



Before the Oil Conservation Division
Examiner Hearing January 6, 2022

Compulsory Pooling

Case No. 22446: Prevail Fed Com 602H

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. 22446

TABLE OF CONTENTS

Tab A: Compulsory Pooling Checklist

Tab B: Declaration of Lee Zink Land Professional

- Exhibit 1: Development Overview
- Exhibit 2: Application
- Exhibit 3: C-102
- Exhibit 4: Lease Tract Map/Summary of Interests
- Exhibit 5: Notice Affidavit

Tab C: Affidavit of Ben Kessel, Geologist

- Exhibit 6: Locator Map
- Exhibit 7: Wellbore Schematic
- Exhibit 8: Prevail Fed Com 602H Geology Study
- Exhibit 9: Regional Stress Orientation Justification

EXAMINER HEARING JANUARY 6, 2022


COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| Case: 22446 | APPLICANT'S RESPONSE |
|--|--|
| Date: Hearing 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 (Deana Bennett, Earl DeBrine, Bryce Smith) |
| Case Title: | Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico |
| Entries of Appearance/Intervenors: | None |
| Well Family | Prevail |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Bone Spring |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Bone Spring |
| Pool Name and Pool Code: | WC-025 G-09 S253502D-LWR BONE SPRING 98185 |
| Well Location Setback Rules: | Statewide rules |
| Spacing Unit Size: | 320 acres |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320 acres |
| Building Blocks: | 40 acres |
| Orientation: | North-South |
| Description: TRS/County | E/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | Y |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | N |
| Proximity Tracts: If yes, description | N |
| Proximity Defining Well: if yes, description | N |
| Applicant's Ownership in Each Tract | Exhibit 4. |
| Well(s) | |



| | |
|---|---|
| Name & API (if assigned), surface and bottom hole locations, footages, completion target, orientation, completion status (standard or non-standard) | Exhibit 2 |
| Well #1 | Prevail Fed Com 602H API: 30-025-48592 SHL: 273 feet from the North line and 2429 feet from the West line, Section 14, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 1800 feet from the West line, Section 23, Township 24 South, Range 35 East, NMPM. Completion Target: Bone Spring. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 3 for C-102. |
| Horizontal Well First and Last Take Points | Exhibit 3 |
| Completion Target (Formation, TVD and MD) | Exhibits 7; 8C |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | N/A |
| Production Supervision/Month \$ | N/A |
| Justification for Supervision Costs | N/A |
| Requested Risk Charge | N/A |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibits 2; 5 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit 5 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit 5 |
| 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 & below) | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | N/A |

EXAMINER HEARING JANUARY 6, 2022

| | |
|--|--|
| List of Interest Owners (ie Exhibit A of JOA) | N/A |
| Chronology of Contact with Non-Joined Working Interests | N/A |
| Overhead Rates In Proposal Letter | N/A |
| Cost Estimate to Drill and Complete | N/A |
| Cost Estimate to Equip Well | N/A |
| Cost Estimate for Production Facilities | N/A |
| Geology | |
| Summary (including special considerations) | Tab C |
| Spacing Unit Schematic | Exhibit 7 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit 7 |
| Well Orientation (with rationale) | Exhibit 9 |
| Target Formation | Exhibit 8C |
| HSU Cross Section | Exhibit 8C |
| 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 6 |
| Well Bore Location Map | Exhibit 6 |
| Structure Contour Map - Subsea Depth | Exhibit 8A |
| Cross Section Location Map (including wells) | Exhibit 8B |
| Cross Section (including Landing Zone) | Exhibit 8C |
| 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): |  |
| Date: | 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. 22446

SELF AFFIRMED DECLARATION OF LEE ZINK

Lee Zink 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.

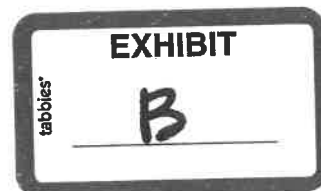
3. I am familiar with the application filed by Franklin in this case.

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

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

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

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



8. The spacing unit and well that Franklin proposes in this case is part of a comprehensive development plan covering 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 320-acre, more or less, 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.

10. This spacing unit will be dedicated to the **Prevail Fed Com 602H** well to be horizontally drilled. The Application is attached hereto as **Exhibit 2**.

11. Attached as **Exhibit 3** is the proposed C-102 for the well.

12. The C-102 identifies the proposed surface hole location, the first take point, and the bottom hole location. The C-102 also identifies the pool and pool code.

13. The well will develop the WC-025 G-09 S253502B; LWR BONE SPRING pool, pool code 98185.

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

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

16. There are no depth severances within the proposed spacing unit.

17. **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.

18. 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.

19. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder in the proposed well.

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

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

22. In this case, Franklin only seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

23. **Exhibit 5** 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.

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

25. 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: January 4, 2022

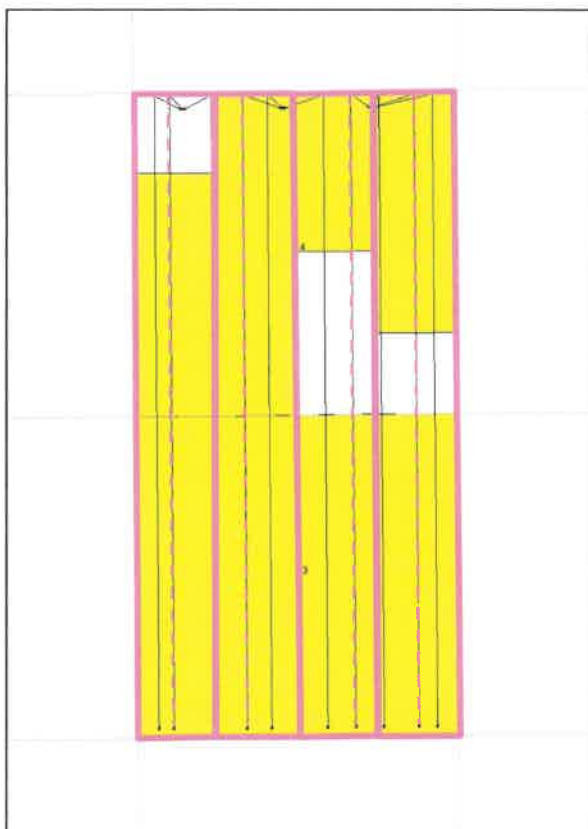
A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be the initials 'JL' followed by a surname that is partially obscured by the line.

Development Overview

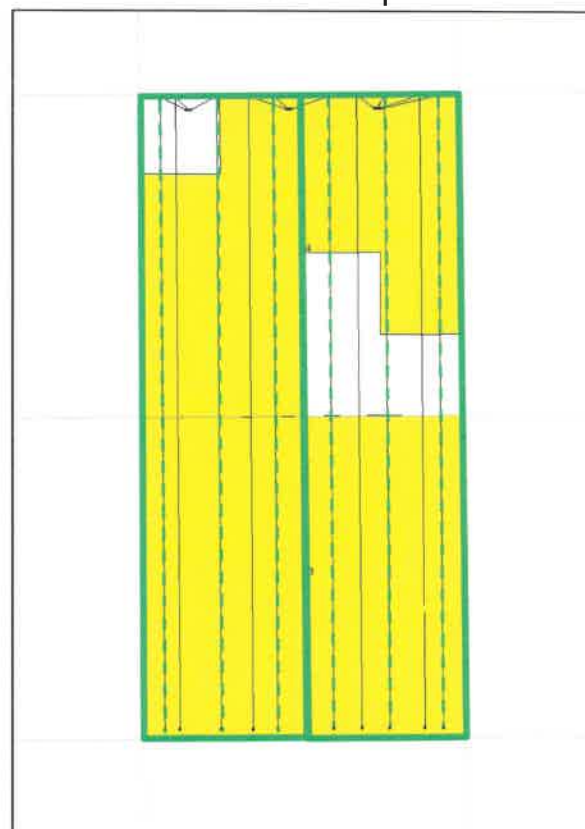
Case Nos. 22445, 22446, 22447, 22448, 22449, and 22450

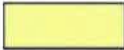




Bone Spring



Wolfcamp



-  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. 22446

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 overriding royalty owners 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.

