

# Before the Oil Conservation Division Examiner Hearing January 6, 2022

**Compulsory Pooling** 

Case No. 22445: Master Fed Com 704H, Triumph Fed Com 705H, Triumph Fed Com 706H

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

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

**CASE NO. 22445** 

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# EXAMINER HEARING JANUARY 6, 2022 **COMPULSORY POOLING APPLICATION CHECKLIST**

Case: 22445	APPLICANT'S RESPONSE			
Date: January 6, 2022				
Applicant	Franklin Mountain Energy, LLC			
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)			
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris & Sisk, P.A. (Deana M. Bennett, Earl E. DeBrine, and Bryce H. Smith)			
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico			
Entries of Appearance/Intervenors:	None			
Well Family	Master/Triumph			
Formation/Pool				
Formation Name(s) or Vertical Extent:	Wolfcamp			
Primary Product (Oil or Gas):	Oil			
Pooling this vertical extent:	Wolfcamp			
Pool Name and Pool Code:				
	WC-025 G-09 S253502D; UPR WOLFCAMP, pool code 98187			
Well Location Setback Rules:	Statewide rules			
Spacing Unit Size:	640 acres			
Spacing Unit				
Type (Horizontal/Vertical)	Horizontal			
	C10			
Size (Acres)	640 acres			
	40 acres			
Size (Acres) Building Blocks: Orientation:				
Building Blocks:	40 acres North-South E/2 of Sections 14 and 23, Township 24 South,			
Building Blocks: Orientation: Description: TRS/County	40 acres North-South			
Building Blocks: Orientation: Description: TRS/County Standard Horizontal Well Spacing Unit (Y/N), If No, describe	40 acres North-South E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico			
Building Blocks: Orientation: Description: TRS/County Standard Horizontal Well Spacing Unit (Y/N), If No, describe <b>Other Situations</b>	40 acres North-South E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico			
Building Blocks: Orientation: Description: TRS/County Standard Horizontal Well Spacing Unit (Y/N), If No, describe Other Situations Depth Severance: Y/N. If yes, description	40 acres North-South E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico Y			
Building Blocks: Orientation:	40 acres North-South E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico Y N			

#### Received by OCD: 1/4/2022 6:27:22 PM BEFORE THE OIL CONSERVATION DIVISION **EXAMINER HEARING JANUARY 6, 2022**

Well(s)	
Name & API (if assigned), surface and bottom hole location,	See Exhibits 3 and 6. See also Tab B, Declaration of
footages, completion target, orientation, completion status	Lee Zink.
(standard or non-standard) Well #1	Master Fed Com 704H
VVEN #1	API: 30-025-48591
	SHL: 272 feet from the North line and 2499 feet from
	the West line, Section 14, Township 24 South, Range
	35 East, NMPM.
	BHL: 150 feet from the South line and 2152 feet from
	the East line, Section 23, Township 24 South, Range
	35 East, NMPM.
	Completion Target: Wolfcamp at approximately
	11,941' TVD.
	Well Orientation: North/South
	Completion location: Expected to be standard. See
	Exhibits 3 and 6.
Well #2	Triumph Fed Com 705H
	API: 30-025-48597
	SHL: 269 feet from the North line and 1352
	feet from the East line, Section 14, Township
	24 South, Range 35 East, NMPM.
	BHL: 150 feet from the South line and 1226
	feet from the East line, Section 23, Township
	24 South, Range 35 East, NMPM.
	Completion Target: Wolfcamp at
	approximately 12,071' TVD.
	Well Orientation: North/South
	Completion location: Expected to be
	standard. See Exhibits 3 and 6.
Well #3	Triumph Fed Com 706H
	API: 30-025-48598
	SHL: 269 feet from the North line and 1282
	feet from the East line, Section 14, Township
	24 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 350
	feet from the East line, Section 23, Township 24 South, Range 35 East, NMPM.
	Completion Target: Wolfcamp at
	approximately 11,874' TVD.
	Well Orientation: North/South
	Completion location: Expected to be
	standard. See Exhibits 3 and 6.
Horizontal Well First and Last Take Points	See Exhibit 3
Completion Target (Formation, TVD and MD)	See Exhibit 6

Well #1 EXAMINER HEARING JA	Master Fed Com 704H
	Formation: Wolfcamp
	TVD: 11,941'
	MD: 21,974'
Well #2	Triumph Fed Com 705H
	Formation: Wolfcamp
	TVD: 12,071'
A/- II #0	MD: 22,076'
Well #3	<b>Triumph Fed Com 706H</b> TVD: 11,874'
	MD: 21,931'
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A .
Production Supervision/Month \$	N/A
lustification for Supervision Costs	N/A
	81/8
Requested Risk Charge	N/A
Notice of Hearing Proposed Notice of Hearing	Exhibit 8, Exhibit 2, page 4
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 8
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & belo	N/A
loinder	
Sample Copy of Proposal Letter	Exhibit 6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4
Chronology of Contact with Non-Joined Working Interests	Exhibit 5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit 7

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Cost Estimate for Production Facilities	Exhibit 7
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibit 10
Gunbarrel/Lateral Trajectory Schematic	Exhibit 10
Well Orientation (with rationale)	Exhibit 12
Target Formation	Exhibit 11
HSU Cross Section	Exhibit 11
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 3
Tracts	Exhibit 4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 9
Well Bore Location Map	Exhibit 9
Structure Contour Map - Subsea Depth	Exhibit 11
Cross Section Location Map (including wells)	Exhibit 11
Cross Section (including Landing Zone)	Exhibit 11
Additional Information	

#### CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.

Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	Near MBrutt
Date:	Tuesday, January 4, 2022

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

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

**CASE NO. 22445** 

#### SELF AFFIRMED DECLARATION OF LEE ZINK

Lee Zink hereby states and declares as follows:

I am over the age of 18, I am the Director of Land for Franklin Mountain Energy, 1. 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.

I am familiar with the application filed by Franklin in this case. 3.

4. I am familiar with the status of the lands that are subject to the application.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.

6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.

No opposition is expected because the interest owners being pooled have been 7. contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.



8. The spacing unit and wells that Franklin proposes in this case is part of a comprehensive development plan covering Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. Franklin's development plan includes a total of six units, including both Wolfcamp and Bone Spring units. The Development Overview is attached as **Exhibit 1.** 

9. In this case, Franklin seeks an order from the Division pooling all uncommitted working interests and overriding royalty interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

10. This spacing unit will be dedicated to the Master Fed Com 704H, Triumph Fed Com 705H, and Triumph Fed Com 706H wells to be horizontally drilled. The Application is attached hereto as Exhibit 2.

11. Attached as **Exhibit 3** are the proposed C-102s for the wells.

12. The C-102s identify the proposed surface hole locations, the first take points, and the bottom hole locations. The C-102s also identify the pool and pool code.

The wells will develop the WC-025 G-09 S253502D-UPR Wolfcamp pool, pool code 98187.

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

15. This pool is governed by the state-wide horizontal well rules. The producing interval for the wells will be orthodox and will comply with the Division's set back requirements.

16. The completed interval for the Triumph Fed Com 705H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit.

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 wells 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 wells.

21. Exhibit 5 is a summary of my contacts with the various working interest owners.

22. **Exhibit 6** 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 wells.

23. **Exhibit** 7 contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

24. Franklin requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

25. Franklin requests the maximum cost plus 200% risk charge be assessed against nonconsenting working interest owners.

26. Franklin requests that it be designated operator of the wells.

27. The parties Franklin is seeking to pool were notified of this hearing.

28. Franklin seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

29. Exhibit 8 is an affidavit of notice prepared by counsel for Franklin that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper, showing that notice of this hearing was published on December 15, 2021.

The attachments to this declaration were prepared by me, or compiled from 30. company business records, or were prepared at my direction.

In my opinion, the granting of this application is in the interests of conservation and 31. 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: January 4, 2022

br

# **Development Overview**

Case Nos. 22445, 22446, 22447, 22448, 22449, and 22450







Franklin Mountain Leasehold

**Bone Spring Unit** 



Wolfcamp Unit





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

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

#### CASE NO. 22445

#### **APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.

2. FME seeks to dedicate the E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, spacing unit.

3. FME plans to drill the Master Fed Com 704H, Triumph Fed Com 705H, and Triumph Fed Com 706H wells to a depth sufficient to test the Wolfcamp formation.

4. The completed interval for the Triumph Fed Com 705H well will be less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit.

5. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.



6. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Designating FME as operator of this unit and the wells to be drilled thereon;

C. Authorizing FME to recover its costs of drilling, completing, and equipping the wells;

D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

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

By: Weana M. Bennett

Deana M. Bennett Bryce H. Smith

Post Office Box 2168 500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 Attorneys for Applicant

CASE NO. 22445 Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Master Fed Com 704H, Triumph Fed Com 705H, and Triumph Fed Com 706H wells to be horizontally drilled. The completed interval for the Triumph Fed Com 705H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

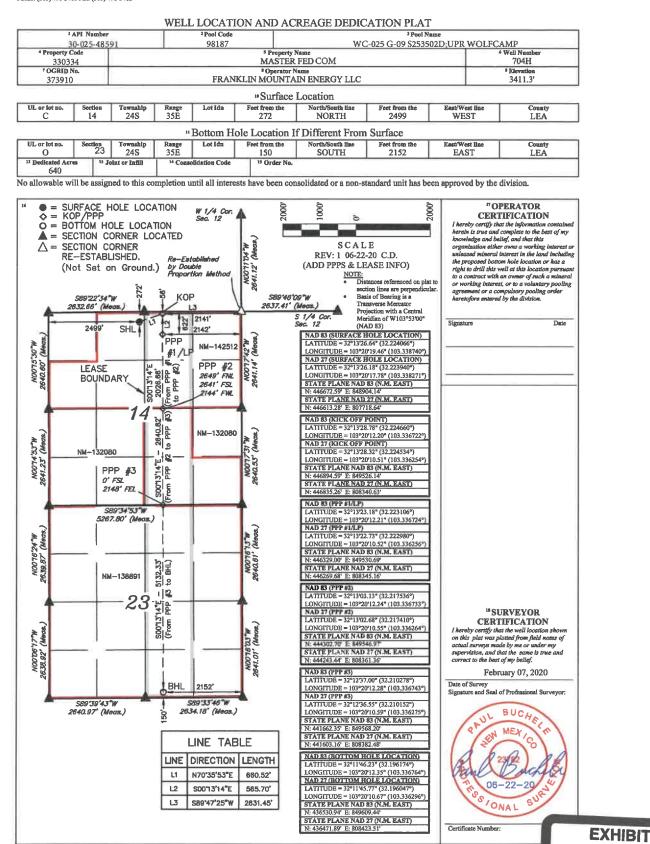
District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. Frist SL, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. SL Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-360 Fax: (505) 476-360

#### 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

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Form C-102 Revised August 1, 2011

District Office

Submit one copy to appropriate

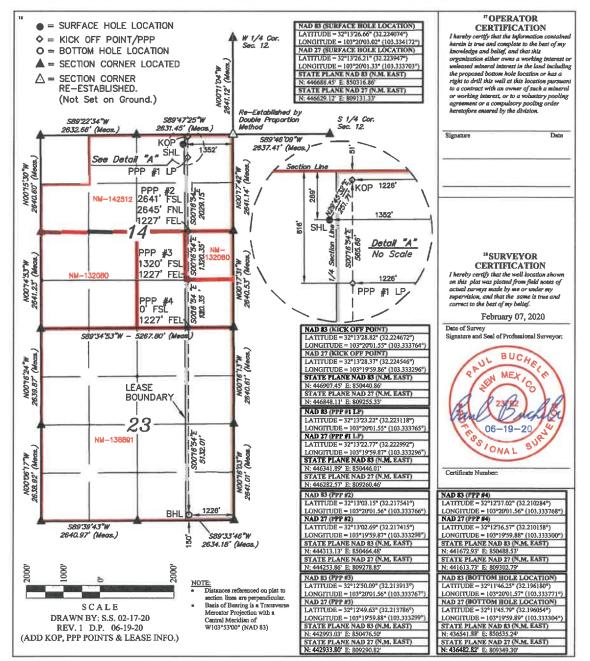
AMENDED REPORT

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) 748-1285 Fax: (575) 748-9720 District III 1000 Rio Brazes Road, Aztac, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fa, 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

	<sup>1</sup> API Number 30-025-48597			<sup>2</sup> Pool Code 98187		<sup>3</sup> Pool Name WC-025 G-09 S253502D;UPR WOLFCAMP				
4 Property C 33042				* Property Name TRIUMPH FED COM					* Well Number 705H	
<sup>7</sup> OGRID N 373910				<sup>3</sup> Operator Name <sup>9</sup> Eleva				* Elevation 3426.4'		
					"Surface	Location				
UL or lot no. B	Section 14	Towaship 24S	Range 35E	Lot Idn	Feet from the 269	Nerth/South line NORTH	Feet from the 1352	East/West line EAST	County LEA	
			11	Bottom Ho	ole Location I	f Different From	Surface			
UL or lot no. P	Section 23	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 1226	East/West line EAST	County LEA	
<sup>12</sup> Dedicated Acro 640	a 0;	loint or Infill	14 Conte	didation Code	<sup>15</sup> 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.



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District 1 1625 N. Fracch Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-6720 District II 811 S. First SL, Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rino Brazza Road, Aztac, NM 8710 Phone: (505) 334-6176 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3465

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT <sup>1</sup> API Number Pool Code 30-025-48598 WC-025 G-09 S253502D;UPR WOLFCAMP 98187 Property Code ell Numb 330424 TRIUMPH FEDCOM 706H OGRID No. Elevatio FRANKLIN MOUNTAIN ENERGY LLC 3424.7 373910 »Surface Location East/West li UL or lot no. Lot Idn Feet from the Section County 24S Range 35E North NORTH LEA Α 14 269 1282 EAST "Bottom Hole Location If Different From Surface UL or lot no. Section Township Range 35E Let Ida Feet from the 150 rth/South H Feet from th East/West line County 23 24S SOUTH 350 LEA Р EAST · Infill 12 T 14.0 15 Or 640 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. "OPERATOR SURFACE HOLE LOCATION NAD 83 (SURFACE HOLE LOCATION) CERTIFICATION LATITUDE = 32°13'26.66" (32.224073°)  $\diamond = KICK OFF POINT/PPP$ W 1/4 Cor. Sec. 12 I hereby certify that the information container herein is true and complete to the best of my knowledge and belief, and that this LONGITUDE = 103°20'02.20" (103.333945") NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'26.21" (32.223947") O = BOTTOM HOLE LOCATION knowledge and belief, and that this organization either owns a working interest or weleased mitereal 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. SECTION CORNER LOCATED LONGITUDE = 103\*20'00.52\* (103.333477\*) STATE PLANE NAD 83 (N.M. EAST) N: 446689.02\* E: 850386.85\* STATE PLANE NAD 27 (N.M. EAST) NDO'1''04"W 2641.12" (Mede.  $\triangle =$  SECTION CORNER RE-ESTABLISHED. N: 446629.69' E: 809201.31' (Not Set on Ground.) 589 Re-Established by Double Proportion Method S 1/4 Cor. Sec. 12. KOR S89'22'34 W NE Car. Sec. 14, Re-Establi by Double Proportion Method 2632.66' (Meas Signature Date S89'46'09"W SHL 12 2637.41' (Me See Detail "A" 4 (Merch) NO075'30"W 2640.60" (Meas ection Line LP 1282' PPP #1 350 PPP #2 22641'FSL 2010.30 12 KOP N0017 NM-142 2642' FNL 351' FEL -Per la 50076'52'E 566.04' 623 Section 500 7655 E (Meda.) "SURVEYOR NO014'53"W 2641.23" (Meca CERTIFICATION CERTIFICATION Iteraby certify that the well location show on this plat was plotted from field notes of actual surveys made by me or under my supervision, ond that the same is true and corract to the best of my belief. NM-132080 N0017 350 PPP #3-1320' FSL 500'16'55'E PPP #1 LP Detail "A" 351' FEL No Scale February 07, 2020 Date of Survey Signature and Seal of Professional Surveyor: NAD 83 (KICK OFF POINT 
 NAD 83 (KICK OFF POINT)

 LATITUDE = 32°1328.75° (32.224651°)

 LONGITUDE = 103°19'51.35° (103.330932°)

 NAD 27 (KICK OFF POINT)

 LATITUDE = 32°1328.29° (23.224525°)

 LONGITUDE = 103°19'49.67° (103.330463°)

 STATE PLANE NAD 83 (N.M. EAST)

 N: 446908.01° E. 851316.85°

 STATE PLANE NAD 27 (N.M. EAST)

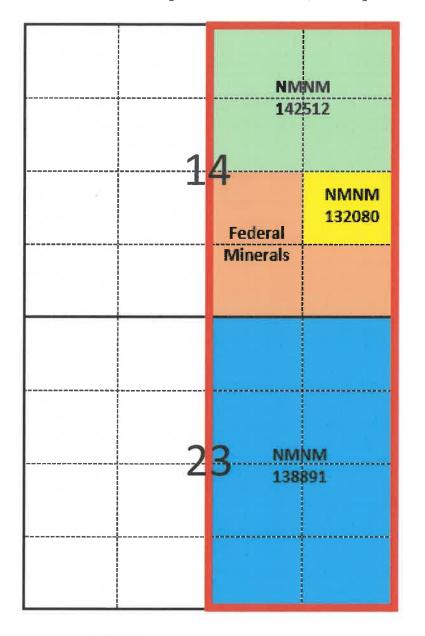
 M. 446918.02° E. 951012.10°
 S89'34'53"W 5267.80' (Meas. PPP #4 BUCHEL (Meas.) PAUL 124°W O' FSL MEXICO 351' FEL LEN N0016 N0076 2640.61 LEASE BOUNDARY N: 446848.68' E: 810131.30' NAD 83 (PPP #1 LP) LATTTUDE = 32\*13\*23.15\* (32.223096\*) 23 LONGITUDE = 103°19'51.36" (103.330932") NAD 27 (PPP #1 LP) LATITUDE = 32°13'22.69" (32.222970") 06-19-20 5131.73 SUR S. NM-138891 ONAL (Mecas.) LONGITUDE = 103°19'49.67" (103,330464") STATE PLANE NAD 83 (N.M. EAST) N: 446342.09' E: 851322.00' STATE PLANE NAD 27 (N.M. EAST) 17"W Meas Certificate Number N0076' 10.11-92 N: 446282.75' E: 810136.43' NAD 83 (PPP #2) LATITUDE = 32°13'03.17" (32.217546°) LONGITUDE = 103°19'51.36" (103.330934" NAD 27 (PPP #2) NAD 83 (PPP 44) LATITUDE = 32°12'37.04" (32.210289°) LONGITUDE = 103°19'51.37" (103.330936°) NAD 27 (PPP 44) BHL 350 LATITUDE = 32°13'02.71" (32.217420°) LATITUDE = 32°12'36.59" (32.210163°) 589'39'43"W LONGITUDE = 103°19'49.68" (103.330466° STATE PLANE NAD 83 (N.M. EAST) LONGITUDE = 103"19'49.68" (103.3304 STATE PLANE NAD 83 (N.M. EAST) 2640.97' (Meas.) 20 NOTE: N: 444323.08' E: 851340.37' STATE PLANE NAD 27 (N.M. EAST) N: 444263.80' E: 810154.72' N: 441682.99' E: 851364.39' STATE PLANE NAD 27 (N.M. EAST) N: 441623.79' E: 810178.63' es referenced on plat to section lines are perpendicular of Bearing is a Transverse Mercator Projec al Meridian of W103°53'00" (NAD 83) on with a NAD 83 (PPP #3) LATITUDE = 32°12'50.10" (32.213918°) NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°11'46.27" (32.196186°) 2000' 000 2000 5 LINE TABLE LONGITUDE = 103°19'51.37" (103.330935") NAD 27 (PP #3) LATITUDE = 32°12'49.65" (32.21 3791°) LONGITUDE = 103°19'51.38" (103.33940° NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°11'45.82" (32.196060°) LINE DIRECTION LENGTH SCALE LONGITUDE = 103°19'49.70" (103.330473°) STATE PLANE NAD 83 (N.M. EAST) LONGITUDE = 103°19'49.68" (103.330467" STATE PLANE NAD 83 (N.M. EAST) L1 S89'47'25"W 2631.45 DRAWN BY: S.S. 02-17-20 STATE PLANE 1012 20 N: 436552.23' E: 851411.05' STATE PLANE NAD 27 (N.M. EAST) N: 436493.16' E: 810225.09' N: 443003.04' E: 851352.38' STATE PLANE NAD 27 (N.M. EAST) N: 442943.79' E: 810166.67' REV. 1 D.P. 06-19-20 N76'59'21"E 12 955.58 (ADD PPP POINTS & LEASE INFO.)

