Before the Oil Conservation Division Examiner Hearing April 8, 2021

Compulsory Pooling
Case No. 21807: Clincher Fed Com 701H

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

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

CASE NO. 21807

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## COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS |  |
| :--- | :--- |
| Case: $\mathbf{2 1 8 0 7}$ | 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 <br> Compulsory Pooling, Lea County, New Mexico |
| Entries of Appearance/Intervenors: |  |
| Well Family | None |
| Formation/Pool | Clincher |
| Formation Name(s) or Vertical Extent: | Wolfcamp |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Wolfcamp |
| Pool Name and Pool Code: | Clincher Fed Com 701H, see Well \#1 below |
| Well Location Setback Rules: | WC-025 G-09 S253502D, Upr Wolfamp, Pool Code 98187 |


| Name \& API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Exhibits B, 3, 6 |
| :---: | :---: |
| Well \#1 | Clincher Fed Com 701H <br> SHL: 250 feet from the North line and 395 feet from the West line, Section 1, Township 25 South, Range 35 <br> East, NMPM. <br> BHL: <br> 150 feet from the South line and 163 feet from the West line, Section 12, Township 25 South, Range 35 <br> East, NMPM. <br> Completion <br> Target: Third Bone Spring Sand at approximate 12,065 <br> TVD. Well Orientation: <br> North/South <br> Completion location: <br> Expected to be standard. See also Exhibit 3 for C-102 |
| Horizontal Well First and Last Take Points | Proposed first take point: $148^{\prime}$ FNL and $164^{\prime}$ FWL Proposed last take point: $150^{\prime}$ FSL and 163' FWL See also Exhibit 3 for $\mathrm{C}-102$ |
| Completion Target (Forrnation, TVD and MD) | See Proposal Letter Exhibit 6. |
| AFE Capex and Operatirg Costs |  |
| Drilling Supervision/Month \$ | \$7000: See also Proposal Letter Exhibit C |
| Production Supervision/ Month \$ | \$700: See also Proposal Letter Exhibit C |
| Justification for Supervision Costs | See AFE Exhibit 7. |
| Requested Risk Charge | 200\%: See also Proposal Letter Exhibit 6 |


| Received by OCD: 4/6/2021 4:15:45 PM |  | Page 5 of 4 |
| :---: | :---: | :---: |
| Notice of Hearing |  |  |
| Proposed Notice of Hearing | Exhibit 8 |  |
| Proof of Mailed Notice of Hearing ( 20 days before hearing) | Exhibit 8 |  |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit 8 |  |
| Ownership Determination |  |  |
| Land Ownership Schematic of the Spacing Unit | Exhibit 4 |  |
| Tract List (including lease numbers and owners) | Exhibit 4 |  |
| Pooled Parties (including ownership type) | Exhibit 4 |  |
| Unlocatable Parties to be Pooled | Exhibit 4 |  |
| Ownership Depth Severance (including percentage above \& belo | N/A |  |
| Joinder |  |  |
| Sample Copy of Proposal Letter | Exhibit 6 |  |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit 4 |  |
| Chronology of Contact with Non-Joined Working Interests | See Exhibit 5 for Summary of Contacts |  |
| Overhead Rates In Proposal Letter | Proposal Letter Exhibit 6 |  |
| Cost Estimate to Drill and Complete | Proposal Letter Exhibit 6; AFE Exhibit 7. |  |
| Cost Estimate to Equip Well | Proposal Letter Exhibit 6; AFE Exhibit 7. |  |
| Cost Estimate for Production Facilities | Proposal Letter Exhibit 6; AFE Exhibit 7. |  |
| Geology |  |  |
| Summary (including special considerations) | Exhibit C |  |
| Spacing Unit Schematic | Exhibit 10, Exhibit 11-A |  |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit 10, Exhibit 11-A |  |
| 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 |  |

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| 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): |  |
| Date: |  |

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

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

CASE NO. 21807

## 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 well to be drilled in the unit.
7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well.
8. The spacing unit and well that Franklin proposes in this case is part of a comprehensive development plan covering the entirety of Sections 1 and 12 , and the $\mathrm{E} / 2 \mathrm{E} / 2$ 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 W/2 of Sections 1 and 12 , and $E / 2 E / 2$ of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.
10. This spacing unit will be dedicated to the Clincher Fed Com 701H well, to be horizontally drilled. The Application is attached hereto as Exhibit 2.
11. Attached as Exhibit $\mathbf{3}$ is the proposed C-102 for the well.
12. The C-102 identifies the proposed surface hole location, the first take point, and the bottom hole location. The $\mathrm{C}-102$ also identifies the pool and pool code.
13. The well 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 well 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 701H well will be within $330^{\circ}$ 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 and its affiliate Franklin Mountain Energy 2, LLC own over 95\% of the working interest in this unit.
19. Franklin owns $100 \%$ of the working interests in the E2/E2 of Sections 2 and 11. Franklin holds a state lease covering the $\mathrm{E} / 2$ of Section 2 and a federal lease covering the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 11.
20. I have conducted a diligent search of the public records in the county where the well is 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.
21. The only working interest owner Franklin seeks to pool in this case is Occidental Permian, Ltd ("OXY").
22. In my opinion, Franklin has made a good faith effort to obtain OXY's voluntary joinder in the proposed well.
23. Exhibit $\mathbf{5}$ is a summary of my contacts with OXY.
24. 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 well.
25. Exhibit 7 contains the Authorization for Expenditure for the proposed well. The estimated cost of the well 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.
26. 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.
27. Franklin requests the maximum cost plus $200 \%$ risk charge be assessed against nonconsenting working interest owners.
28. Franklin requests that it be designated operator of the well.
29. The parties Franklin is seeking to pool were notified of this hearing.
30. Franklin seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.
31. Exhibit $\mathbf{8}$ 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.
32. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
33. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.
34. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.


