13, 2025 and after notice and hearing as required by law, the Division enter its order:

A. Amending Order No. R-22816 to include additional pooled parties under Order No. R-22816's terms; and

B. Incorporating all of the provisions of Order No. R-22816.

Respectfully submitted,

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

By: Deana M. Bennett

Earl E. DeBrine, Jr  
Deana M. Bennett  
Yarithza Peña  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)  
[yarithza.pena@modrall.com](mailto:yarithza.pena@modrall.com)  
*Attorneys for Franklin Mountain Energy 3, LLC*



**CASE NO. 25161 : Application of Franklin Mountain Energy 3, LLC to Amend Order No. R-22816 for the Limited Purpose of Adding Additional Pooled Parties, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22816 to pool additional parties under Order No. R-22816. Order R-22816 was issued in Case No. 23613 and pooled uncommitted interest owners in a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico.

**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 3, LLC**

**CASE NO. 23613  
ORDER NO. R-22816**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on July 6, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Franklin Mountain Energy 3, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. 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 depth(s) and location(s) in the Unit described in Exhibit A.

**Franklin Mountain Energy 3, LLC  
Case No. 25161  
Exhibit A-2**

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 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 in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. Operator shall submit 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").
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

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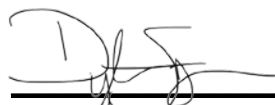
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Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for 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 one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to 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 an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If 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 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.
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 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 an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If 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. 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.
32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to 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.
33. 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.
34. 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.*
35. 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.
36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**DYLAN M FUGE**  
**DIRECTOR**  
DMF/hat

**Date:** 8/4/2023

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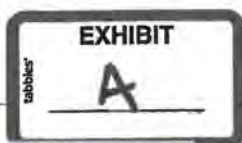
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## Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 23613</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: July 6, 2023</b>	
<b>Applicant</b>	Franklin Mountain Energy 3, LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Franklin Mountain Energy 3, LLC OGRID 331595
<b>Applicant's Counsel:</b>	Modrall Sperling
<b>Case Title:</b>	APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
<b>Entries of Appearance/Intervenors:</b>	None
<b>Well Family</b>	Treble State
<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>	Pearl; Bone Spring Pool (Pool Code 49680) (Section 27) and the Pearl; Bone Spring South (Pool Code 49685) (Section 34)
<b>Well Location Setback Rules:</b>	State-Wide Rules Apply to each pool
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	320
<b>Building Blocks:</b>	40 acres for both pools
<b>Orientation:</b>	North-South
<b>Description: TRS/County</b>	E/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?</b>	Unit is standard.
<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/A
<b>Applicant's Ownership in Each Tract</b>	See Exhibit B-3.
<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 wells as needed
<b>Well #1: Treble State Com 602H (API Pending)</b>	SHL: 265' FSL & 1970' FWL, Section 34, T-19-S R-35-E FTP: 150' FSL & 2290' FWL, Section 34, T-19-S R-35-E LTP: 150' FNL & 2290' FWL, Section 27, T-19-S R-35-E Orientation: South/North Completion Status: Standard Completion Target: Bone Spring TVD: 10,641' MVD: 20,641'

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Horizontal Well First and Last Take Points	See above cells and Exhibit B-2 (C-102)
Completion Target (Formation, TVD and MD)	See above cells and Exhibit B-5 (proposal letter)
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B Paragraph 23
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B-7
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B-7
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-7
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B-3
Tract List (including lease numbers and owners)	Exhibit B-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B-3
Unlocatable Parties to be Pooled	Exhibit B-3/B-7
Ownership Depth Severance (including percentage above & below)	NA
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-3
Chronology of Contact with Non-Joined Working Interests	Exhibit B-4
Overhead Rates In Proposal Letter	Exhibit B-5
Cost Estimate to Drill and Complete	Exhibit B-6
Cost Estimate to Equip Well	Exhibit B-6
Cost Estimate for Production Facilities	Exhibit B-6
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-2
Well Orientation (with rationale)	Exhibit C-7
Target Formation	Exhibits C-3 to C-6
HSU Cross Section	Exhibit C-5
Depth Severance Discussion	NA
<b>Forms, Figures and Tables</b>	OCD Hearing 7-6-23

