



Before the Oil Conservation Division  
Examiner Hearing January 6, 2022

Compulsory Pooling

**Case No. 22450:** Triumph Fed Com 604H

**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**

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EXAMINER HEARING JANUARY 6, 2022

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

<b>Case: 22450</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 6, 2022</b>	
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	Triumph
<b>Formation/Pool</b>	
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 S253502B; LWR BONE SPRING, pool code 98185
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2E/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
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit 4



EXAMINER HEARING JANUARY 6, 2022	
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<b>See Exhibits 3 and 6. See also Tab B, Declaration of Lee Zink.</b>
Well #1	<b>Triumph Fed Com 604H</b> API: 30-025-48596 SHL: 269 feet from the North line and 1317 feet from the East line, Section 14, Township 24 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 650 feet from the East line, Section 23, Township 24 South, Range 35 East, NMPM. Completion Target: Bone Spring at approximately 11,750' TVD. Well Orientation: North/South Completion location: Expected to be standard. See <b>Exhibits 3 and 6.</b>
Horizontal Well First and Last Take Points	<b>See Exhibit 3</b>
Completion Target (Formation, TVD and MD)	<b>See Exhibit 6</b>
Well #1	<b>Triumph Fed Com 604H</b> Formation: Bone Spring TVD: 11,750' MD: 21,786'
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	<b>N/A</b>
Production Supervision/Month \$	<b>N/A</b>
Justification for Supervision Costs	<b>N/A</b>
Requested Risk Charge	<b>N/A</b>
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	<b>Exhibit 8, Exhibit 2, page 3</b>
Proof of Mailed Notice of Hearing (20 days before hearing)	<b>Exhibit 8</b>
Proof of Published Notice of Hearing (10 days before hearing)	<b>Exhibit 8</b>
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	<b>Exhibit 4</b>
Tract List (including lease numbers and owners)	<b>Exhibit 4</b>
Pooled Parties (including ownership type)	<b>Exhibit 4</b>
Unlocatable Parties to be Pooled	<b>N/A</b>
Ownership Depth Severance (including percentage above & below)	<b>N/A</b>

EXAMINER HEARING JANUARY 6, 2022	
<b>Joinder</b>	
Sample Copy of Proposal Letter	<b>Exhibit 6</b>
List of Interest Owners (ie Exhibit A of JOA)	<b>Exhibit 4</b>
Chronology of Contact with Non-Joined Working Interests	<b>Exhibit 5</b>
Overhead Rates In Proposal Letter	<b>N/A</b>
Cost Estimate to Drill and Complete	<b>Exhibit 7</b>
Cost Estimate to Equip Well	<b>Exhibit 7</b>
Cost Estimate for Production Facilities	<b>Exhibit 7</b>
<b>Geology</b>	
Summary (including special considerations)	<b>Tab C</b>
Spacing Unit Schematic	<b>Exhibit 10</b>
Gunbarrel/Lateral Trajectory Schematic	<b>Exhibit 10</b>
Well Orientation (with rationale)	<b>Exhibit 12</b>
Target Formation	<b>Exhibit 11</b>
HSU Cross Section	<b>Exhibit 11</b>
Depth Severance Discussion	<b>N/A</b>
<b>Forms, Figures and Tables</b>	
C-102	<b>Exhibit 3</b>
Tracts	<b>Exhibit 4</b>
Summary of Interests, Unit Recapitulation (Tracts)	<b>Exhibit 4</b>
General Location Map (including basin)	<b>Exhibit 9</b>
Well Bore Location Map	<b>Exhibit 9</b>
Structure Contour Map - Subsea Depth	<b>Exhibit 11</b>
Cross Section Location Map (including wells)	<b>Exhibit 11</b>
Cross Section (including Landing Zone)	<b>Exhibit 11</b>

## Additional Information

EXAMINER HEARING JANUARY 6, 2022

N/A

**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:**

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. 22450**

**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/2E/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 **Triumph Fed Com 604H** 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. **Exhibit 5** is a summary of my contacts with the various working interest owners.

21. **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 well.

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

23. 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.

24. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

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

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

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

28. **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.

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

30. 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

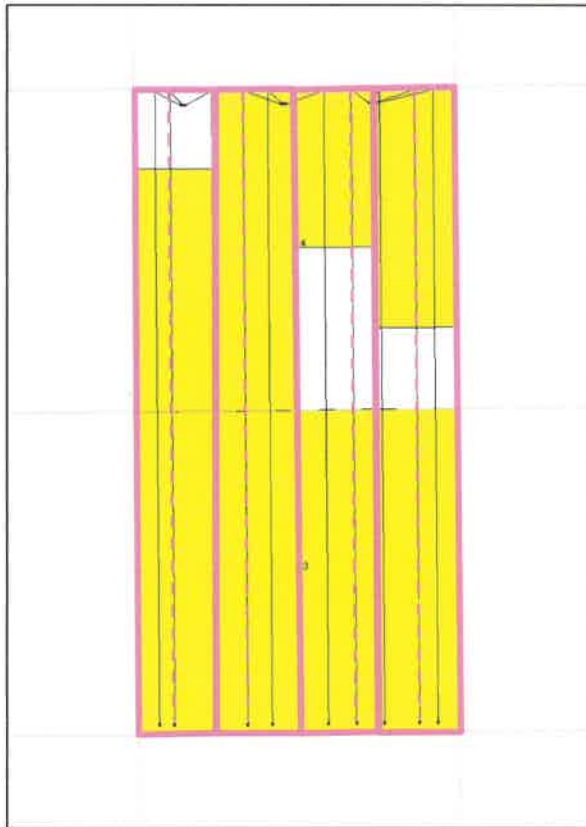
A handwritten signature in blue ink is written over a horizontal line. The signature is stylized, with a large loop at the top and a long, sweeping tail that extends to the right.

## Development Overview

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

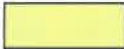




Bone Spring



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. 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:

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/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.
3. FME plans to drill the **Triumph Fed Com 604H** 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 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;

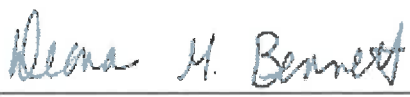
B. Designating FME as operator of this unit and the well to be drilled thereon;

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.

By:   
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. 22450. 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.