SUBSCRIBED AND SWORN to before me this $6^{\text {th }}$ day of April, 2021 by Shelly Albrecht on behalf of Franklin Mountain Energy, LLC.


## Notary Public

My commission expires: $02-27-25$


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

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

CASE NO. 21807

## APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 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 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 $\mathrm{SE} / 4 \mathrm{NE} / 4$ and the $\mathrm{E} / 2 \mathrm{SE} / 4$ of Section 2, and the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 11, Township 25 South, Range 35 E, 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 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, Lea County, New Mexico to form a 640 -acre, more or less, spacing unit.
3. FME plans to drill the Clincher Fed Com 701H well to a depth sufficient to test the Wolfcamp formation.
4. The completed interval for the Clincher Fed Com 701H 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 well 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 well or to otherwise commit their interests to the well.
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 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, Lea County, New Mexico;
B. Designating FME as operator of this unit and the well to be drilled thereon;
C. Authorizing FME to recover its costs of drilling, completing, and equipping the well;
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 well in the event a working interest owner elects not to participate in the well.

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

By:
Hoba H Bexnest
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. ${ }^{21807}$ : 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 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, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 701 H well to be horizontally drilled. The completed interval for the Clincher Fed Com 701 H well will be within $330^{\prime}$ 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 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.

Dustricu
625 N. French Dr., Hobbs, NM 88240
Pbone: (575) 393-6161 Fwx: (575) 393-0720
Disgict II Phooe: (575) 748-1283 Fax: (575) 748-9720 Dixtrict III
1000 Rio Brapos Rood, Aztac, NM 87410 Pbone: ( 505 ) 334-6178 FEx: ( 505 ) 334-6170 $\frac{\text { District IV }}{1220 \text { St }}$
Phonc: (505) 476-3460 Sunta (5c, NM 87505

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
$\square$ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*Surface Location

| $\begin{gathered} \hline \text { UL er loo mo. } \\ 4 \\ \hline \end{gathered}$ | $\begin{gathered} \text { 8ection } \\ 1 \\ \hline \end{gathered}$ | $\begin{gathered} \text { Towneilip } \\ 25 S \\ \hline \end{gathered}$ | $\begin{aligned} & \text { Raver } \\ & 35 \mathrm{E} \end{aligned}$ | Lor fata | $\begin{gathered} \text { Fect from the } \\ 250 \end{gathered}$ | $\begin{aligned} & \text { Northsemethic mic } \\ & \text { NORTH } \end{aligned}$ | $\begin{aligned} & \hline \text { Foet from the } \\ & 395 \end{aligned}$ | WEST | LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

"Bottom Hole Location If Different From Surface

| $\begin{gathered} \text { ÜL ar iot mo. } \\ M \end{gathered}$ | $\begin{gathered} \text { Seethe } \\ \hline 12 \\ \hline \end{gathered}$ | $\begin{gathered} \text { Townily } \\ 25 \mathrm{~S} \\ \hline \end{gathered}$ | $\begin{aligned} & \text { Rage } \\ & 35 \mathrm{E} \end{aligned}$ | Lat lay | $\begin{gathered} \text { Fecef from the } \\ 150 \end{gathered}$ | $\begin{aligned} & \text { Nortiveant Mac } \\ & \text { SOUTH } \end{aligned}$ | $\begin{gathered} \text { Foce from the } \\ 163 \end{gathered}$ | $\begin{aligned} & \text { Rentwer lime } \\ & \text { WEST } \end{aligned}$ | $\begin{aligned} & \hline \text { Cond } \\ & \text { LEA } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{gathered} \text { in Dedtected Acrees } \\ 640 \\ \hline \end{gathered}$ |  |  | ${ }^{\text {n Comomidition Code }}$ |  | ${ }^{15} \mathrm{Or}$ der No . |  |  |  |  |

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


## Lease Tract Map

Case No. 21807
Lot 4, SW/4NW/4 and W/2SW/4 of Section 1, W/2W/2 of Section 12; Lot 1, SE/4NE/4, E/2SE/4 of Section 2, and E/2E/2 of Section 11-T25S-R35E, 641.51 Gross Acres