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/2W/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.
3. FME plans to drill the **Prevail Fed Com 602H** well to a depth sufficient to test the Bone Spring formation.
4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division’s rules.
5. FME seeks only to pool overriding royalty interest owners. The pooling of such 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 overriding royalty interest owners in the Bone Spring formation underlying a horizontal spacing unit within the E/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and

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

MODRALL, SPERLING, ROEHL, HARRIS

& SISK, P.A.

By: Deana 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. 22446 Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all overriding royalty 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 Jal, New Mexico.

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 APT Number 30-025-48592 | | ² Pool Code 98185 | | ³ Pool Name WC-025 G-09 S253502B;LWR BONE SPRING | |
| ⁴ Property Code 330335 | | ⁵ Property Name PREVAIL FED COM | | ⁶ Well Number 602H | |
| ⁷ OGRID No. 373910 | | ⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC | | ⁹ Elevation 3409.5' | |

¹⁰ Surface Location

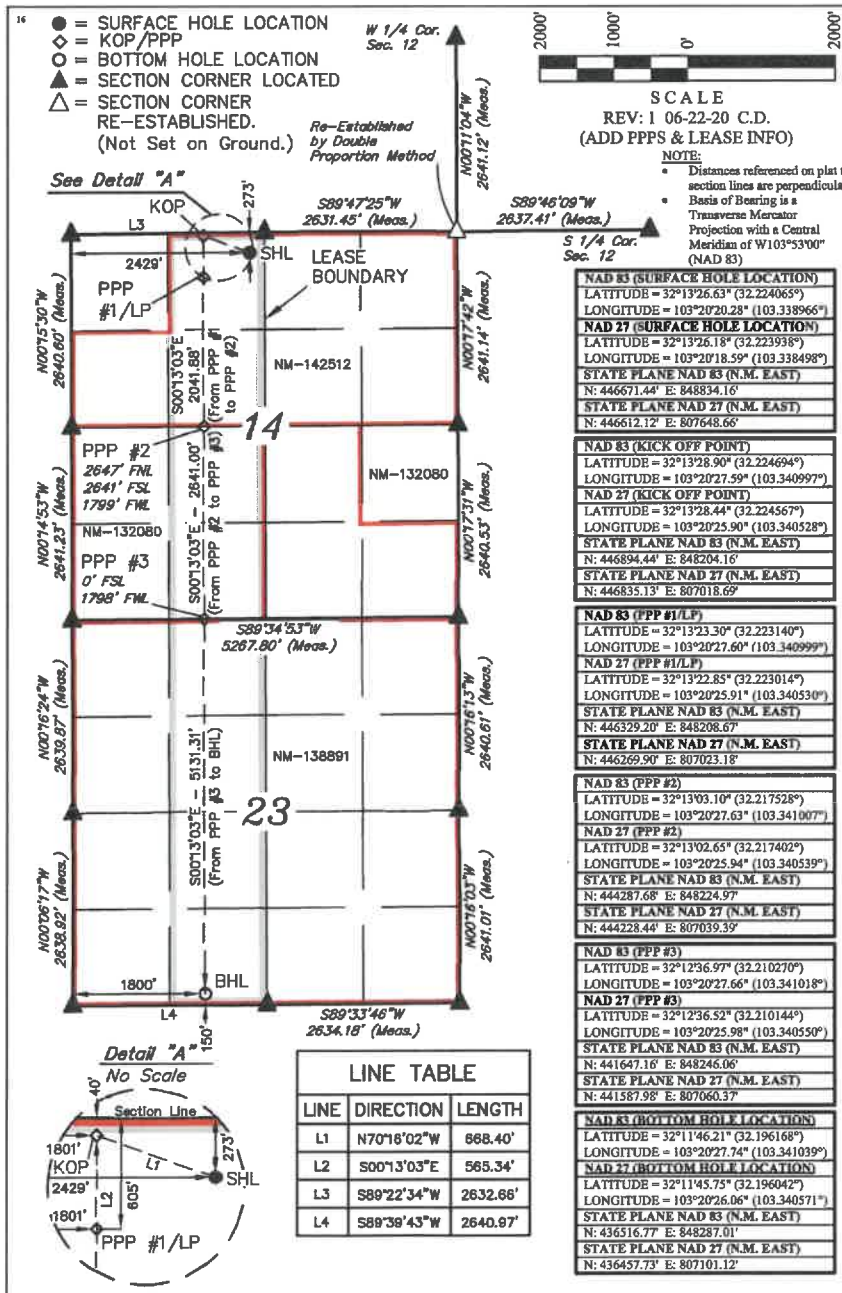
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 14 | 24S | 35E | | 273 | NORTH | 2429 | WEST | LEA |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 23 | 24S | 35E | | 150 | SOUTH | 1800 | WEST | LEA |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | 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 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 _____ Date _____

| |
|--|
| NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°13'26.63" (32.224065°) LONGITUDE = 103°20'20.28" (103.338966°) |
| NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°13'26.18" (32.223938°) LONGITUDE = 103°20'18.59" (103.338498°) |
| STATE PLANE NAD 83 (N.M. EAST) N: 446671.44' E: 848834.16' |
| STATE PLANE NAD 27 (N.M. EAST) N: 446612.12' E: 807648.66' |
| NAD 83 (KICK OFF POINT) LATITUDE = 32°13'28.90" (32.224694°) LONGITUDE = 103°20'27.59" (103.340997°) |
| NAD 27 (KICK OFF POINT) LATITUDE = 32°13'28.44" (32.224567°) LONGITUDE = 103°20'25.90" (103.340528°) |
| STATE PLANE NAD 83 (N.M. EAST) N: 446894.44' E: 848204.16' |
| STATE PLANE NAD 27 (N.M. EAST) N: 446835.13' E: 807018.69' |
| NAD 83 (PPP #1/LP) LATITUDE = 32°13'23.30" (32.223140°) LONGITUDE = 103°20'27.60" (103.340999°) |
| NAD 27 (PPP #1/LP) LATITUDE = 32°13'22.85" (32.223014°) LONGITUDE = 103°20'25.91" (103.340530°) |
| STATE PLANE NAD 83 (N.M. EAST) N: 446329.20' E: 848208.67' |
| STATE PLANE NAD 27 (N.M. EAST) N: 446269.90' E: 807023.18' |
| NAD 83 (PPP #2) LATITUDE = 32°13'03.10" (32.217528°) LONGITUDE = 103°20'27.63" (103.341007°) |
| NAD 27 (PPP #2) LATITUDE = 32°13'02.65" (32.217402°) LONGITUDE = 103°20'25.94" (103.340539°) |
| STATE PLANE NAD 83 (N.M. EAST) N: 444287.68' E: 848234.97' |
| STATE PLANE NAD 27 (N.M. EAST) N: 444228.44' E: 807039.39' |
| NAD 83 (PPP #3) LATITUDE = 32°12'36.97" (32.210270°) LONGITUDE = 103°20'27.66" (103.341018°) |
| NAD 27 (PPP #3) LATITUDE = 32°12'36.52" (32.210144°) LONGITUDE = 103°20'25.98" (103.340550°) |
| STATE PLANE NAD 83 (N.M. EAST) N: 441647.16' E: 848246.06' |
| STATE PLANE NAD 27 (N.M. EAST) N: 441587.98' E: 807060.37' |
| NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°11'46.21" (32.196168°) LONGITUDE = 103°20'27.74" (103.341039°) |
| NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°11'45.75" (32.196042°) LONGITUDE = 103°20'26.06" (103.340571°) |
| STATE PLANE NAD 83 (N.M. EAST) N: 436516.77' E: 848287.01' |
| STATE PLANE NAD 27 (N.M. EAST) N: 436457.73' E: 807101.12' |

¹⁷ 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.

