

Before the Oil Conservation Division Examiner Hearing April 8, 2021

Compulsory Pooling

Case No. 21806: Clincher Fed Com 702H and

Merit Federal 703H



# 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. 21806** 

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## **COMPULSORY POOLING APPLICATION CHECKLIST (pdf)**

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED		
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Case: 21806	APPLICANT'S RESPONSE				
Date April 8, 2021					
Applicant	Franklin Mountain Energy, LLC				
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)				
Applicant's Counsel:	Modrall Sperling (Deana Bennett, Lance Hough)				
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico				
Entries of Appearance/Intervenors:	None				
Well Family	Clincher				
Formation/Pool					
Formation Name(s) or Vertical Extent:	Wolfcamp				
Primary Product (Oil or Gas):	Oil				
Pooling this vertical extent:	Wolfcamp				
Pool Name and Pool Code:	WC-025 G-09 S253502D, Upr Wolfcamp, Pool Code 98187				
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	W/2 Sections 1 and 12, 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	Yes, the proposed completed internal is 231' (less tha 330') from the section line between the W/2 W/2 of Sections 1 and 12, and E/2 W/2 of Sections 1 and 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. See Exhibit C for C-102.				
Proximity Defining Well: if yes, description	Clincher Fed Com 702H, see Well #1 below				
Applicant's Ownership in Each Tract	Exhibit 4.				

Released to Imaging: 4/6/2021 4:36:04 PM

Received by OCD: 4/6/2021 4:13:48 PM	Page 6 of			
Well Orientation (with rationale)	Exhibit C, Exhibit 12			
Target Formation	Exhibit 10, Exhibit 11-A through 11-D			
HSU Cross Section	Exhibit 11-B and 11-C.			
Depth Severance Discussion	N/A			
Forms, Figures and Tables				
C-102	Exhibit 3			
Tracts	Exhibit 4			
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4			
General Location Map (including basin)	Exhibit 9			
Well Bore Location Map	Exhibit 9			
Structure Contour Map - Subsea Depth	Exhibit 11-A			
Cross Section Location Map (including wells)	Exhibit 11-B			
Cross Section (including Landing Zone)	Exhibit 11-C			
Additional Information				
CERTIFICATION: I hereby certify that the information	provided in this checklist is complete and accurate.			
Printed Name (Attorney or Party Representative):	Lance D. Hough			
Signed Name (Attorney or Party Representative):	4-7/6			
Date:	April 6, 2021			

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

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

**CASE NO. 21806** 

### **AFFIDAVIT OF SHELLY ALBRECHT**

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 application filed by Franklin in this case.
  - 4. I am familiar with the status of the lands that are subject to the application.
- 5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
- 6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.



- 7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.
- 8. The spacing unit and wells that Franklin proposes in this case is part of a comprehensive development plan covering the entirety of Sections 1 and 12, and the E/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. Franklin's development plan includes a total of six units, including both Wolfcamp and Bone Spring units. The Development Overview is attached as **Exhibit 1**.
- 9. In this case, Franklin seeks an order from the Division pooling all uncommitted working interests and overriding royalty interests within a Wolfcamp horizontal spacing unit underlying the equivalent of the W/2 of Sections 1 and 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.
- 10. This spacing unit will be dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells, to be horizontally drilled. The Application is attached hereto as Exhibit 2.
  - 11. Attached as **Exhibit 3** are the proposed C-102s for the wells.
- 12. The C-102s identify the proposed surface hole location, the first take point, and the bottom hole location. The C-102s also identify the pool and pool code.
- 13. The wells will develop the WC-025 G-09 S253502D, Upr Wolfcamp, Pool Code 98187.
  - 14. This pool is an oil pool with 40-acre building blocks.
- 15. This pool is governed by the state-wide horizontal well rules. The producing interval for the wells will be orthodox and will comply with the Division's set back requirements.
  - 16. There are no depth severances within the proposed spacing unit.

- 17. The completed interval for the Clincher Fed Com 702H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit.
- 18. **Exhibit 4** includes a lease tract map outlining the unit being pooled. Exhibit 4 also includes the parties being pooled, the nature, and the percent of their interests. Franklin owns over 95% of the working interest in this unit.
- 19. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.
- 20. The only working interest owner Franklin seeks to pool in this case is Occidental Permian, Ltd ("OXY").
- 21. In my opinion, Franklin has made a good faith effort to obtain OXY's voluntary joinder in the proposed wells.
  - 22. **Exhibit 5** is a summary of my contacts with OXY.
- 23. **Exhibit 6** is a sample of the well proposal letter that was sent to OXY. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the wells.
- 24. **Exhibit 7** contains the Authorization for Expenditure for the proposed wells. 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.

- 25. Franklin requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/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. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 26. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
  - 27. Franklin requests that it be designated operator of the wells.
  - 28. The parties Franklin is seeking to pool were notified of this hearing.
- 29. Franklin seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.
- 30. **Exhibit 8** is an affidavit of notice prepared by counsel for Franklin that 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 March 23, 2021.
- 31. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
- 32. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.
- 33. 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 day of April, 2021 by Shelly Albrecht on behalf of Franklin Mountain Energy, LLC.

Notary Public

My commission expires: 02 - 27 - 25

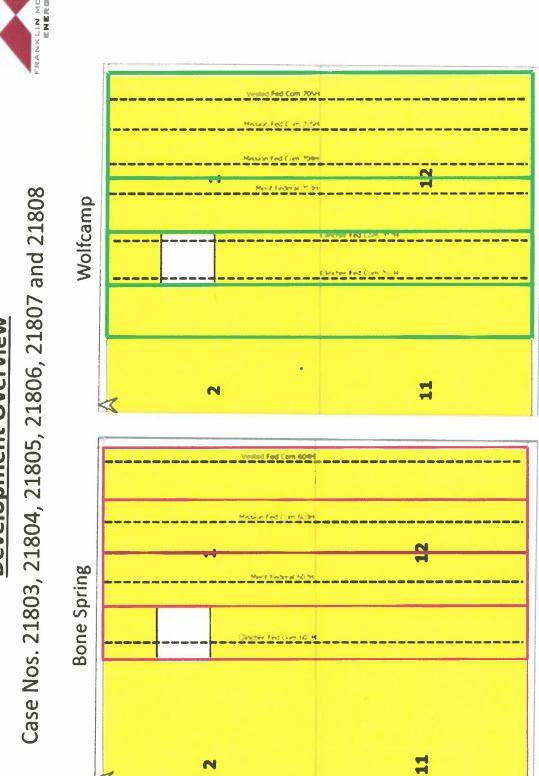
OFFICIAL SEAL

Karlene Schuman

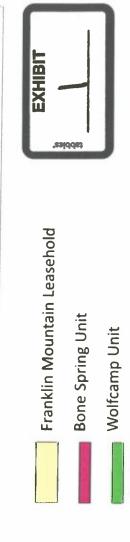
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: 02-27-25

**Development Overview** 



2



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

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

**CASE NO.** 21806

### **APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID No. 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral and leasehold interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

- 1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. FME seeks to dedicate Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
- 3. FME plans to drill the Clincher Fed Com 702H and Merit Federal 703H wells to a depth sufficient to test the Wolfcamp formation.
- 4. The completed interval for the Clincher Fed Com 702H 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 well.