**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

<sup>1</sup> API Number 30-025-48596	<sup>2</sup> Pool Code 98185	<sup>3</sup> Pool Name WC-025 G-09 S253502B:LWR BONE SPRING
<sup>4</sup> Property Code 330424	<sup>5</sup> Property Name TRIUMPH FED COM	<sup>6</sup> Well Number 604H
<sup>7</sup> OGRID No. 373910	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY LLC	<sup>9</sup> Elevation 3425.5'

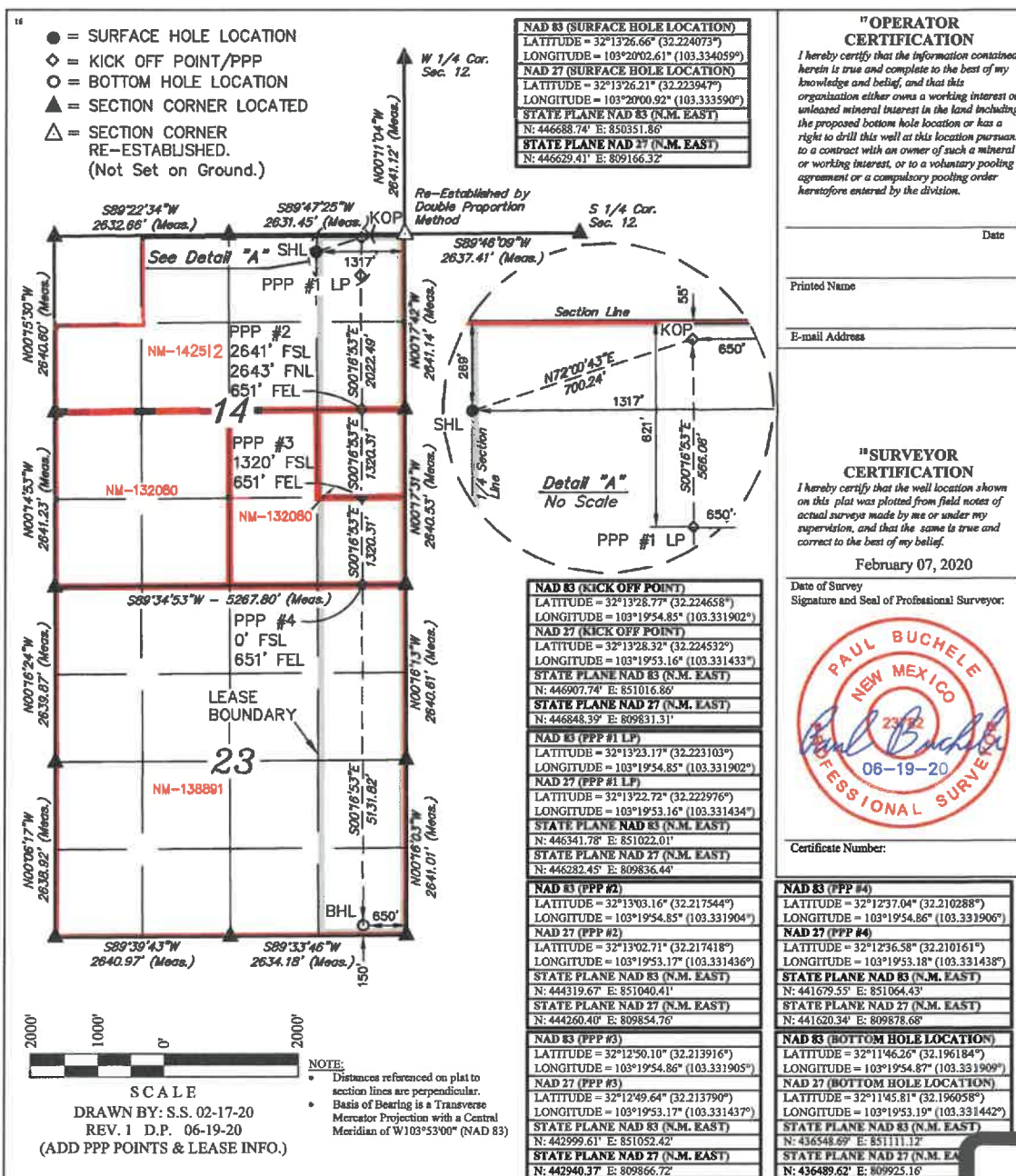
## "Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	14	24S	35E		269	NORTH	1317	EAST	LEA

## "Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	24S	35E		150	SOUTH	650	EAST	LEA
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

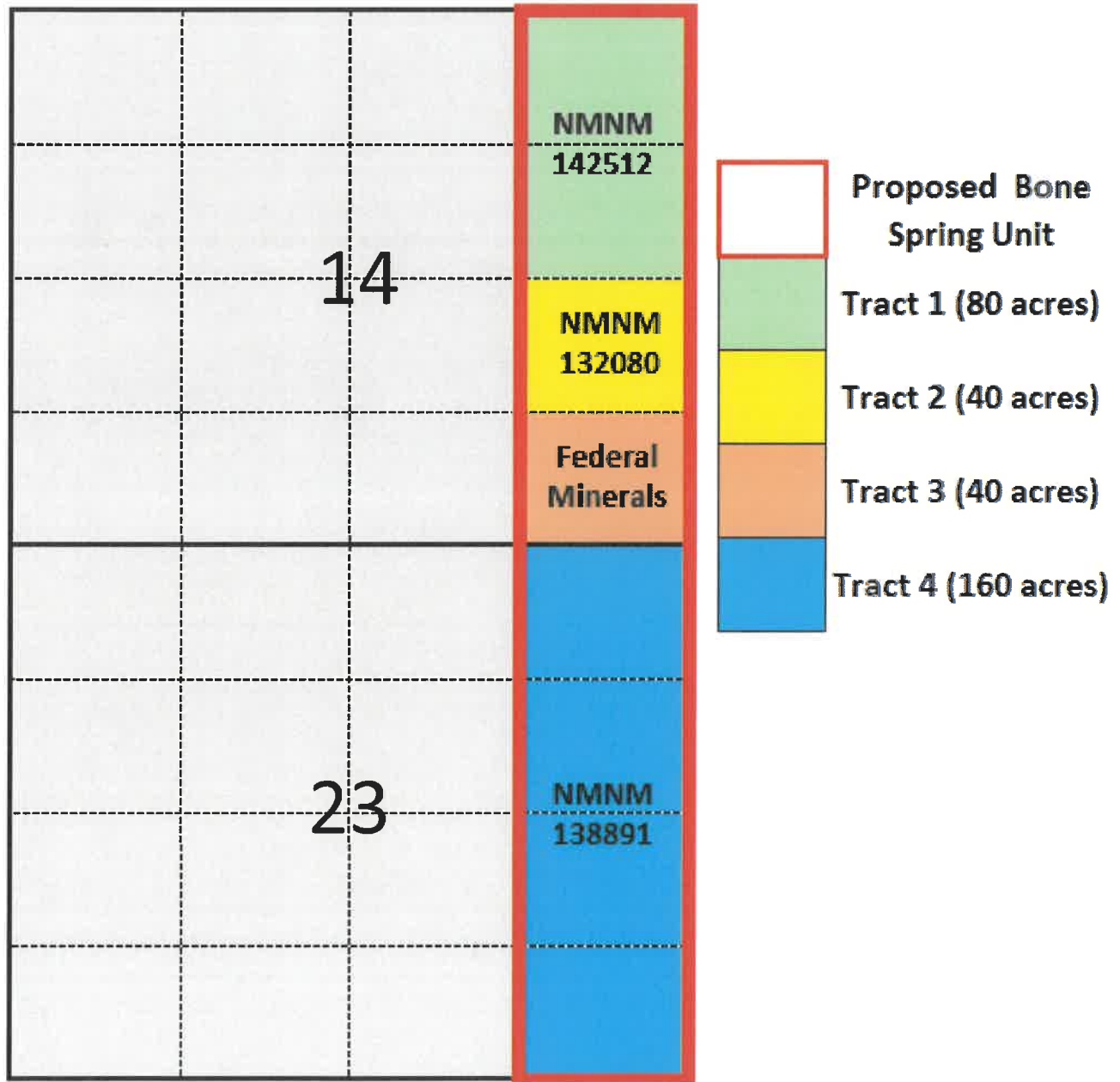
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