Clincher Fed Com 701H


Proposed Wolfcamp Unit


Tract 1


Tract 2
$\square$ Tract 3
Tract 4


Summary of Interests
Case No. 21807
Lot 4, SW/4NW/4 and W/2SW/4 of Section 1, W/2W/2 of Section 12; Lot 1, SE/4NE/4, $\mathrm{E} / 2 \mathrm{SE} / 4$ of Section 2, and E/2E/2 of Section 11-T25S-R35E, 641.51 Gross Acres Clincher Fed Com 701H

| Committed Working Interests |  |
| :--- | :---: |
| Franklin Mountain Energy, LLC | $45.127901 \%$ |
| Franklin Mountain Energy 2, LLC | $50.008574 \%$ |
| Uncommitted Working Interest |  |
| Occidental Permian, Ltd. | $4.863525 \%$ |
| TOTAL: | $100.000000 \%$ |

## Unit Recapitulation

Case No. 21807
Lot 4, SW/4NW/4 and W/2SW/4 of Section 1, W/2W/2 of Section 12; Lot 1, SE/4NE/4, E/2SE/4 of Section 2, and E/2E/2 of Section 11-T25S-R35E, 641.51 Gross Acres Clincher Fed Com 701H

| Working Interest Owner | Tract 1 (40 ac) | Tract 2 (280.7 ac) | Tract 3 (160.81 ac) | Tract 4 (160 ac) |
| :--- | :---: | :---: | :---: | :---: |
| Franklin Mountain Energy, LLC | $22 \%$ | $100 \%$ | $0 \%$ | $0 \%$ |
| Franklin Mountain Energy 2, LLC | $0 \%$ | $0 \%$ | $100 \%$ | $100 \%$ |
| Occidental Permian, Ltd. | $78 \%$ | $0 \%$ | $0 \%$ | $0 \%$ |
| TOTAL: | $100 \%$ | $100 \%$ | $100 \%$ | $100 \%$ |



| Tract | Lease |
| :---: | :---: |
|  | NMNM |
| 1 | 045706 |
|  | NMNM |
| 2 | 138897 |
|  | VB- 2117 |
| 3 | NMNM |
| 4 | 101608 |



| Case 21807-Parties to Be Pooled | Interest Type |
| :--- | :---: |
| Occidental Permian, Ltd. | WI |
| United State of America | RI |
| State of New Mexico | 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 <br> 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 <br> Revocable Trust dated 3/19/1992 | ORRI |
| SAP, LLC | ORRI |
| Howard A. Rubin, Inc. | ORRI |
| Rubie Crosby Bell Family, LLC | ORRI |
| Cayuga Royalties, LLC | ORRI |
| Prevail Energy, LLC | ORRI |
| Rheiner Holdings, LLC | ORRI |
| Monticello Minerals, LLC | ORRI |
| CrownRock Minerals, L.P. | ORRI |
| Foundation Minerals, LLC | ORRI |
| Mavros Minerals II, LLC | ORRI |
| Oak Valley Minerals and Land, LP | 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 7019228000009403 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.


## Sent via Certified Mail

Tracking No. 70192280000094038335
January 22, 2021

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

## RE: Clincher Fed Com 701H Well Proposal

 Township 25 South, Range 35 East:Sections 1 and 12: W/2W/2
Sections 2 and 11: E/2E/2, 641.51 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 well located in the W/2W/2 of Sections 1 and 12 and the E/2E/2 of Sections 2 and 11:

| Well <br> Name | Target <br> Formation | Total <br> Vertical <br> Depth | Measured <br> Depth | SHL | BHL | AFE |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Sec. 1- <br> Clincher |  | Sec. 12- |

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 well under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- $100 / 300$ Non-Consenting Penalty
- $\quad \$ 7,000 / \$ 700$ 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 sdibrecht $(a)$ fimellc.com 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
Enclosures

## Clincher Fed Com 701H:

I/We hereby elect to participate in the Chincher Fed Com 701 H well.
I/We hereby elect NOT to participate in the Glincher Fed Com 701 H well.
$\ldots$ I/We hereby elect to sell our interest.

Working Interest Owner: $\qquad$

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date: $\qquad$



| ERLANK: ; N NGMNMA: <br> ENERGY |  |  |  | Franklio Mownain Energy, LLC 4 Cook Street, Suare 1000 Denver, CO 80206 Phone: 720-41+7868 framkinmmourainemergy.com |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
| Acthoxil | OR EXPRNDITURE |  |  |  |
| Well Name: | Clincter Fad Com 701H | Well : | 7614: |  |
| Loestion: | SHL: Sec 2-T2SS-R3SE 350 FNL $395^{\prime}$ FWI. BHL: Sec 12-T2SS-K3 CE ISO FSL I $63^{\circ}$ FWL | Coundy/Statc: | LemCu, $\mathrm{Na}_{\text {M }}$ |  |
| Operator: | Frankin Mcumain Eneryy, LLC | Date Pripared: | 172021 |  |
| Pappese: | Drill and cumplete a9,000 Wolitemp A wel. Targe TVD 12065: TD MD 22,13 | AFE ${ }^{\text {E }}$ | DCE210102 |  |