EXHIBIT 2

- 5. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 6. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. 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, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 8, 2021, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico;
  - B. Designating FME as operator of this unit and the wells to be drilled thereon;
- C. Authorizing FME to recover its costs of drilling, completing, and equipping the wells;
- D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

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

By: Weens H Bennerd

Deana M. Bennett Lance D. Hough

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant

CASE NO. 21806 Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

<u>Destrict I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II.</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

#### State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

REV: 1 C.D. 06-29-2 (ADD PPPS AND LEASE I

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

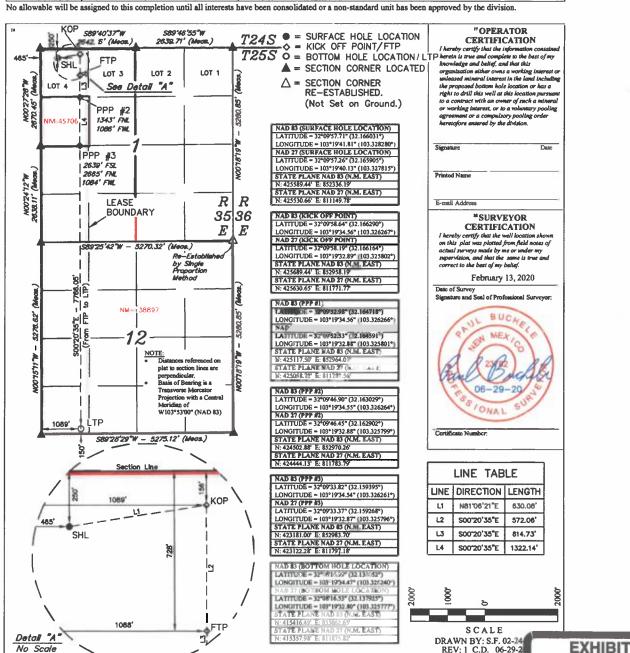
		<sup>2</sup> Pool Code 98187	<sup>3</sup> Pool Name WC-025 G-09 \$253502D;UF	PR WOLFCAMP
4 Property Code		<sup>6</sup> Well Number 702H		
OGRID No. 373910		'0 <sub>1</sub> FRANKLIN MO	9 Elevation 3273.8'	

#### Surface Location

UL or lot no.	Section 1	Tewnship 25S	Range 35E	Lot Ida	Foot from the 250	North/South Nac NORTH	Foct from the 465	East/West line WEST	LEA

#### "Bottom Hole Location If Different From Surface

UL or let no. M	Section 12	Tewnship 25S	Range 35E	Let Idn	Feet from the 150	North/South line SOUTH	Foot from the 1089	East/West line WEST	County LEA
12 Dedicated Acres 12 Joint or Infill		H Coms	lidation Code	15 Order No.					
640			1						



No Scale

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. Frent St., Artesis, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brasca Road, Aziec, NM 87410
Phone: (505) 334-6170
District IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> APl Number		98187 WC-025 G-09 \$253502D:UPR WO		LECAMP		
4 Property Code		Property Name     MERIT FEDERAL     703H				
7 OGRID No. 373910	*Operator Name **Elevation FRANKLIN MOUNTAIN ENERGY LLC 3324.9*					

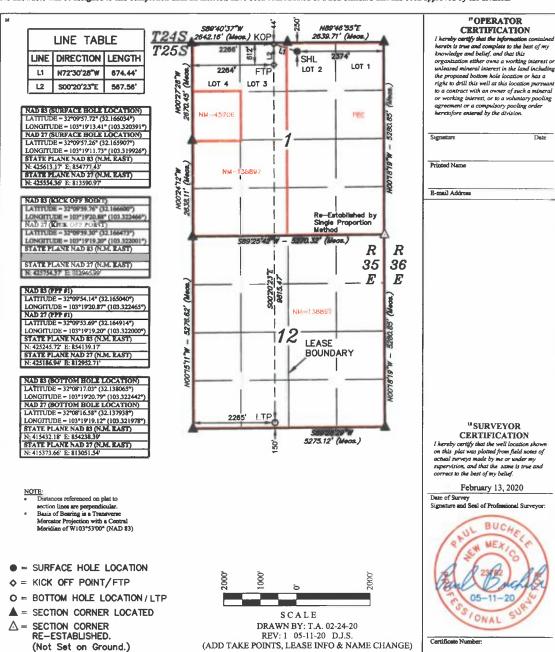
\*Surface Location

Į		1	435		 	NORTH		EASI	LEA
	020130	1	25S	35E	 250	NORTH	2374	EAST	Y DA

"Bottom Hole Location If Different From Surface

UL or let no. N	Section 12	Township 25S	Range 35E	Let idn	Feet from the 150	North/South line SOUTH	Feet from the 2265	East/West time WEST	County LEA
<sup>12</sup> Dedicated A. 640	786 II.	Joint or Exfilt		Mdation Code	15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

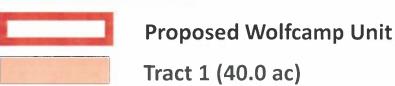


## Lease Tract Map

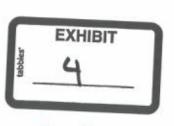
Case No. 21806

Lots 3 & 4, S/2NW/4, SW/4 of Section 1-T25S-R35E and W/2 of Section 12-T25S-R35E, 641.2 Gross Acres Clincher Fed Com 702H and Merit Federal 703H

NMNM 045706 (Fed Lease)		Fee
		Fee
		Fee
	2	NMNM 138897
	_	(Fed Lease)



Tract 2 (601.2 ac)





## **Summary of Interests**

Case No. 21806

Lots 3 & 4, S/2NW/4, SW/4 of Section 1-T25S-R35E and W/2 of Section 12-T25S-R35E, 641.2 Gross Acres Clincher Fed Com 702H and Merit Federal 703H

Committed Working Interests								
Franklin Mountain Energy, LLC	95.134124%							
Uncommitted Working Interest								
Occidental Permian, Ltd.	4.865876%							
TOTAL:	100.000000%							

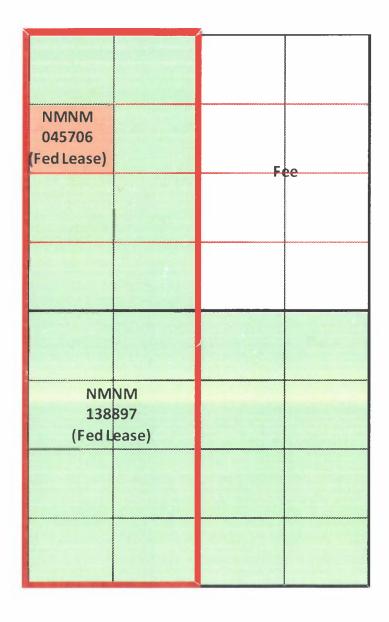


## **Unit Recapitulation**

Case No. 21806 Lots 3 & 4, S/2NW/4, SW/4 of Section 1-T25S-R35E and W/2 of Section 12-T25S-R35E, 641.2 Gross Acres

Clincher Fed Com 702H and Merit Federal 703H

Working Interest Owner	Tract 1 (40 ac)	Tract 2 (601.2 ac)
Franklin Mountain Energy, LLC	22%	100%
Occidental Permian, Ltd.	78%	0%
TOTAL:	100%	100%



Tract	Lease
	NMNM
1	045706
	NMNM
2	138897



Case 21806—Parties to Be Pooled	Interest Type
Occidental Permian, Ltd.	WI
United State of America	RI
Bryan Bell Family LLC	ORRI
DMA, Inc	ORRI
Morris E. Schertz	ORRI
Nuevo Seis, LP	ORRI
Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999	ORRI
Charmar, LLC	ORRI
Jetstream Royalty Partners, LP	ORRI
Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015	ORRI
MLE, LLC	ORRI
Richard C. Deason	ORRI
Thomas D. Deason	ORRI
Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1992	ORRI
SAP, LLC	ORRI
Howard A. Rubin, Inc.	ORRI
Rubie Crosby Bell Family, LLC	ORRI

## **Summary of Attempted Contacts**

- Franklin Mountain Energy 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 January 22, 2020. Per USPS Certified Mail tracking number 7019 2280 0000 9403 8335, said proposals were received by Occidental Permian, Ltd. ("Oxy") on January 25, 2021.
- Franklin proposed general terms of a Joint Operating Agreement within the well proposal letters sent to working interest owners and offered to send said form to owners upon request.
- Franklin corresponded with Oxy, after well proposal letters were received, regarding other units but Oxy did not inquire about these development plans.
- Franklin and Oxy completed a trade in October 2020 in which Oxy assigned a portion of its interest in this development to Franklin. Through those dealings, Oxy was aware that Franklin had plans to operate these units.
- Franklin filed an application to force pool parties who had not entered in to an agreement and overriding royalty interest owners.
- Franklin's counsel sent notices of the force pooling application to the addresses of record for the uncommitted interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.