EXHIBIT

3

**Lease Tract Map**  
Case No. 22450  
E/2E/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres  
Triumph Fed Com 604H

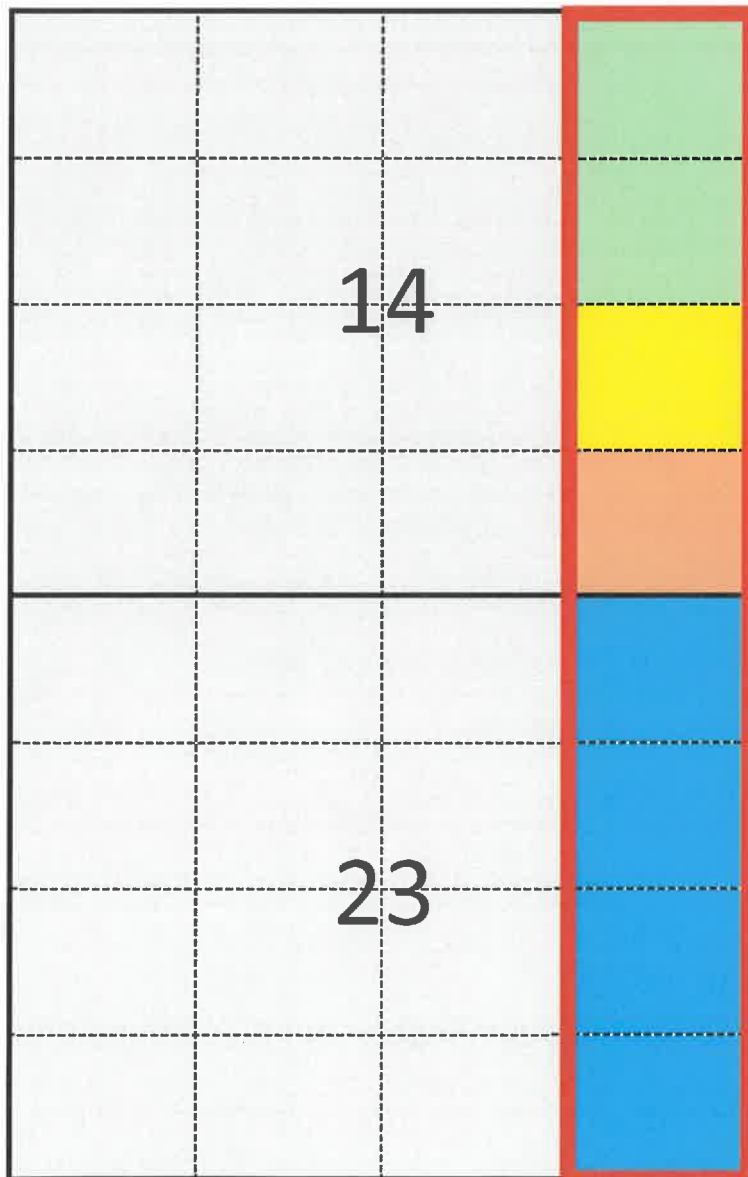


**Unit Recapitulation**

Case No. 22450

E/2E/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres  
Triumph Fed Com 604H

Working Interest Owner	Tract 1 (80 ac)	Tract 2 (40 ac)	Tract 3 (40 ac)	Tract 4 (160 ac)
Franklin Mountain Energy, LLC	100.000000%	0.000000%	0.000000%	100.000000%
Franklin Mountain Energy 2, LLC	0.000000%	100.000000%	0.000000%	0.000000%
Federal Minerals	0.000000%	0.000000%	100.000000%	0.000000%
<b>TOTAL:</b>	<b>100.000000%</b>	<b>100.000000%</b>	<b>100.000000%</b>	<b>100.000000%</b>



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



**Summary of Interests**

Case No. 22450

E/2E/2 of Sections 14 & 23-T24S-R35E, 320 Gross Acres  
Triumph Fed Com 604H

Committed Working Interests	
Franklin Mountain Energy, LLC	75.000000%
Franklin Mountain Energy 2, LLC	12.500000%
Unleased Interests	
Federal Minerals	12.500000%
<b>TOTAL:</b>	<b>100.000000%</b>



Parties to Be Pooled--Case 22450	Interest Type
Prevail Energy, LLC	ORRI
Rheiner Holdings, LLC	ORRI
Monticello Minerals, LLC	ORRI
Cayuga Royalties, LLC	ORRI
Pony Oil Operating, LLC	ORRI
Elliot Hall Company	ORRI
TD Minerals, LLC	ORRI

## Summary of Attempted Contacts

- Franklin Mountain Energy conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around 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.





Sent via Fedex and Email:  
Tracking No.: 7753 8394 5686  
bryan.cifuentes@exxonmobil.com

December 3, 2021

XTO Holdings, LLC  
22777 Springwoods Village Pkwy  
Spring, TX 77389  
Attn: Bryan J. Cifuentes

RE: Triumph Fed Com 604H Well Proposal Revised  
Township 24 South, Range 35 East:  
Sections 14 and 23: E/2E/2, 320 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/2E/2 of Sections 14 and 23:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	AFE
Triumph Fed Com 604H	Bone Spring	11,750'	21,786'	Sec. 14-T24S-R35E: 269' FNL, 1,317' FEL	Sec. 23-T24S-R35E: 150' FSL, 650' FEL	\$11,349,174.05

*Please note that this revised proposal letter is to correct the typographical error in the original letter dated October 22, 2021 highlighted in blue (no other changes have been made to the original form). FME reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.*

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

- 100/300 Non-Consenting Penalty
- \$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 [ihuang@fmeilc.com](mailto:ihuang@fmeilc.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



Ilona T. Hoang  
Contract Landman

Enclosures



**Triumph Fed Com 604H:**

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

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

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

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

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

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



## AUTHORITY FOR EXPENDITURE

Well Name: Triumph Fed Com 604H  
Location: SHL Sec 14-T24S-R15E 269 FNL 1317 FEL  
Operator: DJFL Sec 23-T24S-R15E 150 FSL 650 FEL  
Operator: Franklin Mountain Energy, LLC  
Purpose: Drill and complete a 9,800' BS3 well  
TVD 11,750', MD 21,786'