February 07, 2020

Date of Survey _____
 Signature and Seal of Professional Surveyor: _____

PAUL BUCHELE
 NEW MEXICO
 PROFESSIONAL SURVEYOR
 06-22-20

Certificate Number: _____

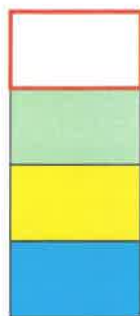
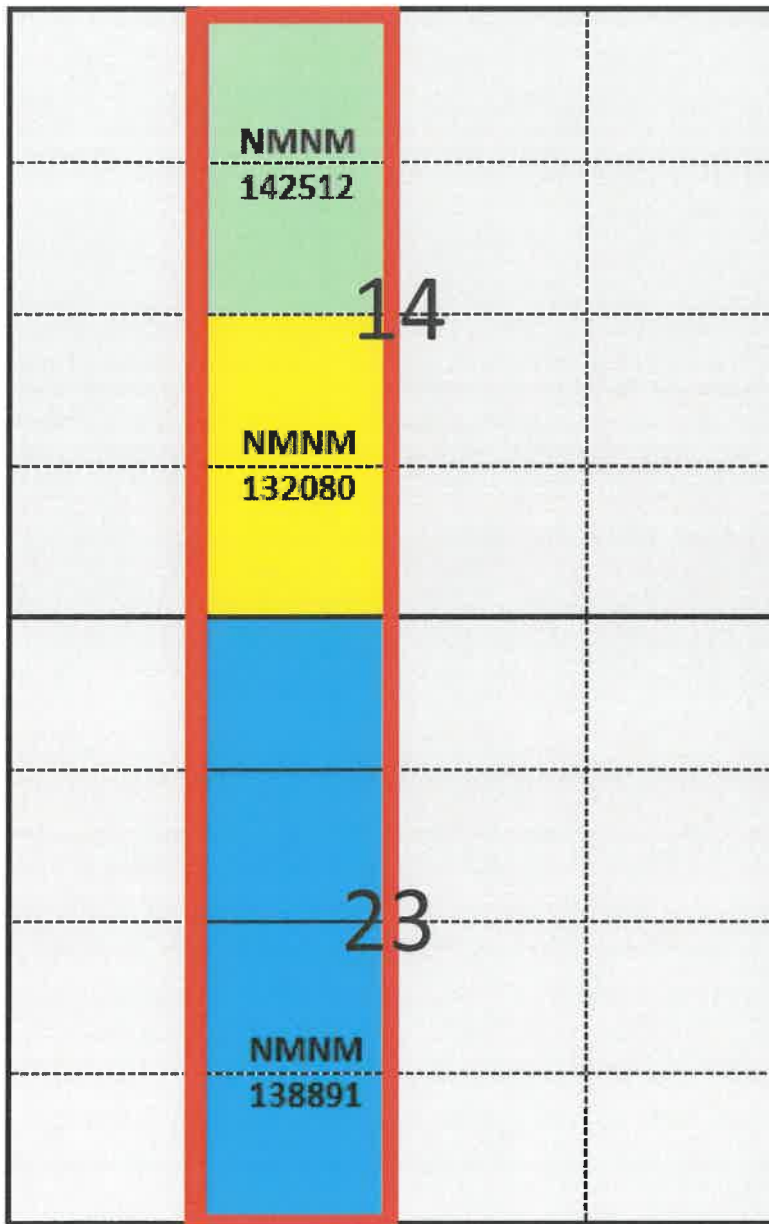
EXHIBIT
 3

Lease Tract Map

Case No. 22446

E/2W/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres

Prevail Fed Com 602H



Proposed Bone Spring Unit

Tract 1 (80 acres)

Tract 2 (80 acres)

Tract 3 (160 acres)

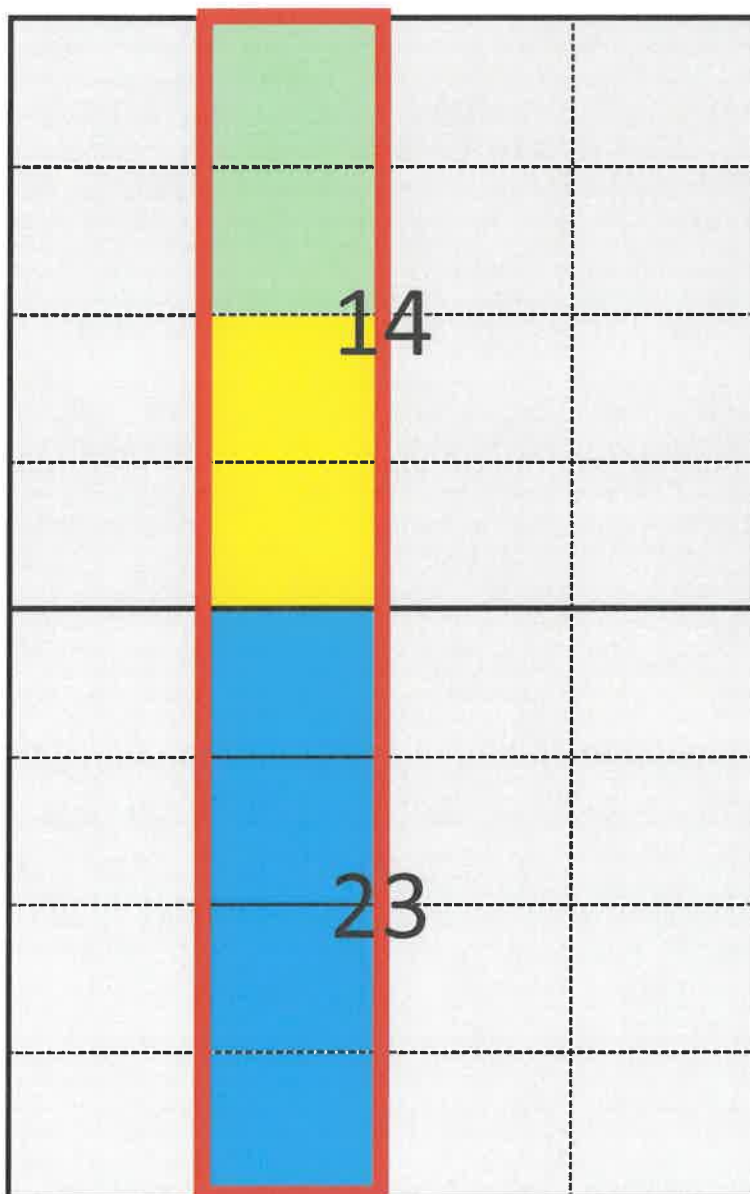


Unit Recapitulation

Case No. 22446

E/2W/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres
Prevail Fed Com 602H

| Working Interest Owner | Tract 1 (80 ac) | Tract 2 (80 ac) | Tract 3 (160 ac) |
|---------------------------------|--------------------|--------------------|--------------------|
| Franklin Mountain Energy, LLC | 100.000000% | 0.000000% | 100.000000% |
| Franklin Mountain Energy 2, LLC | 0.000000% | 100.000000% | 0.000000% |
| TOTAL: | 100.000000% | 100.000000% | 100.000000% |



| Tract | Lease |
|-------|----------------|
| 1 | NMNM 142512 |
| 2 | NMNM 132080 |
| 3 | NMNM 138891 |