EXHIBIT 5



Sent via Certified Mail Tracking No. 7019 2280 0000 9403 8335

January 22, 2021

Occidental Permian, Ltd. 5 Greenway Plaza, Ste 110 Houston, TX 77046-0521

RE: Clincher Fed Com 702H and Merit Federal 703H Well Proposals Township 25 South, Range 35 East: Sections 1 and 12: W/2, 641.20 acres m/l Lea County, New Mexico

Dear Working Interest Owner:

Franklin Mountain Energy, LLC ("FME"), as Operator, hereby proposes the drilling and completion of the following horizontal wells located in the W/2 of Sections 1 and 12:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	AFE
Clincher Fed Com 702H	Wolfcamp	11,943'	22,003	Sec. 1- T25S- R35E 250' FNL, 465' FWL	Sec. 12- T25S- R35E 150' FSL, 1,089' FWL	\$9,676,954.30
Merit Federal 703H	Wolfcamp	12,001'	22,178'	Sec. 1- T25S- R35E 250' FNL, 2,374' FEL	Sec. 12- T25S- R35E 150' FSL, 2,265' FWL	\$9,676,954.30

FME 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.

FME 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
- \$7,000/\$700 Drilling and Producing Rate
- Franklin Mountain Energy, LLC designated as Operator





Should you be interested in participating under an Operating Agreement, FME 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, FME proposes to acquire your interest at the following terms:

#### **REDACTED**

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

Please return your signed paperwork to Shelly Albrecht at <u>salbrecht@fmellc.com</u> or to the address provided below at your earliest convenience.

FME 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, FME will file an application for compulsory pooling to pool any uncommitted working interest owners.

Should you have any questions, please contact the undersigned at (720) 414-7855 or by email at the address mentioned above.

Respectfully,

Franklin Mountain Energy, LLC

Shelly Albrecht Director of Land

Milly Misult

**Enclosures** 



Clincher Fed Com 702H:
I/We hereby elect to participate in the Clincher Fed Com 702H wellI/We hereby elect NOT to participate in the Clincher Fed Com 702H well.
Merit Federal 703H:
We hereby elect to participate in the Merit Federal 703H well.  I/We hereby elect NOT to participate in the Merit Federal 703H well.
I/We hereby elect to sell our interest.
Working Interest Owner:
By:
Printed Name:
Title:
Date:



Franklis Mountain Emergy, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868 franklismotuntainenergy.com

County/State: Lee Co., NM Date Prepared: 1/7/2021

702H

225 225 225 225 225 225 225 225 225 225	Misser 5 10 15	IntangRole Drilling Costs Description ADMINISTRATIVE OVERHEAD	Amount	Major		Intengible Completion Costs	
225 225 225 225 225 225 225 225 225 225	5			Major			
225 225 225 225 225 225 225 225 225 225	10	ADMINISTRATIVE OVERHEAD				Description	Ameson
225 225 225 225 225 225 225 225		CASING CREW & EQPT	\$26,000 \$60,000	240 240	5 10	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$12,5
225 225 225 225 225 225		CEMENTING INTERMEDIATE CASING	\$90,000	240	15	CASING CREW & EQPT	315,0
225 225 225 225 225	16	CEMENTING PRODUCTION CASING	\$55,000	240	20	COILED TUBING/SNUBBING UNIT	\$212,1
225 225 225	20	CEMENTING SUFACE CASING	\$25,000	240	25	COMMUNICATIONS	\$5,7
225 225	25	COMMUNICATIONS	\$26,000	240	30	COMPANY DIRECT LABOR	
225	30 34	COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD	\$18,000	240	35 45	COMPLETION/WORKOVER RIG	\$44.00
	40	CONTRACT LABOR	\$65,000 \$25,000	240	50	CONTRACT LABOR/ROLSTABOR/TS DAMAGES/RECLAMATION	\$15.00 \$25,00
	45	DAMAGES	\$15,500	240	55	DISPOSAL SOLIDS	327,00
225	50	DAYWORK CONTRACT	\$520,000	240	60	ELECTRICAL POWER-GENERATION	1
225	55	DRILLING - DIRECTIONAL	\$250,000	240	62	ENGINEERING	\$10,00
225	60	DRILLING - FOOTAGE	\$85,000	240	65	ENVIRONMENTAL/CLEANUP	1
225 225	65 70	DRILLING BITS ELECTRICAL POWER/GENERATION	\$170,000	240 240	70 71	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	
225	75	ENGINEERING	\$0 \$0	240	72	FRAC WATER/COMPLETION FLUID	\$210,00 \$400,00
225	80	ENVIRONMENTAL SERVICES	\$170,000	240	75	FUEL, POWER/DIESEL	\$300,00
225	84	EQUIPMENT RENTAL DOWNHOLE	\$42,000	240	80	HEALTH & SAFETY	\$10,00
225	8.5	EQUIPMENT RENTAL	\$28,000	240	85	HOUSING AND SUPPORT SERVICES	\$12,00
225	90	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	4
225	95	HEALTH & SAFETY	\$22,000	240	95	MISCELLANEOUS	\$25,00
225	100	HOUSING AND SUPPORT SERVICES	\$28,000	240	110	MUD & CHEMICALS	\$220,00
225	105	INSURANCE INSPECTIONS	\$26,000 \$18,000	240 240	115	P&A/TA COSTS PERFORATING/WIRELINE SERVICE	\$430,00
225	110	LEGAL. TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	3430,00
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$25,00
225	120	MISCELLANEOUS	\$15,000	240	130	STIMULATION	\$1,300,00
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$19,500	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$42,50
225	130	MUD & CHEMICALS	\$180,000	240	140	SUPERVISION	\$110,00
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$355,00
225	141	CASED HOLE LOGGING	\$10,000	240	150	TRANSPORTATION/TRUCKING	\$20,00
225	145	PERMITS, LICENSES, ETC POWER FUEL & WATER HAULING	\$20,000 \$170,000	240 240	155	WATER TRANSFER	\$40,00
225	155	RIG MOVE & RACKING COSTS	\$50,000	240	165	WELDING SERVICES WELL TESTING/FLOWBACK	\$50,00
225	160	RIG UP TEAR OUT & STANDBY	30,000	240	148	TAXES	\$77,77
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$194,44
225	165	STAKING & SURVEYING	\$6,000			Total Intengible Completion Costs:	\$4,161,00
225	170	SUPERVISION	\$92,800				
225	175	SUPERVISION - GEOLOGICAL	\$44,000			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$25,000	Major	Minor	Description	Amount
225	178 35	TAXES CONTINGENCY COSTS 5%	\$48,356 \$120,890	245 245	. 5 15	ARTIFICIAL LIFT FLOWLINES	\$50,00
223	33	Total Intangible Drilling Cours:	\$2.507,046	245	25	FRAC STRING	\$20,00
			- Capacita in	245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$98,00
		Tangible Drilling Costs		245	45	PRODUCTION LINER	3
		Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	5
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$440,000	245	55	PRODUCTION TUBING	\$87,50
230	20	PACKERS/SLEEVES/PLUGS	\$26,000	245	60	RODS/PUMPS	
230 230	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$450,000 \$40,000	245 245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$89.00
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,500	245	70	TAXES	\$18,94
230	40	TAXES	\$56,458			Total Tangible Completion Costs:	\$363,44
		Total Taugibbe Drilling Costs:	\$1,082,958			Intangible Facility Costs	
		Tangible Facility Costs		Major		Description	Amount
		Description	Amount	265	5	CONSULTING	\$13,30
270	10	FACILITY PIPE/VAI.VES/FITTINGS	\$111,000	265	12	COMPANY DIRECT LABOR	1
270 270	15 25	CONTAINMENT DEHYDRATION	\$0 \$0	265 265	20 22	DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$6,00
270	30	PRIMARY POWER MATERIALS	\$5,400	265	25	ENGINEERING / SCIENCE	\$42,00 \$13.00
270	50	FLOWLINES / PIPELINE / HOOKUP	\$16,600	265	40	HEALTH/SAFETY/ENVIRONMENTAL	313.00
270	60	H2S TREATING EQUIPMENT	\$594,000	265	45	CONTRACT LABOR & SERVICES	i
270	65	SEPARATION EQUIPMENT	\$193,500	265	60	OVERHEAD	
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1.50
270	75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	
270 270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$104,000 \$4,000	265 265	83 10	TAXES CONTINGENCY COSTS 5%	\$1,51 \$3,79
270	100	CONTROL/INSTRUMENT/METERS/SCADA	\$57,000	207	10	Total Intangible Facility Costs:	\$77,31
270	110	TANKS & WALKWAYS	\$55,000				0.12
270	130	MECHANICAL BATTERY BUILD	\$114,000			Office Use Only:	
270	132	EIAC BATTERY BUILD	\$35,000				
270	134	CONTROLS AND SCADA BATTERY BUILD	\$3,300	1			
270	136	PRIMARY POWER BUILD	\$4,900	1			
270	138	FLOWLINE INSTALLATION	\$34,000	1			
270 270	1-90	SIGNAGE TAXES	\$73,252	1			
270	143	Total Tangible Facility Costs:	\$1,405,102	1			
otal Dril	i:		\$3,670,003.50	1			
otal Cur	pletion	N	\$4,524,533.05	1			
otal Faci	ditt:		\$1,482,417.75	1			
otal DC	REAL PROPERTY.	ble:	\$6,748,131.55				
otal DC	fangi	le.	\$1,446,405.00				
	E:		\$9,676,954.30				
otal AF1						· · · · · · · · · · · · · · · · · · ·	
		UTHORITY FOR EXPENDITURE IS BASED ON COST E					