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

Well #: 604H  
County/State: Lea Co., NM  
Date Prepared: 10/11/2021  
APE #: DCE210908

Intangible Drilling Costs				Intangible Completion Costs			
Major	Minor	Description	Amount	Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$22,000	240	5	ADMINISTRATIVE OVERHEAD	\$12,500
225	10	CASING CREW & EQPT	\$60,000	240	10	CASED HOLE LOGS & SURVEYS	\$10,000
225	15	CEMENTING INTERMEDIATE CASING	\$85,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	\$45,000	240	30	COILED TUBING/SNUBBING UNIT	\$300,000
225	20	CEMENTING SURFACE CASING	\$25,000	240	25	COMMUNICATIONS	\$6,100
225	25	COMMUNICATIONS	\$28,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$7,000	240	35	COMPLETION/WORKOVER RIG	\$44,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$65,000	240	45	CONTRACT LABOR/ROUABOUTS	\$15,000
225	40	CONTRACT LABOR	\$40,000	240	50	DAMAGES/RECLAMATION	\$25,000
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$0
225	50	DAYWORK CONTRACT	\$506,000	240	60	ELECTRICAL POWER/GENERATION	\$0
225	55	DRILLING - DIRECTIONAL	\$220,000	240	62	ENGINEERING	\$10,000
225	60	DRILLING - FOOTAGE	\$80,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS	\$100,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAILING/DISPOSAL	\$210,000
225	75	ENGINEERING	\$18,000	240	72	FRAC WATER/COMPLETION FLUID	\$425,000
225	80	ENVIRONMENTAL SERVICES	\$250,000	240	75	FUEL POWER/OBSESS	\$700,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$45,000	240	80	HEALTH & SAFETY	\$10,000
225	85	EQUIPMENT RENTAL	\$60,000	240	85	HOUSING AND SUPPORT SERVICES	\$15,000
225	90	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$0
225	95	HEALTH & SAFETY	\$20,000	240	95	MISCELLANEOUS	\$25,000
225	100	HOUSING AND SUPPORT SERVICES	\$28,000	240	100	MUD & CHEMICALS	\$250,000
225	105	INSURANCE	\$24,000	240	110	P&A/TA COSTS	\$0
225	106	INSPECTIONS	\$18,000	240	115	PERFORATING/WIRELINE SERVICE	\$400,000
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225	115	MATERIALS & SUPPLIES	\$10,000	240	125	ROAD, LOCATIONS REPAIRS	\$25,000
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$1,500,000
225	125	MOUSERATHOLY/CONDUCT PIPE	\$23,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$55,200
225	130	MUD & CHEMICALS	\$220,000	240	140	SUPERVISION	\$46,240
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$107,992
225	145	CASED HOLE LOGGING	\$10,000	240	150	TRANSPORTATION/TRUCKING	\$60,000
225	150	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$10,000
225	155	POWER FUEL & WATER HAULING	\$150,000	240	160	WELDING SERVICES	\$90,000
225	160	RIG MOVE & RACKING COSTS	\$70,000	240	165	WELL TESTING/FLOWBACK	\$241,557
225	165	RIG UP TEAR OUT & STANDBY	\$10,000	240	170	TAXES	\$219,598
225	170	SITE RESTORATION	\$6,000			CONTINGENCY COSTS 5%	\$4,811,105
225	175	STAKING & SURVEYING	\$86,400			Total Intangible Completion Costs:	\$4,811,105
225	180	SUPERVISION - GEOLOGICAL	\$45,000				
225	185	TRANSPORTATION/TRUCKING	\$26,000				
225	190	TAXES	\$134,662				
225	195	CONTINGENCY COSTS 5%	\$122,420				
		Total Intangible Drilling Costs:	\$2,767,487				

Tangible Drilling Costs			
Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$600,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$707,000
230	35	SURFACE CASING & ATTACHMENTS	\$75,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$78,000
230	40	TAXES	\$83,930
		Total Tangible Drilling Costs:	\$1,609,930

Tangible Facility Costs			
Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$110,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0
270	30	PRIMARY POWER MATERIALS	\$75,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$69,063
270	60	H2S TREATING EQUIPMENT	\$720,000
270	65	SEPARATION EQUIPMENT	\$200,750
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0
270	75	PRE-FABRICATED SKIDS	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$141,600
270	90	H2S SAFETY SYSTEM	\$8,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$88,231
270	110	TANKS & WALKWAYS	\$33,440
270	130	MECHANICAL BATTERY BUILD	\$60,475
270	132	E&C BATTERY BUILD	\$34,446
270	134	CONTROLS AND SCADA BATTERY BUILD	\$3,000
270	136	PRIMARY POWER BUILD	\$75,000
270	138	FLOWLINE INSTALLATION	\$32,175
270	140	SIGNAGE	\$250
270	125	TAXES	\$90,829
		Total Tangible Facility Costs:	\$1,742,231

Total Drill:	\$4,315,412.00
Total Completion:	\$5,216,553.30
Total Facility:	\$1,817,208.69
Total DC Intangible:	\$7,538,887.86
Total DC Tangible:	\$1,973,377.50

Total APE: \$11,349,174.05

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: Franklin Mountain Energy, LLC  
Approved By:   
Jeff Owens  
Chief Executive Officer

Date: 10/11/2021

WI Owner: \_\_\_\_\_  
Approved By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

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

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

EXHIBIT

7

**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**

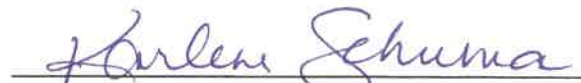
**AFFIDAVIT**

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= 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	TX	77254	Undelivered	Return Receipt - Electronic, Certified Mail	2021-12-13 5:25 PM
9314869904300089636828	2021-12-10 1:02 PM	10154.0001 604H	Monticello Minerals, LLC	Dallas	TX	75206	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-17 9:40 AM
9314869904300089636811	2021-12-10 1:02 PM	10154.0001 604H	Rheiner Holdings, LLC	Houston	TX	77098	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 7:24 PM
9314869904300089636804	2021-12-10 1:02 PM	10154.0001 604H	Prevail Energy, LLC	Denver	CO	80220	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-13 12:02 PM
9314869904300089636798	2021-12-10 1:02 PM	10154.0001 604H	TD Minerals, LLC	Dallas	TX	75225	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-20 10:16 AM
9314869904300089636781	2021-12-10 1:02 PM	10154.0001 604H	Elliot Hall Company	Ogden	UT	84402	Delivered	Return Receipt - Electronic, Certified Mail	2021-12-14 12:41 PM
9314869904300089636774	2021-12-10 1:02 PM	10154.0001 604H	Pony Oil Operating, LLC	Dallas	TX	75205	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300089636767	2021-12-10 1:02 PM	10154.0001 604H	Occidental Permian, LP	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300089636750	2021-12-10 1:02 PM	10154.0001 604H	XTO Holdings, LLC	Spring	TX	77389	Delivered	Return Receipt - Electronic, Certified Mail	