#### **Released to Imaging: 1/5/2022 8:40:27 AM**

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# Lease Tract Map

Case No. 22445 E/2 of Sections 14 & 23-T24S-R35E, 640 Gross Acres Master Fed Com 704H, Triumph Fed Com 705H, Triumph Fed Com 706H



**Proposed Wolfcamp Unit** 

Tract 1 (160 acres)

Tract 2 (120 acres)

Tract 3 (40 acres)

Tract 4 (320 acres)



Case No. 22445 Page 20 of 54

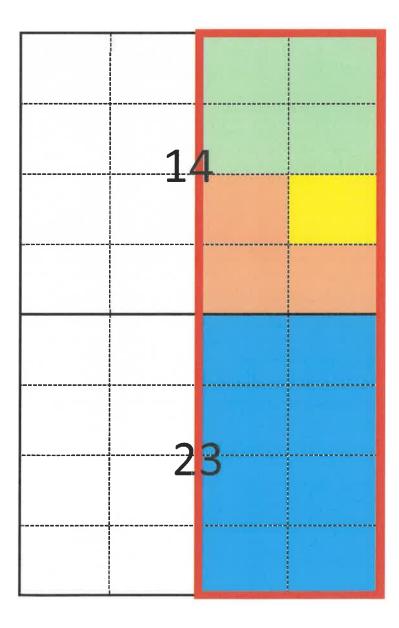




## **Unit Recapitulation**

Case No. 22445 E/2 of Sections 14 & 23-T24S-R35E, 640 Gross Acres Master Fed Com 704H, Triumph Fed Com 705H, Triumph Fed Com 706H

Working Interest Owner	Tract 1 (160 ac)	Tract 2 (120 ac)	Tract 3 (40 ac)	Tract 4 (320 ac)
Franklin Mountain Energy, LLC	100.000000%	0.000000%	0.000000%	100.000000%
Franklin Mountain Energy 2, LLC	0.000000%	0.00000%	100.00000%	0.000000%
Federal Minerals	0.000000%	100.000000%	0.000000%	0.000000%
TOTAL:	100.00000%	100.000000%	100.000000%	100.000000%



Tract	Lease
1	NMNM
T	142512
2	Federal
2	Minerals
3	NMNM
5	132080
4	NMNM
4	138891



# **Summary of Interests**

Case No. 22445 E/2 of Sections 14 & 23-T24S-R35E, 640 Gross Acres Master Fed Com 704H, Triumph Fed Com 705H, Triumph Fed Com 706H

Commited Working Interests					
Franklin Mountain Energy, LLC	75.00000%				
Franklin Mountain Energy 2, LLC	6.250000%				
Unleased Interests					
Federal Minerals	18.750000%				
TOTAL:	100.000000%				



#### Received by OCD: 1/4/2022 6:27:22 PM BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 6, 2022

Interest Type		
ORRI		

# **Summary of Attempted Contacts**

- Franklin Mountain Energy conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around October 22, 2021.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners and offered to send said form to owners upon request.
- Franklin corresponded with Max Permian, LLC and ASH Oil & Gas, LLC on numerous occasions and both entities have now signed the JOA and are participating in all of the wells.
- Franklin filed an application to force pool parties who had not entered in to an agreement.
- Franklin's counsel sent notices of the force pooling application to the addresses of record for the uncommitted interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.

	EXHIBIT	
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*Received by OCD: 1/4/2022 6:27:22 PM* BEFORE THE OIL CONSERVATION DIVISION **EXAMINER HEARING JANUARY 6, 2022** 



Sent via Certified Mail: Tracking No.: 9414 7116 9900 0636 2225 98

October 22, 2021

XTO Holdings, LLC 22777 Springwoods Village Parkway #115 Spring, TX 77389-1425 Attn: Land Department, Permian

RE: Master Fed Com 704H, Triumph Fed Com 705H, Triumph Fed Com 706H Well Proposals Township 24 South, Range 35 East: Sections 14 and 23: E/2, 640 acres m/l Lea County, New Mexico

Dear Working Interest Owner:

Franklin Mountain Energy, LLC ("FME"), as Operator, hereby proposes the drilling and completion of the following horizontal wells located in the E/2 of Sections 14 and 23:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	AFE
Master Fed Com 704H	Wolfcamp	11,941'	21,974'	Sec. 14- T24S- R35E: 272' FNL, 2,499' FWL	Sec. 23- T24S- R35E: 150' FSL, 2,152' FEL	\$11,432,491.05
Triumph Fed Com 705H	Wolfcamp	12,071'	22,076'	Sec. 14- T24S- R35E: 269' FNL, 1,352' FEL	Sec. 23- T24S- R35E: 150' FSL, 1,226' FEL	\$11,432,491.05
Triumph Fed Com 706H	Wolfcamp	11,874'	21,931'	Sec. 14- T24S- R35E: 269' FNL, 1,282' FEL	Sec. 23- T24S- R35E: 150' FSL, 350' FEL	\$11,432,491.05





FME reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.

FME is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

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

Should you be interested in participating under an Operating Agreement, FME will send you our proposed form.

Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE to Ilona Hoang at ihoang@fmellc.com or to the address provided below.

FME looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME will file an application for compulsory pooling to pool any uncommitted owners.

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

Respectfully,

Franklin Mountain Energy, LLC

And

Ilona T. Hoang Contract Landman

Enclosures



#### Master Fed Com 704H:

I/We hereby elect	to participate in the N	Aaster Fed Com	704H well.
I/We hereby elect	NOT to participate in	n the Master Fed	Com 704H well.

#### Triumph Fed Com 705H:

_I/We hereby elect to participate in the Triumph Fed Co	<b>m 705</b>	H well.	
I/We hereby elect NOT to participate in the Triumph F	ed Cor	n 705H	well.

#### **Triumph Fed Com 706H:**

\_I/We hereby elect to participate in the Triumph Fed Com 706H well. I/We hereby elect **NOT** to participate in the **Triumph Fed Com 706H** well.