Approved By 1-11-2021 WI Owner: Approved By: Date: Printed Name: Title:

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



Frunklia Mountalu Euergy, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868 frunklimmountainenergy.com

## N E R G Y

Well Name: Meri Federal 703H

Location: SHL: Sec 1-725S-R336 250° FNL 2334° Fil.

BHL: Sec 1-725S-R336 150° FNL 2334° Fil.

BHL: Sec 1-725S-R336 150° FNL 2334° Fil.

BHL: Sec 1-725S-R336 150° FNL 2346° FNL

Operator: Praction Mountain Energy, LLC

Drill and complete a 9,800° Wolfcamp A well

Tennar TVD 12001. TD MD 022,178°

703H Well#: County/State: Lea Co., NM Date Prepared: 1/7/2021

Рагросс	:	Drill and complete a 9,800' Wulfcamp A well. Target TVD 12,001', TD MD 22,178'		APE #:		DC6210105	
			*****				
Malan	Belgan	Intangible Drilling Costs	4	Malan	Minor	Intangible Completion Costs	A
Major 225	Milmor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$26,000	Major 240	Millior	Description ADMINISTRATIVE OVERHEAD	Amount \$12,500
225	10	CASING CREW & EQPT	\$60,000	240	10	CASED HOLE LOGS & SURVEYS	\$15,000
225	15	CEMENTING INTERMEDIATE CASING	\$90,000	240	15	CASING CREW & EQPT	SC
225 225	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$55,000 \$25,000	240 240	20 25	COLLED TUBING/SNUBBING UNIT COMMUNICATIONS	\$212,165 \$5,700
225	25	COMMUNICATIONS	\$26,000	240	30	COMPANY DIRECT LABOR	\$0,700
225	30	COMPLETION FLUIDS	\$18,000	240	35	COMPLETION/WORKOVER RIG	\$44,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$65,000	240 240	45 50	CONTRACT LABORROUSTABOUTS	\$15,000
225 225	40 45	CONTRACT LABOR DAMAGES	\$25,000 \$15,500	240	55	DAMAGES/RECLAMATION DISPOSAL SOLIDS	\$25,000 \$0
225	50	DAYWORK CONTRACT	\$520,000	240	60	ELECTRICAL POWER/GENERATION	\$0
225	55	DRILLING - DIRECTIONAL	\$250.000	240	62	ENGINEERING	\$10,000
225 225	60 65	DRILLING - POOTAGE DRILLING BITS	\$85,000 \$170,000	240	65 70	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES	\$0 \$0
225	70	ELECTRICAL POWER/GENERATION	80	240	71	FLUIDS/HAULING/DISPOSAL	\$210,000
225	75	ENGINEERING	so	240	72	FRAC WATER/COMPLETION FLUID	\$400,000
225 225	80 84	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE	\$170,000 \$42,000	240	7.5 80	FUEL, POWER/DIESEL	\$300,000
225	85	EQUIPMENT RENTAL	\$28,000	240	85	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$10,000 \$12,000
225	90	FISHING TOOLS/SERVICES	so	240	90	MATERIALS & SUPPLIES	\$0
225	95 100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$22,000 \$28,000	240 240	95 100	MISCELLANEOUS MUD & CHEMICALS	\$25,000
225	105	INSURANCE	\$26,000	240	110	PAA/TA COSTS	\$220,000 \$0
225	106	INSPECTIONS	\$18,000	240	115	PERFORATING WIRELINE SERVICE	\$430,000
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225 225	115	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$15,000	240 240	125	ROAD, LOCATIONS REPAIRS STIMULATION	\$25,000 \$1,300,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	519,500	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$42,500
225	130	MUD & CHEMICALS	\$180,000	240	140	SUPERVISION	\$110,000
225	140	OPENHOLE LOOGING	50	240	145	SURFACE EQUIP RENTAL	\$355,000
225 225	141	CASED HOLE LOGGING PERMITS, LICENSES, ETC	\$10,000 \$20,000	240 240	150	TRANSPORTATION/TRUCKING WATER TRANSFER	\$20,000 \$40,000
225	150	POWER FUFL & WATER HAULING	\$170,000	240	160	WELDING SERVICES	\$40,000
225	155	RIG MOVE & RACKING COSTS	\$50,000	240	165	WELL TESTING/FLOWBACK	\$50,000
225 225	160	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$10,000	240	40	TAXES CONTINGENCY COSTS 5%	\$77,777
225	165	STAKING & SURVEYING	\$6,000	L***	-017	Total Intangible Completion Costs:	\$194,443 \$4,161,088
225	170	SUPERVISION	\$92,800				
225	175	SUPERVISION - GEOLOGICAL	\$44,000			Tangible Completion Costs	
225 225	180 178	TRANSPORTATION/TRUCKING TAXES	\$25,000 \$48,356	Major 245	,713mor 5	Description ARTIFICIAL LIFT	\$50,000
225	35	CONTINGENCY COSTS 5%	\$120,890	245	15	FLOWLINES	\$20,000
		Total Intangible Drilling Costs:	\$2,587,046	245	25	FRAC STRING	\$0
		Tangible Drilling Costs		245 245	40 45	PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER	000,892 02
Maler	Minor	Description	Amuset	245	50	PRODUCTION PROCESSING FACILITY	SC
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$440,000	245	55	PRODUCTION TUBING	\$87,500
230	20	PACKERS/SLEEVES/PLUGS	\$26,000	245	60	RODS/PUMPS	\$0
230	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$450,000 \$40,000	245 245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$0,000 \$89,000
230	45	WELLIFEAD EQUIPMENT/CASING BOWL	\$70,500	245	70	TAXES	\$18,948
230	40	TAXES	\$56,458			Total Tangible Completion Costs:	363,448
		Total Tangible Drilling Costs:	1,082,958			Intaugible Facility Costs	
		Tangible Facility Costs		Major		Description	Ameent
Major 270		Description FACILITY PIPE/VALVES/FITTINGS	\$111,000	265 265	5 12	CONSULTING	\$13,300
270	10	CONTAINMENT	5011,000	265	20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$6,000 \$6,000
270	25	DEHYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	\$42,000
270	30	PRIMARY POWER MATERIALS	\$5,400	265	25	ENGINEERING / SCIENCE	\$13,000
270 270	50 60	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$16,600 \$594,000	265	40 45	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$0
270	65	SEPARATION EQUIPMENT	\$193,500	265	60	OVERHEAD	\$C \$C
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,500
270	75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	\$0
270 270	86 90	FACILITY SURFACE EQUIPMENT II2S SAPETY SYSTEM	\$104,000 \$4,000	265 265	83 10	TAXES CONTINGENCY COSTS 5%	\$1,516 \$3,790
270	100	CONTROL/INSTRUMENT/METERS/SCADA	\$57,000			Total Intangible Facility Costs:	\$77,316
270	110	TANKS & WALKWAYS	\$55,000				
270 270	130	MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$114,000 \$35,000	-		Office Use Only:	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$3,300				
270	136	PRIMARY POWER BUILD	\$4,900				
270	138	FLOWLINE INSTALLATION	\$34,000	1			
270 270		SIGNAGE TAXES	\$150 \$73,252				
		Total Tangible Facility Costs:	1,405,102	1			
				1			
Total Dr			\$3,670,003.50	1			
Total Co	mpletion	n:	\$4,524,533.05				
Total Fac		ble	\$1,482,417.75 \$6,748,131.55				
Total DC	Tengi	ole:	\$1,446,405.00				
Total AF	E.		\$9,676,954,30				
	THIS A	UTHORITY FOR EXPENDITURE IS BASED ON COST E	STIMATES, BILLING	WILL REF	LECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS
Operator		Franklin Mountain LLC					
орстанов		Trouble Proposed	_			1 . 11 - 7 . 71	
				Date		1-11 = 2021	1/7/2021
Approve	d By						
Approve	d By	A Sievens	_				
Approve	d By	Int Stevens Chief Executive Officer					
						·····	
WI Own							<del>, ,,,</del>
WI Own	er.			Dura			
	er.			Date:			
WI Own	er: d By:			Date:			