Released in Imaging: 1/5/2022 8:42:21 AM

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

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

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 604H Notice
2	9314 8699 0430 0089 6367 67	Occidental Permian, LP 5 Greenway Plaza, Ste 110 Houston TX 77046	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 604H 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 604H Notice
4	9314 8699 0430 0089 6367 81	Elliot Hall Company P.O. Box 1231 Ogden UT 84402	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 604H Notice
5	9314 8699 0430 0089 6367 98	TD Minerals, LLC 8111 Westchester Drive, Suite 900 Dallas TX 75225	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 604H Notice
6	9314 8699 0430 0089 6368 04	Prevail Energy, LLC 521 Dexter St. Denver CO 80220	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 604H Notice
7	9314 8699 0430 0089 6368 11	Rheiner Holdings, LLC P.O. Box 980552 Houston TX 77098	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 604H Notice
8	9314 8699 0430 0089 6368 28	Monticello Minerals, LLC 5528 Vickery Blvd. Dallas TX 75206	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 604H Notice
9	9314 8699 0430 0089 6368 35	Cayuga Royalties, LLC P.O. Box 540711 Houston TX 77254	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 604H Notice
10	9314 8699 0430 0089 6368 42	United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.36	\$3.75	\$1.85	\$0.00	10154.0001 604H Notice
Totals:			\$13.60	\$37.50	\$18.50	\$0.00	
			Grand Total:			\$69.60	

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Postmaster:  
Name of receiving employee

Dated:

10



10

EXAMINER HEARING JANUARY 6, 2022

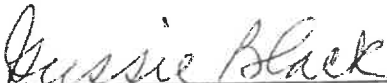
LEGAL NOTICE  
December 15, 2021**Affidavit of Publication**STATE OF NEW MEXICO  
COUNTY OF LEA

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.

  
\_\_\_\_\_  
Publisher

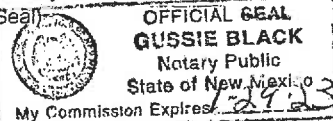
Sworn and subscribed to before me this  
15th day of December 2021.

  
\_\_\_\_\_  
Business Manager

My commission expires

January 29, 2023

(Seal)



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; Prevall 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; Prevall 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 Prevall 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 Eugene 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.; Prevall 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 Eugene 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.; Prevall 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 Prevall 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; Prevall 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](mailto: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. 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](http://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,



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:

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: 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. 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:

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/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.
3. FME plans to drill the **Triumph Fed Com 604H** 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 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.

By: 

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Bryce H. Smith  
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*Attorneys for Applicant*

**CASE NO. 22450: 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. 22450**

**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 **Triumph Fed Com 604H** well.
7. **Exhibit 11-A** is structure map of the Third Bone Spring Sand. The proposed spacing unit is identified by a pink box. The Triumph Fed Com 604H well is the black dashed line



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

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

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 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 11-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 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  $S_{Hmax}$ , 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 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.