Tandlbe Drelimag Coms

| Tamplit Dratmat Cant |  |  |  |
| :---: | :---: | :---: | :---: |
| Melor | Minor | Denerfipdor | Anctis |
| 230 | 10 | INTERMEDIATE CASING \& ATTACIMIENTS | \$460,000 |
| 230 | 20 | packers/sleevesplugis | \$2\%,000 |
| 230 | 25 | PRODUCTHN CASNG a attachments | H50.000 |
| 230 | 35 | SURFACE CASING \& ATTACHMENTS | \$40.000 |
| 230 | 45 | WELLHEAD EqLIPMENT/CASING BOWL | 570,500 |
| 230 | 40 | TAXES | 556.458 |
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| 270 | 10 | FACILITY PIPENALVES/ITIINGS |
| 270 | 15 | containment |
| 270 | 25 | DEMYDRATIOA |
| 270 | 30 | primary power materials |
| 270 | so | FLOWLINES / PIPELINE/HOOKUP |
| 270 | 60 | has Treating equipment |
| 270 | BS | SEPARATON EQUIPMENT |
| 270 | 60 | ROADLOCATIONFENCING REPALRS |
| 270 | 75 | PRE-FABRICATED SKIDS |
| 270 | \% | FACILTTY SURFACE EQUIPMINT |
| 270 | 9 | hes Safety ststem |
| 270 | 100 | CONTROL/INSTRUMPNT/METERS/SCADA |
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| 270 | 138 | flowline installation |
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| 240 | 3 | ADMINISTRATIVE OVERHEAD | \$12.500 |
| 240 | 10 | CasEd hole logis a Surveys | \$15.000 |
| 240 | 15 | CASNGG CREW \% EOPT | so |
| 240 | 20 | COIL.ED TUDING/SNUBBING UNIT | \$212165 |
| 240 | 23 | COAMMUNICATHONS | \$5.700 |
| 240 | 30 | COMPANY' DIRECT LAROR | 30 |
| 240 | 35 | COMPLETIONTVORKOVER RG | \$4.000 |
| 240 | 45 | CONTRACT laborroustabouts | \$15.000 |
| 240 | so | DAMAOLSRECLAMATION | \$25.000 |
| 240 | 55 | DISPOSAL SOLIDS | 50 |
| 220 | $\infty$ | ELECTRICAL POWER OENERAIHON | \$0 |
| 240 | 62 | encincerang | \$10,000 |
| 240 | 65 | Environmentalcteanus | 50 |
| 240 | 70 | FISHNMG TOOLS /SFRVKCS | 50 |
| 240 | 31 | FLUIDSHAULING/DSFOSAL | \$210.000 |
| 240 | 72 | FRAC WATERMOMPLETHON FLLID | S400,000 |
| 240 | 75 | FUEl POWERDIESEL | \$300,000 |
| 240 | ${ }^{0}$ | HEALTI A SAFFTY | \$10,000 |
| $2+0$ | ${ }^{5}$ | HOXISING AND SUPPORT SERVICES | \$12.000 |
| 240 | 9 | MATERLALS \& SUPPLIES | 50 |
| 240 | 9 | mascellaneous | \$33,000 |
| 240 | 100 | MUD a Chemicals | \$220,000 |
| 2.00 | 110 | PPATA COSTS | 50 |
| 240 | 115 | PERFORATING/WIREIJNE SERVICE. | 54,30.000 |
| 240 | 120 | PIPE INSPECTION | 50 |
| 2*0 | 125 | ROAD, LOCATIONS REPAIRS | 525.000 |
| 240 | 130 | stimulatbon | \$1.300,000 |
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| 245 | 40 | PACKERSSLEEVESTPLUCSVGE MANDRELS | \$93.000 |
| 245 | 45 | PRODUKTION LINER | 50 |
| 245 | 50 | PRODUCTION PROCESSING FACTITY | 50 |
| 245 | 35 | Production tubing | \$97.400 |
| 24s | 60 | ROLXSPUMPS | 30 |
| 245 | 05 | SUBSURFACE EQUIPMENT | 50 |
| 245 | 75 | WTILAFAD EQUPMENT | 589.000 |
| 245 | 70 | TAXES | 518,948 |
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THIS AUTHORTY FOR EXPENDITURE IS BASED ON COST ESTMAATES. BLILING WIL RFFLECT YOUR PROPORTISATE SHARE OF THE ACTCAL INVOCF. COSTS.


## 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

## AFFIDAVIT

STATE OF NEW MEXICO

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)
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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 abovereferenced 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.


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

My commission expires: $02-27-25$


Notary Public


March 18, 2021
VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

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

CASE NO. 21807

## TO: AFFECTED PARTIES

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

In Case No. 21807 , FME 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 $\mathrm{SE} / 4 \mathrm{NE} / 4$ and the E/2SE/4 of Section 2 , and the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 11, Township 25 South, Range 35 E, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 701H well to be horizontally drilled. The completed interval for the Clincher Fed Com 701H well will be within $330^{\prime}$ 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 701 H 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: http://www.emnrd.state.nm.us/OCD/hearings.html.