Summary of Interests

Case No. 22446

E/2W/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres

Prevail Fed Com 602H

| Committed Working Interests | |
|--|--------------------|
| Franklin Mountain Energy, LLC | 75.000000% |
| Franklin Mountain Energy 2, LLC | 25.000000% |
| TOTAL: | 100.000000% |



| Parties to Be Pooled--Case 22446 | Interest Type |
|----------------------------------|---------------|
| Prevail Energy, LLC | ORRI |
| Rheiner Holdings, LLC | ORRI |
| Monticello Minerals, LLC | ORRI |
| Cayuga Royalties, LLC | ORRI |

**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 above-referenced 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.



Deana M. Bennett

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



Notary Public

My commission expires: 02-27-25



BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 6, 2022

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 219413
Generated: 1/3/2022 2:03:11 PM

| USPS Article Number | Date Created | Reference Number | Name 1 | City | State | Zip | Mailing Status | Service Options | Mail Delivery Date |
|------------------------|--------------------|------------------|--------------------------|----------|-------|-------|----------------|---|--------------------|
| 9314869904300089637511 | 2021-12-10 1:16 PM | 10154.0001 602H | Cayuga Royalties, LLC | Houston | TX | 77254 | Undelivered | Return Receipt - Electronic, Certified Mail | |
| 9314869904300089637504 | 2021-12-10 1:16 PM | 10154.0001 602H | Monticello Minerals, LLC | Dallas | TX | 75206 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-12-13 5:25 PM |
| 9314869904300089637498 | 2021-12-10 1:16 PM | 10154.0001 602H | Rheiner Holdings, LLC | Houston | TX | 77098 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-12-17 9:40 AM |
| 9314869904300089637481 | 2021-12-10 1:16 PM | 10154.0001 602H | Prevail Energy, LLC | Denver | CO | 80220 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-12-16 7:11 PM |
| 9314869904300089637474 | 2021-12-10 1:16 PM | 10154.0001 602H | United States of America | Santa Fe | NM | 87508 | Delivered | Return Receipt - Electronic, Certified Mail | 2021-12-13 2:48 PM |

BEFORE THE OIL CONSERVATION DIVISION
 EXAMINER HEARING JANUARY 6, 2022
 PS Form 3877

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

Type of Mailing: CERTIFIED MAIL
 12/10/2021

No 22446
 Firm Mailing Book ID: 219413

Released to Imaging: 1/5/2022 8:38:29 AM

Received by OCD: 1/4/2022 6:16:48 PM

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|----------------|-----------------------------|---|---------------|----------------|---------------|---------------------|------------------------|
| 1 | 9314 8699 0430 0089 6374 74 | United States of America 301 Dinosaur Trail Santa Fe NM 87508 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 10154.0001 602H Notice |
| 2 | 9314 8699 0430 0089 6374 81 | Prevail Energy, LLC 521 Dexter St. Denver CO 80220 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 10154.0001 602H Notice |
| 3 | 9314 8699 0430 0089 6374 98 | Rheiner Holdings, LLC P.O. Box 980552 Houston TX 77098 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 10154.0001 602H Notice |
| 4 | 9314 8699 0430 0089 6375 04 | Monticello Minerals, LLC 5528 Vickery Blvd Dallas TX 75206 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 10154.0001 602H Notice |
| 5 | 9314 8699 0430 0089 6375 11 | Cayuga Royalties, LLC P.O. Box 540711 Houston TX 77254 | \$1.36 | \$3.75 | \$1.85 | \$0.00 | 10154.0001 602H Notice |
| Totals: | | | \$6.80 | \$18.75 | \$9.25 | \$0.00 | |
| | | | | | | Grand Total: | \$34.80 |

List Number of Pieces Listed by Sender: 5
 Total Number of Pieces Received at Post Office:
 Postmaster: Name of receiving employee
 Dated:



EXAMINER HEARING JANUARY 6, 2022

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

Daniel Russell

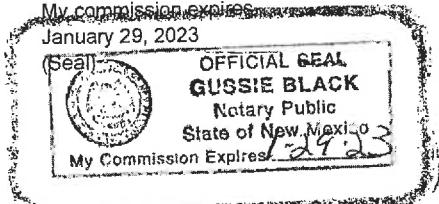
Publisher

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

Gussie Black

Business Manager

My commission expires
January 29, 2023



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. 22445: Notice to all affected parties, as well as the heirs and devisees of United States of America; XTO Holdings, LLC; Occidental Permian, LP; Pony Oil Operating, LLC; Elliot Hall Company; TD Minerals, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello 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 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 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.

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 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 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 royalty 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 Jal, 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 Oil & Gas, LLC; Beverly Bowen Delucia; Candace Delgado; Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oil 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 Phyllis 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; William 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; Rheiner Holdings, LLC; Monticello Minerals, LLC; Cayuga Royalties, LLC; Max Exploration, LLC; HK Oil & Gas, 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 uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/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 **Elevate Fed Com 601H** well to be horizontally drilled. The producing area for the Elevate Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 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 Oil & Gas, LLC; Beverly Bowen Delucia; Candace Delgado; Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oil 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 Phyllis 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; William 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; Rheiner Holdings, LLC; Monticello Minerals, LLC; Cayuga Royalties, LLC; Max Exploration, LLC; HK Oil & Gas, 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 uncommitted interests within a Wolfcamp horizontal spacing unit underlying the W/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 **Elevate Fed Com 701H, Elevate Fed Com 702H, and Prevail Fed Com 703H** wells to be horizontally drilled. The completed interval for the Elevate Fed Com 702H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the 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.

CASE NO. 22449: Notice to all affected parties, as well as the heirs and devisees of United States of America; XTO Holdings, LLC; Occidental Permian, LP; Pony Oil Operating, LLC; Elliot Hall Company; TD Minerals, 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 uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/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 **Master Fed Com 603H** well to be horizontally drilled. The producing area for the Master Fed Com 603H 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.

CASE NO. 22450: Notice to all affected parties, as well as the heirs and devisees of United States of America; XTO Holdings, LLC; Occidental Permian, LP; Pony Oil Operating, LLC; Elliot Hall Company; TD Minerals, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello 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 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 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.
#37127



MODRALL SPERLING
L A W Y E R S

December 10, 2021

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

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 22446

TO: AFFECTED PARTIES

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

In Case No. 22446, FME seeks an order from the Division pooling all overriding royalty 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 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 this application, we are notifying you of your right to appear at the hearing and participate in the case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in the cases at a later date.

