



Before the Oil Conservation Division  
Examiner Hearing  
September 23, 2021

**Case No. 22121:** Ouray Fed Com 302H &  
Ouray Fed Com 602H

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-20946,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 22121  
ORDER NO. R-20946  
(Re-Open)**

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

APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-20946,  
LEA COUNTY, NEW MEXICO

CASE NO. 22121  
ORDER NO. R-20946  
(Re-Open)

SELF-AFFIRMED DECLARATION

Shelly Albrecht hereby states and declares as follows:

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, which is attached as **Exhibit 1**.

4. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced applications.

5. The purpose of the application is to re-open Order No. R-20946, attached as **Exhibit 2**, to amend it to (1) add an additional initial well to the approved horizontal spacing unit; and (2) allow for a one-year extension of time to commence drilling the initial well under the Order.

6. Order No. R-20946 is one of several orders (the “Colorado Orders”) relating to Franklin’s “Colorado” well group and Franklin’s “Colorado” units.

7. Order No. R-20946 pooled uncommitted interest owners in a 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

8. Order No. R-20946 dedicated the above-described spacing unit to the Ouray Fed Com 602H well.

9. Order No. R-20946 designated Franklin as the operator of the well and the unit.

10. Franklin’s first request is to re-open Order Nos. R-20946 to amend it to add an additional initial well to the approved horizontal spacing unit. OCD has granted a similar request to add an initial well to Spur Energy Partners, LLC in Case No. 21254, Order No. R-20642-B.

11. Since entry of Order No. R-20946, Franklin has determined that prior to the commencement of drilling it is prudent to add the following additional initial well to the approved spacing unit: the Ouray Fed Com 302H. This well will be horizontally drilled and will be drilled at orthodox locations under the Division’s rules.

12. Attached as **Exhibit 3-A** is the proposed C-102 for the Ouray Fed Com 302H well. Attached for reference as **Exhibit 3-B** is the C-102 for the Ouray Fed Com 602H well.

13. 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.

14. The Ouray Fed Com 302H well will develop the WC-025 G-07 S243517D; Middle Bone Spring pool, Pool Code 98294.

15. This pool is an oil pool with 40-acre building blocks.

16. 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.

17. There are no depth severances within the proposed 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.

19. I have conducted a diligent search of the public records in the county where the well will be 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. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder in the proposed well.

21. The only uncommitted working interest owner Franklin seeks to pool is Chevron U.S.A., Inc. ("Chevron") and, out of an abundance of caution, Franklin has included XTO Holdings, LLC ("XTO").

22. I have had several communications with Chevron, and while Chevron has not elected to participate in the wells, Chevron has not voiced any opposition to Franklin's development plans or adding an initial well.

23. XTO has repeatedly stated that it does not have an interest in this acreage and, as such, has declined to participate in discussions with Franklin about Franklin's development plans.

24. Franklin sent revised well proposal letters to all working interest owners. **Exhibit 5** is a sample of the well proposal letter that was sent. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.

25. **Exhibit 6** 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/month for drilling a well and \$700/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 non-consenting working interest owners.

28. Franklin requests that it be designated operator of the well.

29. Franklin's second request is to re-open Order Nos. R-20946 to amend it to allow for a one-year extension of time to commence drilling the initial well under the Order.

30. This is Franklin's second request for an extension of time. On August 18, 2020, Franklin submitted a written request to OCD an extension of time to spud the initial well under Order R-20945. Franklin submitted this written request under the then-existing form of order which allowed requests for extensions of time to be submitted by letter to OCD, rather than by an application for hearing.

31. OCD granted Franklin's request for an extension of time, through October 31, 2021.  
*See Exhibit 7.*

32. Since the issuance of the Colorado Orders, Franklin has determined to batch drill the wells that are the subject of the Colorado Orders to facilitate efficient drilling of the wells and to add additional wells.

33. Franklin is requesting extensions of time with respect to all of the Colorado Orders to enable Franklin to batch drill the wells, which will be more efficient.

34. As Franklin indicated in its August 18, 2020 letter, there had been changes in Franklin's drilling schedule due to COVID-19 and the then-existing market conditions.

35. Franklin's operations and drilling activity have continued to be impacted by COVID-19 and oil and gas market conditions.

36. It is Franklin's intent to develop the acreage in this unit, as well as the other Colorado units, and to drill the wells thereon. Given the delays occasioned by COVID-19, and Franklin's decision to batch drill the wells, Franklin requires additional time to commence drilling.

37. Franklin asks that the deadline to commence drilling the initial well be extended for a year from October 31, 2021 to October 31, 2022.

38. OCD has granted a similar second extension request to Spur Energy Partners, LLC in Case Nos. 21938 and 21939, Order Nos. R-20642-C and R-20643-C, under these same circumstances, *i.e.*, due to market conditions and the global pandemic's effects which impacted Franklin's development plans. *See also* relevant excerpts of June 17, 2021 Transcript of Proceedings in Case Nos. 21938 and 21939 attached as **Exhibit 8**.

39. Franklin, through its counsel, notified all interest owners of Franklin's request to re-open Order No. R-20946. No opposition is expected because no interest owners have indicated any opposition. Proof of notification is attached as **Exhibit 9** to this Declaration. Exhibit 9 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 August 29, 2021.

40. In preparation for this hearing, I reviewed the well files for the Ouray Fed Com 602H well, which is the well included in Order R-20946. In my review, I noted that the approved APD for this well changed the pool and pool code from a Bone Spring pool and pool code to a Wolfbone pool and pool code, Pool Code 98098. It is my understanding that the pool was changed to a Wolfbone pool because of the proximity between the Third Bone Spring and the Upper Wolfcamp in this area. Significantly, there is no ownership difference between the Third Bone Spring and Upper Wolfcamp, and Franklin has proposed these wells to its partners and no partners have objected to the drilling of the wells. Attached as **Exhibit 10** is a proposed revised Exhibit A to conform Exhibit A of Order R-20946 to the approved APD and to add the Ouray Fed Com 302H well to the Order. Alternatively, attached as **Exhibit 11** is a proposed Compulsory Pooling Checklist that includes both the Ouray Fed Com 302H well and the Ouray Fed Com 602H and the updated pool and pool code information.

41. In its Application for Case No. 22121, Franklin inadvertently identified the spacing unit as a Wolfcamp unit and the Ouray Fed Com 302H well as a Wolfcamp well. However, all notices to the public correctly identified the unit as a Bone Spring unit and the well as a Bone Spring well, including the notice posted on OCD's website, the notice Franklin published in the newspaper, *see* Exhibit 9, and the information contained in the cover letters Franklin sent to the interest owners, *see* Exhibit 9. Additionally, Franklin's proposal letters describe the unit and well as Bone Spring. *See* Exhibit 5. Thus, the inadvertent use of Wolfcamp in the application is offset by all other public notices.

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



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

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

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

Dated: September 20, 2021

  
\_\_\_\_\_  
Shelly Albrecht

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-20946,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 22121  
ORDER NO. R-20946  
(Re-Open)**

**APPLICATION**

Franklin Mountain Energy, LLC (“FME”), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) to amend Order No. R-20946 to (1) add an additional initial well to the approved horizontal spacing unit; and (2) allow for an extension of time for drilling the initial well under the Order. In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. The Division entered Order No. R-20946 in Case No. 20777 on October 31, 2019.
3. Order No. R-20946 is one of several orders (the “Colorado Orders”) relating to FME’s “Colorado” well group and FME’s “Colorado” units.
4. Order No. R-20946 pooled uncommitted interest owners in a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.
5. Order No. R-20946 dedicated the above-described spacing unit to the Ouray Fed Com 602H well.
6. Order No. R-20946 designated FME as the operator of the wells and the unit.



7. On August 18, 2020, FME submitted a written request to OCD an extension of time to spud the initial well under Order R-20946. FME submitted this written request under the then-existing form of order which allowed requests for extensions of time to be submitted by letter to OCD, rather than by an application for hearing.

8. OCD granted FME's request for an extension of time, through October 31, 2021.

9. Since the issuance of the Colorado Orders, FME has determined to batch drill the wells that are the subject of the Colorado Orders to facilitate efficient drilling of the wells.

10. Since entry of Order No. R-20946, FME has determined that prior to the commencement of drilling it is prudent to add the following additional initial Wolfcamp well to the approved spacing unit: the Ouray Fed Com 302H. This well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

11. FME has sent revised well proposal letters to the mineral interest owners pooled under Order No. R-20946 and will notify them of this hearing.

12. FME also requests that Order No. R-20946 be amended to allow FME additional time to commence drilling the initial well under the Order.

13. Good cause exists for FME's request for an extension of time.

14. As FME indicated in its August 18, 2020 letter, there had been changes in FME's drilling schedule due to COVID-19 and the then-existing market conditions.

15. FME's operations and drilling activity have continued to be impacted by COVID-19 and oil and gas market conditions.

16. In addition, FME has determined to batch drill the wells subject to this Order, along with the wells subject to the other Colorado Orders.

17. In addition to filing this request for an extension of time, FME is requesting extensions of time with respect to all of the Colorado Orders to enable FME to batch drill the wells, which will be more efficient.

18. It is FME’s intent to develop the acreage in this unit, as well as the other Colorado units, and to drill the wells thereon. Given the delays occasioned by COVID-19, and Franklin’s decision to batch drill the wells, FME requires additional time to commence drilling.

19. FME asks that the deadline to commence drilling the initial well be extended for a year from October 31, 2021 to October 31, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 9, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-20946 to add the well identified herein to the approved horizontal spacing unit;

B. Amend Order No. R-20946 to extend the time for FME to commence drilling the initial well under the Order for a year, through October 31, 2022.

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

By: Deana M. Bennett  
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Jamie L. Allen  
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Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. \_\_\_\_\_ : (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-20946, Lea County, New Mexico.** Applicant seeks an order from the Division amending Order No. R-20946 to (1) add an additional initial well to the approved horizontal spacing unit; and (2) allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20946 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

W4125624.DOCX

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

**IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION TO  
CONSIDER:**

**CASE NO. 20777  
ORDER NO. R-20946**

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

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on October 17, 2019, at Santa Fe, New Mexico, before Examiner Leonard R. Lowe.

NOW, on this 31<sup>st</sup> day of October 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) XTO Energy, Inc and BTA Oil Producers, LLC entered an appearance. No other operator appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.



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Order No. R-20946  
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- (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.
- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).



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**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

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Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

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reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "ASandoval".

ADRIENNE SANDOVAL  
Director

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**Exhibit "A"**

Applicant: Franklin Mountain Energy, LLC  
 Operator: Franklin Mountain Energy, LLC (OGRID No. 373910)

Spacing Unit: Horizontal Oil  
 Building Blocks: quarter-quarter sections  
 Spacing Unit Size: 320 acres, more or less  
 Orientation of Unit: North/ South

Spacing Unit Description:  
E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation  
 Depth Severance? (Yes/No): No

Pool: Ojo Chiso; Bone Spring (Pool code 96553)  
 Pool Spacing Unit Size: quarter-quarter sections  
 Governing Well Setbacks: Horizontal Oil Well Rules  
 Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7000 While producing: \$700  
 As the charge for risk, 200 percent of reasonable well costs.

**Proposed Well:**

**Ouray Federal Com 602H, API No. Pending**

SHL: 325 feet from the South line and 1290 feet from the West line,  
 (Unit M) of Section 9, Township 24 South, Range 35 East, NMPM.  
 BHL: 150 feet from the North line and 2276 feet from the West line,  
 (Lot 3) of Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 11840 feet TVD  
 Well Orientation: South to North  
 Completion Location expected to be: standard



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
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 S. 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

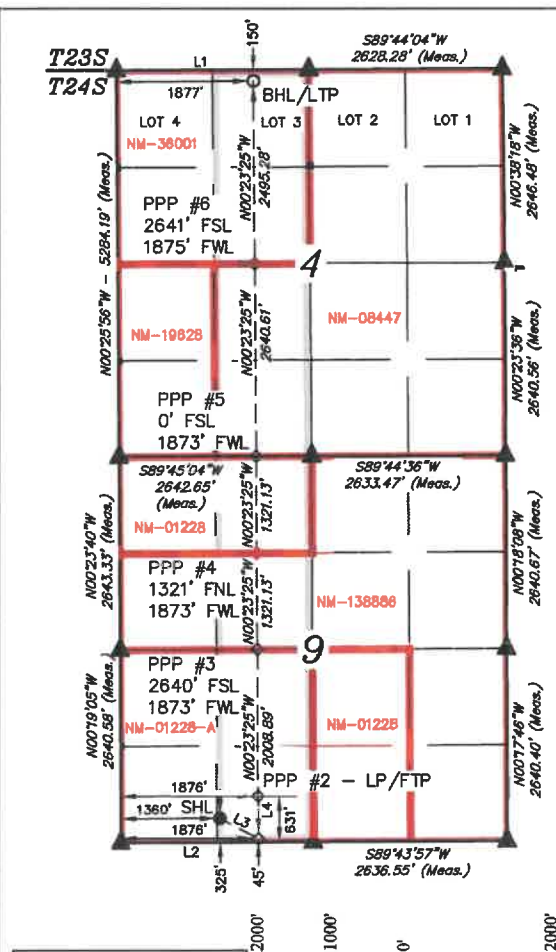
1 API Number		2 Pool Code		3 Pool Name	
		98294		WC-025 G-07 S243517D; MIDDLE BONE SPRING	
4 Property Code		5 Property Name		6 Well Number	
		OURAY FED COM		302H	
7 OGRID No.		8 Operator Name		9 Elevation	
373910		FRANKLIN MOUNTAIN ENERGY LLC		3393.7'	

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	24S	35E		325	SOUTH	1360	WEST	LEA

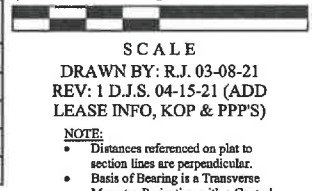
11 Bottom Hole Location if Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	4	24S			150	NORTH	1877	WEST	LEA
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			
320.14									

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.