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C-102	Exhibit B-2
Tracts	Exhibit B-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-3
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-3
Structure Contour Map - Subsea Depth	Exhibit C-3
Cross Section Location Map (including wells)	Exhibit C-4
Cross Section (including Landing Zone)	Exhibit C-5
Additional Information	
Special Provisions/Stipulations	NA
<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):	
Date:	3-Jul-23

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Franklin Treble Order No. R-22816: Additional Interests Owners to be Pooled		
Name	% Interest	Interest Type
Northern Oil and Gas, Inc.	2.329193%	Working Interest Owner

Franklin Mountain Energy 3, LLC  
Case No. 25161  
Exhibit A-3



Sent via email: [avoelker@northernoil.com](mailto:avoelker@northernoil.com)

October 15, 2024

Northern Oil and Gas, Inc.  
4350 Baker Road  
Minnetonka, MN 55343  
Attn: Land Department, Delaware Basin

RE: **Well Proposals**  
Township 19 South, Range 35 East:  
Sections 27 & 34: E/2W/2  
Lea County, New Mexico  
320.00 acres, more or less

Dear Working Interest Owner:

Franklin Mountain Energy 3, LLC ("FME3"), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Treble State Com 602H	3rd Bone Spring	10,641'	20,641'	Sec. 34-T19S-R35E: 250' FSL, 1970' FWL	Sec. 27-T19S-R35E: 150' FNL, 2290' FWL	\$11,650,592.43	N/A
Treble State Com 702H	Wolfcamp A	11,100'	21,100'	Sec. 34-T19S-R35E: 250' FSL, 1945' FWL	Sec. 27-T19S-R35E: 150' FNL, 1660' FWL	\$11,650,592.43	N/A

FME3 reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.

FME3 is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator

**Franklin Mountain Energy 3, LLC**  
**Case No. 25161**  
**Exhibit A-4**



Should you be interested in participating under an Operating Agreement, with your Working Interest, FME3 will send you our proposed form.

Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate, FME3 proposes a Term Assignment for your working interest at the following terms:

-  
-

The forgoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME3 is under no obligation to negotiate, lease or purchase your interest.

Please return your signed documents to Jon Rutledge at [jrutledge@fmellc.com](mailto:jrutledge@fmellc.com) or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC



Jon Rutledge  
Landman



**Treble State Com 602H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Treble State Com 602H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Treble State Com 602H** well.

**Treble State Com 702H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Treble State Com 702H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Treble State Com 702H** well.

Owner: Northern Oil and Gas, Inc.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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



AUTHORITY FOR EXPENDITURE

Franklin Mountain Energy 3, LLC  
44 Cook Street, Suite 1000  
Denver, CO 80206  
Phone: 720-414-7868  
franklinmountainenergy.com

Well Name: Treble State Com 602H  
Location: SHL: Sec 34-T19S-R35E 250 FSL 1970 FWL  
BHL: Sec 27-T19S-R35E 150 FNL 2290 FWL  
Operator: Franklin Mountain Energy 3, LLC  
Purpose: Drill and complete a 10,000' 3BS well.  
TVD 10,641', MD 20,641'.

Well #: 602H  
County/State: Lea Co., NM  
Date Prepared: 2/13/2023  
AFE #: DCE230206