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.

## Page 2

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,


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. 21807

## APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 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 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 $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 11, Township 25 South, Range 35 E, 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 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, Lea County, New Mexico to form a 640 -acre, more or less, spacing unit.
3. FME plans to drill the Clincher Fed Com $\mathbf{7 0 1 H}$ well to a depth sufficient to test the Wolfcamp formation.
4. The completed interval for the Clincher Fed Com 701H 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 well 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 well or to otherwise commit their interests to the well.
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 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, Lea County, New Mexico;
B. Designating FME as operator of this unit and the well to be drilled thereon;
C. Authorizing FME to recover its costs of drilling, completing, and equipping the well;
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 well in the event a working interest owner elects not to participate in the well.

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

By: Weka M Bemuse
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. 21807. 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 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, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 701H well to be horizontally drilled. The completed interval for 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 701 H 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.

Vollmall Sperling Roch! Harris \& Sick P. A.



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Firm Mailing Book 11): 205396

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | 9314869904300080531115 | Occidental Permian, Ltd. <br> 5 Greenway Plaza, Ste 110 <br> Houston TX 77024 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. Notice |
| 2 | 9314869904300080531122 | United State of America 301 Dinosaur Trail Santa Fe NM 87508 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. Notice |
| 3 | 9314869904300080531139 | State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. <br> Notice |
| 4 | 9314869904300080531146 | Bryan Bell Family LLC <br> 213 20th Street <br> New Orleans LA 70124 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807 <br> Notice |
| 5 | 9314869904300080531153 | Bryan Bell Family LLC <br> 1331 Third Street <br> New Orleans LA 70130 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. <br> Notice |
| 6 | 9314869904300080531160 | DMA, Inc P.O. Box 1496 Roswell NM 88202 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. <br> Notice |
| 7 | 9314869904300080531177 | Morris E. Schertz P.O. Drawer 2588 Roswell NM 88202 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. Notice |
| 8 | 9314869904300080531184 | Nuevo Seis, LP <br> P.O. Box 2588 <br> Roswell NM 88202 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. <br> Notice |
| 9 | 9314869904300080531191 | Robert N. Enfield Trustee/Enfield Rev Trust 3/6/99 P.O. Box 2431 <br> Santa Fe NM 87504 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. Notice |
| 10 | 9314869904300080531214 | Charmar, LLC <br> 4815 Vista Del Oso Court Albuquerque NM 87109 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. Notice |
| 11 | 9314869904300080531221 | Jetstream Royalty Partners, LP <br> P.O. Box 471396 <br> Fort Worth TX 76147 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. Notice |
| 12 | 9314869904300080531238 | Lisa M. Enfield, Trustee/Enfield Trust of 1/23/15 465 Camino Manzano Santa Fe NM 87505 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. <br> Notice |
| 13 | 9314869904300080531245 | MLE, LLC <br> P.O. Box 1683 <br> Santa Fe NM 87504 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. <br> Notice |
| 14 | 9314869904300080531252 | Richard C. Deason <br> P.O. Box 1301 N. Havenhurst \#217 <br> West Hollywood CA 90046 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. Notice |
| 15 | 9314869904300080531269 | Thomas D. Deason 6402 CR 7420 Lubbock TX 79424 | \$1.20 | \$3.60 | \$1.75 | \$0.00 | FME No. 21807. <br> Notice |