16	NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.45" (32.225681°) LONGITUDE = 103°22'35.74" (103.376593°)
	NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.00" (32.225555°) LONGITUDE = 103°22'34.04" (103.376123°)
	STATE PLANE NAD 83 (N.M. EAST) N: 447153.75' E: 837192.77'
	STATE PLANE NAD 27 (N.M. EAST) N: 447094.55' E: 796007.58'
	NAD 83 (KOP) LATITUDE = 32°13'29.68" (32.224912°) LONGITUDE = 103°22'29.72" (103.374923°)
	NAD 27 (KOP) LATITUDE = 32°13'29.23" (32.224787°) LONGITUDE = 103°22'28.03" (103.374452°)
	STATE PLANE NAD 83 (N.M. EAST) N: 446878.75' E: 837711.77'
	STATE PLANE NAD 27 (N.M. EAST) N: 446819.55' E: 796526.55'
	NAD 83 (PPP #2 - LP/FTP) LATITUDE = 32°13'35.48" (32.226522°) LONGITUDE = 103°22'29.74" (103.374927°)
	NAD 27 (PPP #2 - LP/FTP) LATITUDE = 32°13'35.03" (32.226397°) LONGITUDE = 103°22'28.04" (103.374456°)
	STATE PLANE NAD 83 (N.M. EAST) N: 447464.47' E: 837705.33'
	STATE PLANE NAD 27 (N.M. EAST) N: 447405.25' E: 796520.13'
	NAD 83 (PPP #3) LATITUDE = 32°13'55.36" (32.232043°) LONGITUDE = 103°22'29.79" (103.374940°)
	NAD 27 (PPP #3) LATITUDE = 32°13'54.90" (32.231917°) LONGITUDE = 103°22'28.09" (103.374469°)
	STATE PLANE NAD 83 (N.M. EAST) N: 449472.93' E: 837683.23'
	STATE PLANE NAD 27 (N.M. EAST) N: 449413.66' E: 796498.12'
	NAD 83 (PPP #4) LATITUDE = 32°14'08.43" (32.235674°) LONGITUDE = 103°22'29.82" (103.374949°)
	NAD 27 (PPP #4) LATITUDE = 32°14'07.97" (32.235548°) LONGITUDE = 103°22'28.12" (103.374478°)
	STATE PLANE NAD 83 (N.M. EAST) N: 450793.78' E: 837668.70'
	STATE PLANE NAD 27 (N.M. EAST) N: 450734.48' E: 796483.65'
	NAD 83 (PPP #5) LATITUDE = 32°14'21.50" (32.239305°) LONGITUDE = 103°22'29.85" (103.374958°)
	NAD 27 (PPP #5) LATITUDE = 32°14'21.04" (32.239179°) LONGITUDE = 103°22'28.15" (103.374487°)
	STATE PLANE NAD 83 (N.M. EAST) N: 452114.64' E: 837654.16'
	STATE PLANE NAD 27 (N.M. EAST) N: 452055.30' E: 796469.17'
	NAD 83 (PPP #6) LATITUDE = 32°14'47.62" (32.246562°) LONGITUDE = 103°22'29.91" (103.374976°)
	NAD 27 (PPP #6) LATITUDE = 32°14'47.17" (32.246436°) LONGITUDE = 103°22'28.22" (103.374504°)
	STATE PLANE NAD 83 (N.M. EAST) N: 454754.69' E: 837625.12'
	STATE PLANE NAD 27 (N.M. EAST) N: 454695.28' E: 796440.24'
	NAD 83 (BHL/LTP) LATITUDE = 32°15'12.31" (32.253419°) LONGITUDE = 103°22'29.97" (103.374993°)
	NAD 27 (BHL/LTP) LATITUDE = 32°15'11.86" (32.253293°) LONGITUDE = 103°22'28.27" (103.374521°)
	STATE PLANE NAD 83 (N.M. EAST) N: 457249.44' E: 837597.66'
	STATE PLANE NAD 27 (N.M. EAST) N: 457189.96' E: 796412.86'



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°41'56"W	2640.10'
L2	S89°42'02"W	2634.31'
L3	S61°50'33"E	587.44'
L4	N00°23'28"W	585.84'



17 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Shelly Albrecht* Date: 4/15/2021

Shelly Albrecht  
Printed Name  
salbrecht@fmlc.com  
E-mail Address

18 SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 08, 2019

Date of Survey  
Signature and Seal of Professional Surveyor:

PAUL BUCHELE  
NEW MEXICO  
PROFESSIONAL SURVEYOR  
04-15-21

Certificate Number:



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
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 S. 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

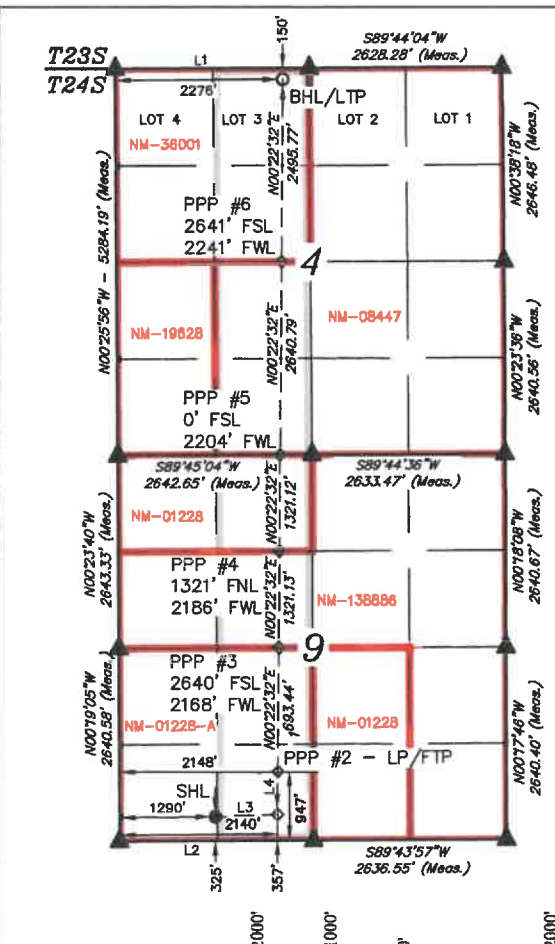
1 API Number 30-025-47266		2 Pool Code 98098		3 Pool Name WC-025 G-09 S243532M;WOLFBONE	
4 Property Code 328237		5 Property Name OURAY FED COM		6 Well Number 602H	
7 OGRID No. 373910		8 Operator Name FRANKLIN MOUNTAIN ENERGY LLC		9 Elevation 3393.1'	

10 Surface Location									
UL or lot no. M	Section 9	Township 24S	Range 35E	Lot Idn	Feet from the 325	North/South line SOUTH	Feet from the 1290	East/West line WEST	County LEA

11 Bottom Hole Location If Different From Surface									
UL or lot no. 3	Section 4	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 2276	East/West line WEST	County LEA
12 Dedicated Acres 320.14		13 Joint or Infill		14 Consolidation 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.

16	NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.45" (32.2235880°) LONGITUDE = 103°22'26.55" (103.376819°)
	NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'32.00" (32.225555°) LONGITUDE = 103°22'24.86" (103.376349°)
	STATE PLANE NAD 83 (N.M. EAST) N: 447152.99' E: 837122.81'
	STATE PLANE NAD 27 (N.M. EAST) N: 447093.79' E: 795937.62'
	NAD 83 (KOP) LATITUDE = 32°13'32.77" (32.225770°) LONGITUDE = 103°22'26.65" (103.374070°)
	NAD 27 (KOP) LATITUDE = 32°13'32.32" (32.225644°) LONGITUDE = 103°22'24.96" (103.373599°)
	STATE PLANE NAD 83 (N.M. EAST) N: 447192.99' E: 837972.81'
	STATE PLANE NAD 27 (N.M. EAST) N: 447133.78' E: 796787.60'
	NAD 83 (PPP #2 - LP/FTP) LATITUDE = 32°13'38.60" (32.227390°) LONGITUDE = 103°22'26.57" (103.374048°)
	NAD 27 (PPP #2 - LP/FTP) LATITUDE = 32°13'38.15" (32.227264°) LONGITUDE = 103°22'24.88" (103.373578°)
	STATE PLANE NAD 83 (N.M. EAST) N: 447782.44' E: 837974.20'
	STATE PLANE NAD 27 (N.M. EAST) N: 447723.21' E: 796789.02'
	NAD 83 (PPP #3) LATITUDE = 32°13'55.36" (32.232043°) LONGITUDE = 103°22'26.35" (103.373986°)
	NAD 27 (PPP #3) LATITUDE = 32°13'54.90" (32.231918°) LONGITUDE = 103°22'24.66" (103.373516°)
	STATE PLANE NAD 83 (N.M. EAST) N: 449475.62' E: 837978.20'
	STATE PLANE NAD 27 (N.M. EAST) N: 449416.34' E: 796793.09'
	NAD 83 (PPP #4) LATITUDE = 32°14'08.43" (32.235674°) LONGITUDE = 103°22'26.18" (103.373938°)
	NAD 27 (PPP #4) LATITUDE = 32°14'07.97" (32.235548°) LONGITUDE = 103°22'24.48" (103.373467°)
	STATE PLANE NAD 83 (N.M. EAST) N: 450796.54' E: 837981.33'
	STATE PLANE NAD 27 (N.M. EAST) N: 450737.23' E: 796796.27'
	NAD 83 (PPP #5) LATITUDE = 32°14'21.50" (32.239304°) LONGITUDE = 103°22'26.00" (103.373890°)
	NAD 27 (PPP #5) LATITUDE = 32°14'21.04" (32.239179°) LONGITUDE = 103°22'24.31" (103.373419°)
	STATE PLANE NAD 83 (N.M. EAST) N: 452117.46' E: 837984.45'
	STATE PLANE NAD 27 (N.M. EAST) N: 452058.11' E: 796799.45'
	NAD 83 (PPP #6) LATITUDE = 32°14'47.62" (32.246561°) LONGITUDE = 103°22'25.66" (103.373793°)
	NAD 27 (PPP #6) LATITUDE = 32°14'47.17" (32.246436°) LONGITUDE = 103°22'23.96" (103.373322°)
	STATE PLANE NAD 83 (N.M. EAST) N: 454757.84' E: 837990.69'
	STATE PLANE NAD 27 (N.M. EAST) N: 454698.43' E: 796805.80'
	NAD 83 (BHL/LTP) LATITUDE = 32°15'12.31" (32.253420°) LONGITUDE = 103°22'25.33" (103.373702°)
	NAD 27 (BHL/LTP) LATITUDE = 32°15'11.86" (32.253294°) LONGITUDE = 103°22'23.63" (103.373230°)
	STATE PLANE NAD 83 (N.M. EAST) N: 457253.23' E: 837996.59'
	STATE PLANE NAD 27 (N.M. EAST) N: 457193.75' E: 796811.78'



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°41'56"W	2640.10'
L2	S89°42'02"W	2634.31'
L3	N87°32'45"E	851.07'
L4	N00°22'30"E	589.54'

SCALE  
DRAWN BY: R.S. 02-21-19  
REV: 3 D.J.S. 04-15-21 (ADD  
LEASE INFO, KOP, PPP'S &  
BHL CHANGE)

NOTE:  
• Distances referenced on plat to section lines are perpendicular.  
• Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

● = SURFACE HOLE LOCATION  
◊ = KICK OFF POINT/PPP  
○ = BOTTOM HOLE LOCATION  
▲ = SECTION CORNER LOCATED

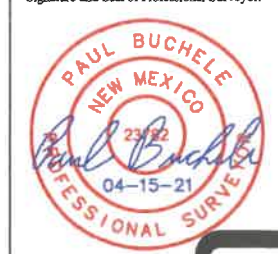
**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Shelly Albrecht* 4/15/2021  
Signature, Date

Shelly Albrecht  
Printed Name  
salbrecht@fmelc.com  
E-mail Address

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 08, 2019  
Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:





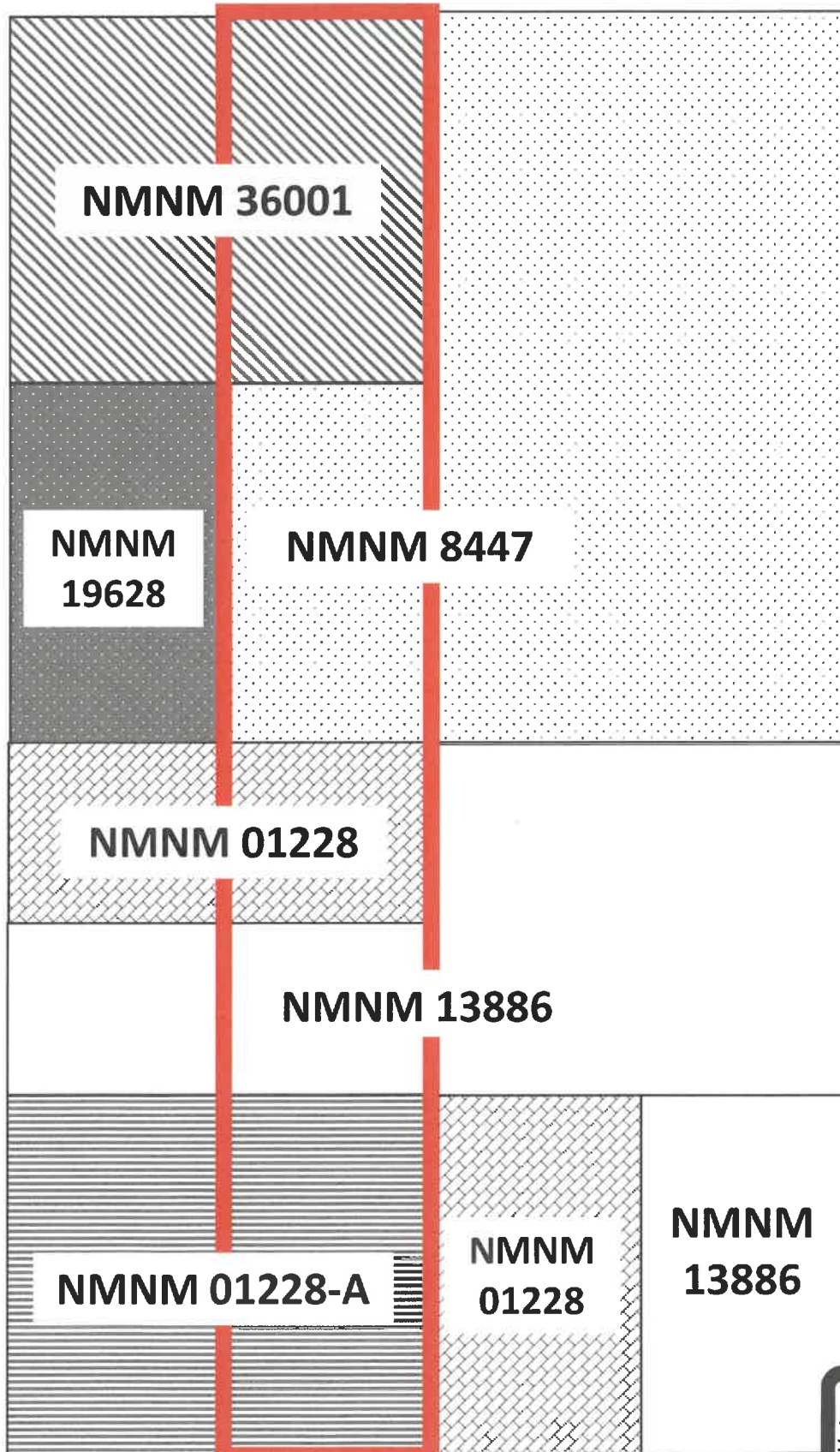
**Lease Tract Map**

Case No. 22121

E/2W/2 of Sections 4 & 9-24S-35E- 320.14 Gross Acres

Ouray Fed Com 302H

Ouray Fed Com 602H



tabbies

**EXHIBIT**

**4**



**Summary of Interests**

Case No. 22121

E/2W/2 of Sections 4 & 9-24S-35E- 320.14 Gross Acres

Ouray Fed Com 302H

Ouray Fed Com 602H

**Committed Working Interest:**

Franklin Mountain Energy 2, LLC	48.444205%
Franklin Mountain Energy, LLC	25.044507%
Prospector, LLC	1.222315%
Bean Family Limited Company	0.122232%
New Mexico Western Minerals, Inc.	0.122232%
Hinkle Living Trust	0.055440%

**Uncommitted Working Interest:**

Chevron U.S.A. Inc.	12.494534%
---------------------	------------

**Undetermined Title:**

Chevron U.S.A. Inc. or XTO Holdings, LLC	12.494534%
--	------------

<b><u>Total:</u></b>	<b>100.000000%</b>
----------------------	--------------------





Sent via Certified Mail  
Tracking No. 9414 7116 9900 0278 9162 20

May 26, 2021

New Mexico Western Minerals, Inc.  
P.O. Box 45750  
Rio Rancho, NM 87174  
Attn: Sandra Carrica

RE: Well Proposals  
**Township 24 South, Range 35 East:**  
Sections 4 and 9  
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 Sections 4 and 9, Township 25 South, Range 35 East:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	AFE	Unit Description
Georgetown Fed Com 301H	Bone Spring	10,159'	20,008'	Sec 9: 325' FSL; 1150' FWL'	Sec 4: 150' FNL; 350' FWL	\$9,599,031.80	W2W2, 320.11 Gross Acres
Georgetown Fed Com 601H	Bone Spring	11,894'	21,801'	Sec 9: 325' FSL; 1185' FWL	Sec 4: 150' FNL; 350' FWL	\$9,534,509.80	W2W2, 320.11 Gross Acres
Georgetown Fed Com 701H	Wolfcamp	12,076'	22,096'	Sec 9: 325' FSL; 1220' FWL	Sec 4: 150' FNL; 350' FWL	\$9,728,821.80	W2, 640.25 Gross Acres
Ouray Fed Com 302H	Bone Spring	10,100'	20,100'	Sec 9: 325' FSL; 1443' FEL	Sec 4: 150' FNL'; 1877' FWL	\$9,599,031.80	E2W2, 320.14 Gross Acres
Ouray Fed Com 602H	Bone Spring	11,904'	21,758'	Sec 9: 325' FSL; 1290' FWL	Sec 4: 150' FNL; 2126' FWL	\$9,534,509.80	E2W2, 320.14 Gross Acres
Ouray Fed Com 702H	Wolfcamp	11,977'	21,827'	Sec 9: 325' FSL; 125' FWL	Sec 4: 150' FSL; 1350' FWL	\$9,728,821.80	W2, 640.25 Gross Acres
Ouray Fed Com 703H	Wolfcamp	12,105'	22,106'	Sec 9: 325' FSL; 1325' FWL	Sec 4: 150' FSL; 2426' FWL	\$9,728,821.80	W2, 640.25 Gross Acres





Golden Fed Com 303H	Bone Spring	10,100	20,100'	Sec 9: 325' FSL; 1443' FEL	Sec 4: 150' FNL; 1877' FEL	\$9,599,031.80	W2E2, 320.16 Gross Acres
Golden Fed Com 603H	Bone Spring	11,834'	21,987'	Sec 9: 325' FSL; 1408' FEL	Sec 4: 150' FNL; 1677' FEL	\$9,534,509.80	W2E2, 320.16 Gross Acres
Golden Fed Com 704H	Wolfcamp	11,983'	22,155'	Sec 9: 325' FSL; 1373' FEL	Sec 4: 150' FNL; 2078' FEL	\$9,728,821.80	E2, 640.35 Gross Acres
Breckenridge Fed Com 304H	Bone Spring	10,106'	20,114'	Sec 9: 325' FSL; 1233' FEL	Sec 4: 150' FNL; 350' FEL	\$9,599,031.80	E2E2, 320.19 Gross Acres
Breckenridge Fed Com 604H	Bone Spring	11,813'	21,907'	Sec 9: 325' FSL; 1303' FEL	Sec 4: 150' FNL; 350' FEL	\$9,534,509.80	E2E2, 320.19 Gross Acres
Breckenridge Fed Com 705H	Wolfcamp	12,089'	22,223'	Sec 9: 325' FSL; 1338' FEL	Sec 4: 150' FNL; 1152' FEL	\$9,728.821.80	E2, 640.35 Gross Acres
Breckenridge Fed Com 706H	Wolfcamp	11,963'	22,151'	Sec 9: 325' FSL; 1268' FEL	Sec 4: 150' FNL; 350' FEL	\$9,728,821.80	E2, 640.35 Gross Acres

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 ("OA") with the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- Franklin Mountain Energy, LLC designated as Operator

This proposed OA, which will be sent separately, is similar to the one you previously signed that has since expired.

Please indicate your elections in the spaces provided on the following pages and return your signed paperwork, this letter and the enclosed AFEs, to Shelly Albrecht at [salbrecht@fmelc.com](mailto:salbrecht@fmelc.com) or to the address provided below at your earliest convenience.

FME looks forward to working with 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 that were not previously pooled.



Should you have any questions, please contact the undersigned at (720) 414-7855 or [salbrecht@fme LLC.com](mailto:salbrecht@fme LLC.com).

Respectfully,

Franklin Mountain Energy, LLC

Shelly Albrecht  
Director of Land

Enclosures

**Georgetown Fed Com 301H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Georgetown Fed Com 301H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Georgetown Fed Com 301H** well.

**Georgetown Fed Com 601H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Georgetown Fed Com 601H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Georgetown Fed Com 601H** well.

**Georgetown Fed Com 701H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Georgetown Fed Com 701H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Georgetown Fed Com 701H** well.

**Ouray Fed Com 302H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Ouray Fed Com 302H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Ouray Fed Com 302H** well.

**Ouray Fed Com 602H:**

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



**Ouray Fed Com 702H:**

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

**Ouray Fed Com 703H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Ouray Fed Com 703H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Ouray Fed Com 703H** well.

**Golden Fed Com 303H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Golden Fed Com 303H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Golden Fed Com 303H** well.

**Golden Fed Com 603H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Golden Fed Com 603H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Golden Fed Com 603H** well.

**Golden Fed Com 704H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Golden Fed Com 704H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Golden Fed Com 704H** well.

**Breckenridge Fed Com 304H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Breckenridge Fed Com 304H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Breckenridge Fed Com 304H** well.

**Breckenridge Fed Com 604H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Breckenridge Fed Com 604H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Breckenridge Fed Com 604H** well.



**Breckenridge Fed Com 705H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Breckenridge Fed Com 705H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Breckenridge Fed Com 705H** well.

**Breckenridge Fed Com 706H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Breckenridge Fed Com 706H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Breckenridge Fed Com 706H** well.  
 \_\_\_\_\_ I/We wish to be contact about selling our interest

**Working Interest Owner:** \_\_\_\_\_

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

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

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

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



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

**FRANKLIN MOUNTAIN ENERGY**  
**AUTHORITY FOR EXPENDITURE**  
 Well Name: Cherry Fed Cam 302H Well #: 302H  
 Location: SHL: Sec 9-T34S-R35E 32S F81, 1443 FWL; EHL: Sec 4-T24S-R35E 15W FNL 1877 FWL County/State: Lea Co., NM  
 Operator: Franklin Mountain Energy, LLC Date Prepared: 2/26/2021  
 Purpose: Drill and complete a 9,700' 1st Basin Spring well. Target TVD 10,100', TMD 20,100' AFE #: DCE210201

Intangible Drilling Costs			Intangible Completion Costs				
Major	Minor	Description	Amount	Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$26,000	240	5	ADMINISTRATIVE OVERHEAD	\$12,500
225	10	CASING CREW & EQPT	\$55,000	240	10	CASED HOLE LOGS & SURVEYS	\$15,000
225	15	CEMENTING INTERMEDIATE CASING	\$70,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	\$55,000	240	20	COILED TUBINGS/SUBBITING UNIT	\$212,165
225	20	CEMENTING SURFACE CASING	\$25,000	240	25	COMMUNICATIONS	\$3,700
225	25	COMMUNICATIONS	\$26,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$17,000	240	35	COMPLETION/WORKOVER RIG	\$44,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$65,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$15,000
225	40	CONTRACT LABOR	\$25,000	240	50	DAMAGES/RECLAMATION	\$25,000
225	45	DAMAGES	\$15,500	240	60	ELECTRICAL POWER/GENERATION	\$0
225	50	DAYWORK CONTRACT	\$120,000	240	62	ENGINEERING	\$10,000
225	55	DRILLING - DIRECTIONAL	\$240,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	60	DRILLING - FOOTAGE	\$85,000	240	70	FISHING TOOLS / SERVICES	\$0
225	65	DRILLING BITS	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$210,000
225	70	ELECTRICAL POWER/GENERATION	\$180,000	240	72	FRAC WATER/COMPLETION FLUID	\$400,000
225	75	ENGINEERING	\$0	240	75	FUEL, POWER/DIESEL	\$300,000
225	80	ENVIRONMENTAL SERVICES	\$0	240	80	HEALTH & SAFETY	\$10,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$140,000	240	90	MATERIALS & SUPPLIES	\$12,000
225	85	EQUIPMENT RENTAL	\$50,000	240	95	MISCELLANEOUS	\$25,000
225	90	FISHING TOOLS/SERVICES	\$28,000	240	100	MUD & CHEMICALS	\$220,000
225	95	HEALTH & SAFETY	\$0	240	110	PERMITS/COSTS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$22,000	240	115	PERFORATING/WIRELINE SERVICE	\$430,000
225	105	INSURANCE	\$28,000	240	120	PILE DRILLING	\$0
225	106	INSPECTIONS	\$26,000	240	125	ROAD, LOCATIONS REPAIRS	\$25,000
225	110	LEGAL, TITLE SERVICES	\$18,000	240	130	STIMULATION	\$1,500,000
225	115	MATERIALS & SUPPLIES	\$6,000	240	135	SUBSURFACE EQUIPMENT RENTAL	\$42,500
225	120	MISCELLANEOUS	\$5,000	240	140	SUPERVISION	\$110,000
225	123	MOUSE/RATHOLE/CONDUIT PIPE	\$15,000	240	145	SURFACE EQUIP RENTAL	\$355,000
225	130	MUD & CHEMICALS	\$19,500	240	150	TRANSPORTATION/TRUCKING	\$20,000
225	140	OPENHOLE LOGGING	\$170,000	240	155	WATER TRANSFER	\$40,000
225	141	CASED HOLE LOGGING	\$0	240	160	WELDING SERVICES	\$0
225	145	PERMITS, LICENSES, ETC	\$10,000	240	165	WELL TESTING/FLOWBACK	\$50,000
225	150	POWER FUEL & WATER HAULING	\$20,000	240	148	TAXES	\$81,777
225	155	RIG MOVE & RACKING COSTS	\$160,000	240	40	CONTINGENCY COSTS 5%	\$204,443
225	160	RIG UP TEAR OUT & STANDBY	\$30,000			<b>Total Intangible Completion Costs:</b>	<b>\$4,375,980</b>
225	163	SITE RESTORATION	\$0				
225	165	STAKING & SURVEYING	\$10,000				
225	170	SUPERVISION	\$6,000				
225	175	SUPERVISION - GEOLOGICAL	\$92,800				
225	180	TRANSPORTATION/TRUCKING	\$40,000				
225	178	TAXES	\$46,916				
225	35	CONTINGENCY COSTS 5%	\$117,250				
		<b>Total Intangible Drilling Costs:</b>	<b>\$2,510,000</b>				