Intangible Drilling Costs				Intangible Completion Costs			
Major	Minor	Description	Amount	Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,500	240	5	ADMINISTRATIVE OVERHEAD	\$8,200
225	10	CASING CREW & EQPT	\$50,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	\$80,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,313
225	20	CEMENTING SURFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$21,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
225	40	CONTRACT LABOR	\$55,000	240	50	DAMAGES/RECLAMATION	\$1,896
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225	50	DAYWORK CONTRACT	\$585,000	240	60	ELECTRICAL POWER/GENERATION	\$0
225	55	DRILLING - DIRECTIONAL	\$220,000	240	62	ENGINEERING	\$5,687
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS	\$100,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225	75	ENGINEERING	\$21,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,000
225	80	ENVIRONMENTAL SERVICES	\$210,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000	240	80	HEALTH & SAFETY	\$4,700
225	85	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
225	90	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$0
225	95	HEALTH & SAFETY	\$9,000	240	95	MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$19,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	\$1,900	240	110	P&A/TA COSTS	\$0
225	106	INSPECTIONS	\$17,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225	130	MUD & CHEMICALS	\$190,000	240	140	SUPERVISION	\$90,047
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING	\$170,000	240	160	WELDING SERVICES	\$0
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
225	160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$273,599
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$248,726
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$5,496,846
225	170	SUPERVISION	\$75,600				
225	175	SUPERVISION - GEOLOGICAL	\$41,400				
225	180	TRANSPORTATION/TRUCKING	\$22,000				
225	178	TAXES	\$134,057				
225	35	CONTINGENCY COSTS 5%	\$121,870				
		Total Intangible Drilling Costs:	\$2,693,327				
Tangible Drilling Costs				Tangible Completion Costs			
Major	Minor	Description	Amount	Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	5	ARTIFICIAL LIFT	\$175,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	15	FLOWLINES	\$20,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,144,050	245	25	FRAC STRING	\$0
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	45	PRODUCTION LINER	\$0
230	40	TAXES	\$89,295	245	50	PRODUCTION PROCESSING FACILITY	\$0
		Total Tangible Drilling Costs:	\$1,712,843	245	55	PRODUCTION TUBING	\$150,000
				245	60	RODS/PUMPS	\$0
				245	65	SUBSURFACE EQUIPMENT	\$50,000
				245	75	WELLHEAD EQUIPMENT	\$125,000
				245	70	TAXES	\$28,600
						Total Tangible Completion Costs:	\$548,600
Tangible Facility Costs				Intangible Facility Costs			
Major	Minor	Description	Amount	Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000	265	5	CONSULTING	\$18,100
270	15	CONTAINMENT	\$0	265	12	COMPANY DIRECT LABOR	\$0
270	25	DEHYDRATION	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	30	PRIMARY POWER MATERIALS	\$56,000	265	22	PAD/ROAD CONSTRUCTION	\$50,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	25	ENGINEERING / SCIENCE	\$22,000
270	60	H2S TREATING EQUIPMENT	\$0	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
270	65	SEPARATION EQUIPMENT	\$125,000	265	45	CONTRACT LABOR & SERVICES	\$0
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	60	OVERHEAD	\$3,000
270	75	PRE-FABRICATED SKIDS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,500
270	86	FACILITY SURFACE EQUIPMENT	\$137,000	265	85	TRANSPORTATION / TRUCKING	\$0
270	90	H2S SAFETY SYSTEM	\$4,000	265	83	TAXES	\$6,523
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000	265	10	CONTINGENCY COSTS 5%	\$5,930
270	110	TANKS & WALKWAYS	\$90,000			Total Intangible Facility Costs:	\$131,053
270	130	MECHANICAL BATTERY BUILD	\$154,000				
270	132	EI&C BATTERY BUILD	\$45,000				
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000				
270	136	PRIMARY POWER BUILD	\$56,000				
270	138	FLOWLINE INSTALLATION	\$27,000				
270	140	SIGNAGE	\$250				
270	125	TAXES	\$55,674				
		Total Tangible Facility Costs:	\$1,067,924				
				Office Use Only:			
				</			



Franklin Mountain Energy 3, LLC  
44 Cook Street, Suite 1000  
Denver, CO 80206  
Phone: 720-414-7868  
franklinmountainenergy.com

**Authority for Expenditure**

Well Name: Treble State Com 702H  
Location: SHL Sec 34-T19S-R35E 250 FSL 1945 FWL  
BHL Sec 27-T19S-R35E 150 FNL 1660 FWL  
Operator: Franklin Mountain Energy 3, LLC  
Purpose: Drill and complete a 10,000' WCA well.  
TYD 11,100', MD 21,100'