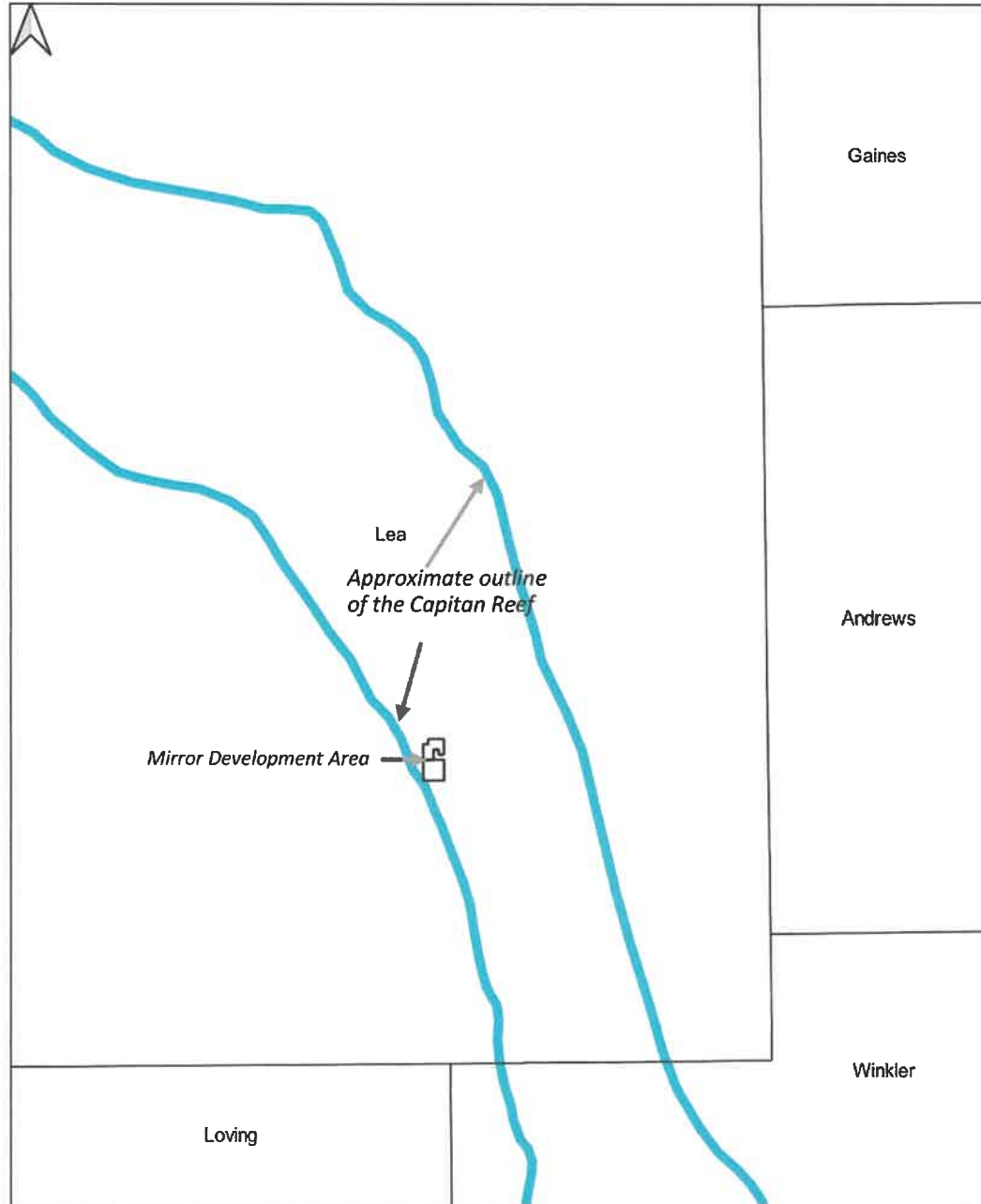
Dated: December 23, 2021

  
Ben Kessel

# Mirror Development

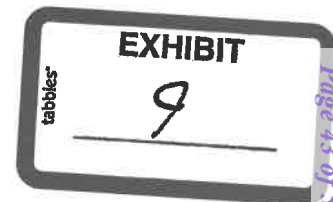


## Locator Map



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

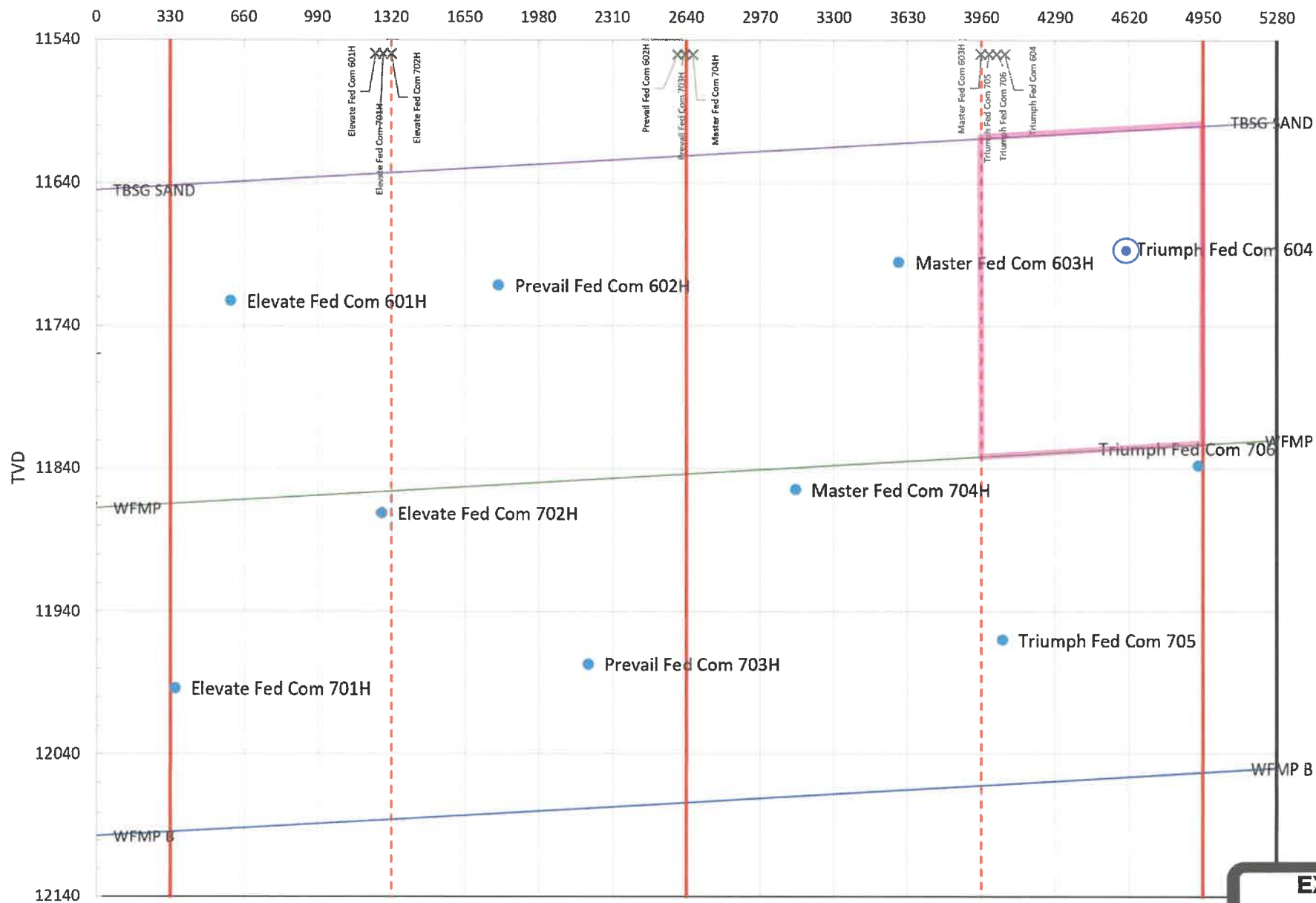


Wellbore Schematic

BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JANUARY 6, 2022



24S 35E Section 14-Looking North



Proposed Laterals

Bone Spring Spacing Unit  
Case No. 22450  
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Wolfcamp Spacing Unit