Tangible Drilling Costs			Tangible Completion Costs				
Major	Minor	Description	Amount	Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$430,000	245	5	ARTIFICIAL LIFT	\$50,000
230	20	PACKERS/SLEEVES/PLUGS	\$26,000	245	15	FLOWLINES	\$20,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$420,000	245	25	FRAC STRING	\$0
230	35	SURFACE CASING & ATTACHMENTS	\$40,000	245	40	PACKERS/SLEEVES/PLUGS/OI, MANDRELS	\$0
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,500	245	45	PRODUCTION LINER	\$0
230	40	TAXES	\$35,708	245	50	PRODUCTION PROCESSING FACILITY	\$0
		<b>Total Tangible Drilling Costs:</b>	<b>\$1,000,208</b>	245	55	PRODUCTION TUBING	\$87,500
				245	60	RODS/PUMPS	\$0
				245	65	SUBSURFACE EQUIPMENT	\$0
				245	75	WELLHEAD EQUIPMENT	\$89,000
				245	70	TAXES	\$18,948
						<b>Total Tangible Completion Costs:</b>	<b>\$360,448</b>

Tangible Facility Costs			Intangible Facility Costs				
Major	Minor	Description	Amount	Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$71,000	265	5	CONSULTING	\$11,000
270	15	CONTAINMENT	\$0	265	12	COMPANY DIRECT LABOR	\$0
270	25	DEHYDRATION	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$17,000
270	30	PRIMARY POWER MATERIALS	\$4,800	265	22	PAVING/ROAD CONSTRUCTION	\$17,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$49,000	265	25	ENGINEERING / SCIENCE	\$8,400
270	60	H2S TREATING EQUIPMENT	\$523,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
270	65	SEPARATION EQUIPMENT	\$212,000	265	45	CONTRACT LABOR & SERVICES	\$0
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	60	OVERHEAD	\$0
270	75	PRE-FABRICATED SKIDS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$700
270	85	FACILITY SURFACE EQUIPMENT	\$86,000	265	85	TRANSPORTATION / TRUCKING	\$0
270	90	H2S SAFETY SYSTEM	\$2,300	265	83	TAXES	\$1,082
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$66,000	265	10	CONTINGENCY COSTS 5%	\$0
270	110	TANKS & WALKWAYS	\$28,000			<b>Total Intangible Facility Costs:</b>	<b>\$55,182</b>
270	130	MECHANICAL BATTERY BUILD	\$72,000				
270	132	EI&C BATTERY BUILD	\$35,000				
270	134	CONTROLS AND SCADA BATTERY BUILD	\$2,400				
270	135	PRIMARY POWER BUILD	\$4,500				
270	138	FLOWLINE INSTALLATION	\$43,000				
270	140	SIGNAGE	\$150				
270	125	TAXES	\$65,953				
		<b>Total Tangible Facility Costs:</b>	<b>\$1,265,193</b>				

Total Drill:	\$3,540,213.50
Total Completion:	\$4,736,428.00
Total Facility:	\$1,520,283.23
Total DC Intangible:	\$6,883,921.33
Total DC Tangible:	\$1,393,653.00
Total AFE:	\$9,399,031.86

Operator: Franklin Mountain Energy, LLC  
 Approved By: [Signature] Chief Executive Officer Date: 2/26/2021  
 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





State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Adrienne Sandoval, Director  
Oil Conservation Division



August 27, 2020

Franklin Mountain Energy, LLC  
c/o Deana Bennett, Agent  
Deana.bennett@modrall.com  
P.O. Box 2168  
Albuquerque, New Mexico 87102

**RE: Request for Time Extension to Commence drilling**  
Case No. 20777, R-20946 approved date October 31, 2019  
Deadline to commence drilling October 31, 2020  
Applicant/Operator: Franklin Mountain Energy, LLC  
Proposed Wells:  
Ouray Federal Com Well No. 602H, API No. 30-025-47266

Dear Sir or Madam:

The following pertains to your request received by the Division on August 18<sup>th</sup>, 2020 and to the requirements in the captioned hearing order.

You have requested an extension of the deadline to commence drilling given by the Division in the captioned order.

As stated, you are requesting an extension to spud this well due to "Franklin's operations and drilling activity has been impacted by COVID-19 and oil and gas market conditions" There was no opposition in the captioned case. You are requesting an additional year in which to spud this well. The spud date is now extended to, **October 31, 2021**.

The requested additional year in which to commence drilling is hereby granted.

All other provisions of this order remain in full force and effect.

Sincerely,

ADRIENNE SANDOVAL  
Director  
AS/jag

CC: Oil Conservation Division – Hobbs District Office





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

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

Application of Spur Energy Partners, LLC,  
to Amend Order R-20642, R-20642-B and  
R-20642-C, Eddy County, New Mexico Case No. 21938

Application of Spur Energy Partners, LLC,  
to Amend Order R-20643, R-20643-A and  
R-20642-C, Eddy County, New Mexico Case No. 21939

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MOTION TO AMEND

THURSDAY, JUNE 17, 2021

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Legal  
Examiner William Brancard, Technical Examiner  
Leonard Lowe, on Thursday, June 17, 2021, via  
the Webex virtual Conferencing platform.

Reported by: Mary Therese Macfarlane  
New Mexico CCR No. 122  
PAUL BACA COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102.  
(505) 843-9241

PAUL BACA PROFESSIONAL COURT REPORTER  
500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE



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A P P E A R A N C E S

For Spur Energy Partners:

Kaitlyn Luck, Esq.  
Holland & Hart  
110 North Guadalupe, Suite 1  
Santa Fe, New Mexico 87501  
(505) 988-4421  
kaluck@hollandandhart.com

For ConocoPhillips:

Ocean Munds-Dry, Esq.  
1048 Paseo de Peralta  
Santa Fe, NM 87501  
(505) 780-8000  
omundsdry@concho.com

C O N T E N T S

CASE No. 21938/21939	PAGE
Case Called:	3
Inquiry By Mr. Lowe:	5
Taken Under Advisement:	8

E X H I B I T I N D E X

SPUR ENERGY PARTNERS EXHIBITS:	PAGE
A Application	8
B Affidavit of Megan Pena, Landman	8
C Notice Affidavit	8
D Notice of Publication	8

1 MS. LUCK: That's correct.

2 EXAMINER LOWE: For both wells?

3 MS. LUCK: It's three wells total but there is  
4 two Pooling Orders, so one for the shallower depth and  
5 then one for the deeper, and both of them we'd like to  
6 extend to June 30th, 2022.

7 EXAMINER LOWE: Is this request the first  
8 extension request for these wells or these cases?

9 MS. LUCK: No, this is the second extension  
10 request. Spur had previously had these on the drill  
11 scheduled earlier in 2020, but again due do Covid the  
12 drilling project had been pushed out, so that's why Spur  
13 is requiring a second extension of these Orders.

14 EXAMINER LOWE: I'm looking -- okay. That's all  
15 I have. Thank you.

16 MS. LUCK: Thank you.

17 EXAMINER BRANCARD: Thank you. And I think the  
18 first requests were approved by Administrative Letters, is  
19 that correct, not by Orders.

20 MS. LUCK: That's right.

21 And in one of the filed cases there was an  
22 Order entered extending, and then the other one there was  
23 a Letter. So we just went ahead and filed for the hearing  
24 on these so that they would all be straightforward as to  
25 what we were requesting.

Page 7

1 EXAMINER BRANCARD: Right. That's standard now.

2 And I mean this is the second extension, so  
3 I have to ask these questions: So your causes for the  
4 second extension are?

5 MS. LUCK: Again, was Spur was not able to begin  
6 the drilling project in 2020 due to Covid, and so their  
7 drilling time frame has been pushed out into the latter  
8 part of 2021 or early 2022, and that's why Spur has asked  
9 for these extensions on these wells. But Spur does intend  
10 to drill these Nirvana wells.

11 EXAMINER BRANCARD: Thank you.

12 There being no objection, your exhibits are  
13 admitted into the record and we will take Cases 21938 and  
14 21939 under advisement.

15 Ms. Luck, you have all the exhibits filed,  
16 right? You just replaced some yesterday; is that correct?

17 MS. LUCK: That's right. So there were two sets  
18 of Notices that went out, and so we had to include  
19 tracking for both of those. And then there were two NOPS,  
20 and the first time we filed one of the NOPS wasn't  
21 complete, and we were able to get the second page from the  
22 newspaper and resubmit it yesterday.

23 EXAMINER BRANCARD: We are just trying to make  
24 sure we are not waiting for anything, that's all.

25 MS. LUCK: It should be complete at this time.





MODRALL SPERLING  
LAWYERS

August 19, 2021

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

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

**Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO  
AMEND ORDER NO. R-20942, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22118**

**Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO  
AMEND ORDER O. R-20946, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22121**

**TO: AFFECTED PARTIES**

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

In Case No. 22118, FME seeks an order from the Division amending Order No. R-20942 to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20942 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

In Case No. 22121, FME seeks an order from the Division amending Order No. R-20946 to (1) add an additional initial well to the approved horizontal spacing unit; and (2) allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20946 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing**

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

**will be conducted on Sept. 9, 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 these applications, we are notifying you of your right to appear at the hearing and participate in the cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in the cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

*Attorney for Applicant*



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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-20942,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 22118  
ORDER NO. R-20942  
(Re-Open)**

**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-20942 to allow for an extension of time for drilling the initial well under the Order. In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. The Division entered Order No. R-20942 in Case No. 20773 on October 31, 2019.
3. Order No. R-20942 is one of several orders (the "Colorado Orders") relating to FME's "Colorado" well group and FME's "Colorado" units.
4. Order No. R-20942 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.
5. Order No. R-20942 designated FME as the operator of the wells and the unit.
6. On August 18, 2020, FME submitted a written request to OCD an extension of time to spud the initial well under Order R-20942. FME submitted this written request under the



then existing form of order which allowed requests for extensions of time to be submitted by letter to OCD, rather than by an application for hearing.

7. OCD granted FME's request for an extension of time, through October 31, 2021.

8. Since the issuance of the Colorado Orders, FME has determined to batch drill the wells that are the subject of the Colorado Orders to facilitate efficient drilling of the wells.

9. FME requests that Order No. R-20942 be re-opened again and amended to allow FME additional time to commence drilling the initial well under the Order.

10. Good cause exists for FME's request for an extension of time.

11. As FME indicated in its August 18, 2020 letter, there had been changes in FME's drilling schedule due to COVID-19 and the then-existing market conditions.

12. FME's operations and drilling activity have continued to be impacted by COVID-19 and oil and gas market conditions.

13. In addition, FME has determined to batch drill the wells subject to this Order, along with the wells subject to the other Colorado Orders.

14. In addition to filing this request for an extension of time, FME is requesting extensions of time with respect to all of the Colorado Orders to enable FME to batch drill the wells, which will be more efficient.

15. It is FME's intent to develop the acreage in this unit, as well as the other Colorado units, and to drill the wells thereon. Given the delays occasioned by COVID-19, and Franklin's decision to batch drill the wells, FME requires additional time to commence drilling.

16. FME asks that the deadline to commence drilling the initial well be extended for a year from October 31, 2021 to October 31, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 9, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-20942 to extend the time for FME to commence drilling the initial well under the Order for a year, through October 31, 2022.

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

By: Deana M. Bennett

Deana M. Bennett  
Jamie L. Allen  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. \_\_\_\_\_: (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-20942, Lea County, New Mexico.** Applicant seeks an order from the Division amending Order No. R-20942 to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20942 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

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

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-20946,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 22121  
ORDER NO. R-20946  
(Re-Open)**

**APPLICATION**

Franklin Mountain Energy, LLC (“FME”), OGRID Number 373910, through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) to amend Order No. R-20946 to (1) add an additional initial well to the approved horizontal spacing unit; and (2) allow for an extension of time for drilling the initial well under the Order. In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. The Division entered Order No. R-20946 in Case No. 20777 on October 31, 2019.
3. Order No. R-20946 is one of several orders (the “Colorado Orders”) relating to FME’s “Colorado” well group and FME’s “Colorado” units.
4. Order No. R-20946 pooled uncommitted interest owners in a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.
5. Order No. R-20946 dedicated the above-described spacing unit to the Ouray Fed Com 602H well.
6. Order No. R-20946 designated FME as the operator of the wells and the unit.

7. On August 18, 2020, FME submitted a written request to OCD an extension of time to spud the initial well under Order R-20946. FME submitted this written request under the then-existing form of order which allowed requests for extensions of time to be submitted by letter to OCD, rather than by an application for hearing.