Well #: 702H  
County/State: Lea Co., NM  
Date Prepared: 2/13/2023  
AFE #: DCE230208

Intangible Drilling Costs			
Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,500
225	10	CASING CREW & EQPT	\$50,000
225	15	CEMENTING INTERMEDIATE CASING	\$40,000
225	16	CEMENTING PRODUCTION CASING	\$80,000
225	20	CEMENTING SUFACE CASING	\$36,000
225	25	COMMUNICATIONS	\$21,000
225	30	COMPLETION FLUIDS	\$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000
225	40	CONTRACT LABOR	\$55,000
225	45	DAMAGES	\$15,000
225	50	DAYWORK CONTRACT	\$585,000
225	55	DRILLING - DIRECTIONAL	\$220,000
225	60	DRILLING - FOOTAGE	\$90,000
225	65	DRILLING BITS	\$100,000
225	70	ELECTRICAL POWER/GENERATION	\$0
225	75	ENGINEERING	\$21,000
225	80	ENVIRONMENTAL SERVICES	\$210,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000
225	85	EQUIPMENT RENTAL	\$50,000
225	90	FISHING TOOLS/SERVICES	\$0
225	95	HEALTH & SAFETY	\$9,000
225	100	HOUSING AND SUPPORT SERVICES	\$19,000
225	105	INSURANCE	\$1,900
225	106	INSPECTIONS	\$17,000
225	110	LEGAL, TITLE SERVICES	\$6,000
225	115	MATERIALS & SUPPLIES	\$5,000
225	120	MISCELLANEOUS	\$5,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000
225	130	MUD & CHEMICALS	\$190,000
225	140	OPENHOLE LOGGING	\$0
225	141	CASED HOLE LOGGING	\$0
225	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$170,000
225	155	RIG MOVE & RACKING COSTS	\$130,000
225	160	RIG UP TEAR OUT & STANDBY	\$0
225	163	SITE RESTORATION	\$10,000
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$75,600
225	175	SUPERVISION - GEOLOGICAL	\$41,400
225	180	TRANSPORTATION/TRUCKING	\$22,000
225	178	TAXES	\$134,057
225	35	CONTINGENCY COSTS 5%	\$121,870
Total Intangible Drilling Costs:			\$2,693,327

Tangible Drilling Costs			
Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,144,050
230	35	SURFACE CASING & ATTACHMENTS	\$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$89,295
Total Tangible Drilling Costs:			\$1,712,843

Tangible Facility Costs			
Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0
270	30	PRIMARY POWER MATERIALS	\$56,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000
270	60	H2S TREATING EQUIPMENT	\$0
270	65	SEPARATION EQUIPMENT	\$125,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0
270	75	PRE-FABRICATED SKIDS	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$137,000
270	90	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000
270	110	TANKS & WALKWAYS	\$90,000
270	130	MECHANICAL BATTERY BUILD	\$154,000
270	132	EI&C BATTERY BUILD	\$45,000
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000
270	136	PRIMARY POWER BUILD	\$56,000
270	138	FLOWLINE INSTALLATION	\$27,000
270	140	SIGNAGE	\$250
270	125	TAXES	\$55,674
Total Tangible Facility Costs:			\$1,067,924

Total Drill:	\$4,406,170.14
Total Completion:	\$6,045,445.54
Total Facility:	\$1,198,976.75
Total DC Intangible:	\$8,190,172.54
Total DC Tangible:	\$2,261,443.14

