

Submit 1 Copy To Appropriate District

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1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.  
30-025-53088

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
ALPHA STATE COM

8. Well Number 702H

9. OGRID Number 331595

10. Pool name [55610] SCHARB; BONE  
SPRING

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH  
PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator FRANKLIN MOUNTAIN ENERGY 3, LLC

3. Address of Operator 44 COOK STREET, SUITE 1000, DENVER, CO 80206

4. Well Location

Unit Letter C : 320 feet from the NORTH line and 2326 feet from the WEST line  
Section 9 Township 19S Range 35E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3851

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Franklin Mountain Energy, LLC (FME), Operator, respectfully requests approval to make the following changes to the proposed drilling plan for the above referenced well: Hole Size: FME requests approval to change the lateral hole size from 8.75" to 7.875". Please see attached directional plan and revised 14-point plan.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Dir. Ops Planning & Regulatory DATE 8/5/2024

Type or print name Rachael Overbey E-mail address: roverbey@fmellc.com PHONE: 303.570.4057

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_



## Alpha State Com 702H

1. **Geologic name of surface location:** Permian
2. **Estimated tops of important geological markers:**

Formations	PROG SS	PROG TVD	Picked TVD	delta	Potential/Issues
Cenozoic Alluvium (surface)	3,857'	30'	30'	0	Sand/Gravels/Unconsolidated
Rustler	2,041'	1,846'			Carbonates
Salado	1,783'	2,104'			Salt, Carbonate & Clastics
Base Salt	668'	3,219'			Shaley Carbonate & Shale
Yates	513'	3,374'			Anhydrite/Shale
Seven Rivers	31'	3,856'			Interbedded Shale/Carbonate
Queen	-746'	4,633'			Sandstone & Dolomite & Anhydrite
Delaware Mtn Group	-2,333'	6,220'			Sandstone/Carb/Shale - oil/gas/water
Bone Spring Lime	-3,920'	7,806'			Shale/Carbonates - oil/gas
First Bone Spring Sand	-5,482'	9,369'			Sandstone - oil/gas/water
Second Bone Spring Carbonate	-5,742'	9,628'			Shale/Carbonates - oil/gas
Second Bone Spring Sand	-5,986'	9,873'			Sandstone - oil/gas/water
Third Bone Spring Carbonate	-6,384'	10,271'			Shale/Carbonates - oil/gas
Third Bone Spring Sand	-6,467'	10,353'			Sandstone - oil/gas/water
Wolfcamp	-6,615'	10,501'			Overpressure Shale/Sand- oil/gas
<b>HZ Target</b>	<b>-6,670'</b>	<b>10,557'</b>			Overpressure Shale - oil/gas
Wolfcamp B	-7,164'	11,051'			Overpressure Shale - oil/gas

3. **Estimated depth of anticipated fresh water, oil or gas:**

Upper Permian Sands	0- 400'	Fresh Water
Delaware Sands	6,220'	Oil
1 <sup>st</sup> Bone Spring Sand	9,369'	Oil
2 <sup>nd</sup> Bone Spring Carb	9,628'	Oil
2 <sup>nd</sup> Bone Spring Sand	9,873'	Oil
3 <sup>rd</sup> Bone Spring Sand	10,353'	Oil
Wolfcamp	10,501'	Oil
Wolfcamp B	N/A	Oil

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Surface freshwater sands will be protected by setting 13-3/8" casing at 1,896' and circulating cement back to surface.

4. **Casing Program:**

All casing strings will be run new.



Casing string	Weight	Grade	Burst	Collapse	Tension	Conn	Length	API design factor			
								Burst	Collapse	Tension	Coupling
Surface 13 3/8"	54.5	J-55	2730	1130	853	BTC 909	1,896	1.02	1.15	4.20	4.47
Intermediate 9 5/8"	40	HCL-80	7430	4230	916	BTC 1042	4,079	2.05	2.22	3.48	3.96
Production 7"	32	HCP-110	12460	10760	1025	CDC-HTQ 1053	10,042	1.85	2.29	2.43	2.50
Production 5 1/2"	20	HCP-110	12640	12200	641	CDC-HTQ 667	11,249 10,557	1.15	2.32	1.97	2.05 2.14

Tapered production string will be ran with a X-over installed at the KOP of 10,042'.