8. OCD granted FME's request for an extension of time, through October 31, 2021.

9. Since the issuance of the Colorado Orders, FME has determined to batch drill the wells that are the subject of the Colorado Orders to facilitate efficient drilling of the wells.

10. Since entry of Order No. R-20946, FME has determined that prior to the commencement of drilling it is prudent to add the following additional initial Wolfcamp well to the approved spacing unit: the Ouray Fed Com 302H. This well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

11. FME has sent revised well proposal letters to the mineral interest owners pooled under Order No. R-20946 and will notify them of this hearing.

12. FME also requests that Order No. R-20946 be amended to allow FME additional time to commence drilling the initial well under the Order.

13. Good cause exists for FME's request for an extension of time.

14. As FME indicated in its August 18, 2020 letter, there had been changes in FME's drilling schedule due to COVID-19 and the then-existing market conditions.

15. FME's operations and drilling activity have continued to be impacted by COVID-19 and oil and gas market conditions.

16. In addition, FME has determined to batch drill the wells subject to this Order, along with the wells subject to the other Colorado Orders.

17. In addition to filing this request for an extension of time, FME is requesting extensions of time with respect to all of the Colorado Orders to enable FME to batch drill the wells, which will be more efficient.

18. It is FME's intent to develop the acreage in this unit, as well as the other Colorado units, and to drill the wells thereon. Given the delays occasioned by COVID-19, and Franklin's decision to batch drill the wells, FME requires additional time to commence drilling.

19. FME asks that the deadline to commence drilling the initial well be extended for a year from October 31, 2021 to October 31, 2022.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 9, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-20946 to add the well identified herein to the approved horizontal spacing unit;

B. Amend Order No. R-20946 to extend the time for FME to commence drilling the initial well under the Order for a year, through October 31, 2022.

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

By: Deana M. Bennett

Deana M. Bennett  
Jamie L. Allen  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*



**CASE NO. \_\_\_\_\_ : (Re-Open) Application of Franklin Mountain Energy, LLC to Amend Order No. R-20946, Lea County, New Mexico.** Applicant seeks an order from the Division amending Order No. R-20946 to (1) add an additional initial well to the approved horizontal spacing unit; and (2) allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20946 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
 08/19/2021

Firm Mailing Book ID: 213682

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0085 6774 67	Chevron USA, Inc. 1400 Smith St. Houston TX 77002	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
2	9314 8699 0430 0085 6774 74	XTO Holdings, LLC 22777 Springwoods Village Pkwy #115 Spring TX 77389	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
3	9314 8699 0430 0085 6774 81	United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
4	9314 8699 0430 0085 6774 98	Free Ride LLC PO Box 429 Roswell NM 88202	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
5	9314 8699 0430 0085 6775 04	Paul Slayton PO Box 2035 Roswell NM 88202	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
6	9314 8699 0430 0085 6775 11	Stewart Heights PO Box 686 Graham TX 76450	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
7	9314 8699 0430 0085 6775 28	TD Minerals LLC 8111 Westchester Drive, Suite 900 Dallas TX 75225	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
8	9314 8699 0430 0085 6775 35	Occidental Permian LP 5 Greenway Plaza, suite 110 Houston TX 77046	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
9	9314 8699 0430 0085 6775 42	McKay Petroleum Corporation PO Box 2204 Roswell NM 88201	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
10	9314 8699 0430 0085 6775 59	St. Clair of Texas, LLC O Box 5950 Lubbock TX 79408	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
11	9314 8699 0430 0085 6775 66	Depke Trust 2027 County Field Drive Chesterfield MO 63017	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
12	9314 8699 0430 0085 6775 73	C. Richard Overly 11410 Shadow Way Houston TX 77024	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
13	9314 8699 0430 0085 6775 80	BPL Fish Pond LLC PO Box 92032 Southlake TX 76092	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
14	9314 8699 0430 0085 6775 97	Millis Jeffrey Oakes 3434 Amber Forest Drive Houston TX 77068	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
15	9314 8699 0430 0085 6776 03	Stephen William Oakes 4700 Spanish Moss McKinney TX 75070	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
 08/19/2021

Firm Mailing Book ID: 213682



Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0085 6776 10	Stephen William Oakes 4700 Spanish Moss McKinney TX 75070	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
17	9314 8699 0430 0085 6776 27	Elizabeth Ann Cline 15400 Whistling Straits Dr Austin TX 78717	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
18	9314 8699 0430 0085 6776 34	Benjamin Jacob Oakes 3214 Hickory Grove Lane Pearland TX 77584	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
19	9314 8699 0430 0085 6776 41	Matthew David Oakes 116 N Johnson Ave San Marcos TX 78666	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
20	9314 8699 0430 0085 6776 58	Olin Brett Dalton 335 Granite Row Marble Falls TX 78654	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
21	9314 8699 0430 0085 6776 65	David Trent Dalton 1025 Bald Eagle Dr Nolanville TX 76559	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
22	9314 8699 0430 0085 6776 72	Milton R. Fry 11014 Hidden Bend Drive Houston TX 77064	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
23	9314 8699 0430 0085 6776 89	Featherstone Development Corp. P.O. Box 429 Roswell NM 88202	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
24	9314 8699 0430 0085 6776 96	Covey Energy Partners LP 3300 N A Street, Building 8, Suite 220 Midland TX 79705	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
25	9314 8699 0430 0085 6777 02	Cayuga Royalties, LLLC P.O. Box 540711 Houston TX 77254	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
26	9314 8699 0430 0085 6777 19	Prevail Energy, LLC 521 Dexter St. Denver CO 80220	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
27	9314 8699 0430 0085 6777 26	Rheiner Holdings LLC P.O. Box 980552 Houston TX 77098	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
28	9314 8699 0430 0085 6777 33	Monticello Minerals, LLC 4128 Bryn Mawr Dr. Dallas TX 75225	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
29	9314 8699 0430 0085 6777 40	Cathleen Ann Adams, Trustee of the Cathleen Adams Rev Trust dated 9/25/20 P.O. Box 45807 Rio Rancho NM 87174	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
30	9314 8699 0430 0085 6777 57	Susan Arrott aka Susan Carol Arrott, Trustee of Arrott Family Rev Trust of 4/8/19 P.O. Box 95074 North Little Rock AR 72295	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
08/19/2021

Firm Mailing Book ID: 213682

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



Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0085 6777 64	DMA Inc P.O. Box 1496 Roswell NM 88202	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
32	9314 8699 0430 0085 6777 71	Charmar LLC 4815 Vista Del Oso Court NE Albuquerque NM 87109	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
33	9314 8699 0430 0085 6777 88	Richard C. Deason 1301 N. Havenhurst #217 West Hollywood CA 90046	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
34	9314 8699 0430 0085 6777 95	Thomas D. Deason 6402 CR 7420 Lubbock TX 79424	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
35	9314 8699 0430 0085 6778 01	Ronald H. Mayer P.O. Box 2391 Roswell NM 88202	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
36	9314 8699 0430 0085 6778 18	SAP, LLC 4901 Whitney Lane Roswell NM 88203	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
37	9314 8699 0430 0085 6778 25	Wells Fargo Bank, N.A., Trustee of the Robert N. Enfield Rev Trust dated 3-16-99 P.O. Box 1968 Albuquerque NM 87103	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
38	9314 8699 0430 0085 6778 32	Pony Oil Operating LLC 4925 Greenville Ave., Suite 915 Dallas TX 75206	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
39	9314 8699 0430 0085 6778 49	MerPel, LLC 4245 N. Central Expy., Suite 320 Box 109 Dallas TX 75205	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
40	9314 8699 0430 0085 6778 56	Bryan Bell Family, LLC 1331 Third Street New Orleans LA 70130	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
41	9314 8699 0430 0085 6778 63	Magnum Hunter Production Inc 600 N. Marienfeld Street, Suite 600 Midland TX 79701	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
42	9314 8699 0430 0085 6778 70	KJ Feil & Marie A Feil 10430 60th Avenue South Seattle WA 98178	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
43	9314 8699 0430 0085 6778 87	BTA Oil Producers, LLC 104 S. Pecos Midland TX 79701	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
44	9314 8699 0430 0085 6778 94	Patrick J. McClellan 2 Cape Cod Lane Houston TX 77024	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice
45	9314 8699 0430 0085 6779 00	Regan A. Burrows 831 Ashland St. Houston TX 77007	\$1.20	\$3.60	\$1.75	\$0.00	10154.001-18, 21. Notice

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
 08/19/2021

Firm Mailing Book ID: 213682

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
46	9314 8699 0430 0085 6779 17	Elliott-Hall Company P.O. Box 1231 Ogden UT 84402	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
47	9314 8699 0430 0085 6779 24	Frank O. Elliott P.O. Box 1355 Roswell NM 88202	\$1.20	\$3.60	\$1.75	\$0.00	10154.001- 18, 21. Notice
<b>Totals:</b>			<b>\$56.40</b>	<b>\$169.20</b>	<b>\$82.25</b>	<b>\$0.00</b>	
			<b>Grand Total:</b>		<b>\$307.85</b>		

Dated:

Postmaster:

List Number of Pieces Listed by Sender      Total Number of Pieces Received at Post Office      Name of receiving employee

Transaction Report Details - CertifiedPro.net  
Firm Mail Book ID= 213682  
Generated: 9/21/2021 10:35:32 AM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300085677924	2021-08-19 2:17 PM	10154.001-18, 21	Frank O. Elliott		Roswell	NM	88202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2021-08-23 10:14 AM
9314869904300085677917	2021-08-19 2:17 PM	10154.001-18, 21	Elliott-Hill Company		Ogden	UT	84402	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 5:15 PM
9314869904300085677904	2021-08-19 2:17 PM	10154.001-18, 21	Ragan A. Burrows		Houston	TX	77007	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 7:45 AM
9314869904300085677890	2021-08-19 2:17 PM	10154.001-18, 21	Patrick J. McClellan		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 8:47 AM
9314869904300085677887	2021-08-19 2:17 PM	10154.001-18, 21	BTA Oil Producers, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300085677870	2021-08-19 2:17 PM	10154.001-18, 21	KJ Feil & Marie A. Feil		Seattle	WA	98178	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300085677863	2021-08-19 2:17 PM	10154.001-18, 21	Magnum Hunter Production Inc		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300085677856	2021-08-19 2:17 PM	10154.001-18, 21	Byrum Bell Family, LLC		New Orleans	LA	70130	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300085677849	2021-08-19 2:17 PM	10154.001-18, 21	MerPet, LLC		Dallas	TX	75205	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300085677825	2021-08-19 2:17 PM	10154.001-18, 21	Pony Oil Operating LLC		Dallas	TX	75206	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300085677825	2021-08-19 2:17 PM	10154.001-18, 21	Wells Fargo Bank, N.A., Trustee of the Robert N. Enfield Rev Trust dated 3-16-99		Albuquerque	NM	87103	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300085677818	2021-08-19 2:17 PM	10154.001-18, 21	SAP, LLC		Roswell	NM	88203	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 12:04 PM
9314869904300085677801	2021-08-19 2:17 PM	10154.001-18, 21	Ronald H. Mayer		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 11:05 AM
9314869904300085677795	2021-08-19 2:17 PM	10154.001-18, 21	Thomas D. Deason		Lubbock	TX	79424	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300085677788	2021-08-19 2:17 PM	10154.001-18, 21	Richard C. Deason		West Hollywood	CA	90046	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 12:29 PM
9314869904300085677771	2021-08-19 2:17 PM	10154.001-18, 21	Charmar LLC		Albuquerque	NM	87109	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 11:49 AM
9314869904300085677719	2021-08-19 2:17 PM	10154.001-18, 21	DMA Inc		Roswell	NM	88202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300085677754	2021-08-19 2:17 PM	10154.001-18, 21	Susan Arrott aka Susan Carol Arrott, Trustee of Arrott Family Rev Trust of 4/9/19		Roswell	NM	87295	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300085677757	2021-08-19 2:17 PM	10154.001-18, 21	Cathleen Ann Adams, Trustee of the Cathleen Adams Rev Trust dated 9/25/20		North Little Rock	AR	87174	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 12:04 PM
9314869904300085677740	2021-08-19 2:17 PM	10154.001-18, 21	Monticello Minerals, LLC		Rio Rancho	NM	87525	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 4:42 PM
9314869904300085677733	2021-08-19 2:17 PM	10154.001-18, 21	Rheiner Holdings LLC		Dallas	TX	75225	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 2:47 PM
9314869904300085677726	2021-08-19 2:17 PM	10154.001-18, 21	David Trent Dalton		Houston	TX	77098	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300085677658	2021-08-19 2:17 PM	10154.001-18, 21	Preval Energy, LLC		Denver	CO	80220	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300085677702	2021-08-19 2:17 PM	10154.001-18, 21	Cayuga Royalties, LLC		Houston	TX	77254	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300085677689	2021-08-19 2:17 PM	10154.001-18, 21	Covey Energy Partners LP		Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300085677689	2021-08-19 2:17 PM	10154.001-18, 21	Featherstone Development Corp.		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300085677672	2021-08-19 2:17 PM	10154.001-18, 21	Milton R. Fiv		Houston	TX	77064	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 10:52 AM
9314869904300085677665	2021-08-19 2:17 PM	10154.001-18, 21	Olin Brett Dalton		Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 6:36 PM
9314869904300085677658	2021-08-19 2:17 PM	10154.001-18, 21	Matthew David Oakes		Marble Falls	TX	78654	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300085677641	2021-08-19 2:17 PM	10154.001-18, 21	Benjamin Jacob Oakes		San Marcos	TX	78666	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 3:25 PM
9314869904300085677654	2021-08-19 2:17 PM	10154.001-18, 21	Elizabeth Ann Cline		Pearland	TX	77584	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300085677627	2021-08-19 2:17 PM	10154.001-18, 21	Stephen William Oakes		Austin	TX	78717	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 11:04 AM
9314869904300085677610	2021-08-19 2:17 PM	10154.001-18, 21	Stephen William Oakes		McKinney	TX	75070	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 11:04 AM
9314869904300085677603	2021-08-19 2:17 PM	10154.001-18, 21	Stephens Petroleum Corporation		McKinney	TX	75070	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 12:29 PM
9314869904300085677597	2021-08-19 2:17 PM	10154.001-18, 21	Millis, Jeffrey Oakes		Houston	TX	77068	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 12:29 PM
9314869904300085677580	2021-08-19 2:17 PM	10154.001-18, 21	BPL Fish Pond LLC		Houston	TX	77092	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 12:09 PM
9314869904300085677573	2021-08-19 2:17 PM	10154.001-18, 21	C. Richard Overly		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 3:20 PM
9314869904300085677566	2021-08-19 2:17 PM	10154.001-18, 21	Depkte Trust		Chesterfield	MO	63017	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 2:07 PM
9314869904300085677559	2021-08-19 2:17 PM	10154.001-18, 21	St. Clair of Texas, LLC		Lubbock	TX	79408	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 1:32 PM
9314869904300085677542	2021-08-19 2:17 PM	10154.001-18, 21	Occidental Permian LP		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 3:08 PM
9314869904300085677535	2021-08-19 2:17 PM	10154.001-18, 21	TD Minerals LLC		Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 11:01 AM
9314869904300085677528	2021-08-19 2:17 PM	10154.001-18, 21	Stewart Heights		Dallas	TX	75225	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 12:30 AM
9314869904300085677511	2021-08-19 2:17 PM	10154.001-18, 21	Paul Slayton		Graham	TX	76650	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 11:27 PM
9314869904300085677504	2021-08-19 2:17 PM	10154.001-18, 21	Free Ride LLC		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 10:52 AM
9314869904300085677498	2021-08-19 2:17 PM	10154.001-18, 21	United States of America		Roswell	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 12:00 AM
9314869904300085677481	2021-08-19 2:17 PM	10154.001-18, 21	XTO Holdings, LLC		Santa Fe	NM	87589	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 9:18 AM
9314869904300085677474	2021-08-19 2:17 PM	10154.001-18, 21	Chevron USA, Inc.		Spring	TX	77389	Delivered	Return Receipt - Electronic, Certified Mail	2021-08-23 2:52 PM
9314869904300085677467	2021-08-19 2:17 PM	10154.001-18, 21			Houston	TX	77002	Delivered	Return Receipt - Electronic, Certified Mail	