Total AFE: \$11,650,592.43

Intangible Completion Costs			
Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	\$8,200
240	10	CASED HOLE LOGS & SURVEYS	\$6,635
240	15	CASING CREW & EQPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$194,313
240	25	COMMUNICATIONS	\$1,896
240	30	COMPANY DIRECT LABOR	\$0
240	35	COMPLETION/WORKOVER RIG	\$75,000
240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
240	50	DAMAGES/RECLAMATION	\$1,896
240	55	DISPOSAL SOLIDS	\$2,844
240	60	ELECTRICAL POWER/GENERATION	\$0
240	62	ENGINEERING	\$5,687
240	65	ENVIRONMENTAL/CLEANUP	\$0
240	70	FISHING TOOLS / SERVICES	\$0
240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
240	72	FRAC WATER/COMPLETION FLUID	\$470,000
240	75	FUEL, POWER/DIESEL	\$550,000
240	80	HEALTH & SAFETY	\$4,700
240	85	HOUSING AND SUPPORT SERVICES	\$14,000
240	90	MATERIALS & SUPPLIES	\$0
240	95	MISCELLANEOUS	\$0
240	100	MUD & CHEMICALS	\$10,000
240	110	P&A/COSTS	\$0
240	115	PERFORATING/WIRELINE SERVICE	\$265,403
240	120	PIPE INSPECTION	\$0
240	125	ROAD, LOCATIONS REPAIRS	\$2,000
240	130	STIMULATION	\$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
240	140	SUPERVISION	\$90,047
240	145	SURFACE EQUIP RENTAL	\$189,573
240	150	TRANSPORTATION/TRUCKING	\$2,844
240	155	WATER TRANSFER	\$56,872
240	160	WELDING SERVICES	\$0
240	165	WELL TESTING/FLOWBACK	\$165,000
240	148	TAXES	\$273,599
240	40	CONTINGENCY COSTS 5%	\$248,726
Total Intangible Completion Costs:			\$5,496,816

Tangible Completion Costs			
Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$175,000
245	15	FLOWLINES	\$20,000
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$150,000
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$50,000
245	75	WELLHEAD EQUIPMENT	\$125,000
245	70	TAXES	\$28,600
Total Tangible Completion Costs:			\$548,600

Intangible Facility Costs			
Major	Minor	Description	Amount
265	5	CONSULTING	\$18,100
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
265	22	PAD/ROAD CONSTRUCTION	\$50,000
265	25	ENGINEERING / SCIENCE	\$22,000
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$3,000
265	80	SURVEY / PLATS / STAKINGS	\$1,500
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$6,523
265	10	CONTINGENCY COSTS 5%	\$5,930
Total Intangible Facility Costs:			\$131,053

**Office Use Only:**

Operator: Franklin Mountain Energy 3, LLC

Approved By:   
Craig Walters  
Chief Executive Officer

Date: 2/13/2023

WI Owner:

Approved By:

Printed Name:

Date:

Title:

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



## Summary of Contacts (W/2E/2: Case No. 25161)

- Franklin retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around October 15, 2024.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Franklin had multiple communications with the uncommitted owners, which I have outlined in the chart below.
- Franklin filed the application to force pool unleased mineral interest owners who had not entered in to an agreement.
- Franklin's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.

Name	Ownership Type	Date Proposal Letter Sent	Proposal Letter Received	Follow Up
Northern Oil and Gas, Inc.	WI	10/15/2024	10/15/2024	Returned email on 11/12/2024 selecting not to participate.

**Franklin Mountain Energy 3, LLC  
Case No. 25161  
Exhibit A-5**

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

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC  
TO AMEND ORDER NO. R-22812 FOR THE LIMITED  
PURPOSE OF ADDING ADDITIONAL POOLED PARTIES,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 25160**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC  
TO AMEND ORDER NO. R-22816 FOR THE LIMITED  
PURPOSE OF ADDING ADDITIONAL POOLED PARTIES,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 25161**

**SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT**

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy 3, LLC, the Applicant herein, declares as follows:

- 1) The above-referenced Applications were provided under notice letter, dated January 23, 2025, attached hereto, labeled Exhibit B.1.
- 2) Exhibit B.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing January 23, 2025.
- 3) Exhibit B.3 is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.
- 4) Exhibit B.4 is the Affidavit of Publication from the Hobbs News Sun, confirming that notice of the February 13, 2025 hearing was published on January 28, 2025.