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

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

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

Sincerely,



Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. 22446

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 overriding royalty owners 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.

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/2W/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.
3. FME plans to drill the **Prevail Fed Com 602H** well to a depth sufficient to test the Bone Spring formation.
4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division’s rules.
5. FME seeks only to pool overriding royalty interest owners. The pooling of such 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 overriding royalty interest owners in the Bone Spring formation underlying a horizontal spacing unit within the E/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and

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

MODRALL, SPERLING, ROEHL, HARRIS

& SISK, P.A.

By: Deana 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. 22446 Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all overriding royalty 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 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. 22446

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 6** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
5. **Exhibit 7** 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 8** are the geology study I prepared for the **Prevail Fed Com 602H** well.
7. **Exhibit 8-A** is structure map of the Third Bone Spring Sand. The proposed spacing unit is identified by a pink box. The Prevail Fed Com 602H well is the black dashed line identified

by the box labeled "1". The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

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

9. **Exhibit 8-C** is a stratigraphic cross section hung on the Wolfcamp. The well logs on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone is identified by a bracket and the words "Producing Interval". I have also identified where the proposed well falls within the wells I used for the cross-section.

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

11. **Exhibit 8-D** is a Gross Sand Isochore of the Third Bone Spring Sand. The gross interval thickness thins slightly to the southeast.

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 section in the proposed unit will contribute more or less equally to production.

13. **Exhibit 9** 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_{Hmax} , optimal for induced fracture propagation. This is because the S_{Hmax} is at approximately 265 degrees ENE in this area of Lea County.