Owner: \_\_\_\_\_

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

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

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

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

RA		LIN MOUNTAIN				Fi	44 Cook Street, Suite 100 Derver, CO 8020 Phone: 720-414-786
UTHO /elt Naz	RITY I	FOR EXPENDITURE Master Fod Com 704H		Well #:	_	70414	franklimmountainenergy cor
ocation		SI4L: Sec 14-T245-R35E 272' FNL 2499' FWL BHL: Sec 23-T24S-R35E 150' FSL 2152' FEL		County/	State:	Les Co., NM	
perator	7	Franklin Mountain Energy, LLC		Date Pre	pared:	10/11/2021	
urposer		Drill and complete a 9,800' WCXY well. TVD 11,941', MD 21,974'		AFE #:		DCE210906	
		Intangible Drilling Costs				Intangible Completion Costs	
1 <b>2]0</b> 225	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$24,000	Major 240	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$12,50
225	10 15	CASING CREW & EQPT CEMENTING INTERMEDIATE CASING	\$60,000 \$85,000	240 240	10 15	CASED HOLE LOGS & SURVEYS CASING CREW & EQPT	00,012 8
225	16	CEMENTING PRODUCTION CASING	\$45,000	240	20	COILED TUBING/SNUBBING UNIT	\$300,00
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$25,000 \$30,000	240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	\$6,10 \$
225	30	COMPLETION FLUIDS	\$7,000	240	35	COMPLETION/WORKOVER RIG	\$44,00
225 225	34 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$65,000 \$40,000	240 240	4.5 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$15,00 \$25,00
225 225	45 50	DAMAGES DAYWORK CONTRACT	\$15,000 \$552,000	240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER\GENERATION	2
225	55	DRILLING - DIRECTIONAL	\$240,000	240	62	ENGINEERING	\$10,00
225 225	60 65	DRILLING - FOOTAGE DRILLING BITS	\$80,000 \$100,000	240 240	65 70	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES	s 2
225 225	70 75	ELECTRICAL POWER/GENERATION ENGINEERING	\$0 \$18,000	240 240	71 72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$210,00 \$425,00
225	8D	ENVIRONMENTAL SERVICES	\$250,000	240	75	FUEL, POWER/DIESEL	\$700,00
225 225	84 85	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$45,000 \$60,000	240 240	80 85	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$10,00 \$35,00
225	90	FISHING TOOLS/SERVICES	30	240	90	MATERIALS & SUPPLIES	\$
225	95 100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$20,000 \$28,000	240 240	95 100	MISCELLANEOUS MUD & CHEMICALS	\$25,00 \$250,00
225	105	INSURANCE	\$24,000 \$18,000	240 240	110	P&A/TA COSTS PERFORATING/WIRELINE SERVICE	\$ \$400,00
225 225	106 110	INSPECTIONS LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$
225 225	115	MATERIALS & SUPPLIES MISCELLANEOUS	000,012 5,000	240 240	125 130	ROAD, LOCATIONS REPAIRS STIMULATION	\$25,00 \$1,500,00
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$23,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$55,20
235 225	130 140	MUD & CHEMICALS OPENHOLE LOGGING	\$220,000 \$0	240 240	140 145	SUPERVISION SURFACE EQUIP RENTAL	\$46,24 \$107,90
225	141	CASED HOLE LOGGING	\$10,000	240	150	TRANSPORTATION/TRUCKING	\$20,00
225 235	145 150	PERMITS, LICENSES, ETC POWER FUEL & WATER HAULING	\$20,000 \$150,000	240 240	155 160	WATER TRANSFER WELDING SERVICES	\$10,00
225	155	RIG MOVE & RACKING COSTS	\$70,000 \$0	240 240	165 148	WELL TESTINGFLOWBACK TAXES	\$90,00 \$241,55
225 325	160 163	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$219,59
225 235	165 170	STAKING & SURVEYING SUPERVISION	\$6,000 \$91,800		_	Total Intangible Completion Costs:	\$4,813,10
225	175	SUPERVISION - GEOLOGICAL	\$45,000			Tangible Completion Costs	
125 225	180	TRANSPORTATION/TRUCKING TAXES	\$26,000 \$138,809	Major 245	Minor	Description ARTIFICIAL LIFT	Amount \$30,00
225	35	CONTINGENCY COSTS 5%	\$126,190	245	15 25	FLOWLINES FRAC STRING	\$20,00
		Total Intangible Drilling Costs:	13 788 790	245	40	PACKERS/SLEEVES/PLUGS/GL MANDREL	5 \$48,00
Injor	Minor	Tangible Drilling Costa Description	Amount	245 245	45 50	PRODUCTION LINER. PRODUCTION PROCESSING FACILITY	5
230	1D	INTERMEDIATE CASING & ATTACHMENTS	\$600,000	245	55	PRODUCTION TUBING	\$87,50
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$707,000	245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$ \$50,00
230 230	35 45	SURFACE CASING & ATTACHMENTS WELLHEAD EQUIPMENT/CASING BOWL	\$75,000 \$78,000	245 245	75 70	WELLHEAD EQUIPMENT TAXES	\$89,00 \$18,94
230	40	TAXES	\$83,930			Total Tangible Completion Costs:	\$363,44
	_	Total Tangible Drifling Costs:	\$1,609,930			Intanuible Facility Costs	
		Tangible Facility Costs		Major		Description	Aniount
ajor 270	Minor	Description FACILITY PIPE/VALVES/FITTINGS	Amount \$110,000	265	5	CONSULTING COMPANY DIRECT LABOR	\$15,84
270	15 25	CONTAINMENT DEHYDRATION	02 02	265 265	20 22	DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$10,97 \$22,77
270 270	30	PRIMARY POWER MATERIALS	\$75,000	265	25	ENGINEERING / SCIENCE	\$12,00
270 270	50 60	FLOWLINES / PIPELINE / HOOKUP	\$69,063 \$720,000	265	40 45	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	2
270	65	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$200,750	265	60	OVERHEAD	\$5,25
270 270	66 75	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$0	265 265	80 85	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$1,00 \$
270	86	FACILITY SURFACE EQUIPMENT	\$141,600	265	8.3	TAXES	\$3,73
270 270	90 100	H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$8,000 \$88,231	265	10	CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,39
270	110	TANKS & WALKWAYS	\$33,440	-	_		
270 270	130 132	MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$60,473 \$34,446	-	_	Office Use Only:	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$3,000				
270 270	136 138	PRIMARY POWER BLILD FLOWLINE INSTALLATION	\$75,000 \$32,175	1			
270 270	140 125	SIGNAGE TAXES	\$250 \$90,829	1			
	,	Total Tangible Facility Costs:	\$1,742,257	1			
tal Dril			\$4,398,729.00	1			
on Con	pletion	и	5.216, 53.36				
otal Faci	nton i	hie:	\$1,817,201.69	1			
tul DC	langib	le:	\$1,973,377.50	-			
nal AFI	2	······································	\$11,432,491.05				
	THIS /	AUTHORITY FOR EXPENDITURE IS BASED ON COST ES		ILL REFL	ECT Y	OUR PROPORTINATE SHARE OF THE ACTU	AL INVOICE COSTS.
perator:		Franklin Merring Enery, LLC					
	B	1		Det -			10/11/2021
pprovad	ыу: (	Tell Steams Chief Steams		Date			10/11/2021
		CITA WERENA CHINES					
I Owne	r.						
proved	By:			Date:			