Firm Mailing Book ID: 205396


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| 9314869904300080531405 | 2021-03-18 10:56 AM | ME No. 21807. | Oak Valley Minerals and Land, LP | Midland | TX | 79713 | Delivered | Return Receipt - Electronic, Certified Mall | 20 1.03-22 10:07 AM |
| 9314869904300080531399 | 2021-03-18 10:56 AM | FME No. 21807. | Mavros Minerals II, LLC | Midland | TX | 79712 | Delivered | Return Receipt - Electronk, Certifled Mail | 2021-03-22 10:07 AM |
| 9314869904300080531382 | 2021-03-18 10:56 AM | FME No. 21807. | Foundation Minerals, LLC | Midland | TX | 79711 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-22 10:07 AM |
| 9314869904300080531375 | 2021-03-18 10:56 AM | FME No. 21807. | CrownRock Minerals, L.P. | Midland | TX | 79710 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-26 12:13 PM |
| 9314869904300080531368 | 2021-03-18 10:56 AM | fME No. 21807. | Monticello Minerals , Lic | Dallas | TX | 75206 | Undelivered | Return Receipt - Electronic, Certified Mail |  |
| 9314869904300080531351 | 2021-03-18 10:56 AM | FME No. 21807. | Rheiner Hordings, LLC | Houston | TX | 77098 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-24 9:08 AM |
| 9314869904300080531344 | 2021-03-18 10:56 AM | FME No. 21807. | Prevail Energy, LLC | Denver | co | 80220 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-22 2:35 PM |
| 9314869904300080531337 | 2021-03-18 10:56 AM | FME No. 21807. | Cayuga Royalties, LLC | Houston | TX | 77254 | Undelivered | Return Receipt - Electronic, Certified Mail |  |
| 9314869904300080531313 | 2021-03-18 10:56 AM | FME No. 21807. | Rubie Crosby Bell Famir, LLC | New Orleans | LA | 70124 | Undelivered | Return Receipt - Electronic, Certified Mail |  |
| 9314869904300080531306 | 2021-03-18 10:56 AM | fme No. 21807. | Rubre Crosby Bell Family, ILC | New Orleans | 14 | 70130 | Undelivered-To 8e Returned | Retufn Receipt - Electronic, Certified Mail |  |
| 9314869904300080531290 | 2021-03-18 10:56 AM | fME No. 21807. | Howard A. Rubin, Inc. | El Rito | NM | 87530 | Undelivered - To 8e Returned | Return Receipt - Electronic, Certified Mail |  |
| 9314869904300080531283 | 2021-03-18 10:56 AM | fme No. 21807. | SAP, lle | Roswell | NM | 88203 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-22 12:52 PM |
| 9314869904300080531276 | 2021-03-18 10:56 AM | FME No. 21807. | 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 |
| 9314869904300080531269 | 2021-03-18 10:56 AM | FME No. 21807. | Thomas D. Deason | Lubbock | TX | 79424 | Undelivered - To Be Returned | Return Receipt - Electronic, Cerrified Mail |  |
| 9314869904300080531252 | 2021-03-18 10:56 AM | FME No. 21807. | Richard C. Deason | West Hollywood | CA | 90046 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-22 3:03 PM |
| 9314869904300080531245 | 2021-03-18 10:56 AM | FME No. 21807. | MLE, LLC | Santa Fe | NM | 87504 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-26 3:58 PM |
| 9314869904300080531238 | 2021-03-18 10:56 AM | FME No. 21807. | 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 |
| 9314869904300080531221 | 2021-03-18 10:56 AM | FME No. 21807. | Jetstream Royaly Partners, LP | Fort Worth | TX | 76147 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-22 9:43 AM |
| 9314868904300080531214 | 2021-03-18 10:56 AM | fME No. 21807. | Charmar, Lle | Albuquerque | NM | 87109 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-19 3:03 PM |
| 9314869904300080531191 | 2021-03-18 10:56 AM | fME No. 21807. | Robert N . Enfield Trustee/Enfield Rev Trust 3/6/99 | Santa Fe | N | 87504 | To be Returned | Return Receipt - Electronic, Certified Mail |  |
| 9314869904300080531184 | 2021-03-18 10:56 AM | FME No. 21807. | Nuevo Seis, LP | Roswell | NM | 88202 | Delivered | Return Receipt - Electronic, Certitied Mail | 2021-03-22 12:39 PM |
| 9314869904300080531177 | 2021-03-18 10:56 AM | FME No. 21807. | Morris E. Schertz | Roswell | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-22 12:39 PM |
| 9314869904300080531160 | 2021-03-18 10:56 AM | FME No. 21807. | DMA, Inc | Roswell | NM | 88202 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail |  |
| 9314869904300080531153 | 2021-03-18 10:56 AM | FME No. 21807. | Bryan Bell Family Llc | New Orleans | LA | 70130 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail |  |
| 9314869904300080531146 | 2021-03-18 10:56 AM | FME No. 21807. | Bryan Bell Family llc | New Orleans | LA | 70124 | Undelivered | Return Receipt - Electronic, Certified Mail |  |
| 9314869904300080531139 | 2021-03-18 10:56 AM | FME No. 21807 | State of New Mexico | Santa Fe | NM | 87501 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-03-22 7:00 AM |
| 9314869904300080531122 | 2021-03-18 10:56 AM | FME No. 21807. | United State of America | Santa Fe | NM | 87508 | Delivered | Return Receipt - Electronic, Cerrified Mail | 2021-03-22 2:58 PM |
| 9314869904300080531115 | 2021-03-18 10:56 AM | FME No. 21807. | Occidental Permian, ttd. | Houston | TX | 77024 | Undelivered - To Be Returned | Return Receipt - Electronic, Certitied Mail |  |

## Affidavit of Publicatio

STATE OF NEW MEXICO COUNTY OF LEA
, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was publisher 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
M) $\mathbf{y}$ wnemanissionre
January 29,2023


OFFICIAL 6EAl
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Notary Public
State of New Mexico
My Commission Expires -29-2
is tewspaper is duly qualified to publish egal notices or advertisements within the meaning of Section 3, Chapter 167, Laws o 1937 and payment of fees for said


No 21Bo3: Notice to all fffected partles as well as the helrs and devisees of starboard
an Resources, LLC; Max Permian, LL; Amerredov New Mexico; LLC; Energen Resources oration; Dlamondback Energy Inc.; Burilington Resourres, Oll and Gas Comparyy