EXHIBIT  
10

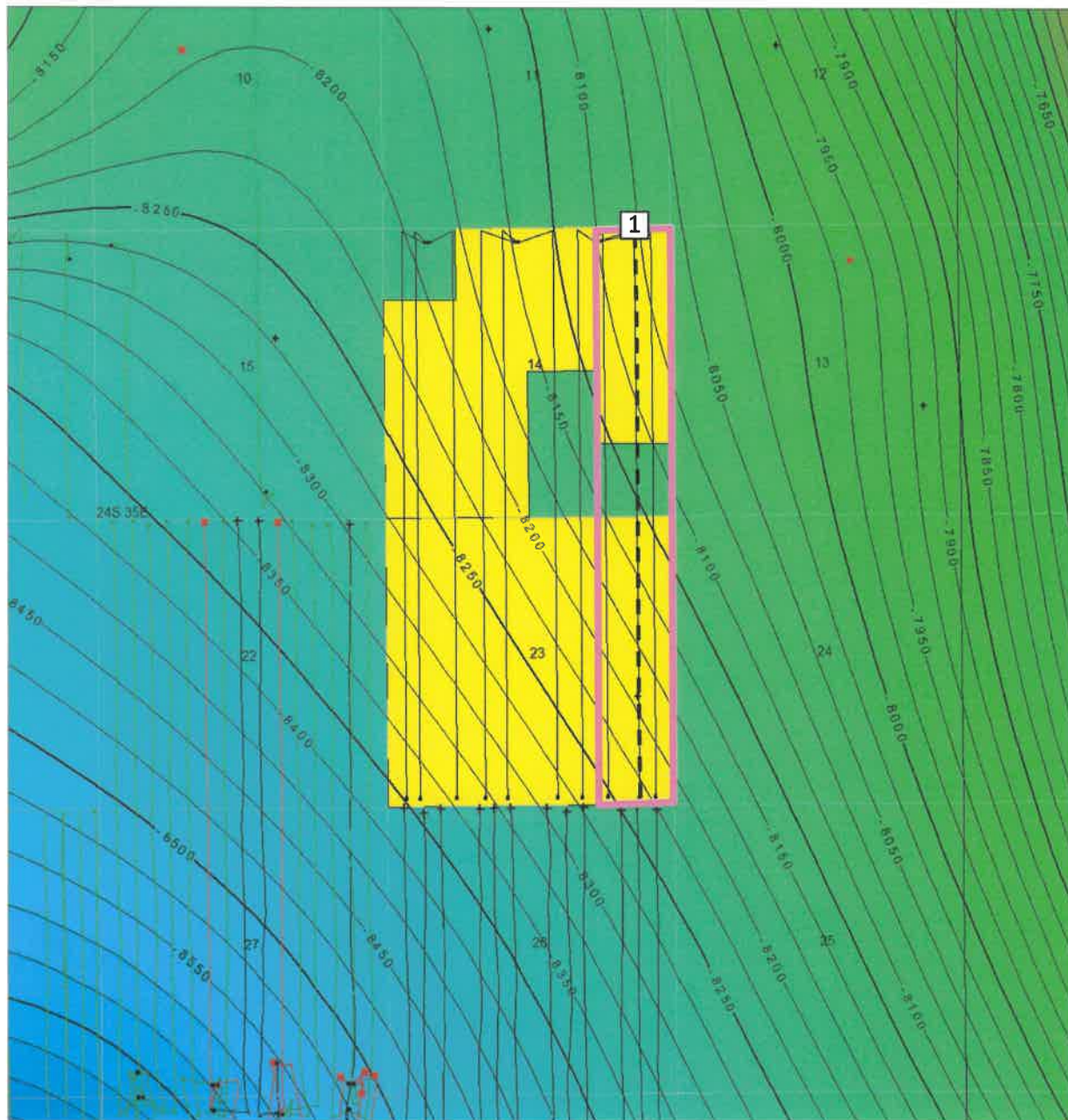
# Triumph Fed Com 604H

Case No. 22450

Bone Spring



# Bone Spring Structure



Franklin Mountain  
Acreage



Bone Spring Spacing  
Unit

Proposed Horizontal Location  
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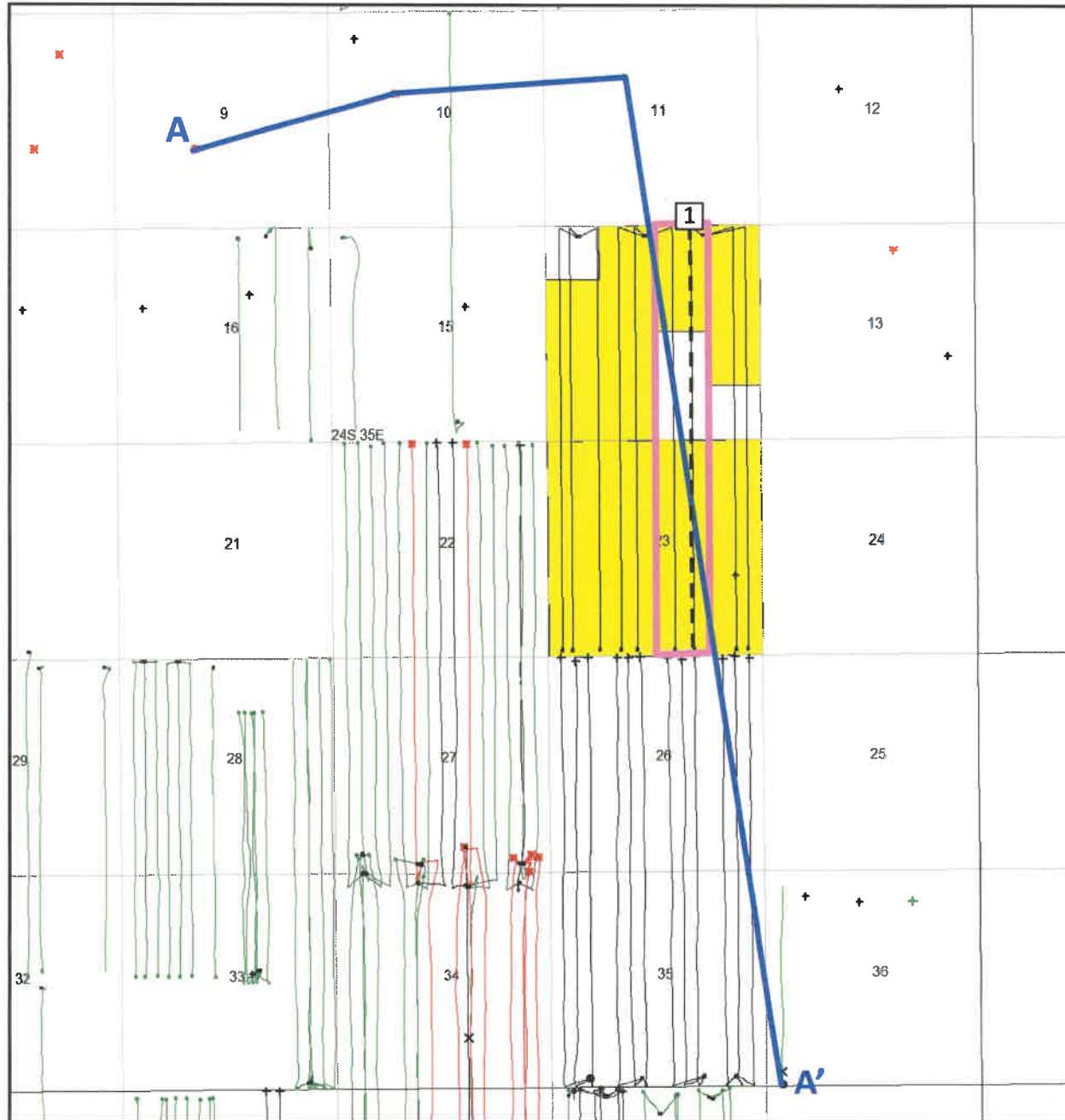
**1** Triumph Fed Com 604

C.I. = 25'