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

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

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

CASE NO. 21806-21808

A	F	F	I	D	A	V	ľ	T	

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 April 8, 2021 hearing was published in the Hobbs News-Sun on March 23, 2021, as reflected in the attached Affidavit of Publication.

Deana M. Bennett

SUBSCRIBED AND SWORN to before me this  $6^{th}$  day of April, 2021 by Deana M. Bennett.

Notary Public

Harlen Thuma

My commission expires: 02 - 27 - 25

OFFICIAL SEAL

Karlene Schuman

NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: 02-27-25

EXHIBIT 8



March 18, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Deana M. Bennett 505.848.1834 Deana.Bennett@modrall.com

Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 21806** 

Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 21808** 

TO: AFFECTED PARTIES

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

In Case No. 21806, FME seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells.

In Case No. 21808, FME seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New

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 Page 2

Mexico. This spacing unit will be dedicated to the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well.

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 April 8, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="http://www.emnrd.state.nm.us/OCD/hearings.html">http://www.emnrd.state.nm.us/OCD/hearings.html</a>.

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

Sincerely,
Mena y 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 FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 21806

### <u>APPLICATION</u>

Franklin Mountain Energy, LLC ("FME"), OGRID No. 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral and leasehold interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

- 1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. FME seeks to dedicate Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
- 3. FME plans to drill the Clincher Fed Com 702H and Merit Federal 703H wells to a depth sufficient to test the Wolfcamp formation.
- 4. The completed interval for the Clincher Fed Com 702H 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 well.

- 5. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
- 6. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 7. 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, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 8, 2021, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico;
  - B. Designating FME as operator of this unit and the wells to be drilled thereon;
- C. Authorizing FME to recover its costs of drilling, completing, and equipping the wells;
- D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

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

Ву:<u>////</u>

Deana M. Bennett Lance D. Hough

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant

CASE NO. 21806 Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 03/18/2021

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102			te 1000 Type of Mailing: CERTIFIED MAIL				Firm Mailing Book ID: 205395		
L	Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents	
	1	9314 8699 0430 0080 5301 70	Occidental Permian, Ltd. 5 Greenway Plaza, Ste 110 Houston TX 77024	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	2	9314 8699 0430 0080 5301 87	United State of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	3	9314 8699 0430 0080 5301 94	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	4	9314 8699 0430 0080 5302 00	Bryan Bell Family LLC 213 20th Street New Orleans LA 70124	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	5	9314 8 <b>699 0430 0080 5302 1</b> 7	Bryan Bell Family LLC 1331 Third Street New Orleans LA 70130	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	6	9314 8699 0430 0080 5302 24		\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	7	9314 8699 0430 0080 5302 31		\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	8	9314 8699 0430 0080 5302 48		\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	9	9314 8699 0430 0080 5302 55		\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	10	9314 8699 0430 0080 5302 62		\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	11	9314 8699 0430 0080 5302 79	Jetstream Royalty Partners, LP P.O. Box 471396 Fort Worth TX 76147	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	12	9314 8699 0430 0080 5302 86		\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	13	9314 8699 0430 0080 5302 93	MLE, LLC P.O. Box 1683	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	14	9314 8699 0430 0080 5303 09	Richard C. Deason P.O. Box 1301 N. Havenhurst #217	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	15	9314 8699 0430 0080 5303 16	West Hollywood CA 90046 Thomas D. Deason 6402 CR 7420	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	



#### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 03/18/2021

Kariene Schuman  Modrall Sperling Roehl Harris & Sisk P.A.  500 Fourth Street, Suite 1000  Albuquerque NM 87102		ling Roehl Harris & Sisk P.A. treet, Suite 1000	PS Form Type of Mailing: CEI 03/18/20	Firm Mailing Book ID: 205395 OCD:					
4	Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee		: 4/6/2
6/2021 4:36:04 PM	16	9314 8699 0430 0080 5303 23	Ronald H. Mayer, Trustee Mayer Rev Trust 3/19/1992 P.O. Box 2391 Roswell NM 88202	\$1.20	\$3.60	\$1.75	\$0.00	Notice	021 4:1.
1:36:04	17	9314 8699 0430 0080 5303 30	SAP, LLC 4901 Whitney Lane Roswell NM 88203	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	4:13:48 PM
PM	18	9314 8699 0430 0080 5303 47	Howard A. Rubin, Inc. P.O. Box 58 El Rito NM 87530	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	1
	19	9314 8699 0430 0080 5303 54	Rubie Crosby Bell Family, LLC 1331 Third Stree New Orleans LA 70130	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
	20	9314 8699 0430 0080 5303 61	Rubie Crosby Bell Family, LLC 213 20th Street New Orleans LA 70124	\$1.20	\$3.60	\$1.75	\$0.00	FME21806,21808 Notice	
			Totals:	\$24.00	\$72.00	\$35.00	\$0.00		
					Grand	Total:	\$131.00		

List Number of Pieces Listed by Sender

**Total Number of Pieces Received at Post Office** 

Postmaster:

Name of receiving employee

Dated:

20



Received by OCD: 4/6/2021 4:13:48 PM

#### Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 205395 Generated: 4/6/2021 10:46:21 AM

	USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314	869904300080530354	2021-03 0:44 AM	FME21806,21808	Rubie Crosby Bell Family, LLC	New Orleans	LA	70130	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314	869904300080530347	2021-03-18 10:44 AM	FME21806,21808	Howard A. Rubin, Inc.	El Rito	NM	87530	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-27 11:17 AM
9314	869904300080530330	2021-03-18 10:44 AM	FME21806,21808	SAP, LLC	Roswell	NM	88203	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-22 12:52 PM
9314	869904300080530323	2021-03-18-10:44 AM	FME21806,21808	Ronald H. Mayer, Trustee Mayer Rev Trust 3/19/1992	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-23 11:10 AM
9314	869904300080530316	2021-03-18 10:44 AM	FME21806,21808	Thomas D. Deason	Lubbock	TX	79424	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314	869904300080530309	2021-03-18 10:44 AM	FME21806,21808	Richard C. Deason	West Hollywood	CA	90046	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-22 3:03 PM
9314	869904300080530293	2021-03-18 10:44 AM	FME21806,21808	MLE, LLC	Santa Fe	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-22 11:38 AM
9314	869904300080530286	2021-03-18 10:44 AM	FME21806,21808	Lisa M. Enfield, Trustee/Enfield Trust of 1/23/15	Santa Fe	NM	87505	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-20 2:35 PM
9314	869904300080530279	2021-03-18 10:44 AM	FME21806,21808	Jetstream Royalty Partners, LP	Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-22 9:43 AM
9314	869904300080530262	2021-03-18 10:44 AM	FME21806,21808	Charmar, LLC	Albuquerque	NM	87109	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-19 3:03 PM
9314	869904300080530255	2021-03-18 10:44 AM	FME21806,21808	Robert N. Enfield Trustee/Enfield Rev Trust 3/6/99	Santa Fe	NM	87504	To be Returned	Return Receipt - Electronic, Certified Mail	
9314	869904300080530248	2021-03-18 10:44 AM	FME21806,21808	Nuevo Seis, LP	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-22 12:39 PM
9314	869904300080530231	2021-03-18 10:44 AM	FME21806,21808	Morris E. Schertz	Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-22 12:39 PM
9314	869904300080530224	2021-03-18 10:44 AM	FME21806,21808	DMA, Inc	Roswell	NM	88202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314	869904300080530217	2021-03-18 10:44 AM	FME21806,21808	Bryan Bell Family LLC	New Orleans	LA	70130	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314	869904300080530200	2021-03-18 10:44 AM	FME21806,21808	Bryan Bell Family LLC	New Orleans	LA	70124	Undelivered	Return Receipt - Electronic, Certified Mail	
9314	869904300080530194	2021-03-18 10:44 AM	FME21806,21808	State of New Mexico	Santa Fe	NM	87501	To be Mailed	Return Receipt - Electronic, Certified Mail	
9314	869904300080530187	2021-03-18 10:44 AM	FME21806,21808	United State of America	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-22 2.58 PM
9314	869904300080530170	2021-03-18 10:44 AM	FME21806,21808	Occidental Permian, Ltd.	Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2021-03-24 10.38 AM