LEGAL NOTICE  
AUGUST 29, 2021

**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA

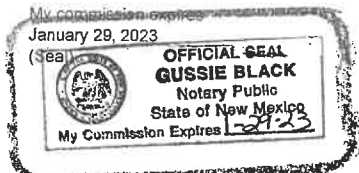
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
August 29, 2021  
and ending with the issue dated  
August 29, 2021.

*Daniel Russell*  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
29th day of August 2021.

*Gussie Black*  
\_\_\_\_\_  
Business Manager



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

CASE NO. 22116: Notice to all affected parties, as well as the heirs and devisees of XTO Holdings, LLC; United States of America; Free Ride LLC; Paul Slayton; Stewart Heighten; TD Minerals LLC; Occidental Permian LP; McKay Petroleum Corporation; St. Clair of Texas, LLC; Depke Trust; C. Richard Overly; BPL Fish Pond LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Fry; Featherstone Development Corp.; Covey Energy Partners LP; Cayuga Royalties, LLC; Prevall Cathleen Ann Adams Revocable Trust dated 9/25/20, as amended and restated; Susan Arrott aka Chamar LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer; SAP, LLC; Wells Fargo Bank, N.A., Trustee of the Robert N. Enfield Revocable Trust dated March 16, 1999; Pony Oil Operating LLC; Burrows; Elliott Hall Company of Franklin Mountain Energy, LLC's Application to Amend Order No. R-20945, 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 September 9, 2021, to consider year extension of time to commence drilling the initial well under the Order. Order No. R-20945 pooled E/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

CASE NO. 22117: Notice to all affected parties, as well as the heirs and devisees of XTO Holdings, LLC; United States of America; Free Ride LLC; Paul Slayton; Stewart Heighten; TD Minerals LLC; Occidental Permian LP; McKay Petroleum Corporation; St. Clair of Texas, LLC; Depke Trust; C. Richard Overly; BPL Fish Pond LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Fry; Featherstone Development Corp.; Covey Energy Partners LP; Cayuga Royalties, LLC; Prevall Cathleen Ann Adams Revocable Trust dated 9/25/20, as amended and restated; Susan Arrott aka Chamar LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer; SAP, LLC; Wells Fargo Bank, N.A., Trustee of the Robert N. Enfield Revocable Trust dated March 16, 1999; Pony Oil Operating LLC; Burrows; Elliott Hall Company of Franklin Mountain Energy, LLC's Application to Amend Order No. R-20945, 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 September 9, 2021, to consider year extension of time to commence drilling the initial well under the Order. Order No. R-20945 pooled E/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

CASE NO. 22118: Notice to all affected parties, as well as the heirs and devisees of Chevron USA, Inc.; XTO Holdings, LLC; United States of America; Free Ride LLC; Paul Slayton; Stewart Heighten; TD Minerals LLC; Occidental Permian LP; McKay Petroleum Corporation; St. Clair of Texas, LLC; Depke Trust; C. Richard Overly; BPL Fish Pond LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners LP; Cayuga Royalties, LLC; Prevall Cathleen Ann Adams Revocable Trust dated 9/25/20, as amended and restated; Susan Arrott aka Chamar LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer; SAP, LLC; Wells Fargo Bank, N.A., Trustee of the Robert N. Enfield Revocable Trust dated March 16, 1999; Pony Oil Operating LLC; Burrows; Elliott Hall Company; Frank O. Elliott of Franklin Mountain Energy, LLC's Application to Amend Order No. R-20942, 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 September 9, 2021, to consider this application. Applicant seeks an order from the Division amending Order No. R-20942 to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20942 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

CASE NO. 22119: Notice to all affected parties, as well as the heirs and devisees of Chevron USA, Inc.; XTO Holdings, LLC; United States of America; Free Ride LLC; Paul Slayton; Stewart Heighten; TD Minerals LLC; Occidental Permian LP; McKay Petroleum Corporation; St. Clair of Texas, LLC; Depke Trust; C. Richard Overly; BPL Fish Pond LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners LP; KJ Fell & Marie A. Fell; BTA Oil Producers, LLC; Patrick J. McClellan; Regan A. Burrows; Elliott Hall Company; Frank O. Elliott of Franklin Mountain Energy, LLC's Application to Amend Order No. R-20943, 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 September 9, 2021, to consider this application. Applicant seeks an order from the Division amending Order No. R-20943 to allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20943 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

CASE NO. 22120: Notice to all affected parties, as well as the heirs and devisees of XTO Holdings, LLC; United States of America; Free Ride LLC; Paul Slayton; Stewart Heighten; TD Minerals LLC; Occidental Permian LP; McKay Petroleum Corporation; St. Clair of Texas, LLC; Depke Trust; C. Richard Overly; BPL Fish Pond LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners LP; Cayuga Royalties, LLC; Prevall Cathleen Ann Adams Revocable Trust dated 9/25/20, as amended and restated; Susan Arrott aka Chamar LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer; SAP, LLC; Wells Fargo Bank, N.A., Trustee of the Robert N. Enfield Revocable Trust dated March 16, 1999; Pony Oil Operating LLC; Burrows; Elliott Hall Company of Franklin Mountain Energy, LLC's Application to Amend Order No. R-20944, 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 September 9, 2021, to consider this application. Applicant seeks an order from the Division amending Order No. R-20944 to (1) add an additional initial well to the approved horizontal spacing unit; and (2) allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20944 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

CASE NO. 22121: Notice to all affected parties, as well as the heirs and devisees of Chevron USA, Inc.; XTO Holdings, LLC; United States of America; Free Ride LLC; Paul Slayton; Stewart Heighten; TD Minerals LLC; Occidental Permian LP; McKay Petroleum Corporation; St. Clair of Texas, LLC; Depke Trust; C. Richard Overly; BPL Fish Pond LLC; Millis Jeffrey Oakes; Stephen William Oakes; Elizabeth Ann Cline; Benjamin Jacob Oakes; Matthew David Oakes; Olin Brett Dalton; David Trent Dalton; Milton R. Fry; Featherstone Development Corp.; Covey Energy Partners LP; Cayuga Royalties, LLC; Prevall Cathleen Ann Adams Revocable Trust dated 9/25/20, as amended and restated; Susan Arrott aka Chamar LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer; SAP, LLC; Wells Fargo Bank, N.A., Trustee of the Robert N. Enfield Revocable Trust dated March 16, 1999; Pony Oil Operating LLC; Burrows; Elliott Hall Company; Frank O. Elliott of Franklin Mountain Energy, LLC's Application to Amend Order No. R-20946, 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 September 9, 2021, to consider this application. Applicant seeks an order from the Division amending Order No. R-20946 to (1) add an additional initial well to the approved horizontal spacing unit; and (2) allow for a one-year extension of time to commence drilling the initial well under the Order. Order No. R-20946 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 13 miles Northwest of Jal, New Mexico.

Case No. 20951  
Order No. R-20946  
Page 1 of 2

**Exhibit "A" (REVISED)**

Applicant: Franklin Mountain Energy, LLC  
Operator: Franklin Mountain Energy, LLC (OGRID 373910)

Spacing Unit: Horizontal Oil  
Building Blocks: quarter-quarter section  
Spacing Unit Size: 320 acres (more or less)  
Orientation of Unit: North/South

Spacing Unit Description:  
E/2 W/2 of Sections 9 and 4, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico

Pooling this Vertical Extent: Bone Spring / Wolfbone Formations  
Depth Severance? (Yes/No): No

Pool: WC-025 G-07 S243517D;MIDDLE BONE SPRING (Pool Code 98294)  
WC-025 G-09 S243532M;WOLFBONE (Pool Code 98098)

Pool Spacing Unit Size: quarter-quarter sections  
Governing Well Setbacks: Horizontal Oil Well Rules  
Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: None Included

Monthly charge for supervision: While drilling: \$7000 While producing: \$700  
As the charge for risk, 200 percent of reasonable well costs.

**Proposed Well(s):**

**Ouray Federal Com 302H, API No. Pending**

SHL: 325 feet from the South line and 1360 feet from the West line,  
(Unit N) Section 9, Township 24 South, Range 35 East, NMPM.  
BHL: 150 feet from the North line and 1877 feet from the West line,  
(Lot 3) Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: Middle Bone Spring at approximately 10,100' TVD.  
Well Orientation: South to North  
Completion Location expected to be: standard

**Ouray Federal Com 602H, API No. 30-025-47266**

SHL: 325 feet from the South line and 1290 feet from the West line,  
(Unit M) of Section 9, Township 24 South, Range 35 East, NMPM.



Case No. 20951  
Order No. R-20946  
Page 2 of 2

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BHL: 150 feet from the North line and 2267 feet from the West line,  
(Lot 3) Section 4, Township 24 South, Range 35 East, NMPM.

Completion Target: Wolfbone at approximately 11,904' TVD.

Well Orientation: South to North

Completion Location expected to be: standard






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

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



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

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

APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC TO AMEND ORDER NO. R-20946,  
LEA COUNTY, NEW MEXICO

CASE NO. 22121  
ORDER NO. R-20946 (Re-  
Open)

SELF AFFIRMED DECLARATION OF BEN KESSEL

Ben Kessel hereby states and declares as follows:

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 12** is a locator map showing the approximate location of the proposed Colorado units 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 13** is a wellbore schematic showing Franklin’s development plan, which includes the wells at issue in this case and the wells that are the subject of Franklin’s other Colorado orders.

6. The exhibits behind **Tab 14** are the geology study I prepared for the Ouray Fed Com 302H well, which I have identified as a First Bone Spring well.

7. **Exhibit 14-A** is structure map of the top of the First Bone Spring Sand. The proposed spacing unit is identified by a pink box. The Ouray Fed Com 302H is identified by an orange 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 14-B** is a cross section reference map that identifies five wells in the vicinity of the proposed well, shown by a line of cross-section running from B to B'.

9. **Exhibit 14-C** is a stratigraphic cross section hung on the Mid First Bone Spring. The well logs on the cross-section give a representative sample of the First Bone Spring Sand formation in the area. The target zone is identified by a bracket and the words "Producing Interval". I have also identified where the Ouray Fed Com 302H well falls within the wells I used for the cross-section.