15. Exhibits 6-9 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.

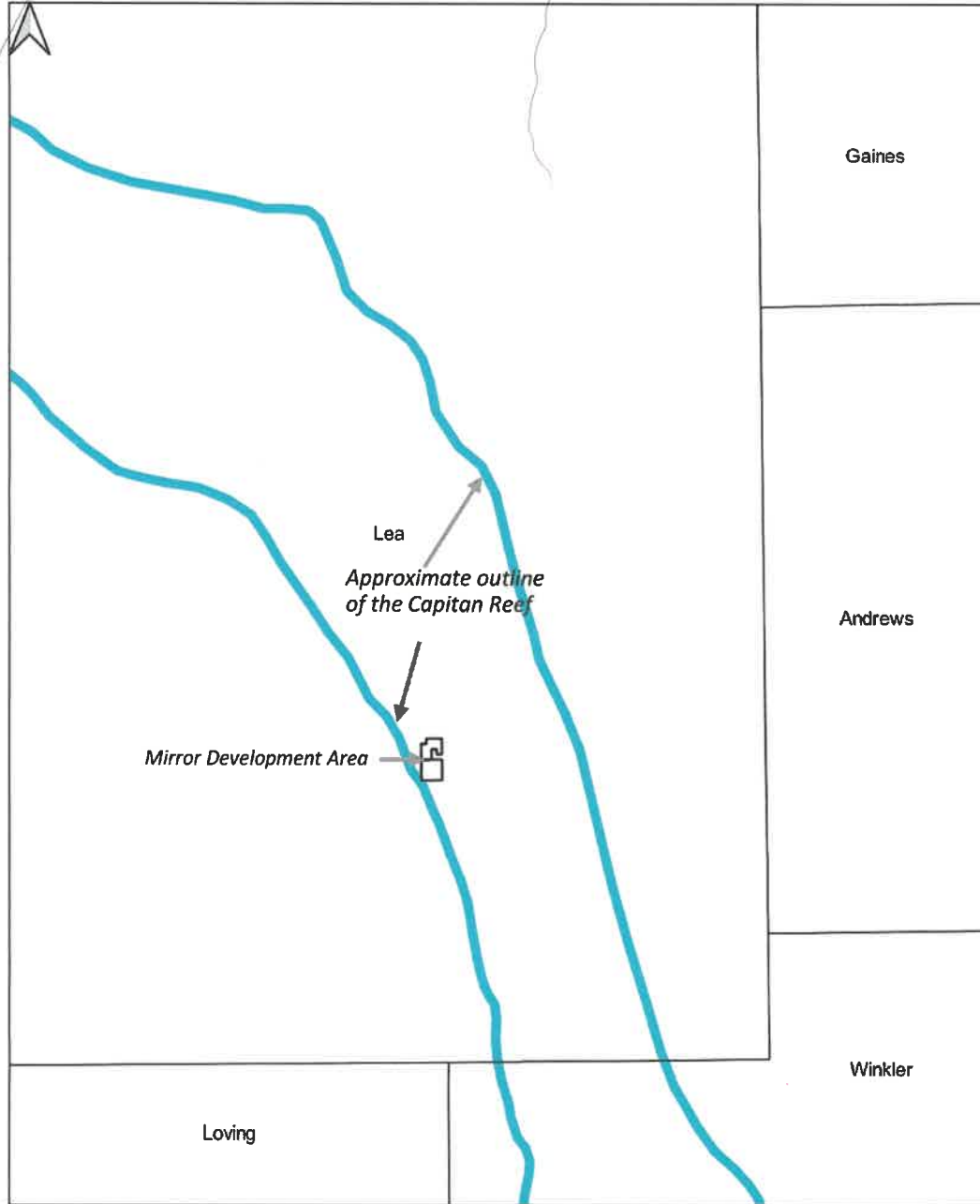
Dated: December 23, 2021


Ben Kessel

Mirror Development



Locator Map



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

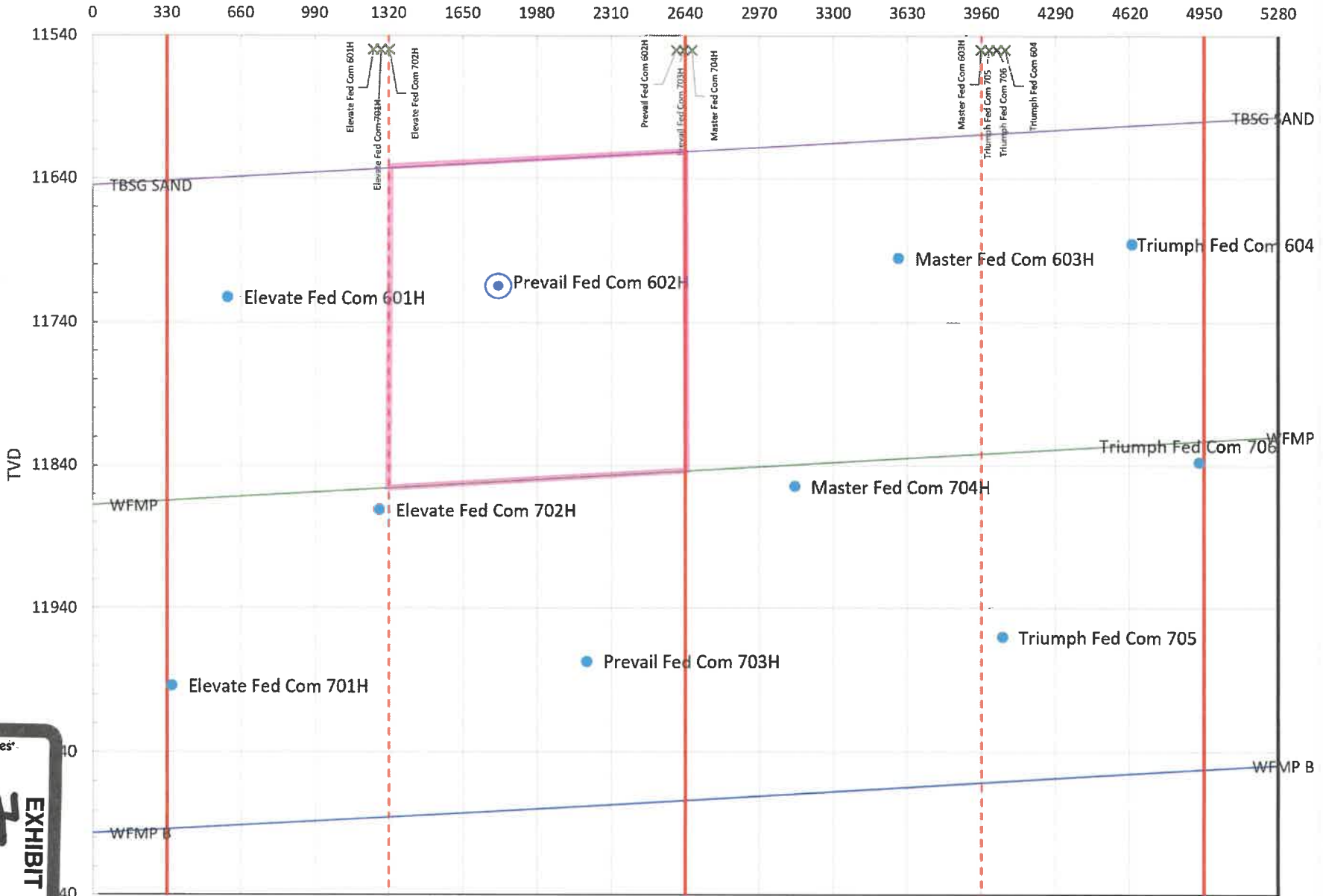


https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20Capitan%20PDF%20w_Seals.pdf