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 dated March 3, 1996: Montioello Mirals, LLC; Mary Ann Pralls Mld-Brook Foyaly LLC les Eggleston, Joann Eggleston Ruthoford; John A. Ditmer \& Velma M. Diltmer Revocab os of Americici Encano Minerail, LC, Tlerta Royeliles, LLC, Prevall Energy, LLC Rheinee




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## LEGAL NOTICE March 23,2021


#### Abstract

CASE NO. 21803: Notice to all affected parties, as well as the heirs and devisees of Starboard Permian Resources, LLC.; Max Permian, LLLC, Ameredev New Mexico, LLC; Energen Resources orporation; Dlamondback Energy, Inc.; Burington Resources Oil and Gars Company onocophilips Company; Heirs and Devisees of John Everett Kennan, Deceased, C/0 of Willim  Annabent Mary Elto (Mareilie) Lutlefleld tikla Mary Elinor Erickson f/kJa Mary Elinor, Erhillip Julian Crickson,     Devisees of Harry E. Smith; CCO Kevin Smith, Heirs and Dovisees of Harry E. Smith, C/O Melissa C/O Judy McCuistion; Heirs and Devisees of Harry E. Smith, ClO Michael Walker; Heirs and Devisees  Wooten; Heirs and Devisees of Eva W. Graham; Heirs and Devisees of Mary C. Smith; Mary Frances Orr Gibbs; Katte Smith Hazelhurst; Jane L. Rule, Trustee under the Jane L. Rule Family Trust dated  Devisees, and Assigns of Mary Smith Bowers, ClO Edward A. Bowers; Heirs, Devisees, and Assigns of Mary Smith Bowers, C/O Elien Biandiord; Brenda Bowers, Deviss and Devisees of Eugene D. Smith, c/o Rebecca Sitt; Heirs and Devisees o Eingen $C / O$ Quinton Smith; Heirs and Devisees of Eugene $D$. Smith, ClO Cnariotte Lynch; Heirs and Devisees    Terry; Stanley Rogers; Billie Dixon; Roberta Hunt wilson; Mariette Perkins; Donna Moore Bystone Barbara Moore Garcia; Charles Kenneth Moore; Helen Campser; Chrisopher Daniel Kennann Mitchell Zinck; James Gregory; Clifford D. Gregory; Cheryl Landon; William Benton McDowell; Bessie Marie McDowell; Sharon Bentita Phillips Megan Shaughesy, Executor of the Estate of Elinor C. Shaughnessy; Archie D. Smith, J., Trustee of the Archie D. and Clarabelle B. Smith Trust; Wiliam F. Sm A, eilica, Trustee of the W Wiliam Eland Edna D; Karepg Memorial Trust; Cherokee Legacy Minerals, Ldd.; Bon Vivant, LLC; A\&P Famiy LP; Wilmoth Virginia Howard a/k/ Willa Virginla Howard; Frank Gideon Landram, Jr.; Sandia Minerals, LLC; Barbera Juanita Crane; 1 Ilye Smith;  Mestated on December 22, 2008; Michaee Harrison Moores Arthur Leroy Burch; Arvest Bank, Trustee rest of the O.W. Skirvin Testamentary Trust, by, through and under, Larmers National H . Bearly Revocable Carol Bearly Cleveland individually and as Successor Truste of the Jame Carol Bearly Cleveland individuanticello Minerals, LLLC; Mary An Prall; Midd-Brook Royolty LLC, Charles Eggleston; Joann Eggleston Rutheford; John. A. Dittmer \& Velma M. Dittmer Revocable Trustr Charmanie S. Dittmer Reeve; Terry Elizabeth Dittmer Eshelman; Timothy W. Dittmer; United      the well, and a $200 \%$ charge for Northwest of Jal, New Mexico.


CASE NO. 21804: Notice to all affected partles, as weil as the heirs and devisees of Starboard Cormaration; Diamondback Energy, Inc.; Burlington Resources Oill and Gas Company
Conocophillps Company; Heirs and Devises of John Everett Kennan, Deceased. C/O Oilliam $C$ Kennann, Trustee of the' Kennann Family Trust; Boobby Aaron Skates; Anna Beth Carder Mcinyre,
Anna Beth Carder Mcintyre, Trustee of the Ida Bell Hunt Trust; John Warren Erickson, Phillip Julian

 Marcia Melinda Woods Jones, Manager of the Marcia Melinda Wods Jones,
Agent for Alicia Rilts Orrick; BOKF, NA, as Agent for James B. Ritts; BOKF,
NA, as Agent for Sus