EXHIBIT

#### Released to Imaging: 1/5/2022 8:40:27 AM

FRA		IN MOUNTAIN					44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868
AUTHO Well Nat	RITY	FOR EXPENDITURE		Well #:		1054	franklinmountainenergy.com
Location		Triumph Fed Com 705H SHL: Sec 14-T24S-R35E 269' FNI, 1352' FEI,			Star	Las Co., NM	
Operator		BHL: Sec 23-T24S-R35E 150' FSL 1226' FEL Franklin Mountain Energy, LLC				10/11/2021	
Purpose:		Drill and complete a 9,800' WCA well TVD 12,071', MD 22,076'		AFE #;		DCE210909	
	-	Inten ible Drillin Costs				Intaugible Completion Cost	۹
Major 225	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$24,000	Majer 240	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$12,500
225 225	10 15	CASING CREW & EQPT CEMENTING INTERMEDIATE CASING	\$60,000 \$85,000	240 240	10	CASED HOLE LOGS & SURVEYS CASING CREW & EQPT	\$10,000 \$0
225	16	CEMENTING PRODUCTION CASING	\$45,000	240	20	COILED TUBING/SNUBBING UNIT	\$300,000
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$25,000 \$30,000	240 240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	\$6,100 \$0
225	30	COMPLETION FLUIDS	\$7,000	240	35	COMPLETION/WORKOVER RIG	\$44,000
225 225	14 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$65,000 \$40,000	240 240	45 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$15,000 \$25,000
225 225	45 50	DAMAGES DAYWORK CONTRACT	\$15,000 \$552,000	240 240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	50 50
225	55	DRILLING - DIRECTIONAL	\$240,000	240	62	ENGINEERING	\$10,000
225	60 65	DRILLING - FOOTAGE DRILLING BITS	\$80,000 \$100,000	240 240	65 70	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES	\$0 \$0
225	70	ELECTRICAL POWER/GENERATION	02	240	71	FLUIDS/HAULING/DISPOSAL	\$210,000
225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$18,000 \$250,000	240 240	72 75	FRAC WATER/COMPLETION FLUID FUEL, POWER/DIFSEL	\$425,000 \$700,000
225 225	84 85	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$45,000 \$60,000	240 240	80 85	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$10,000 \$35,000
225	40	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	02
225	95 100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$20,000 \$28,000	240 240	95 100	MISCELLANEOUS MUD & CHEMICALS	\$25,000 \$250,000
225	105	INSURANCE	\$24,000	240	110	P&A/TA COSTS	\$0
225	106 110	INSPECTIONS LEGAL, TITLE SERVICES	\$18,000 \$6,000	240 240	115 120	PERFORATING/WIRELINE SERVICE PIPE INSPECTION	\$400,000 \$0
225	115 120	MATERIALS & SUPPLIES	\$10,000	240 240	125 130	ROAD, LOCATIONS REPAIRS STIMULATION	\$25,000 \$1,500,000
225	125	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$5,000 \$23,000	240	130	SUBSURFACE EQUIPMENTAL RENTAL	\$55,200
225	130 140	MUD & CHEMICALS OPENHOLE LOGGING	\$220,000	240	140	SUPERVISION SURFACE EQUIP RENTAL	\$46,249 \$107,902
225	141	CASED HOLE LOGGING	\$10,000	240	150	TRANSPORTATION/TRUCKING	\$20,000
225	145 150	PERMITS, LICENSES, ETC POWER FUEL & WATER HAULING	\$20,000 \$150,000	240	155	WATER TRANSFER WELDING SERVICES	\$60,000 \$10,000
225	155	RIG MOVE & RACKING COSTS	\$70,000	240	165	WELL TESTING/FLOWBACK	\$90,000
225	160 163	RIG UP TEAR OUT & STANDBY SITE RESTORATION	50 \$10,000	240 240	148 40	TAXES CONTINGENCY COSTS 5%	\$241,557 \$219,598
225	165 170	STAKING & SURVEYING SUPERVISION	\$6,000 \$91,800		_	Total Intangible Completion Casts:	\$4,853,106
225	175	SUPERVISION - GEOLOGICAL	\$45,000	-		Tangible Completion Costs	
225	180 178	TRANSPORTATION/TRUCKING TAXES	\$26,000 \$138,809	Major 245	Minor 5	Description ARTIFICIAL LIFT	Amount \$50,000
225	35	CONTINGENCY COSTS 5% Tatal Intangible Drilling Costs:	\$126,190	245 245	15 25	FLOWLINES FRAC STRING	\$20,000 \$0
-			34, 188, 127	245	40	PACKERS/SLEEVES/PLUGS/GL MANDRI	ELS \$48,000
Major	Minor	Tangible Drilling Costs Description	Amount	245	45 50	PRODUCTION LINER PRODUCTION PROCESSING FACILITY	\$0 \$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$600,000	245	55	PRODUCTION TUBING	SB7,500
230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$707,000	245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$0 \$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$75,000	245	75 70	WELLHEAD EQUIPMENT	589,000 \$18,948
230 230	45 40	WELLMEAD EQUIPMENT/CASING BOWL TAXES	\$78,000 \$83,930	245	70	TAXES Total Tangible Completion Costs:	\$363,448
		Total Tangible Drilling Casts:	\$1,609,930			Intangible Facility Costs	
Major	Minor	Tangible Facility Costs Description	Amount	Major 265	5	Description CONSULTING	Amount \$15,840
270 270	10	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	\$110,000 \$0	265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	50 \$10,970
270	25	DEHYDRATION	\$0	265	33	PAD/ROAD CONSTRUCTION	\$22,770
27U 270	30 50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$75,000 \$69,063	265	25 40	ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$12,000 \$0
270	60	H2S TREATING EQUIPMENT	\$720,000	265	45	CONTRACT LABOR & SERVICES	\$0
270 270	65 66	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$200,750 \$0	265	60 80	OVERHEAD SURVEY / PLATS / STAKINGS	\$5,250 \$1,000
270	75	PRE-FABRICATED SKIDS	50	265	85 83	TRANSPORTATION / TRUCKING TAXES	\$0 \$3,731
270 270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$141,600 \$8,000	265	10	CONTINGENCY COSTS 5%	\$3,392
270 270	100	CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$88,231 \$33,440	_		Total Intangible Facility Costs:	\$74,992
270	130	MECHANICAL BATTERY BUILD	\$60,473			Office Use Only:	
270 270	132 134	EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD	\$34,446 \$3,000				
370	136	PRIMARY POWER BUILD	\$75,000				
270 270	138 140	FLOWLINE INSTALLATION SIGNAGE	\$32,175 \$250				
270	125	TAXES Total Taugibla Facility Costs:	\$90,829				
2			64 300 770 000				
Total Dril Total Corr	pletion		\$4,398,729,00 \$5,216,553.36				
Total Faci Total DC	lity: lotanei		\$1,817,208.69 \$7,641,904.86	1			
Total DC			\$1,973,377.50				
Total AFE	8		\$11,432,491,03	1			
	THIS	AUTHORITY FOR EXPENDITURE IS BASED ON COST E	STIMATES, BILLING	WILL REFI	ECT YO	OUR PROPORTINATE SHARE OF THE ACT	UAL INVOICE COSTS
Operator:		Franklin-Munntain Energy, LLC					
operator.	Br	ATT S		Date:			10/11/2021
	M. 1	Tel Surveys					
	<i>р</i> у. Ц	f Executive Officer					
Approved		Gef Executive Officer					
Approved WI Owne	r:	Ceff Executive Officer	-	Date			
Approved WI Owner Approved Printed Na	r: By.	Gent Executive Officer		Date: Title:			

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

							'ranklin Mountain Energy, LLC
	1	LIN MOUNTAIN					44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868
Well Na		FOR EXPENDITURE Triumph Fed Com 706H		Well #:	-	70634	franklinmountainener com
Location	1:	SHL: Sec 14-T24S-R35E 269' FNL 1352' FEL BHL: Sec 23-T24S-R35E 150' FSL 1226' FEL		County	State:	Lea Co., NM	
Operate	r;	Franklin Mountain Energy, LLC Drill and complete a 9,800' WCXY well.			epared:	10/11/2021	
Purpose	e	TVD 11,874', MD 21,931'		AFE #;		DCE210910	
Major	Miner	Intangible Drilling Costs	Amount	Major	Minor	Intangible Completion Costs Description	Amount
225 225	5	ADMINISTRATIVE OVERHEAD CASING CREW & EOFT	\$24,000 \$60,000	240 240	5 10	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$12,500 \$10,000
225	15	CEMENTING INTERMEDIATE CASING	\$85,000	240	15	CASING CREW & EQPT	\$0
225 225	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$45,000 \$25,000	240	20 25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$300,000 \$6,100
225 225	25 30	COMMUNICATIONS COMPLETION FLUIDS	\$30,000	240 240	30 35	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG	\$0 \$44,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$65,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$15,000
225	40 45	CONTRACT LABOR DAMAGES	\$40,000 \$15,000	240 240	50 55	DAMAGES/RECLAMATION DISPOSAL SOLIDS	\$25,000
225	50	DAYWORK CONTRACT	\$552,000	240	60	ELECTRICAL POWER/GENERATION	\$0
22.5	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$240,000 \$80,000	240 240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$10,000 \$0
225 225	65 70	DRILLING BITS ELECTRICAL POWER/GENERATION	\$100,000 \$0	240 240	70 71	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	\$0 \$210,000
225	75	ENGINEERING	\$18,000	240	72	FRAC WATER/COMPLETION FLUID	\$425,000
235	80 84	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE	\$250,000 \$45,000	240 240	75 80	FUEL, POWER/DIESEL HEALTH & SAFETY	\$700,000 \$10,000
22.5	85	EQUIPMENT RENTAL	\$60,000	240	85	HOUSING AND SUPPORT SERVICES	\$35,000
225	90 95	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$0 \$20,000	240 240	90 95	MATERIALS & SUPPLIES MISCELLANEOUS	\$0 \$25,000
225	100	HOUSING AND SUPPORT SERVICES	\$28,000	240	100	MUD & CHEMICALS	\$250,000
225	106	INSURANCE INSPECTIONS	\$24,000 \$18,000	240	115	P&A/TA COSTS PERFORATING/WIRELINE SERVICE	\$400,000
225	110	LEGAL, TITLE SERVICES MATERIALS & SUPPLIES	\$6,000 \$10,000	240 240	120	PIPE INSPECTION ROAD, LOCATIONS REPAIRS	\$0 \$25,000
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$1,500,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$23,000 \$220,000	240	135 140	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$55,200 \$46,249
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$107,902
225	141 145	CASED HOLE LOGOING PERMITS, LICENSES, ETC	\$10,000 \$20,000	240 240	150 155	TRANSPORTATION/TRUCKING WATER TRANSFER	\$20,000 \$60,000
225 225	150 155	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$150,000 \$70,000	240 240	160 165	WELDING SERVICES WELL TESTING/FLOWBACK	\$10,000 \$90,000
225	160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$241,557
225 225	163 165	SITE RESTORATION STAKING & SURVEYING	\$10,000 \$6,000	240	40	CONTINGENCY COSTS 5% Total Intungible Completion Costs:	\$219,598
225	170	SUPERVISION	\$91,800				
225	175 180	SUPERVISION - GEOLOGICAL TRANSPORTATION/TRUCKING	\$45,000 \$26,000	Major	Minor	Tangible Completion Costs Description	Amount
225	178	TAXES CONTINGENCY COSTS 5%	\$138,809 \$126,190	245 245	5 15	ARTIFICIAL LIFT FLOWLINES	\$50,000 \$20,000
		Total Intungible Drilling Casts:	\$2,788,799	245	25	FRAC STRING	\$0
		Tangible Drilling Costs		245	40 45	PACKERS/SLEEVES/PLUGS/GL MANDREL PRODUCTION LINER	S \$48,000 \$0
		Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	02
230 230	10 20	INTERMEDIATE CASING & ATTACHMENTS PACKURS/SLHEVES/PLUGS	\$600,000 \$66,000	245 245	55 60	PRODUCTION TUBING RODS/PUMPS	\$87,500 \$0
230 230	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$707,000 \$75,000	245 245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$50,000 \$89,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$78,000	245	70	TAXES	\$18,948
230	40	TAXES Total Tangible Drilling Costs:	\$83,930			Total Tangible Completion Costs:	\$363,448
		Tangible Facility Costs		Major	Minor	Intangible Facility Costs Description	Amount
Major 270	Minor	Description FACILITY PIPE/VALVES/FITTINGS	Amount \$110,000	265	5 12	CONSULTING COMPANY DIRECT LABOR	\$15,840 \$0
270	15	CONTAINMENT	\$110,000	265	20	DAMAGES/ROW/PERMITS, ETC	\$10,970
270	25	DEHYDRATION PRIMARY POWER MATERIALS	\$0 \$75,000	265	22	PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$22,770 \$12,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$69,063	265	-10	HEALTH/SAFETY/ENVIRONMENTAL	\$0
270 270	60 65	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$720,000 \$200,750	265 265	45	CONTRACT LABOR & SERVICES OVERHEAD	\$0 \$5,250
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,000
270 270	75 86	PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$0 \$141,600	265 265	85 83	TRANSPORTATION / TRUCKING TAXES	\$0 \$3,731
270	90 100	H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$8,000 \$88,231	265	10	CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$3,392
270	110	TANKS & WALKWAYS	\$33,440		_		114,602
270 270	130 132	MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$60,473 \$34,446	-	_	Office Use Only:	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$3,000	1			
270 270	136 138	PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$75,000 \$32,175	1			
170 270	140	SIGNAGE TAXES	\$250 \$90,829				
	• 2.7	Total Tangible Facility Casts;	\$1,742,257				
Total Dril	1.		\$4,398,729,00	1			
Total Cor	npletion	r-	\$5,216,553.36				
Total Fac Total DC	Intangu	ble:	\$1,817,208.69 \$7,641,904.86				
Total DC	Tangih	la:	\$1,973,377.50				
Total AFI	E:		\$11,472,491.05				
	THIS	AUTHORITY FOR EXPENDITURE IS DASED ON COST	ESTIMATES, BILLING W	/ILL REFI	ECT YO	OUR PROPORTINATE SHARE OF THE ACTU	AL INVOICE COSTS
Operator:		Franklin Mounton Energy, LLC					
	- 6	10 ===		Date.			10/11/2021
Approved		Cleff Stevens		1/210.			10/11/2021
		Chief Executive Officer					
WIOwne	er:						
				Dette			
Approved	ару:			Date:			
Printed N	ame:			Title:			
		CIDANTS MUST CARRY THEIR OWN CONTROL OF U					