Wellbore Schematic



24S 35E Section 14-Looking North



⊙ Proposed Laterals

□ Bone Spring Spacing Unit

□ Wolfcamp Spacing Unit



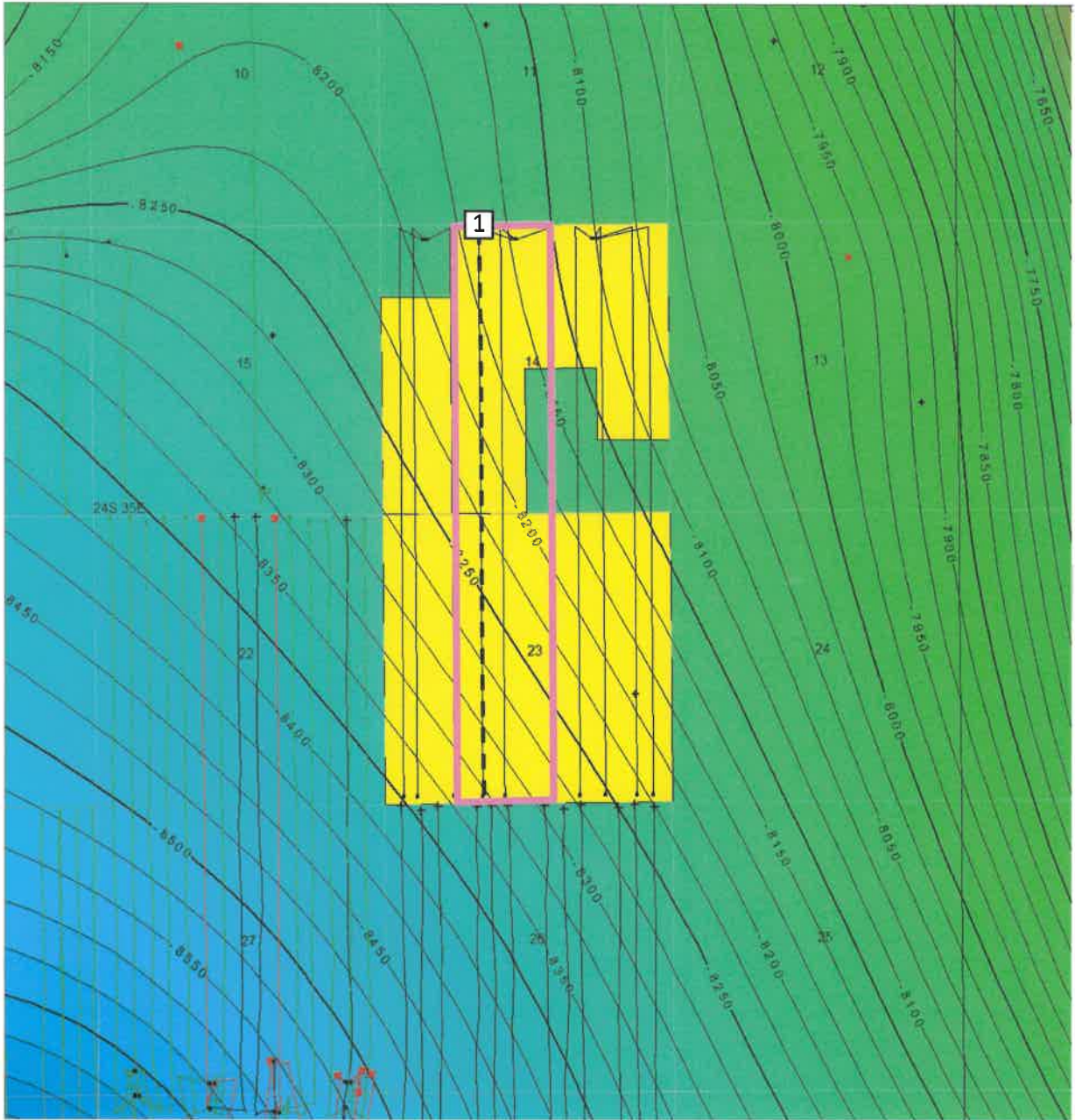
Prevail Fed Com 602H





Case No. 22446

Bone Spring



Bone Spring Structure



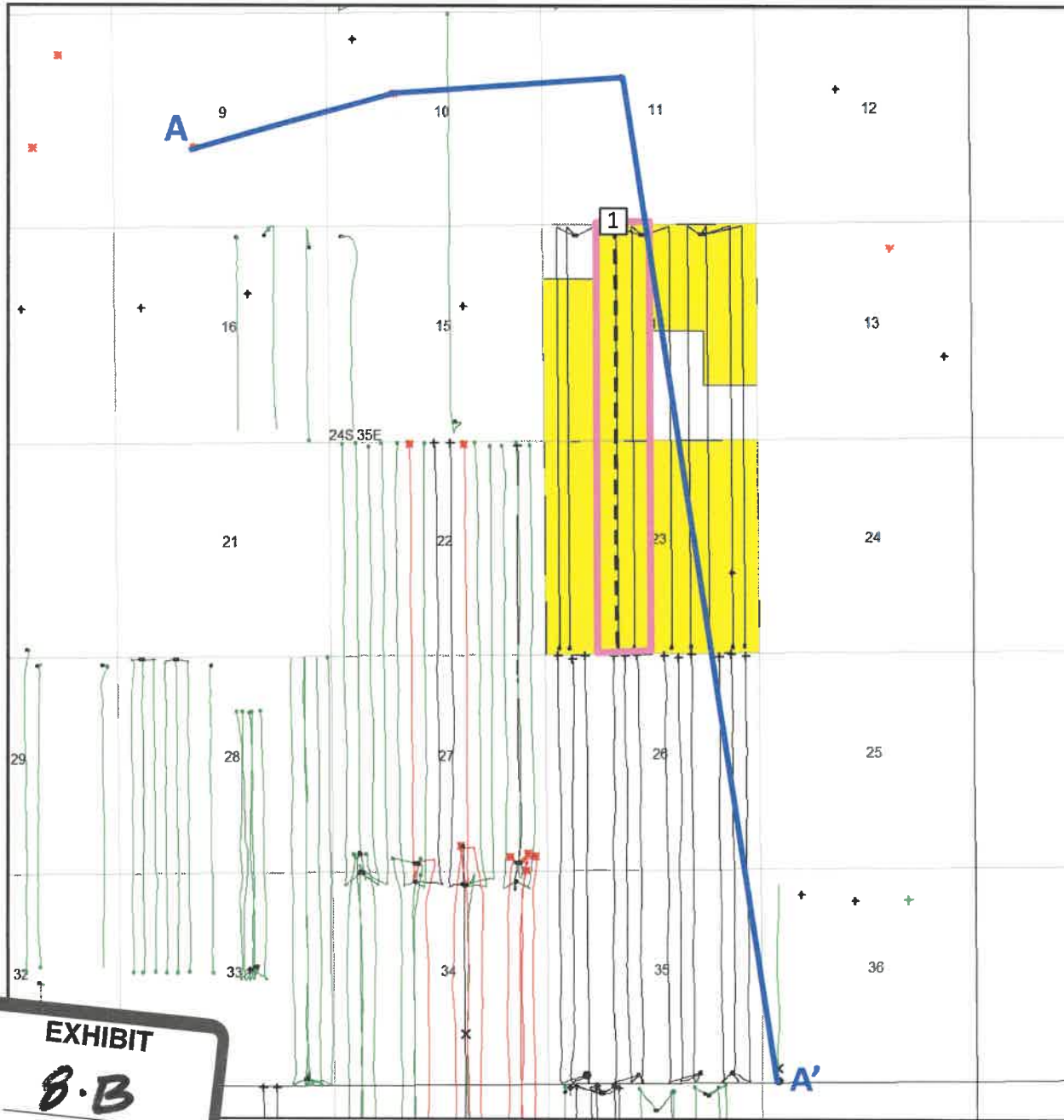
-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit
-  Proposed Horizontal Location
-  Prevail Fed Com 602

C.I. = 25'

1 mile



Bone Spring Cross Section Reference Map



- Franklin Mountain Acreage
- Bone Spring Spacing Unit
- Proposed Horizontal Location
- Prevail Fed Com 602