**Franklin Mountain Energy 3, LLC  
Case No. 25161  
Exhibit B**



5) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: February 4, 2025

By: Deana M. Bennett  
Deana M. Bennett



MODRALL SPERLING  
L A W Y E R S

January 23, 2025

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

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

**Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC  
TO AMEND ORDER NO. R-22812 FOR THE LIMITED  
PURPOSE OF ADDING ADDITIONAL POOLED PARTIES,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 25160**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC  
TO AMEND ORDER NO. R-22816 FOR THE LIMITED  
PURPOSE OF ADDING ADDITIONAL POOLED PARTIES,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 25161**

**TO: AFFECTED PARTIES**

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain") has filed the enclosed applications.

In Case No. 25160, Franklin Mountain seeks an order from the Division for the limited purpose of amending Order No. R-22812 to pool additional parties under Order No. R-22812. Order R-22812 was issued in Case No. 23611 and pooled uncommitted interest owners in a standard 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico.

In Case No. 25161, Franklin Mountain seeks an order from the Division for the limited purpose of amending Order No. R-22816 to pool additional parties under Order No. R-22816. Order R-22816 was issued in Case No. 23613 and pooled uncommitted interest owners in a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections

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

**Franklin Mountain Energy 3, LLC**  
**Case No. 25161**  
**Exhibit B.1**

Page 2

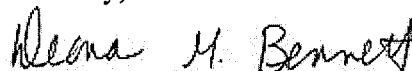
27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico.

**The hearing is set for February 13, 2025 beginning at 9:00 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1<sup>st</sup> Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, 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 Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

*Attorney for Applicant*

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY 3, LLC TO AMEND ORDER NO. R-22812  
FOR THE LIMITED PURPOSE OF ADDING  
ADDITIONAL POOLED PARTIES,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25160  
ORDER NO. R-22812**

**APPLICATION**

Franklin Mountain Energy 3, LLC ("FME3"), OGRID Number 331595, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for the limited purpose of amending Order No. R-22812 (the "Order") to pool additional parties under the Order. In support of this application, FME3 states:

1. FME3 is an interest owner in the subject lands and has a right to drill a well thereon.
2. Order R-22812 was issued in Case No. 23611. Pursuant to Order No. R-22812, FME3 is the operator of a standard 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. The Order pooled uncommitted interest owners in the spacing unit described above.
4. Since the entry of the Order, FME3 has identified additional interest owners that it seeks to pool under the Order and include under the Order's terms.
5. FME3 sought, but has been unable to obtain, a voluntary agreement from the additional interest owners FME3 seeks to pool in this case to participate in the drilling of the wells or to otherwise commit their interests to the wells.

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

WHEREFORE, FME3 requests this application be set for hearing before an Examiner of the Oil Conservation Division on February 13, 2025 and after notice and hearing as required by law, the Division enter its order:

- A. Amending Order No. R-22812 to include additional pooled parties under Order No. R-22812's terms; and
- B. Incorporating all of the provisions of Order No. R-22812.

Respectfully submitted,

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

By: Deana M. Bennett

Earl E. DeBrine, Jr  
Deana M. Bennett  
Yarithza Peña  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)  
[yarithza.pena@modrall.com](mailto:yarithza.pena@modrall.com)  
*Attorneys for Franklin Mountain Energy 3, LLC*

**CASE NO. 25160 : Application of Franklin Mountain Energy 3, LLC to Amend Order No. R-22812 for the Limited Purpose of Adding Additional Pooled Parties, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22812 to pool additional parties under Order No. R-22812. Order R-22812 was issued in Case No. 23611 and pooled uncommitted interest owners in a standard 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico.