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

Case No. 22445 Page 30 of 54

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

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

#### CASE NOS. 22445-22450

#### **AFFIDAVIT**

STATE OF NEW MEXICO ) ss. COUNTY OF BERNALILLO

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the abovereferenced Applications were provided under a notice letter, attached, and that proof of receipt is attached hereto. I also state that notice of the hearing was published in the Hobbs News-Sun on December 15, 2021, as reflected in the attached Affidavit of Publication.

SUBSCRIBED AND SWORN to before me this 4th day of January, 2022 by Deana M. Bennett.

My commission expires: 02 - 27 - 25

Notary Public OFFICIAL SEAL Karlene Schuman NOTARY PUBLIC STATE OF NEW MEX My Commission Expires:



<b>Released</b> to	
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XTO Holdings, LLC

Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 219410 Generated: 1/3/2022 1:58:53 PM									
USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300089636842	2021-12-10 1:02 PM	10154.0001 604H	United States of America	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 2:48 PM
9314869904300089636835	2021-12-10 1:02 PM	10154.0001 604H	Cayuga Royalties, LLC	Houston	ТХ	77254	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300089636828	2021-12-10 1:02 PM	10154.0001 604H	Monticello Minerals, LLC	Dallas	ТХ	75206	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 5:25 PM
9314869904300089636811	2021-12-10 1:02 PM	10154.0001 604H	Rheiner Holdings, LLC	Houston	ТХ	77098	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-17 9:40 AM

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Reference Number	Name 1	City	State				
10154.0001 604H	United States of America	Santa Fe	NM				
10154.0001 604H	Cayuga Royalties, LLC	Houston	ТХ				
10154.0001 604H	Monticello Minerals, LLC	Dallas	ТХ				
10154.0001 604H	Rheiner Holdings, LLC	Houston	TX				
10154.0001 604H	Prevail Energy, LLC	Denver	CO				
10154.0001 604H	TD Minerals, LLC	Dallas	ТΧ				
10154.0001 604H	Elliot Hall Company	Ogden	UT				
10154.0001 604H	Pony Oil Operating, LLC	Dallas	ТХ				
10154.0001 604H	Occidental Permian, LP	Houston	ТХ				

Spring

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Service Options	Mail Delivery Date
Return Receipt - Electronic, Certified Mail	2021-12-13 2:48 PM
Return Receipt - Electronic, Certified Mail	
Return Receipt - Electronic, Certified Mail	2021-12-13 5:25 PM
Return Receipt - Electronic, Certified Mail	2021-12-17 9:40 AM
Return Receipt - Electronic, Certified Mail	2021-12-13 7:24 PM
Return Receipt - Electronic, Certified Mail	2021-12-13 12:02 PM
Return Receipt - Electronic, Certified Mail	2021-12-20 10:16 AM
Return Receipt - Electronic, Certified Mail	2021-12-14 12:41 PM
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Return Receipt - Electronic, Certified Mail

# Type of Mailing: CERTIFIED MAIL 12/10/2021

# No 22445 + No 22450

#### Firm Mailing Book ID: 219410

Line         USPS Article Number         Name, Street, City, State, Zip         Postage         Service Fee         RR Fee         Rest.Del.Fee         Reference Contents           1         9314 8699 0430 0089 6367 50         XTO Holdings, LLC 22777 Springwoods Village Pkwy Spring TX 77389         \$1.36         \$3.75         \$1.85         \$0.00         10154.0001 60. Notice           2         9314 8699 0430 0089 6367 70         Occidental Permian, LP 5 Greenway Plaza, Ste 110 Houston TX 77046         \$1.36         \$3.75         \$1.85         \$0.00         10154.0001 60. Notice           3         9314 8699 0430 0089 6367 74         Pony Oil Operating, LLC 3100 Monticello Ave, Suite 500 Dallas TX 75205         \$1.36         \$3.75         \$1.85         \$0.00         10154.0001 60. Notice           4         9314 8699 0430 0089 6367 81         Elliot Hall Company Ogden UT 84402         \$1.36         \$3.75         \$1.85         \$0.00         10154.0001 60. Notice           5         9314 8699 0430 0089 6367 81         Elliot Hall Company Ogden UT 84402         \$1.36         \$3.75         \$1.85         \$0.00         10154.0001 60. Notice           6         9314 8699 0430 0089 6368 40         Prevail Energy, LLC \$21 Dexter St. Derver CO 80220         \$1.36         \$3.75         \$1.85         \$0.00         10154.0001 60. Notice           7         9314 8699 0430 0089 63681	.450 10
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Santa Fe NM 87508 Totals: \$13.60 \$37.50 \$18.50 \$0.00	
Grand Total: \$69.60	

List Number of Pieces Listed by Sender

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

Dated:

Name of receiving employee

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Received by OCD: 1/4/2022 6:27:22 PM

BEFORE THE OIL CONSERVATION DIVISION **EXAMINER HEARING JANUARY 6, 2022** 

> LEGAL NOTICE December 15, 2021

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 December 15, 2021 and ending with the issue dated December 15, 2021.

Publisher

Sworn and subscribed to before me this 15th day of December 2021.

**Business Manager** 



This newspaper is duly qualified to publish

 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

CASE NO. 22446: Notice to all affected parties, as well as the heirs and devisees of United States of America: Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerais, LLC; Cayuga Royaities, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application. Applicant seeks an order from the Division pooling all overriding royaity interests within a Bone Spring horizontal spacing unit underlying the E/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Prevail Fed Com 602H well to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be designation of Franklin Mountain Energy, LLC as operator of the well. Said area is located approximately 16 miles Northwest of Jai, New Mexico.

Northwest of Jai, New Mexico. CASE NO. 22447: Notice to all affected parties, as well as the heirs and devisees of United States of America; Tap Rock Resources II, LLC; Energen Resources Corporation; Max Permian, LLC; ASH Oli & Gas, LLC; Beverly Bowen Delucia; Candace Delgado; Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oli Trust; Elisa Delgado; Heirs of Thomas H. Turner and Tullie C. Flowers c/o Heirs of Eulene T. Freeman; Heirs of Thomas H. Turner and Tullie C. Flowers c/o Phylla Homberg; Helen Learmont Bedford, as Trustee/ Helen Learmont Bedford Family Trust, Helen L. Bedford, Edwin L. Bedford, William J. Bedford, as Trustees; Kirchner Investments, LLC; Sheryn A. Turner, potential heir to J.C. Turner; Susan Elisabeth Bowen; Sylvia Delgado; Villiam E. Richardson, Trustee, Revocable Inter Vivos Trust of William E. Richardson U/A dtd 4/28/94 C/O State Bank & Trust Co:, Prevail Energy, LLC; Hk Oli & Gas, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oli Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, vitin a Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 14 and 23, Township 24 within a Bone Spring horizontal spacing unit underlying, competing, and equipping said well, the allocation of these costs as well as the actual operating, costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for sompletion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for completion designation of Franklin Mountain Energy. LLC as operator of the well,

risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico. CASE NO. 22448: Notice to all affected parties, as well as the heirs and devisees of United States of America; Tap Rock Resources II, LLC; Energen Resources Corporation; Max Permian, LLC; ASH OII & Gas, LLC; Beverly Bowen Delucia; Candace Delgado; Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth OII Trust; Elisa Delgado; Heirs of Thomas H. Turner and Tuille C. Flowers c/o Heirs of Eulene T. Freeman; Heirs of Thomas H. Turner and Tuille C. Flowers c/o Phyllis Bedford, Edwin L. Bedford, William J. Bedford, as Trustee/ Helen Lammont Bedford Family Trust, Helen L. Bedford, Edwin L. Bedford, William J. Bedford, as Trustees; Kirchner Investments, LLC; Sheryn A. Turner, potential heir to J.C. Turner; Susan Elisabeth Bowen; Sylvia Delgado; William E. Richardson, Trustee, Revocable Inter Yivos Trust of William E. Icchardson U/A dtd 4/28/94 C/O State Bank & Trust Co; Prevall Energy, LLC; Hheiner Holdings, LLC; Monticelio Minerals, LLC; Cayuga Royatiles, LLC; Max Exploration, LLC; HK Oil & Gas, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lee 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 January 6, 2022, Division, hereby gives notice that the 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 January 6, 2022, Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, Division, hereby gives notice that the Division will conduct a public hearing at 8:16 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicat

State of New Mexico My Commission Expires 241:33 This newspaper is doly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said County, New Mexico. This spacing unit will be decicated to the Master Fed Com 603H well to be horizontally drilled. The producing area for supervision while drilling and after completion, designation of Franklin would a the producing area for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontally drilled. The producing area for the Master Fed Com 603H well to be horizontally drilled. The producing area for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

area is located approximately to miles Notitives to tai, New Weild. CASE NO. 28490. Notice to all affected parties, as well as the heirs and devisees of United States of America; XTO Holdings, LLC; Occidental Permian, LP; Pony Oli Operating, LLC; Elliot Hail Company; TD Minerals, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monicello Minerals, LLC; Cayuga Royalties, LLC of Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oli Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 6, 2022, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Triumph Fed Com 604H well to be horizontally be the cost of drilling, competing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said #37127 #37127



December 10, 2021

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

#### <u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

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

#### CASE NO. 22445

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

#### **CASE NO. 22450**

#### **TO: AFFECTED PARTIES**

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

In Case No. 22445, FME seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Master Fed Com 704H, Triumph Fed Com 705H, and Triumph Fed Com 706H** wells to be horizontally drilled. The completed interval for the Triumph Fed Com 705H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

In Case No. 22450, FME seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Triumph**  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

Fed Com 604H well to be horizontally drilled. The producing area for the Triumph Fed Com 604H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 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 will be conducted on January 6, 2022 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 hearings 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,

Deine M. Bennest

Deana M. Bennett Attorney for Applicant

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

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

#### CASE NO. 22445

#### APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

FME has an interest in the subject lands and has a right to drill and operate a well 1. thereon.

FME seeks to dedicate the E/2 of Sections 14 and 23, Township 24 South, Range 2. 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, spacing unit.

FME plans to drill the Master Fed Com 704H, Triumph Fed Com 705H, and 3. Triumph Fed Com 706H wells to a depth sufficient to test the Wolfcamp formation.

The completed interval for the Triumph Fed Com 705H well will be less than 4. 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit.

5. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

6. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Designating FME as operator of this unit and the wells to be drilled thereon;

C. Authorizing FME to recover its costs of drilling, completing, and equipping the wells;

D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

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

By: Meana M. Bennett

Deana M. Bennett Bryce H. Smith

#### *Received by OCD: 1/4/2022 6:27:22 PM* BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 6, 2022

Post Office Box 2168 500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 Attorneys for Applicant

CASE NO. 22445 Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Master Fed Com 704H, Triumph Fed Com 705H, and Triumph Fed Com 706H wells to be horizontally drilled. The completed interval for the Triumph Fed Com 705H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

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

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

#### CASE NO. 22450

#### APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

FME has an interest in the subject lands and has a right to drill and operate a well 1. thereon.

2. FME seeks to dedicate the E/2E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.

FME plans to drill the Triumph Fed Com 604H well to a depth sufficient to test 3. the Bone Spring formation.

The well will be horizontally drilled and will be drilled at orthodox locations 4. under the Division's rules.

5. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Designating FME as operator of this unit and the well to be drilled thereon;

C. Authorizing FME to recover its costs of drilling, completing, and equipping the well;

D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

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

Bennett Br: NILGRA

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

CASE NO.<sup>22450</sup>. Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Triumph Fed Com 604H well to be horizontally drilled. The producing area for the Triumph Fed Com 604H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles Northwest of Jal, New Mexico.

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

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

**CASE NO. 22445** 

#### 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 9 is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.

5. Exhibit 10 is a wellbore schematic showing Franklin's development plan, which includes the wells proposed in Case Numbers 22445 through 22450, including in this case.

6. The exhibits behind Tab 11 are the geology study I prepared for the Master Fed Com 704H, Triumph Fed Com 705H, and Triumph Fed Com 706H wells.

7. Exhibit 11-A is structure map of the top Wolfcamp. The proposed spacing unit is identified by a green box. The Master Fed Com 704H, Triumph Fed Com 705H, and Triumph Fed Com 706H wells are the black dashed lines identified by the boxes labeled "1", "2", and "3"



respectively. The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

8. Exhibit 11-B is a cross section reference map that identifies four wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

9. Exhibit 11-C is a stratigraphic cross section hung on the Wolfcamp. The well logs on the cross-section give a representative sample of the Wolfcamp formation in the area. The target zone is identified by a bracket and the words "Producing Interval". I have also identified where the proposed wells fall within the wells I used for the cross-section.

10. In my opinion, the gross interval thickness thins slightly to the east.

11. Exhibit 11-D is a Gross Sand Isochore of the Upper Wolfcamp. The gross interval thickness thins slightly to the east.

12. I conclude from the maps that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.

13. Exhibit 12 provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

14. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to S<sub>Hmax</sub>, optimal for inducted fracture propagation. This is because the S<sub>Hmax</sub> is at approximately 265 degrees ENE in this area of Lea County.

15. Exhibits 9-12 were prepared by me or under my supervision or compiled from company business records.

16. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information

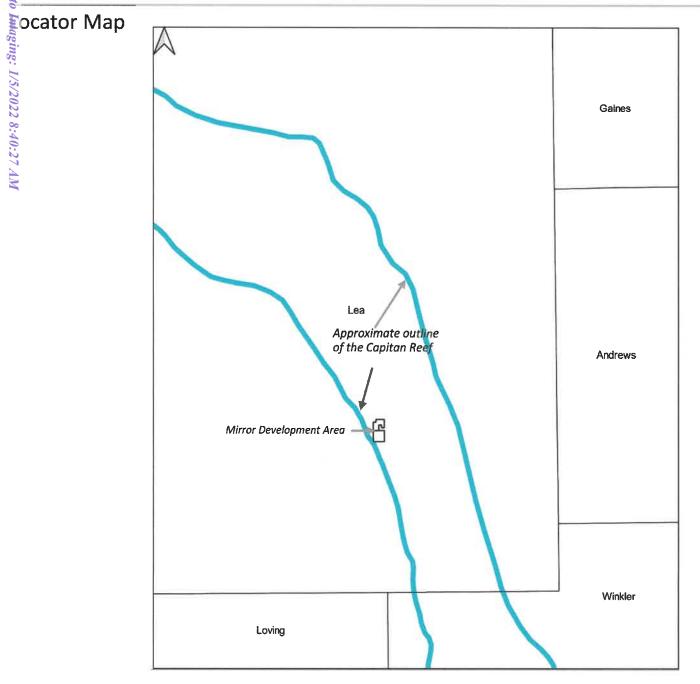
provided herein is correct and complete to the best of my knowledge and belief.

Dated: December 23, 2021

Hessel Kessel

## Mirror Development

#### BEFORE THE OIL CONSERVATION DIVISION **EXAMINER HEARING JANUARY 6, 2022**





- Black box shows the location • of Mirror development area
- Planned wells are located • inside of the western edge of the Capitan Reef

EXHIBIT

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

Case No. 22445 Page 48 of 54

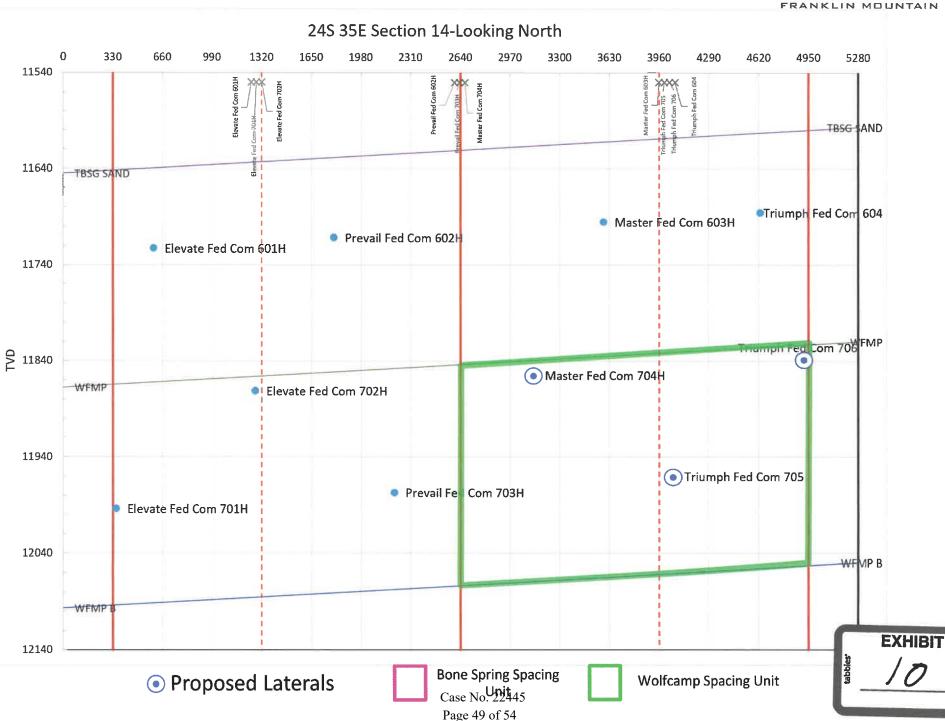
## Vellbore Schematic

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#### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 6, 2022