#### **Affidavit of Publicatio**

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 March 23, 2021 and ending with the issue dated March 23, 2021.

Sworn and subscribed to before me this 23rd day of March 2021.

**Business Manager** 

My commission expires January 29, 2023

OFFICIAL SEAL GUSSIE BLACK Notary Public State of New Mexico My Commission Expires 1-29-2

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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LEGAL NOTICE March 23, 2021

LEGAL NOTICE

March 23, 2021

NO 21803: Notice to all affected parties, as well as the heirs and devisees of Starboard in Resources; LLC: Max Permian, LLC: Americative New Mexico; LLC; Energen Resources of Tallon; Diamondback Energy, Inc.; Burlington Resources of Ind. Gas. Company; Jersen and Devisees of John Everett Kennan, Decases (C) of William C., 10th Interest Mental Processes (C) of Mental Mental Mental Processes (C) of Mental Mental Processes (C) of Mental Processes (C) of Herry E., 10th Interest Mental Mental Mental Mental Mental Processes (C) of Herry E., 10th Interest Mental Mental

wells, the effection of male costs as well as the actual operating costs and charges for supprission while 
### wells, and a 
200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of 
Jal, New Mexico.

CASE NO. 21805: Notice to all affected parties, as well as the holte and devisees of Starboard 
Permian Resources, LLC; Max Permian, LC.; Burlington Resources, LG. Starboard 
Permian Resources, LLC; Max Permian, LC.; Burlington Resources of Starboard 
Permian Resources, LLC; Max Permian, LC.; Burlington Resources of Use for 
Permian Resources, LLC; Max Permian, LC.; Burlington Resources of Use for 
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Permian Resources, LLC; Max Permian, LC.; Burlington Resources of Use for 
Permian Resources, LLC; Max Permian, LC.; Burlington Resources of Use for 
Resources (Constitution) 
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approximately 8 miles Northwest of Jal, New Mexico.

CASE NO.21806: Notice to all affected parties, as well as the heirs and devisees of Occidental Perhian, Ltd.; United States of America Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Sets, LP: Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999; Charmar, LLC; Jestream Royalty Partners, LP: Las M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Notald H. Mayer, American Revocable Trust dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; and Rubie-Crosby Bell Family LLC of Franklin Mountain Energy, LLC application for compileory pooling, Les County, New Mexico. The State of New Mexico, through its Oil Conservation Oivision, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4; the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Les County, New Mexico. This spacing until Bo dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H and Merit Federal 703H wells will be within 330 from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling; completing; and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 mi

in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

CASE NO. 21887: Notice to all affected parties, as well as the heli's and devisees of Occidental Permian, Ltd.; United States of America; State of New Mexico; Bryain Bell Family LLC; DMA, Inc.; Morris E, Schertz, Nuevo Sels, LP, Robert N. Enfleid Trustee of the Lisa M. Enfleid Trustee of the Robert N. Enfleid Trustee of the Lisa M. Enfleid Trustee of the Robert N. Enfleid Trustee of the Lisa M. Enfleid Trustee of t proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 701H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping, said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal. New Mexico.

Northwest of Jal. New Mexico.

CASE NO. 21808: Notice to all affected parties, as well as the heirs and devisees of Occidental Permian, Ltd.; United States of America; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Sels, LP, Robert N. Enfield Rivecable Trust dated 3/61999; Charmar, LLC; Jetstream Royalty Partners, LP; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Ronald H. Meyer, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Ronald H. Meyer, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Ronald H. Meyer, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Ronald H. Meyer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; and Rubie-Crosby Bell Family LLC 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 April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/ANW/4 and the W/ZSW/4 of Section 1, and the W/ZSW/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit underlying Lot 4, the SW/ANW/4 and the W/ZSW/4 of Section 1, and the W/ZSW/4 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit underlying Lot 4, the SW/ANW/4 and the W/ZSW/4 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing completing, and equipping said well. The allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charg

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LEGAL NOTICE March 23, 2021

CASE NO. 21903: Notice to all affected parties, as well as the heirs and devisees of Starboard Permian' Resources, LLC; May Permian, LLC; Ameredev New Mexico, LLC; Energen Resources Corporation: Diamondback Energy, Inc.; Burlington Resources Oil and Gas Company / Conocophilips Company, Heirs and Devisees of John Evertit Kennan, Deceased, Cof of William C. Kennann, Trustee of the Kennann Family Trust; Bobby Agron States, Anna Beth Carder Michityer, Trustee of the Ide Bell Hunt. Programment of Company of Charles (Control May 19) and the Company of Charles (Control May 19) and the Control May 19 (Control May 19) and the Control May 19 (Control May 19) and the Control May 19 (Control May 19) and 1

supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC ga operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

CASE NO. 21804: Notice to all affected parties, as well as the heirs and devisees of Starboard Permian Resources, LLC; Max Permian, LLC; Ameredev New Mexico, LLC; Energen Resources Corporation; Diamondback Energy, Inc.; Burlington Resources Oil and Gas Company / Consophilips Company; Heirs and Devisees of John Everett Kennan, Decessed, Cr. Of William C. Kennann, Trustee of the Kennann Family Trust; Bobby Aaron States; Anna Beth Carder Michtyn, Trustee of the Idea Bell Hunt Trust; John Anna Beth Carder Michtyn, Trustee of the Idea Bell Hunt Trust; John Anna Beth Carder Michtyn, Trustee of the Idea Bell Hunt Trust; John Anna Beth Carder Michtyn, Trustee of the Idea Bell Hunt Trust; John Anna Beth Carder Michtyn, Trustee of the Idea Bell Hunt Trust; John Anna Beth Carder Michtyn, Albert Bellen, Marching, M

wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of

men, the anocation on unese costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Frankin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

CASE NO. 21805: Netice to all affected parties, as well as the heirs and devisees of Starboard Parnian Resources. LCC Max Permian, LLC; Ameredev New Mexico, LLC; Energen Resources Corporation; Diamondback Energy, Inc.; Burlington Resources Oil and Gas Company / ConcooPhilips Company, Heirs and Devisees of John Everet Kennan, Deceased, CO of William C. Kennann, Trustee of the Kennann Family Trust; Bobby Aaron Skates; Anna Beth Carder Michityre, Anna Beth Carder Michityre, Trustee of the last Bell Huri Trust; John Max Beth Carder Michityre, Anna Beth Carder Michityre, Trustee of the last Bell Huri Trust; John Max Beth Carder Michityre, Anna Beth Carder Michityre, Trustee of the last Bell Huri Trust; John Max Beth Carder Michityre, Anna Michi

CASE NO.21806: Notice to all affected parties, as well as the heirs and devisees of Occidental Permian, Ltd.; United States of America; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Sels, LP; Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999; Charmar, LLC; Jetstream Royalty Partners, LP; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; and Rubie-Crosby Bell Family LLC of Franklin Mountain Energy, LLC; 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 April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H well will be within 330′ from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be offinedox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