 Smith, c/O Kathleen A. Smith; Helrs and Devisees of Harry E. Smith, CIO Jeff Smith; Heirs and
Devisees of Harry E . Smith; C/O Kevin Smith; Heirs and Devisees of Harry E. Smith, COM Meliss
 CIO Judy McCunistion; Heirs and Devisees of Harry E. Smith, clo Michael Walker; Heirs and Devisees His Helrs and Devisees of Lillian Smith Ward, Cl/ John Richard Ward; Heirsc and Devisees of Jack
Wooten: Heirs and Devisees of Eva W. Graham; Heirs and Devisees of Mary C. Smith; Mary France Orr Gilbbs; Katite Sidith Hazellhurst; Jane L. Rule, Trustee under the Jane L. Rule Family Trust dated
6/24/1992, restated $7 / 26 / 1996$; Heirs, Devisees, and Assigns of Mildred Smith. Rawis C/O Shamrock Royalty, LP; Heirs, Devisees, and Assigns of Mary Smith Bowers, C/O James L. Bowers; Heirs Devisees, and Assigns of Mary Smith Bowers, C/O Edwara A. Aowers; Heirs, Devisees, and Assigns
of Mary Smith Bowers, C/O Ellen Blandford; Heirs, Devisees, and Assigns of Mary Smith Bowers, $\mathrm{Cl} / \mathrm{C}$

 C/O Quinton Smith; Helrs and Deviseess of Eugione D. Smith, clo Charlotee Lynch; Helrs and Devisees
 Lynch, Joint Tenants; Helrs and Devisees of Kathieen A. Smith; Richard A. Whittington; Dudley M.
Smith; Elisit Heard McAdo; Barbara Ellen Gerlof; Susan Dian Bourque; James Wesley Burch Ii;
 Terry,
Barbara Mooreregersia; Charles Kenneth Moore; Helen Campsev; Christopher Daniel Kennann;
Mirtchel Bessie Marie McDowell;; Sharon Bernita Philips; Megan Shaughnessy, Executor of the Estate of Eillir C. Shaughnessy; Archie D. Smith Jr., Trustee ot Lhe Archie D. And Cliarabelle P. Serlill Energy, LLC; Bank of America, Trustee of the William E. and Edac D. Keps Memorial Trust; Cherokee Legacy
Minerais, Ltd.; Bon Vivant, LLC; A\&P Fammy LP; Wilmoth Virginia Howard a/k/a Wilma Virginia Aoward;; rrank Gideon Landram, Janle ${ }^{\text {Annie Lee Orr; } ; \text { Prisclila Johnson }}$ Debra Y. Counts fka Debra Y. Thompson; Betty Amonte; Anie Lee Ort; Pisc Ryan Moore, Trustee oft the Ryan Moore SSMTT GST Exempt Trust as revised and
Meridian 102 LP
restated restated on December 22, 2008; M1/chael Harrison Moore, Arthur Leroy Burch; Arvest Bank, Trustee
of the o.W. Kkirvin Testamentary Trust, by, through and under, Farmess National Company, Agent; Carol Bearly Cleveland individually and as Successor Trustee of the James H. Bearly Revocable
Trust dated March 3, 1996; Monticello Minerals, LLC; Mary Ann Prali; Mid-Brook Royalty LLC; Candlewood Resources, LLC; Patch Energy LLL, Linda Loulse Burgess; Alanson Gregory Burgess;
Charies Egithest Tiust; Charmanie S. Dittmer Reeve; Terry Ellzabeth Dittmer Eshelman; Timothy W. Dittmer; United States of America; Encanto Minerals, LLC of Franklin Mountain Energy, LLC's application for
Holdings, LLC



 trom the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing | Unit. The producing area for the Mission Fed Com 704 H , Mission Ferd com 705 H , and Vested Fed com |
| :--- |
| if |
| 06 H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said |

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

# APPLICATION OF FRANKLIN MOUNTAIN <br> ENERGY, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO. 

CASE NO. 21807

## AFFIDAVIT

## STATE OF COLORADO ) ) ss. )

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 21806 and 21808. I reviewed the reservoir characteristics when developing the spacing 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 701 H well.
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 701 H well is the black dashed line identified by the box labeled " 1 ". 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 $A^{\prime}$.
9. Exhibit 11-C is a stratigraphic cross 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 701 H well falls 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 SHmax 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]


SUBSCRIBED AND SWORN to before me this 6th_ day of April, 2021 by Ben Kessel, on behalf of Franklin Mountain Energy, LLC.


My commission expires: 02-27-25


## Greenlight Development

## Locator Map



- Black box shows the location of Greenlight development area
- Planned wells are located within the western edge of the Capitan Reef
https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final\ Revised\ Capitan\ PDF\ w_Seals.pdf


## Wellbore Schematic

## Top Wolfcamp Structure Map (SSTVD)

## Clincher Fed Com 701H



Proposed Horizontal Location
1 Clincher Fed Com 701H
.

Franklin Mountain
Acreage


## Upper Wolfcamp Cross Section Reference Map

## Clincher Fed Com 701H



All wells shown

## Upper Wolfcamp Cross Section



## Upper Wolfcamp Isochore

## Clincher Fed Com 701H


C.I. $=25^{\circ}$


Proposed Horizontal Location

1 Clincher Fed Com 701H


- Red box shows the approximate location of the Greenlight development
- Reported local $\mathrm{S}_{\mathrm{Hmax}}$ (Snee and Zoback, 2018) direction is ENE, around $265^{\circ}$
- The Clincher Fed Com 701H well is planned to drill N-S, nearly orthogonal to $S_{\text {hmax }}$, 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?articleld=1331603\#articleld1331603