10. In my opinion, the gross interval thickness thickens slightly from north to the south.

11. **Exhibit 14-D** is a Gross Interval Isochore of the First Bone Spring Sand to Second Bone Spring Carb. The gross interval thickness thickens slightly from north to the south across the unit and thickens slightly from northeast to southwest 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 15** 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 12 to 15 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]*

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

Dated: September 20th, 2021

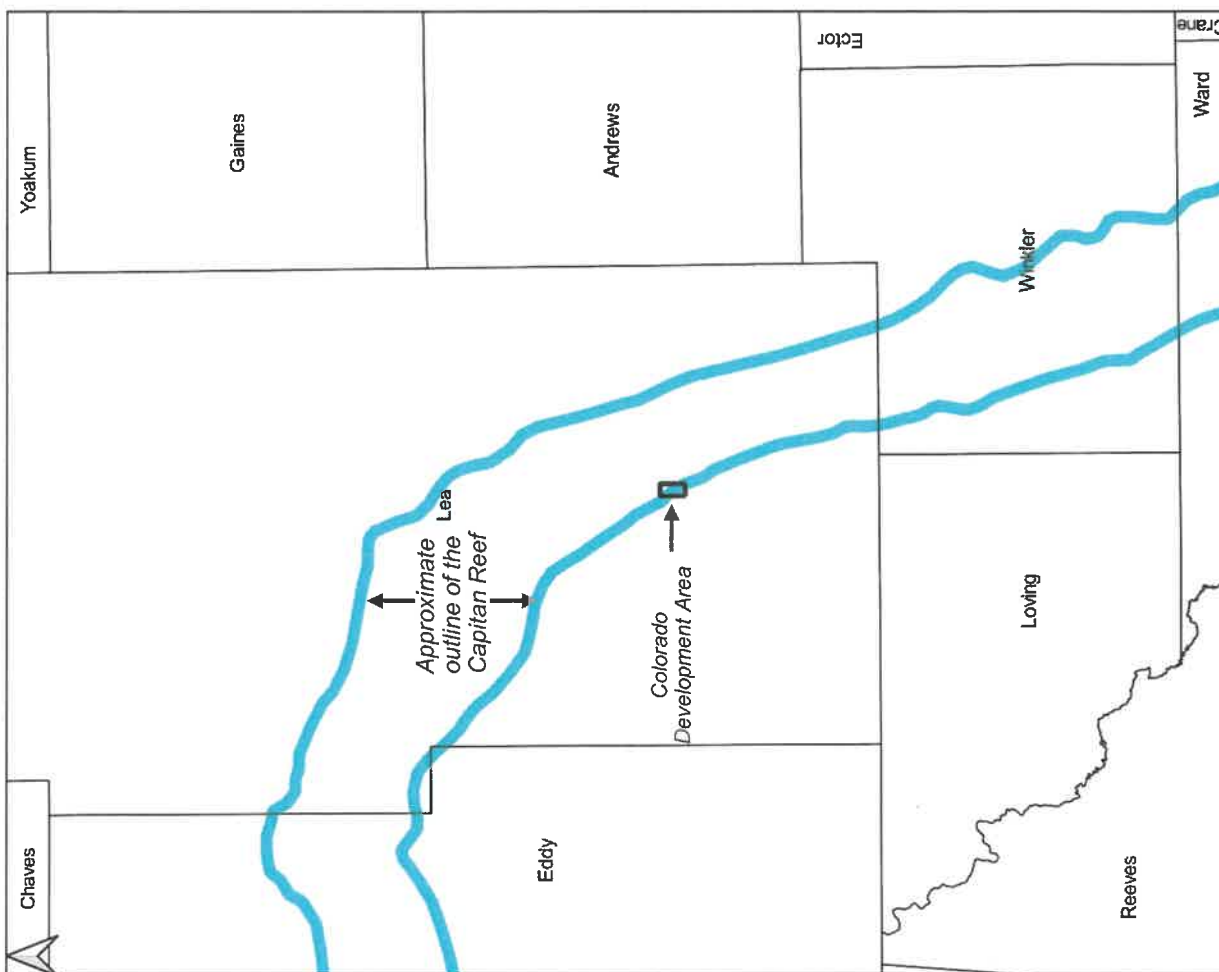


\_\_\_\_\_  
Ben Kessel

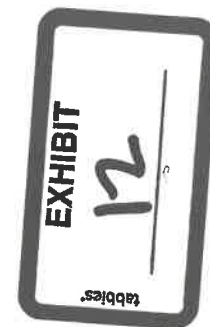
# Colorado Development



## Locator Map



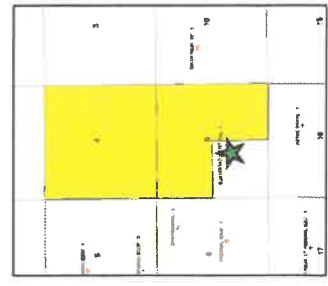
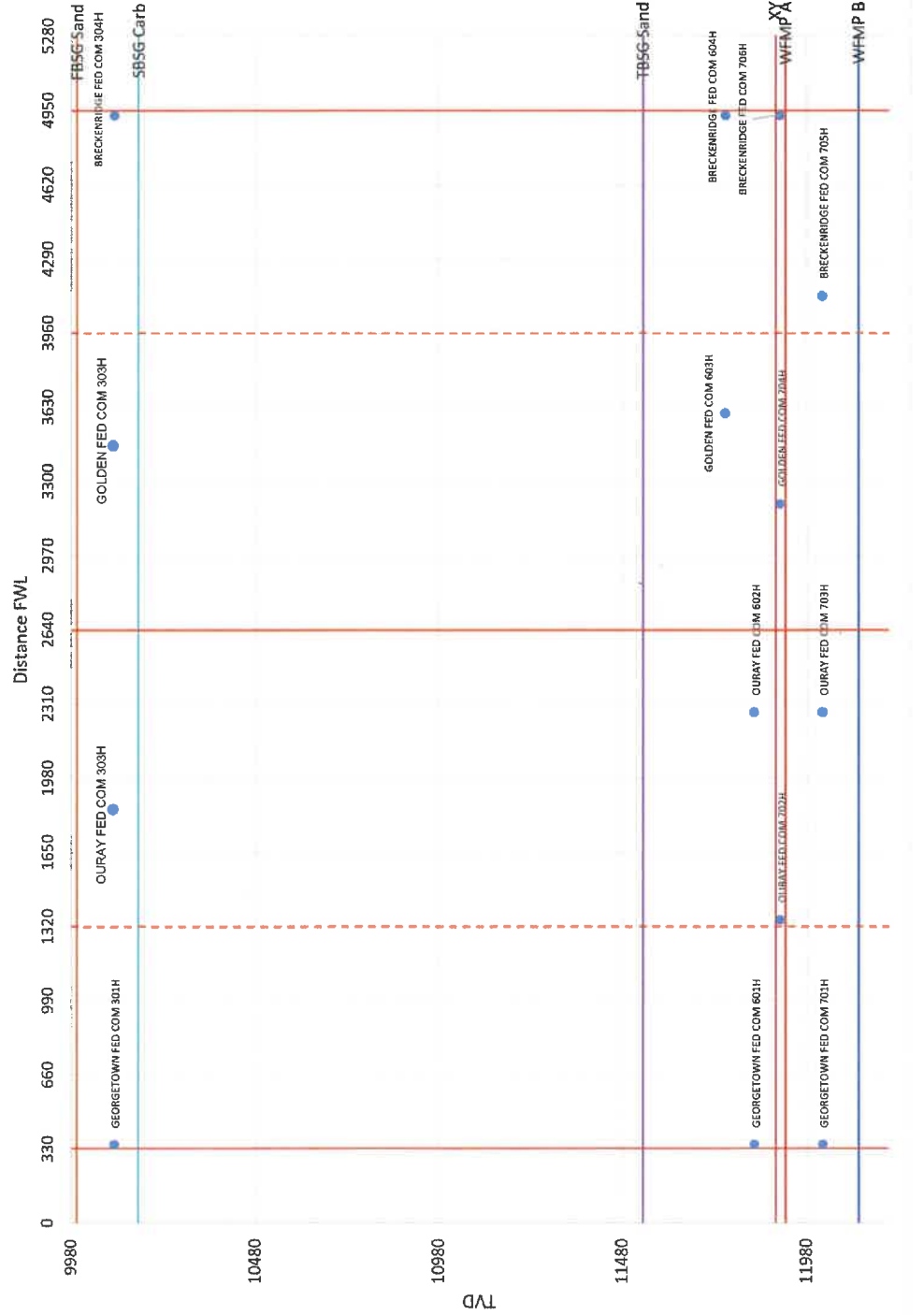
- Black box shows the location of Colorado development area
- Planned wells are located on the western edge of the Capitan Reef



# Colorado + First Bone Sand



24S 35E Section 9, looking north



tabbles

**EXHIBIT**  
**13**

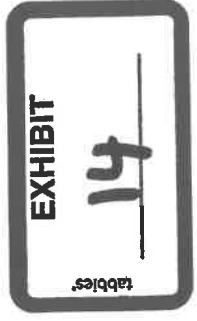
FME plans a strategic co-development of locally proven, hydrocarbon bear



# Ouray Fed Com 302H

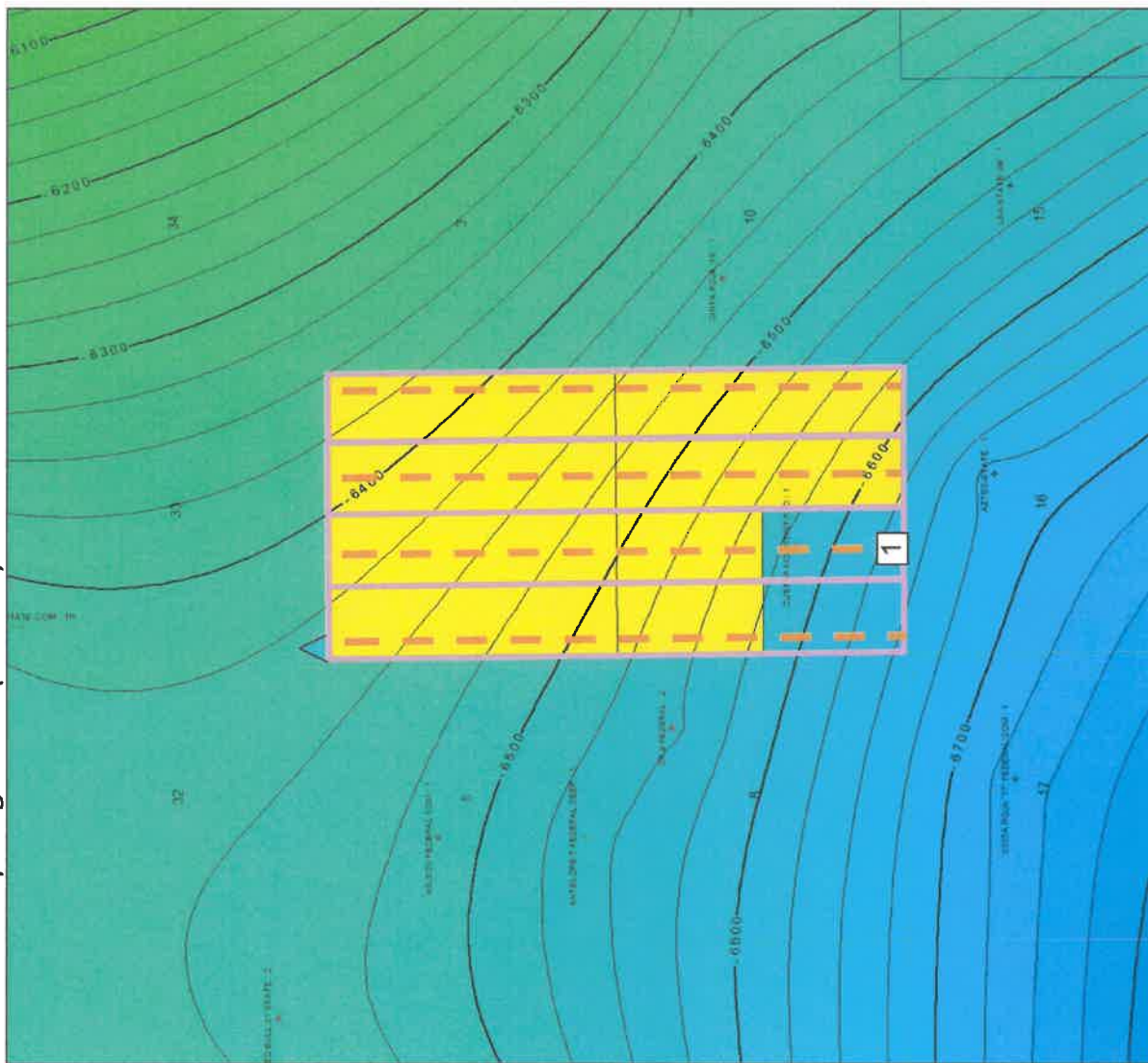
Case No. 22121

Bone Spring

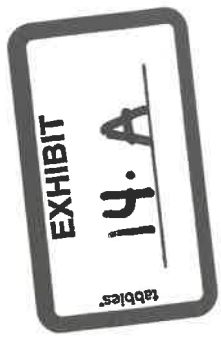


# Ouray Fed Com 302H

## Structure Map – Top First Bone Spring Sand (SSTVD)

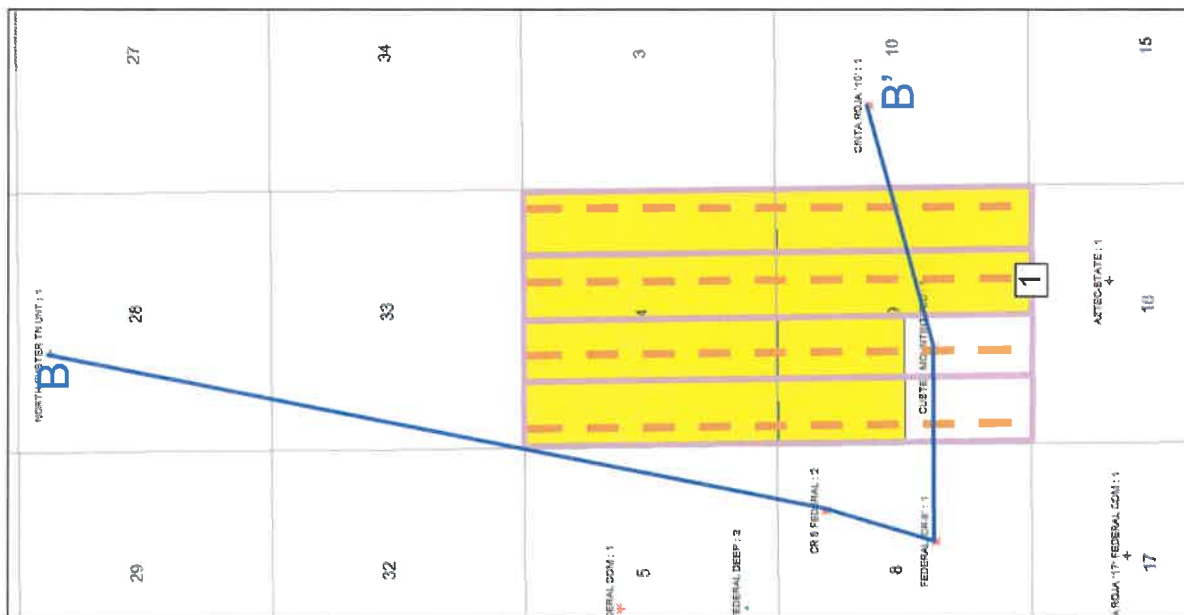


- FME Lateral
- FME Acreage
- Development Area
- Ouray Fed Com 302H
- C.I = 25'
- 1 mile
- Offset First Bone Spring Lateral (SHL)