CASE NO. 21807: Notice to all affected parties, as well as the heirs and devisees of Occidental Permian, Ltd.; United States of America; State of New Mexico; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Seis, LP; Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999; Charmar, LLC; Jetstream Royalty Partners, LP; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; Rubie-Crosby Bell Family LLC; Cayuga Royaltles, LLC; Prevall Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals LLC; CrownRock Minerals, LP; Foundation Minerals, LLC; Mayros Minerals II, LLC; and Oak Valley Minerals and Land, LP 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 April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12; and Lot 1, the SE/4NE/4 and the E/2SE/4 of Section 2, and the E/2E/2 of Section 11, Township 25 South; Range 35 E; NMPM, Lee County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 701H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 701H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for the cost of the cost of the cost of drilling, completing, and equipping said well, the allocation of these red com of the well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles

CASE NO. 21808: Notice to all affected parties, as well as the heirs and devisees of Occidental Permian, Ltd.; United States of America; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Sels, LP; Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999; Charmar, LLC; Jetstream Royalty Partners, LP; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; and Rubie-Crosby Bell Family LLC 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 April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

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

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

**CASE NO. 21806** 

AF	FI	DA	٩V	Ή

STATE OF COLORADO	)
	) ss
COUNTY OF DENVER	)

Ben Kessel, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am a geologist for Franklin Mountain Energy, LLC ("Franklin"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
- 2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
  - 3. I am familiar with the application filed by Franklin in this case.
- 4. Exhibit 9 is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef. Franklin's proposed units are slightly within the boundary of the Capitan Reef. Franklin's well bore design, including the well bore casing design, is sufficient to protect against any potential leakage or migration into the Capitan Reef.
- 5. Exhibit 10 is a wellbore schematic showing Franklin's development plan, which includes the well at issue in this case and the wells proposed in Case Numbers 21803 through 21805 and 21807 and 21808. I reviewed the reservoir characteristics when developing the spacing

EXHIBIT

for the Clincher Fed Com 702H, Merit Federal 703H, and Clincher 701H wells. Based on my review of the reservoir characteristics, Franklin determined to locate the three wells within the W/2 of Sections 1 and 11. Franklin's spacing is designed to efficiently drain the hydrocarbons, while at the same time ensuring that the wells dedicated to the spacing units contribute more or less equally to the units

- 6. The exhibits behind Tab 11 are the geology study I prepared for the Clincher Fed Com 702H and Merit Federal 703H wells.
- 7. Exhibit 11-A is structure map of the top of the Wolfcamp. The proposed spacing unit is identified by a green box. The Clincher Fed Com 702H well is the black dashed line identified by the box labeled "1". The Merit Federal 703H well is the black dashed line identified by the box labeled "2". The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.
- 8. Exhibit 11-B is a cross section reference map that identifies four wells in the vicinity of the proposed well, shown by a line of cross-section running from A to A'.
- 9. **Exhibit 11-C** is a stratigraphic cross section of the Upper Wolfcamp. The well logs on the cross-section give a representative sample of the Upper Wolfcamp formation in the area. The target zone is identified by a bracket and the words "Producing Interval". I have also identified where Clincher Fed Com 702H and Merit Federal 703H wells fall within the wells I used for the cross-section.
  - 10. In my opinion, the gross interval thickness is fairly consistent across the unit.
- 11. **Exhibit 11-D** is a Gross Interval Isochore of the Upper Wolfcamp. The gross interval thickness is fairly consistent across the unit and thickens slightly from east to west regionally.

- 12. I conclude from the maps that:
  - a. The horizontal spacing unit is justified from a geologic standpoint.
  - b. There are no structural impediments or faulting that will interfere with horizontal development.
  - c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.
- 13. Exhibit 12 provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.
- 14. The preferred well orientation in this area is either north/south or south/north. This is because the  $S_{Hmax}$  is at approximately 265 degrees ENE in this area of Lea County.
- 15. Exhibits 9-12 were prepared by me or under my supervision or compiled from company business records.
- 16. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

[Signature page follows]

Ben Kessel

SUBSCRIBED AND SWORN to before me this <u>6th</u> day of April, 2021 by Ben Kessel, on behalf of Franklin Mountain Energy, LLC.

Notary Public

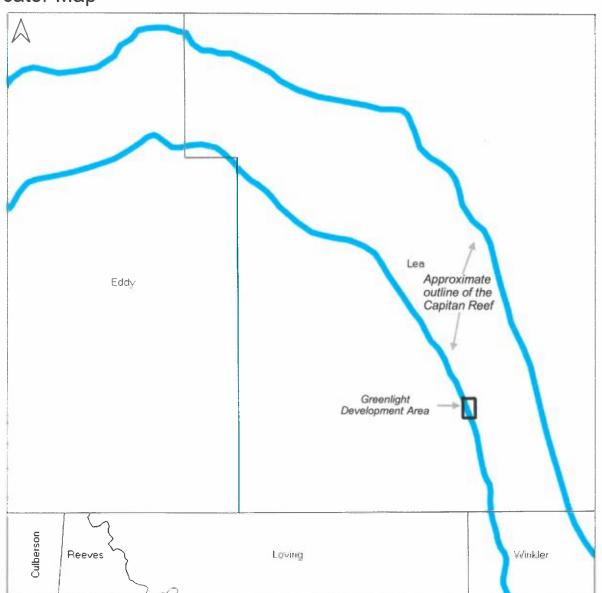
My commission expires: 02 - 27 - 25

OFFICIAL SEAL
Kariene Schuman
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: Q 2-27-25

## **Greenlight Development**

# FRANKLIN MOUNTAIN

**Locator Map** 



- Black box shows the location of Greenlight development area
- Planned wells are located within the western edge of the Capitan Reef

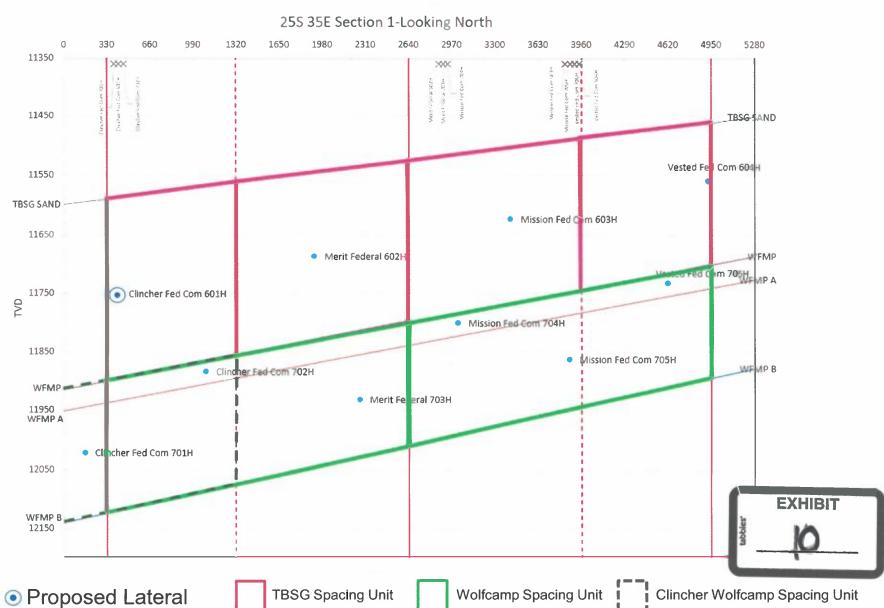
EXHIBIT

9

 $https://www.twdb.texas.gov/publications/reports/contracted\_reports/doc/0804830794 Capitan Reef/Final \% 20 Revised \% 20 Capitan \% 20 PDF \% 20 w\_Seals.pdf$ 