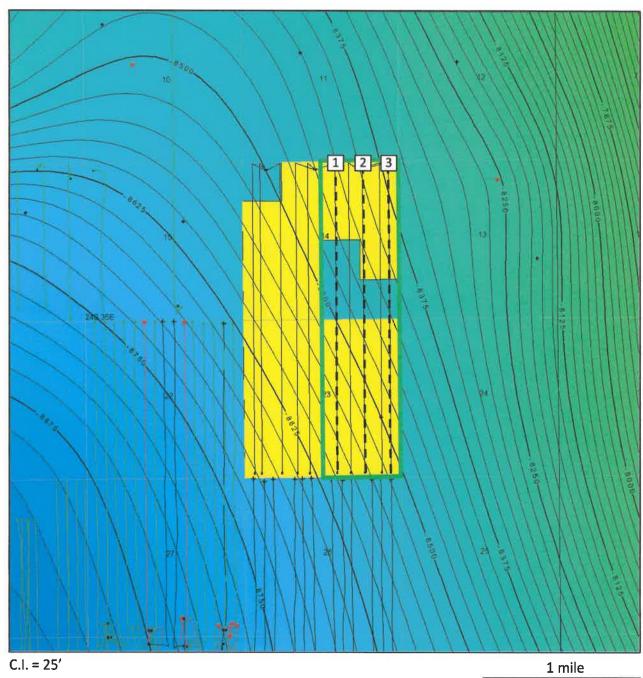
FRANKLIN MOUNTAIN

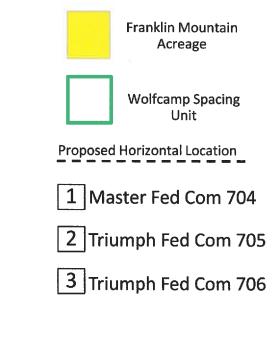


# Volfcamp Structure

#### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 6, 2022





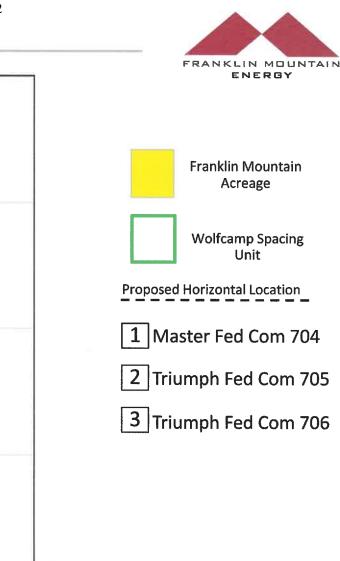




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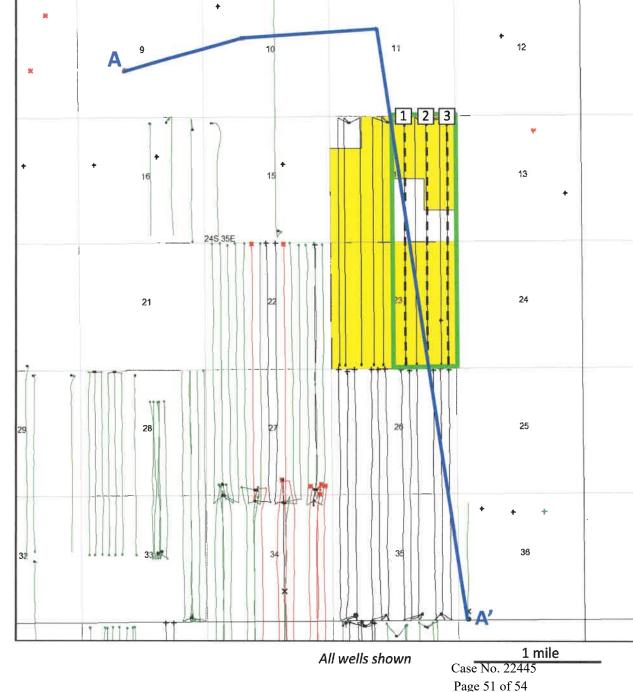
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#### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 6, 2022 EXAMINER HEARING JANUARY 6, 2022





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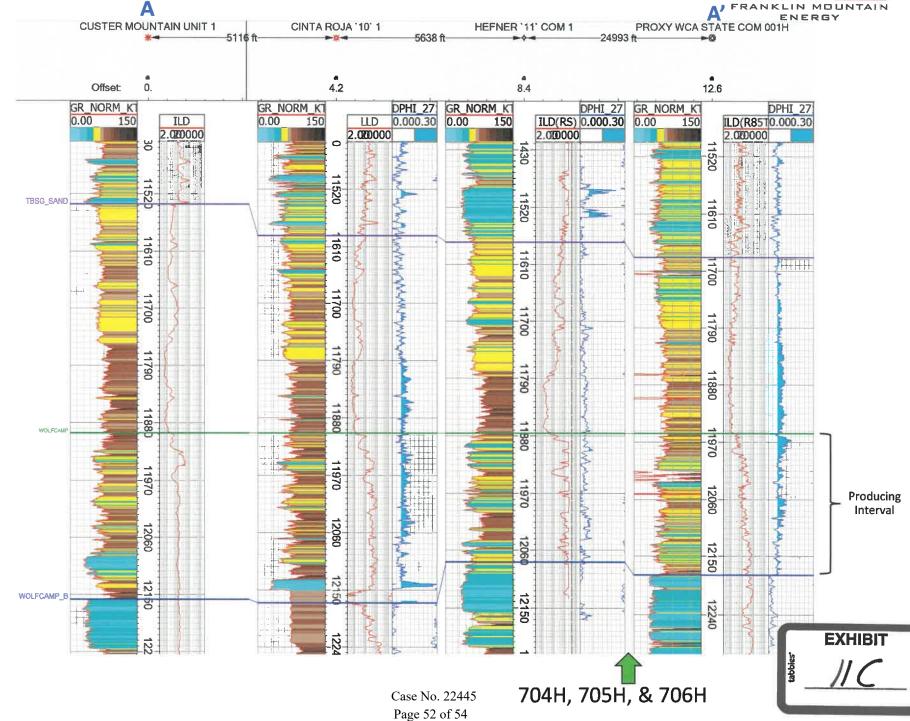


## Volfcamp Cross Section

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#### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 6, 2022

A' FRANKLIN MOUNTAIN ENERGY STATE COM 001H

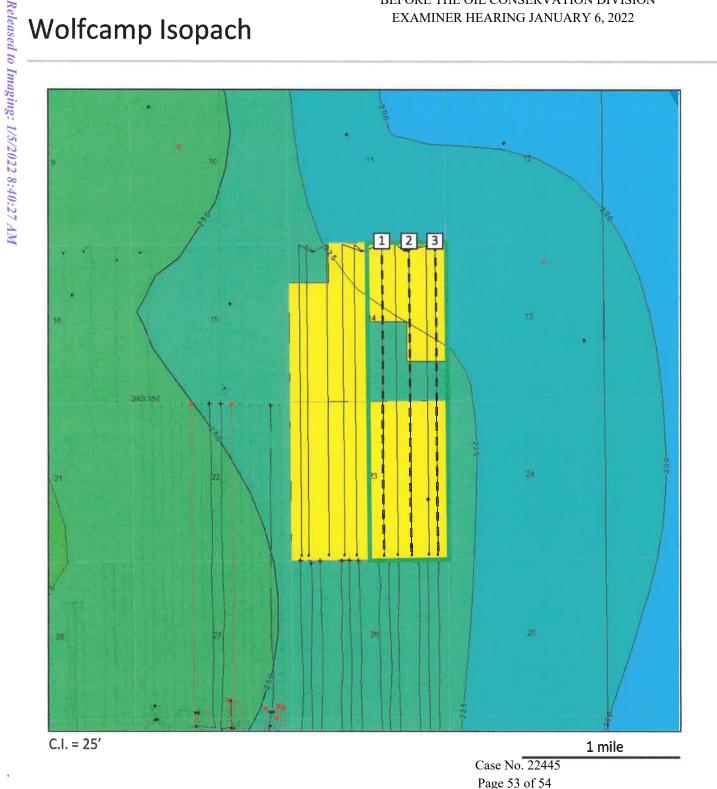


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### Wolfcamp Isopach

#### BEFORE THE OIL CONSERVATION DIVISION **EXAMINER HEARING JANUARY 6, 2022**







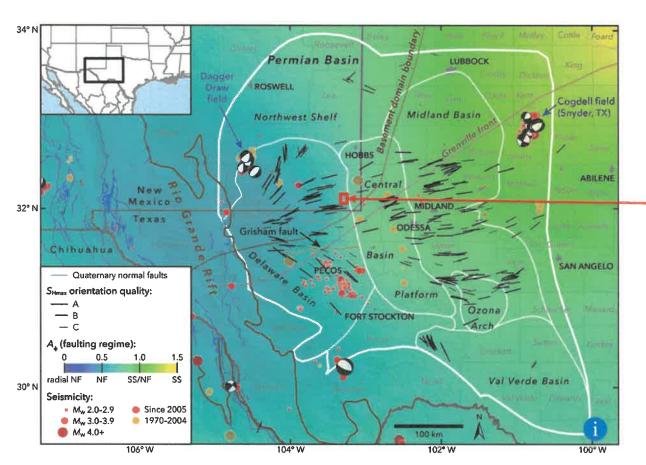


#### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JANUARY 6, 2022

### **Regional Stress**



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- Red box shows the approximate location of the Mirror development
- Reported local S<sub>Hmax</sub> (Snee and Zoback, 2018) direction is ENE, around 265°
- The Master Fed Com 704H, Triumph Fe Fed Com 705H & 706H wells are 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/MobilePagedArtic le.action?articleId=1331603#articleId1331603