#### Cementing Program:

Cementing Stage tool can be placed in the 1st Intermediate string as a contingency to ensure required TOC to surface.

To increase efficiency of drilling operations and minimize disturbance of the area the batch-drilling approach will be used.

Off-line cementing may be utilized for Surface, Intermediate, and Production strings to further optimization of drilling process and reduction of disturbance.

String Type	Hole Size	Casing		Lead					Tail					
		Size	Setting Depth	Sacks	Type of cmt	Yield ft3/sk	Water gal/sk	TOC ft	Sacks	Type of cmt	Yield ft3/sk	Water gal/sk	TOC	Excess
Surf	17.5	13.375	1,896	963	85:15 Compass Poz, 12.8 ppg Class C, 5%Gel, 3#/sk Kol Seal, 4.64#/sk Salt	2.05	11.12	0	233	Tail, 14.8 ppg, 100% Class C, 1%CaCl2, 0.1%	1.34	6.35	1,496	90%
Int1	12.25	9.625	4,079	659	Lead, 11.3 ppg, HSLD 82 10% Gel, 4% STE, 2#/sk, Gyp Seal	2.74	16.31	0	201	Econolite Tail, 14.8 ppg, 100% Class C, 0.08% C-51	1.33	6.33	3,679	100%
Prod	8.75	7	10,042	309	HSLD 9420, 10.5 ppg, Class C, 1#/sk Salt, 4% STE 1% C-45	3.99	25.51	3,079						20%
Prod	7.875	5.5	21,291						1598	HSLD 80, 13.ppg , 32#/sk Salt, 4% STE, 1#/sk Gyp Seal	1.52	7.59	10,042	20%

#### 5. Minimum Specifications for Pressure Control:



The minimum blowout preventer equipment (BOPE) shown in Exhibit #1 will consist of a single ram, mud cross and double ram-type (10,000 psi WP) preventer and an annular preventer (5,000-psi WP). Both units will be hydraulically operated, and the ram-type will be equipped with blind rams on bottom and 4 ½" x 7" variable pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas order No. 2.

Before drilling out of the surface casing, the ram-type BOP and accessory equipment will be tested to 5,000/250 psig and the annular preventer to 3,500/250 psig. The surface casing will be tested to 1500 psi for 30 minutes.

Before drilling out of the intermediate casing, the ram-type BOP and accessory equipment will be tested to 10,000/250 psig and the annular preventer to 3,500/250 psig.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets.

A hydraulically operated choke will be installed prior to drilling out of the intermediate casing shoe.

#### 6. Types and characteristics of the proposed mud system:

During this procedure we plan to use a Closed-Loop System and haul contents to the required disposal. The applicable depths and properties of the drilling fluid systems are as follows.

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0 – 1,896'	Fresh - Gel	8.6-8.8	28-34	N/c
1,896' – 4,079'	Brine	8.8-10.2	28-34	N/c
4,079' – 10,942'	Brine	8.8-10.2	28-34	N/c
10,942' – 21,291' Lateral	OBM/WBM	8.4-12	58-68	3 - 6

The

highest mud weight needed to balance formation is expected to be 9-12 ppg. In order to maintain hole stability, mud weights up to 12 ppg may be utilized.

An electronic pit volume totalizer (PVT) will be utilized on the circulating system, to monitor pit volume, flow rate, pump pressure and stroke rate.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

#### 7. Auxiliary well control and monitoring equipment:

(A) A kelly cock will be kept in the drill string at all times.

(B) A full opening drill pipe-stabbing valve (inside BOP) with proper drill pipe connections will be kept on the rig floor at all times.

(C) H<sub>2</sub>S monitoring and detection equipment will be utilized from surface casing point to TD.

(D) A wear bushing will be installed in the wellhead prior to drilling out of the surface casing.

#### 8. Logging, testing and coring program:

GR–CCL–CNL Will be run in cased hole during completions phase of operations.

Open-hole logs are not planned for this well.