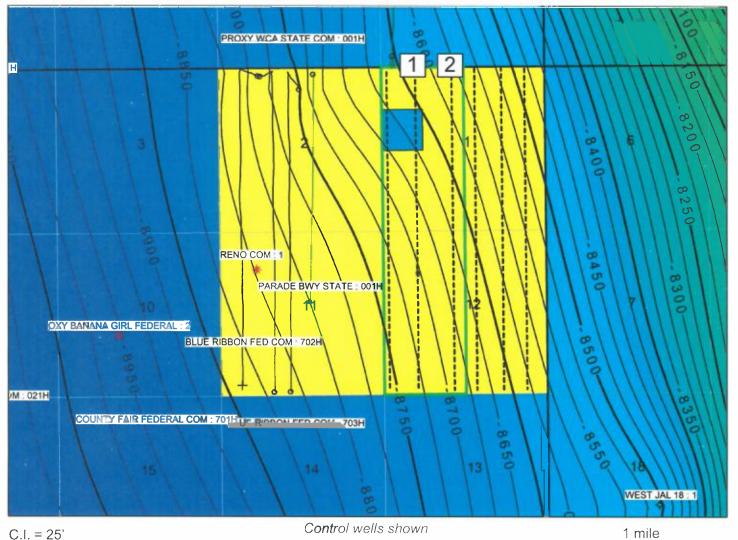
## Wellbore Schematic





### Top Wolfcamp Structure Map (SSTVD)

#### Clincher Fed Com 702H & Merit Federal 703H









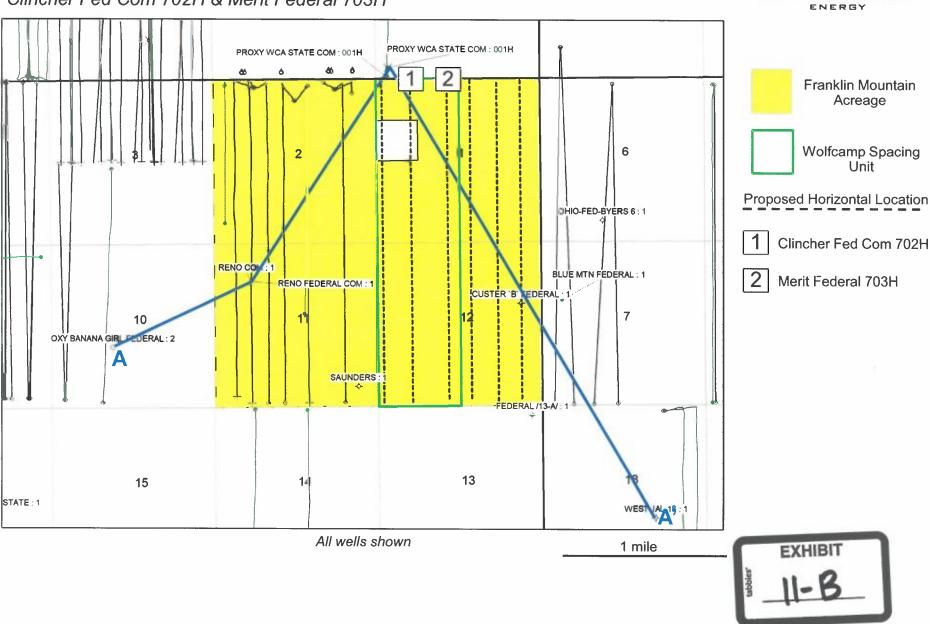
Proposed Horizontal Location

- 1 Clincher Fed Com 702H
- 2 Merit Federal 703H

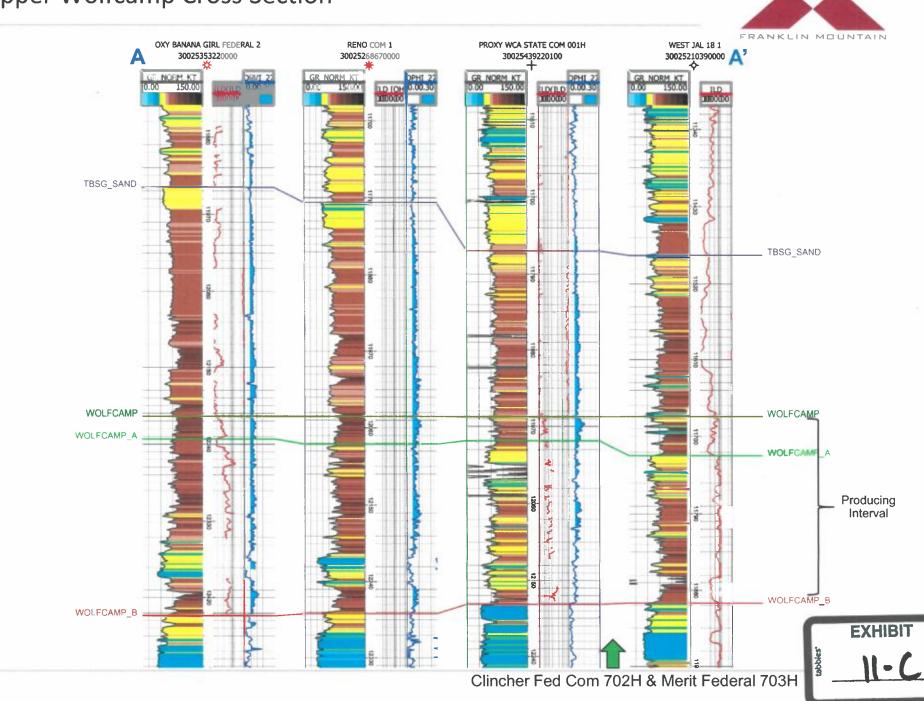


## Upper Wolfcamp Cross Section Reference Map

#### Clincher Fed Com 702H & Merit Federal 703H

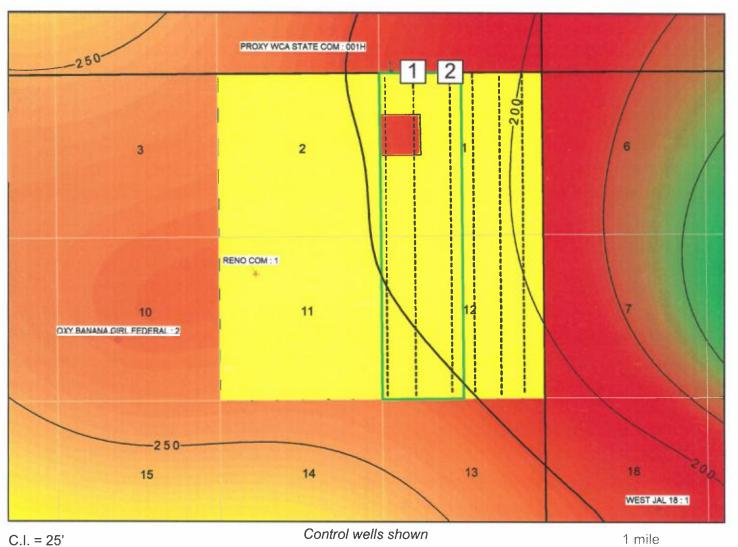


## **Upper Wolfcamp Cross Section**



### Upper Wolfcamp Isochore

#### Clincher Fed Com 702H & Merit Federal 703H









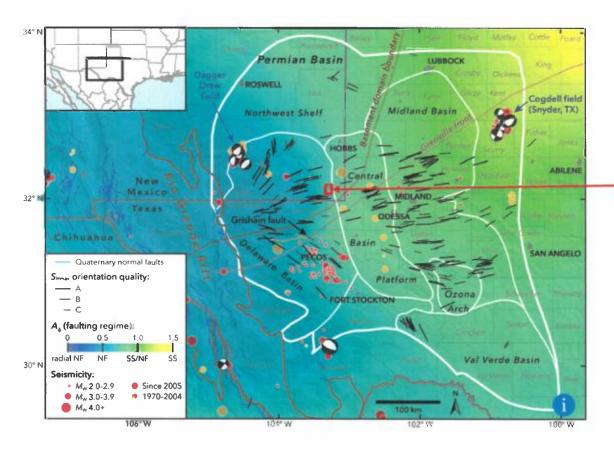
Proposed Horizontal Location

- 1 Clincher Fed Com 702H
- 2 Merit Federal 703H



#### **Regional Stress**





- Red box shows the approximate location of the Greenlight development
- Reported local S<sub>Hmax</sub> (Snee and Zoback, 2018) direction is ENE, around 265°
- The Clincher Fed Com 702H & Merit Federal 703H wells are planned N-S, nearly orthogonal to S<sub>hmax</sub>, optimal for induced fracture propagation

Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2

http://www.tleonline.org/theleadingedge/february 2018/MobilePagedArtic le.action?articleId=1331603#articleId1331603