First Bone Spring Data Wells Shown

# Ouray Fed Com 302H: First Bone Spring Cross Section Reference Map



- Cross Section Line
- FME FBSSG Lateral
- FME Acreage
- Development Area
- 1 Ouray Fed Com 302H

1 mile

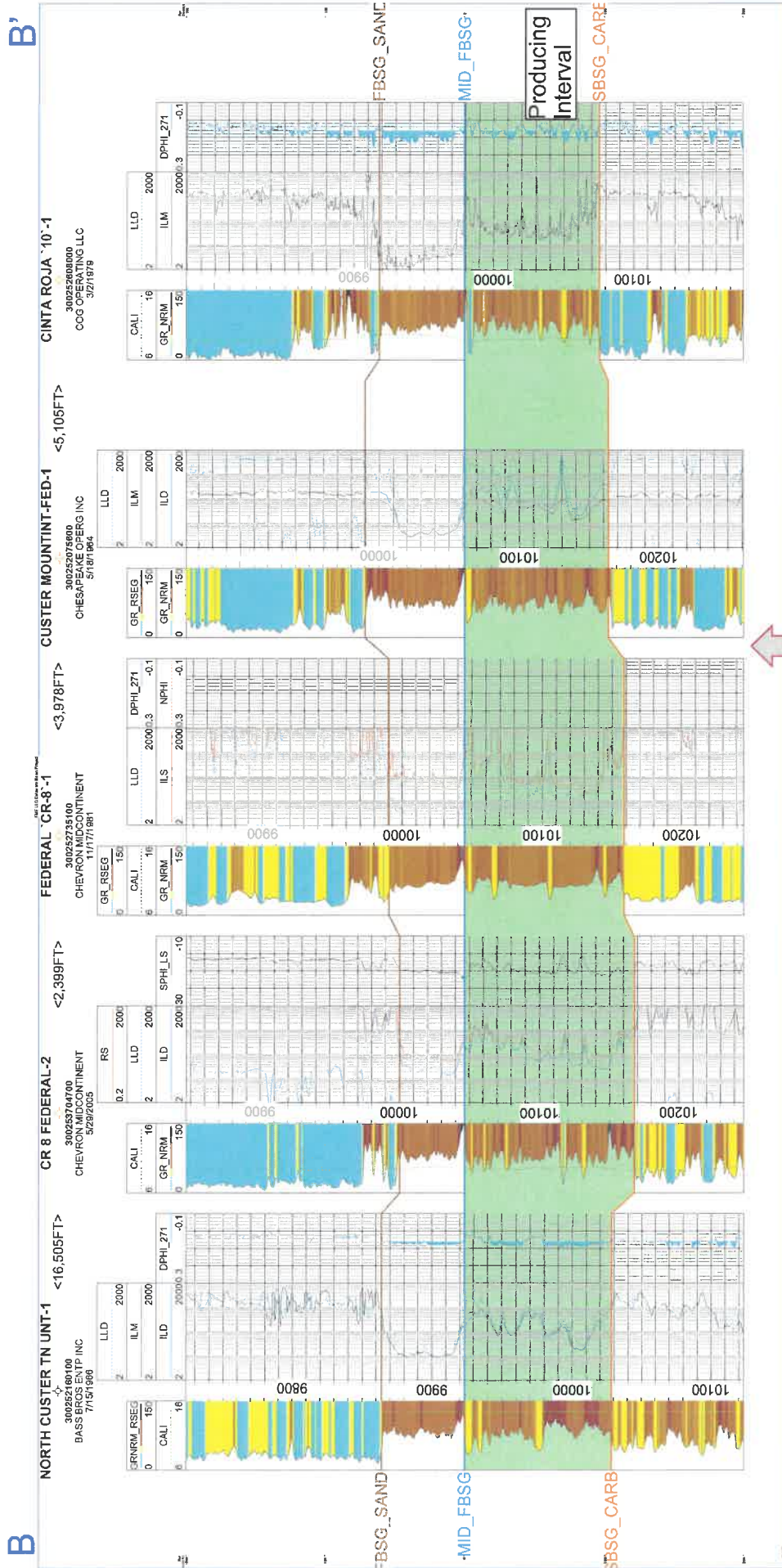


First Bone Spring Data Wells Shown

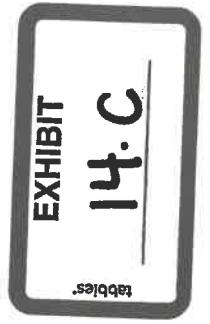


# Ouray Fed Com 302H

## Stratigraphic Cross Section (Mid First Bone Spring Sand Datum)



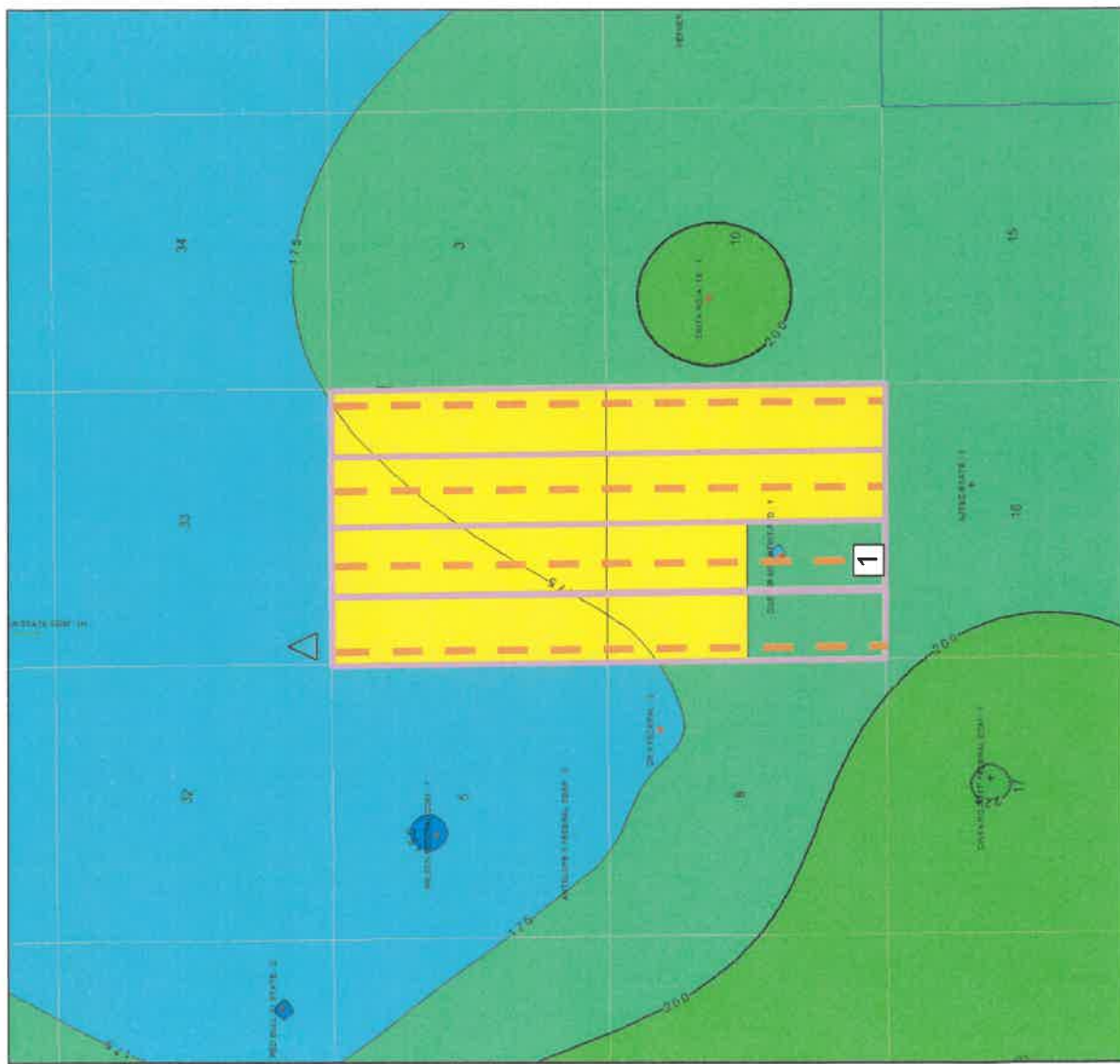
Ouray Fed Com 302H





# Ouray Fed Com 302H

## Gross Interval Isochore Map – First Bone Spring Sand to Second Bone Spring Carb



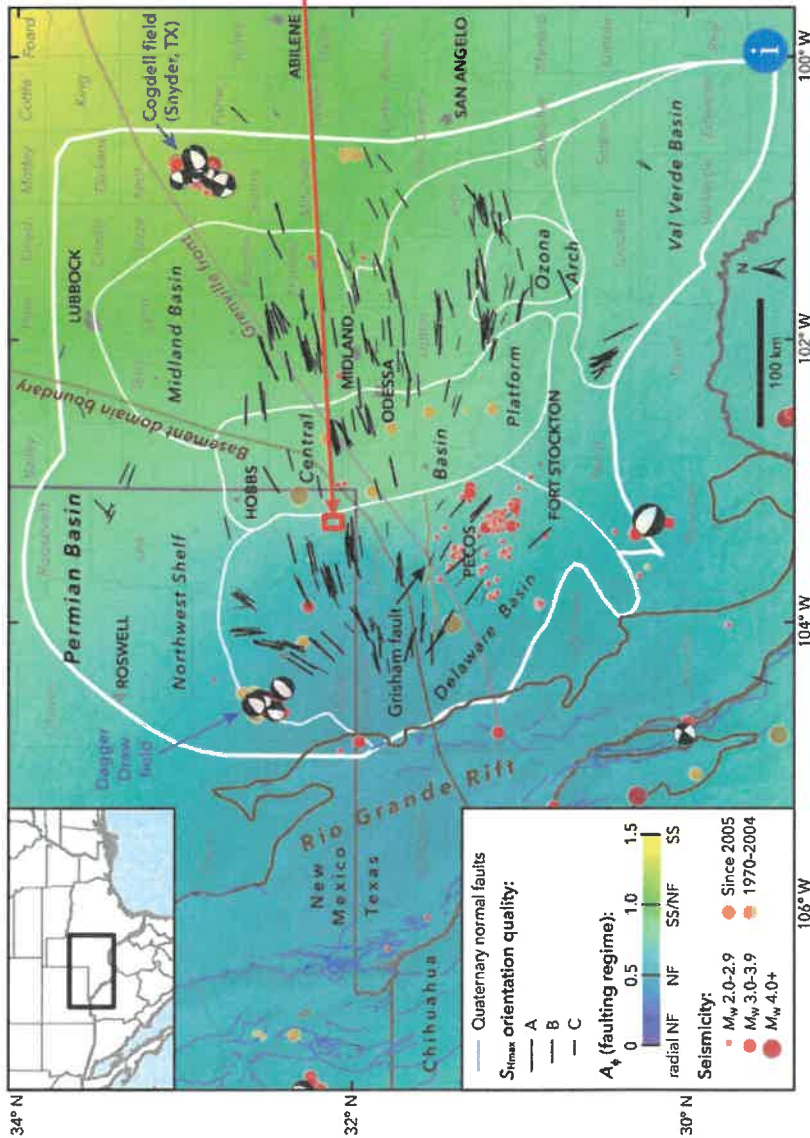
- FME Lateral
- FME Acreage
- Development Area
- 1 Ouray Fed Com 302H
- C.I = 25'
- 1 mile
- Offset First Bone Spring Lateral (SHL)



First Bone Spring Data Wells Shown

FME wells target a similar First Bone Spring thickness as successful offset laterals

# Regional Stress



- Red box shows the approximate location of the Colorado development
- Reported local S<sub>Hmax</sub> (Snee and Zoback, 2018) direction is ENE, around 265°
- The Ouray Fed Com 302H well is planned to drill 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/MobilePagedArticle.action?articleId=1331603#articleId1331603](http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603)