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY 3, LLC TO AMEND ORDER NO. R-22816  
FOR THE LIMITED PURPOSE OF ADDING  
ADDITIONAL POOLED PARTIES,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25161  
ORDER NO. R-22816**

**APPLICATION**

Franklin Mountain Energy 3, LLC ("FME3"), OGRID Number 331595, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for the limited purpose of amending Order No. R-22816 (the "Order") to pool additional parties under the Order. In support of this application, FME3 states:

1. FME3 is an interest owner in the subject lands and has a right to drill a well thereon.
2. Order R-22816 was issued in Case No. 23613. Pursuant to Order No. R-22816, FME3 is the operator of a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.
3. The Order pooled uncommitted interest owners in the spacing unit described above.
4. Since the entry of the Order, FME3 has identified additional interest owners that it seeks to pool under the Order and include under the Order's terms.
5. FME3 sought, but has been unable to obtain, a voluntary agreement from the additional interest owners FME3 seeks to pool in this case to participate in the drilling of the wells or to otherwise commit their interests to the wells.

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

WHEREFORE, FME3 requests this application be set for hearing before an Examiner of the Oil Conservation Division on February 13, 2025 and after notice and hearing as required by law, the Division enter its order:

- A. Amending Order No. R-22816 to include additional pooled parties under Order No. R-22816's terms; and
- B. Incorporating all of the provisions of Order No. R-22816.

Respectfully submitted,

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

By: Deana M. Bennett

Earl E. DeBrine, Jr  
Deana M. Bennett  
Yarithza Peña  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)  
[yarithza.pena@modrall.com](mailto:yarithza.pena@modrall.com)  
*Attorneys for Franklin Mountain Energy 3, LLC*



**CASE NO. 25161 : Application of Franklin Mountain Energy 3, LLC to Amend Order No. R-22816 for the Limited Purpose of Adding Additional Pooled Parties, Lea County, New Mexico.** Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22816 to pool additional parties under Order No. R-22816. Order R-22816 was issued in Case No. 23613 and pooled uncommitted interest owners in a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico.

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

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1	9314 8699 0430 0130 7415 01	Northern Oil and Gas, Inc. 4350 Baker Road Minnetonka MN 55343	\$1.77	\$4.85	\$2.62	\$0.00	Treble 10154.0006
Totals:			\$1.77	\$4.85	\$2.62	\$0.00	
				Grand Total:		\$9.24	

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Franklin Mountain Energy 3, LLC  
Case No. 25161  
Exhibit B.2



January 29, 2025

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**Franklin Mountain Energy 3, LLC**  
**Case No. 25161**  
**Exhibit B.3**

# 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  
January 28, 2025  
and ending with the issue dated  
January 28, 2025.



Publisher

Sworn and subscribed to before me this  
28th day of January 2025.



Business Manager

My commission expires  
January 29, 2027

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

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 publication has been made.

LEGAL	LEGAL	LEGAL
<p align="center"><b>LEGAL NOTICE</b> January 28, 2025</p> <p><b>CASE NO. 25160:</b> Notice to all affected parties, as well as heirs and devisees of: Northern Oil and Gas, Inc. of the Application of Franklin Mountain Energy 3, LLC to Amend Order No. R-22812 for the Limited Purpose of Adding Additional Pooled Parties, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a status conference at 9:00 a.m. on <b>February 13, 2025</b> to consider this application. The conference will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via a virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22812 to pool additional parties under Order No. R-22812. Order R-22812 was issued in Case No. 23611 and pooled uncommitted interest owners in a standard 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico.</p> <p><b>CASE NO. 25161:</b> Notice to all affected parties, as well as heirs and devisees of: Northern Oil and Gas, Inc. of the Application of Franklin Mountain Energy 3, LLC to Amend Order No. R-22816 for the Limited Purpose of Adding Additional Pooled Parties, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a status conference at 9:00 a.m. on <b>February 13, 2025</b> to consider this application. The conference will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via a virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22816 to pool additional parties under Order No. R-22816. Order R-22816 was issued in Case No. 23613 and pooled uncommitted interest owners in a standard 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 18 miles west of Hobbs, New Mexico.</p> <p>#00297771</p>		

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

**Franklin Mountain Energy 3, LLC**  
**Case No. 25161**  
**Exhibit B.4**