#### 9. Abnormal conditions, pressures, temperatures and potential hazards:



The estimated bottom-hole temperature at 10,557' TVD (deepest point of the well) is 190F with an estimated maximum bottom-hole pressure (BHP) at the same point of 6,588' psig (based on 12 ppg MW). Hydrogen Sulfide may be present in the area. All necessary precautions will be taken before drilling operations commence. See Hydrogen Sulfide Plan below:

#### 10. Hydrogen Sulfide Plan:

- A. All personnel shall receive proper awareness H2S training.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment
  - a. Well Control Equipment
    - i. Flare line 150' from wellhead to be ignited by auto ignition sparking system.
    - ii. Choke manifold with a remotely operated hydraulic choke.
    - iii. Mud/gas separator
  - b. Protective equipment for essential personnel
    - i. Breathing Apparatus
      - 1. Rescue packs (SCBA) – 1 unit shall be placed at each briefing area, 2 shall be stored in a safety trailer on site.
      - 2. Work/Escapes packs – 4 packs shall be stored on the rig floor with sufficient air hose not to restrict work activity
      - 3. Emergency Escape Packs – 4 packs shall be stored in the doghouse for emergency evacuation.
    - ii. Auxiliary Rescue Equipment
      - 1. Stretcher
      - 2. Two OSHA full body harnesses
      - 3. 100 feet of 5/8 inches OSHA approved rope
      - 4. 1-20# class ABC fire extinguisher
  - c. H2S Detection and Monitoring Equipment
    - i. A stationary detector with three sensors will be placed in the doghouse if equipped, set to visually alarm at 10 ppm and audible at 14 ppm. The detector will be calibrated a minimum of every 30 days or as needed. The sensors will be placed in the following places:
      - 1. Rig Floor
      - 2. Below Rig Floor / Near BOPs
      - 3. End of flow line or where well bore fluid is being discharged (near shakers)
    - ii. If H2S is encountered, measured values and formations will be provided to the BLM.
  - d. Visual Warning Systems
    - i. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
    - ii. A colored condition flag will be on display, reflecting the current condition at the site at the time.
    - iii. Two windsocks will be placed in strategic locations, visible from all angles.
  - e. Mud Program
    - i. The Mud program will be designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.



- f. Metallurgy
  - i. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H<sub>2</sub>S service at the anticipated operating pressures to prevent sour sulfide stress cracking.
- g. Communication
  - i. Communication will be via cell phones and walkie talkies on location.

Based on concentrations of offset wells, proximity to main roads, and distance to populated areas, the radius of exposure created by a potential release was determined to be minimal and low enough to not necessitate an H<sub>2</sub>S contingency plan. This will be reevaluated during wellbore construction if H<sub>2</sub>S is observed and after the well is on production.

#### **11. Anticipated starting date and duration of operations:**

The drilling operations on the well should be finished in approximately one month. However, in order to minimize disturbance in the area and to improve efficiency Franklin Mountain is planning to drill all the wells on the pad prior to commence completion operations. To even further reduce the time heavy machinery is used the "batch drilling" method may be used. A batch drilling sequence sundry will be submitted for State approval prior to spud. A drilling rig with walking/skidding capabilities will be used.

#### **12. Disposal/environmental concerns:**

- (A) Drilled cuttings will be hauled to and disposed of in a state-certified disposal site.
- (B) Non-hazardous waste mud/cement from the drilling process will also be hauled to and disposed of in a state-certified disposal site.
- (C) Garbage will be hauled to the Pecos City Landfill.
- (D) Sewage (grey water) will be hauled to the Carlsbad City Landfill

#### **13. Wellhead:**

A multi-bowl wellhead system will be utilized.

After running the 13 3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum working pressure of 10,000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 5,000 psi pressure test. This pressure test will be repeated at least every 30 days.

The minimum working pressure of the BOP and related BOPE required for drilling below the surface casing shoe shall be 5,000 psi.

The wellhead will be installed by a third party welder while being monitored by WH vendor's representative.

All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type.

A solid steel body pack-off will be utilized after running and cementing the intermediate casing string. After installation of the first intermediate string the pack-off and lower flanges will be pressure tested to 5000 psi.

Both the surface and intermediate casing strings will be tested as per NMOCD Rules to the one-third of manufacture's rated yield pressure, no less than 600 psi, but not greater than 1,500 psi.

#### **14. Additional variance requests**

- A. Casing.



1. Variance is requested to wave/reduce the centralizer requirements for the 7" and 5 ½" production casing due to the tight clearance with 8 ¾" hole.



Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

CONDITIONS

Action 376677

CONDITIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 376677
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
pkautz	ALL PREVIOUS COA's APPLY	11/18/2024