

**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. 22121
ORDER NO. R-20946-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 23, 2021, 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”) requesting to amend Order R-20946 to (a) add the Ouray Federal Com well No, 302H (“Well”) as described in Exhibit A and (b) extend the deadline to drill the well(s) as required by Order R-20946.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.
4. On October 31, 2019, the OCD issued Order R-20946 which pooled all uncommitted interests within a horizontal spacing unit described in the Order (“Unit”) and which required the Operator to commence drilling the wells dedicated to the Unit within one year. On August 27, 2020, the OCD granted an extension of the deadline to commence drilling the wells to October 31, 2021.
5. The Operator provided evidence that the extension of time was necessary due to delays caused by the global pandemic and by the Operator’s decision to batch drill the wells.

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 to a common source of supply at the depth and location in the Unit described in Exhibit A.
11. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

12. The Well will now be dedicated to the Unit established by Order R-20946.
13. If the location of the 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.
14. The period to drill the well(s) is extended until October 31, 2022.
15. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend Order R-20946 for good cause shown.
16. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
17. The remaining provisions of Order R-20946 remain in force or effect.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 10/07/2021

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Case: 22121	APPLICANT'S RESPONSE
Date: September 23, 2021	
Applicant	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)
Applicant's Counsel:	Modrall Sperling (Deana Bennett, Jamie Allen)
Case Title:	Application of Franklin Mountain Energy, LLC to amend Order No. R-20946, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Colorado
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring / Wolfbone
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring / Wolfbone
Pool Name and Pool Code:	WC-025 G-07 S243517D; MIDDLE BONE SPRING, Pool Code 98294 WC-025 G-09 S243532M; WOLFBONE, Pool Code 98098
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2W/2 of Sections 9 and 4, Township 24 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	N
Proximity Defining Well: if yes, description	N
Applicant's Ownership in Each Tract	Exhibit 4.
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Exhibit 3A, Exhibit 3B, Exhibit 3C, Exhibit 3D, Exhibit 3E, Exhibit 3F, Exhibit 3G, Exhibit 3H, Exhibit 3I, Exhibit 3J, Exhibit 3K, Exhibit 3L, Exhibit 3M, Exhibit 3N, Exhibit 3O, Exhibit 3P, Exhibit 3Q, Exhibit 3R, Exhibit 3S, Exhibit 3T, Exhibit 3U, Exhibit 3V, Exhibit 3W, Exhibit 3X, Exhibit 3Y, Exhibit 3Z, Exhibit 3AA, Exhibit 3AB, Exhibit 3AC, Exhibit 3AD, Exhibit 3AE, Exhibit 3AF, Exhibit 3AG, Exhibit 3AH, Exhibit 3AI, Exhibit 3AJ, Exhibit 3AK, Exhibit 3AL, Exhibit 3AM, Exhibit 3AN, Exhibit 3AO, Exhibit 3AP, Exhibit 3AQ, Exhibit 3AR, Exhibit 3AS, Exhibit 3AT, Exhibit 3AU, Exhibit 3AV, Exhibit 3AW, Exhibit 3AX, Exhibit 3AY, Exhibit 3AZ, Exhibit 3BA, Exhibit 3BB, Exhibit 3BC, Exhibit 3BD, Exhibit 3BE, Exhibit 3BF, Exhibit 3BG, Exhibit 3BH, Exhibit 3BI, Exhibit 3BJ, Exhibit 3BK, Exhibit 3BL, Exhibit 3BM, Exhibit 3BN, Exhibit 3BO, Exhibit 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3WJ, Exhibit 3WK, Exhibit 3WL, Exhibit 3

EXHIBIT

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Well #1	<p>Ouray Fed Com 302H API: Pending SHL: 325 feet from the South line and 1360 feet from the West line, Section 9, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 1877 feet from the West line, Section 4, Township 24 South, Range 35 East, NMPM. Completion Target: Middle Bone Spring at approximately 10,100' TVD. Well Orientation: North/South Completion location: Expected to be standard. See Exhibit 3A for C-102 and Exhibit 5 for Completion Target.</p>
Well #2	<p>Ouray Fed Com 602H API: 30-025-47266 SHL: 325 feet from the South line and 1290 feet from the West line, Section 9, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 2267 feet from the West line, Section 4, Township 24 South, Range 35 East, NMPM. Completion Target: Wolfbone at approximately 11,904' TVD. Well Orientation: North/South Completion location: Expected to be standard. See Exhibit 3B for C-102 and Exhibit 5 for Completion Target.</p>
Horizontal Well First and Last Take Points	Exhibits 3A & 3B.
Well #1	<p>Ouray Fed Com 302H Proposed first take point: 631' FSL, 1876' FWL, Proposed last take point: 150' FNL, 1,877' FWL</p>
Well #2	<p>Ouray Fed Com 602H Proposed first take point: 947' FSL, 2,148' FWL, Proposed last take point: 150' FNL, 2,276' FWL</p>
Completion Target (Formation, TVD and MD)	See Proposal Letter Exhibit 5.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000: See also Proposal Letter Exhibit 5
Production Supervision/Month \$	\$700: See also Proposal Letter Exhibit 5
Justification for Supervision Costs	See AFE Exhibit 6

Requested Risk Charge	200%: See also Proposal Letter Exhibit 5
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 9
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 9
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 9
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit 5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4
Chronology of Contact with Non-Joined Working Interests	See Exhibit 5 for Summary of Contacts
Overhead Rates In Proposal Letter	Proposal Letter Exhibit 5
Cost Estimate to Drill and Complete	Proposal Letter Exhibit 5; AFE Exhibit 6.
Cost Estimate to Equip Well	Proposal Letter Exhibit 5; AFE Exhibit 6.
Cost Estimate for Production Facilities	Proposal Letter Exhibit 5; AFE Exhibit 6.
Geology	
Summary (including special considerations)	Tab B
Spacing Unit Schematic	Exhibit 13
Gunbarrel/Lateral Trajectory Schematic	Exhibit 13
Well Orientation (with rationale)	Exhibit 15
Target Formation	Exhibits 14 through 14D
HSU Cross Section	Exhibit 14C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 3A and Exhibit 3B
Tracts	Exhibit 4

Released to Imaging: 9/22/2021 8:35:14 AM

Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 12
Well Bore Location Map	Exhibit 12
Structure Contour Map - Subsea Depth	Exhibit 14A
Cross Section Location Map (including wells)	Exhibit 14B
Cross Section (including Landing Zone)	Exhibit 14C
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date:	September 23, 2021