EXHIBIT
B.B

All wells shown

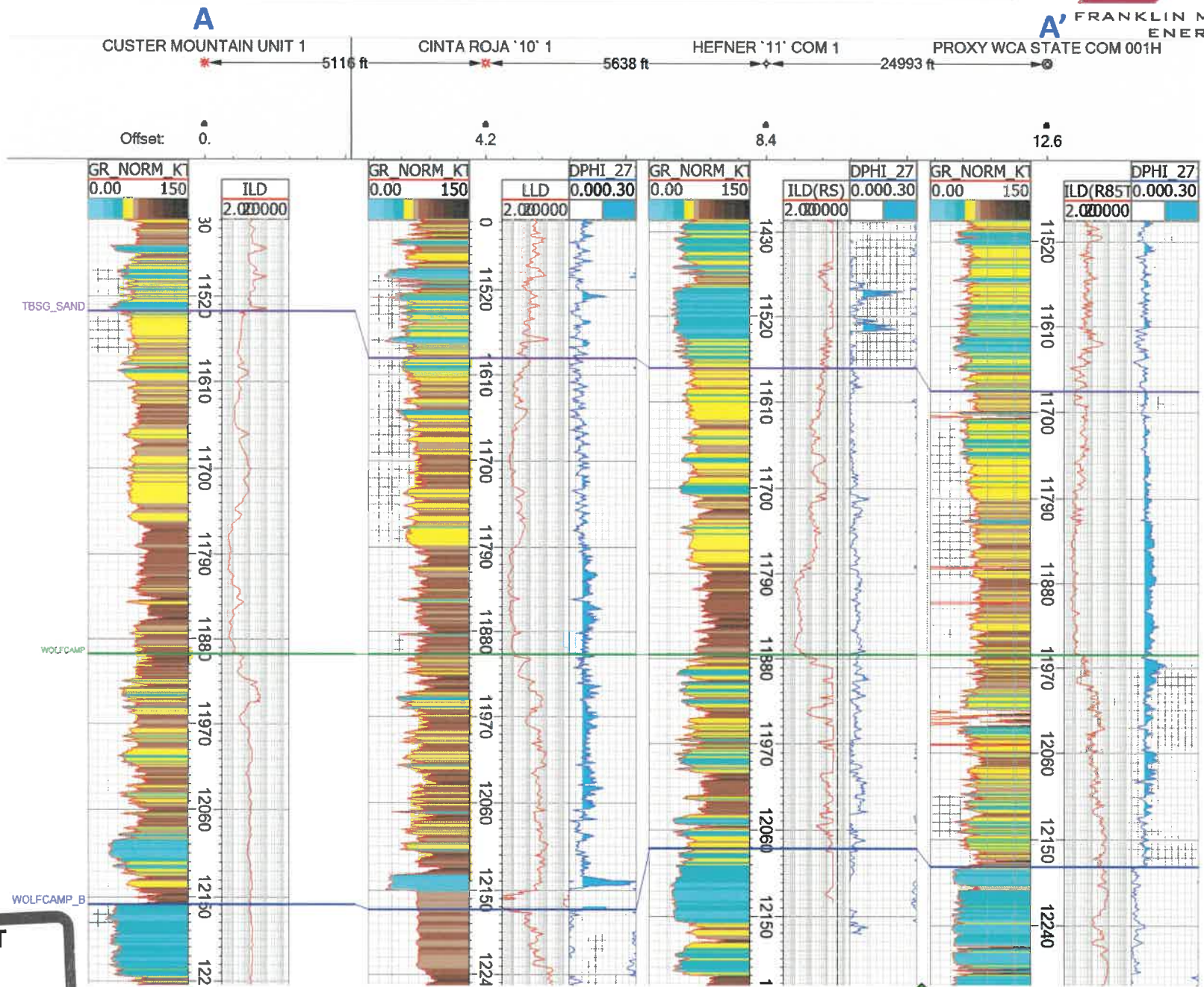
1 mile

Released to Imaging: 1/5/2022 8:38:29 AM

Received by OCD: 1/4/2022 6:16:48 PM

Page 36 of 39

Wolfcamp Cross Section



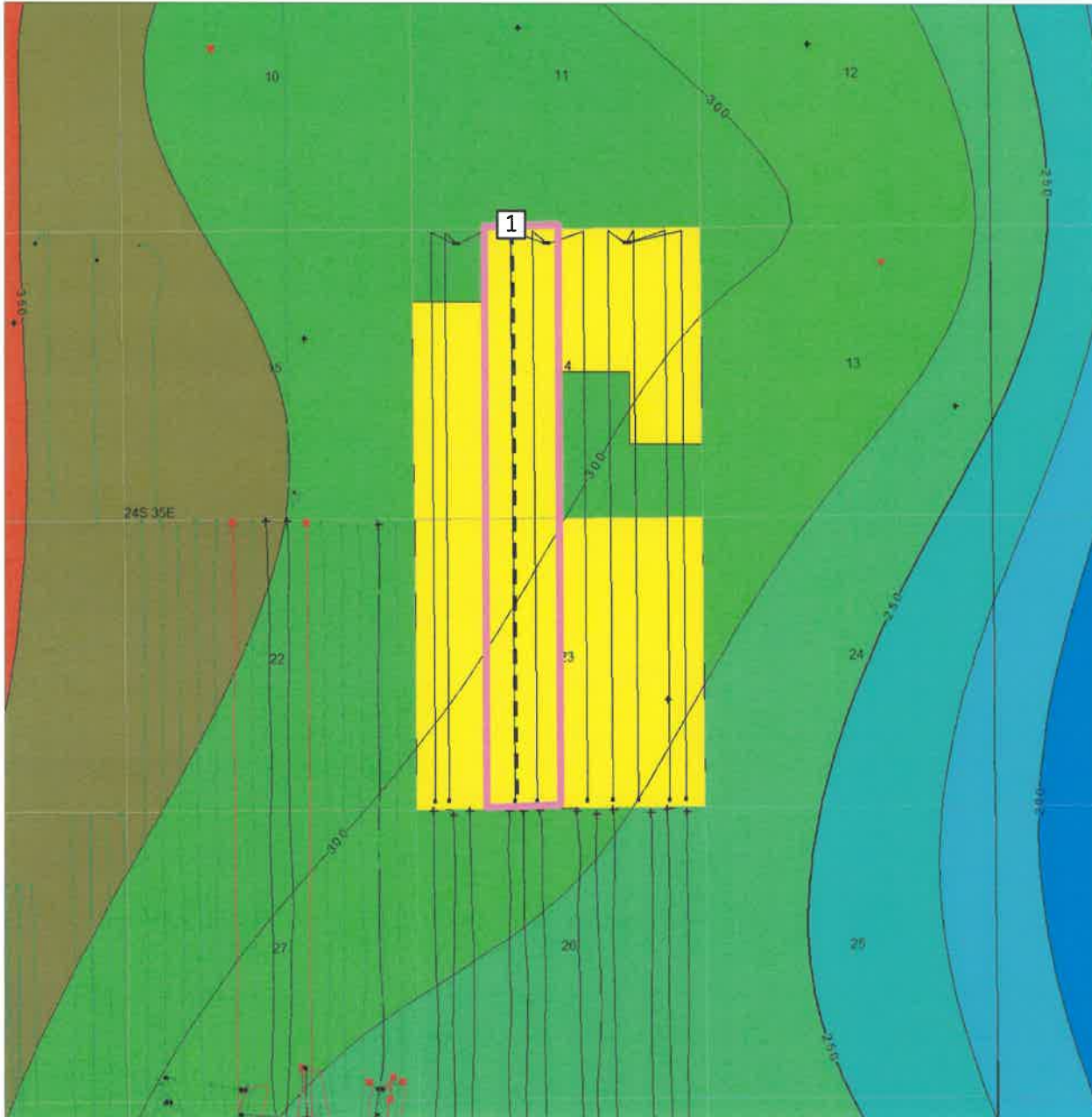
Released to Imaging: 1/5/2022 8:38:29 AM





Received by OCD: 1/4/2022 6:16:48 PM

EXHIBIT
8.C

602

Bone Spring Isopach



-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit
-  Proposed Horizontal Location
-  Prevail Fed Com 602

C.I. = 25'

1 mile



Released to Imaging: 1/5/2022 8:38:29 AM

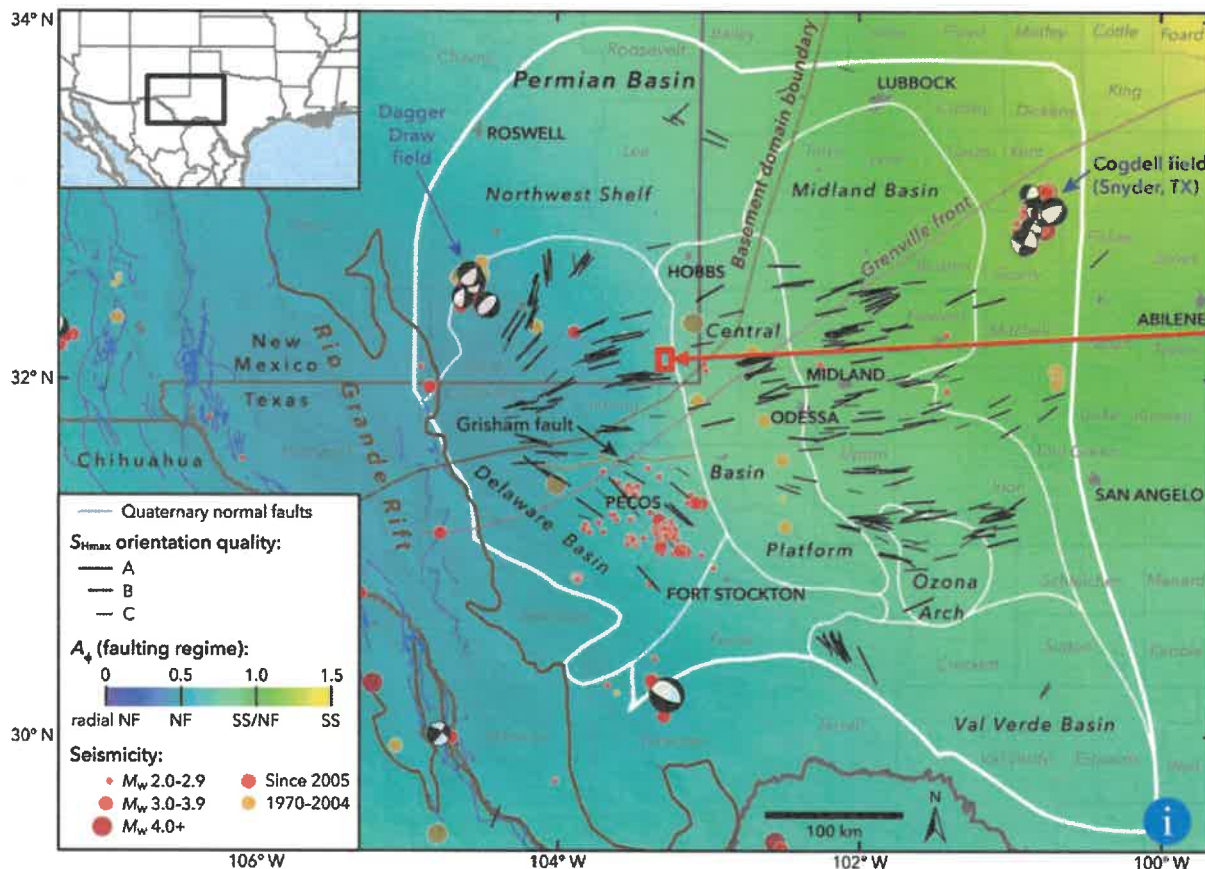
Received by OCD: 1/4/2022 6:16:48 PM

Page 38 of 39

Regional Stress



Received by OCD: 1/4/2022 6:16:48 PM



- Red box shows the approximate location of the Mirror development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 265°
- The Prevail Fed Com 602 well is are planned to drill N-S, nearly orthogonal to S_{Hmax} , optimal for induced fracture propagation

Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2
http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603



Page 39 of 39

Released to Imaging: 1/5/2022 8:38:29 AM