1 mile



# Bone Spring Cross Section Reference Map



- Franklin Mountain Acreage
- Bone Spring Spacing Unit

Proposed Horizontal Location

**1** Triumph Fed Com 604

All wells shown

1 mile

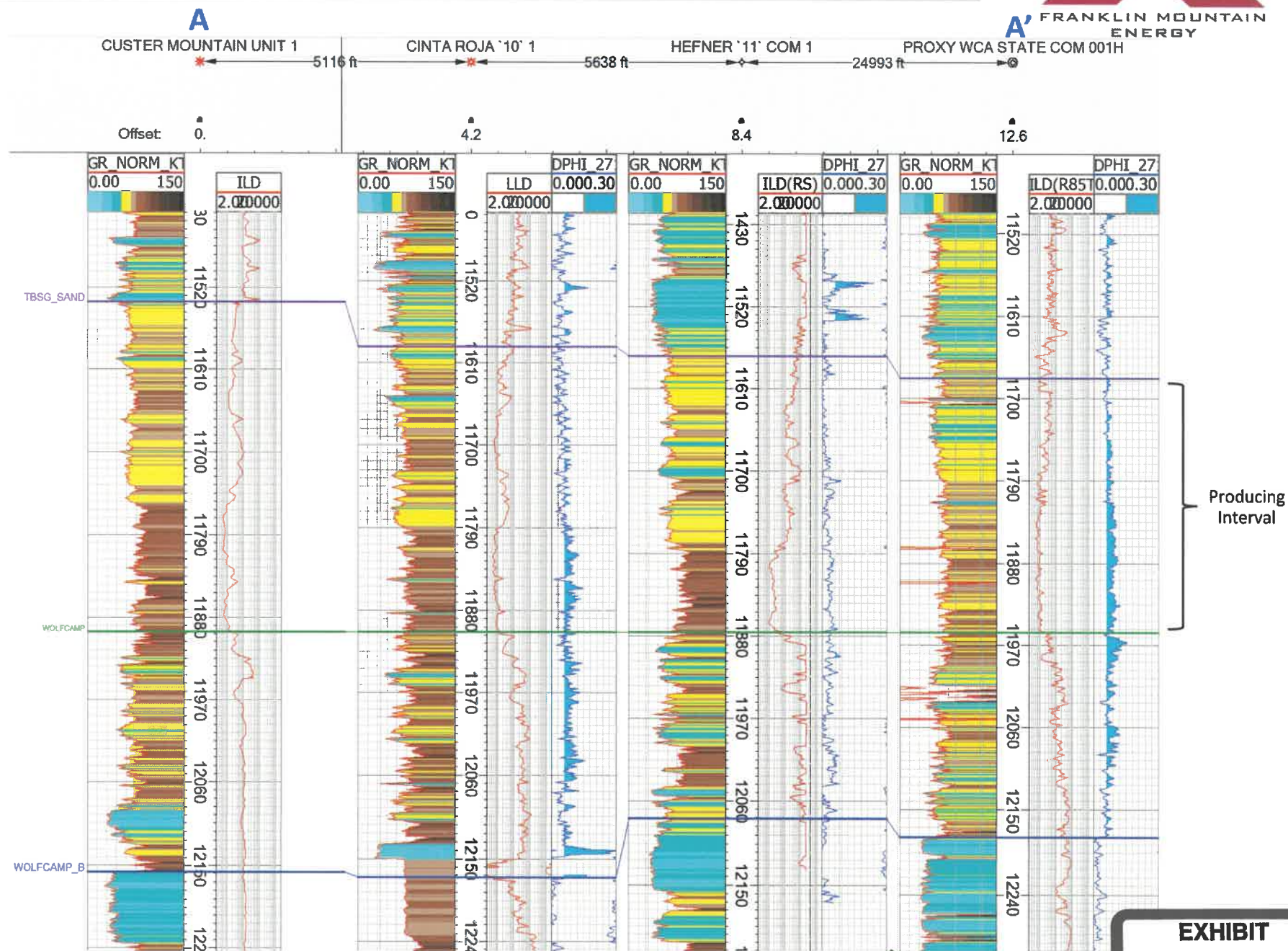
Case No. 22450

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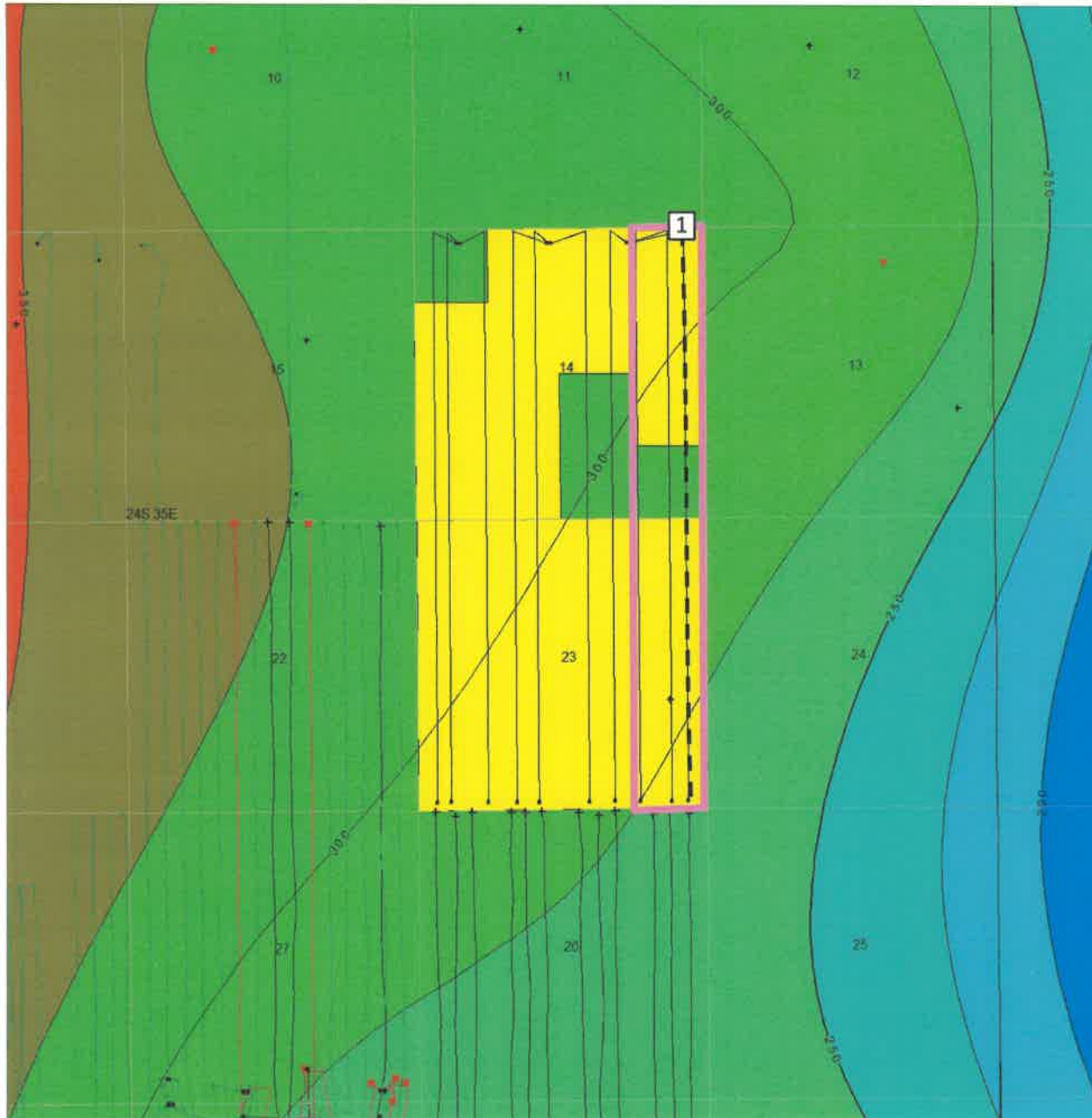
# Bone Spring Cross Section

BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JANUARY 6, 2022





# Bone Spring Isopach

BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JANUARY 6, 2022



C.I. = 25'

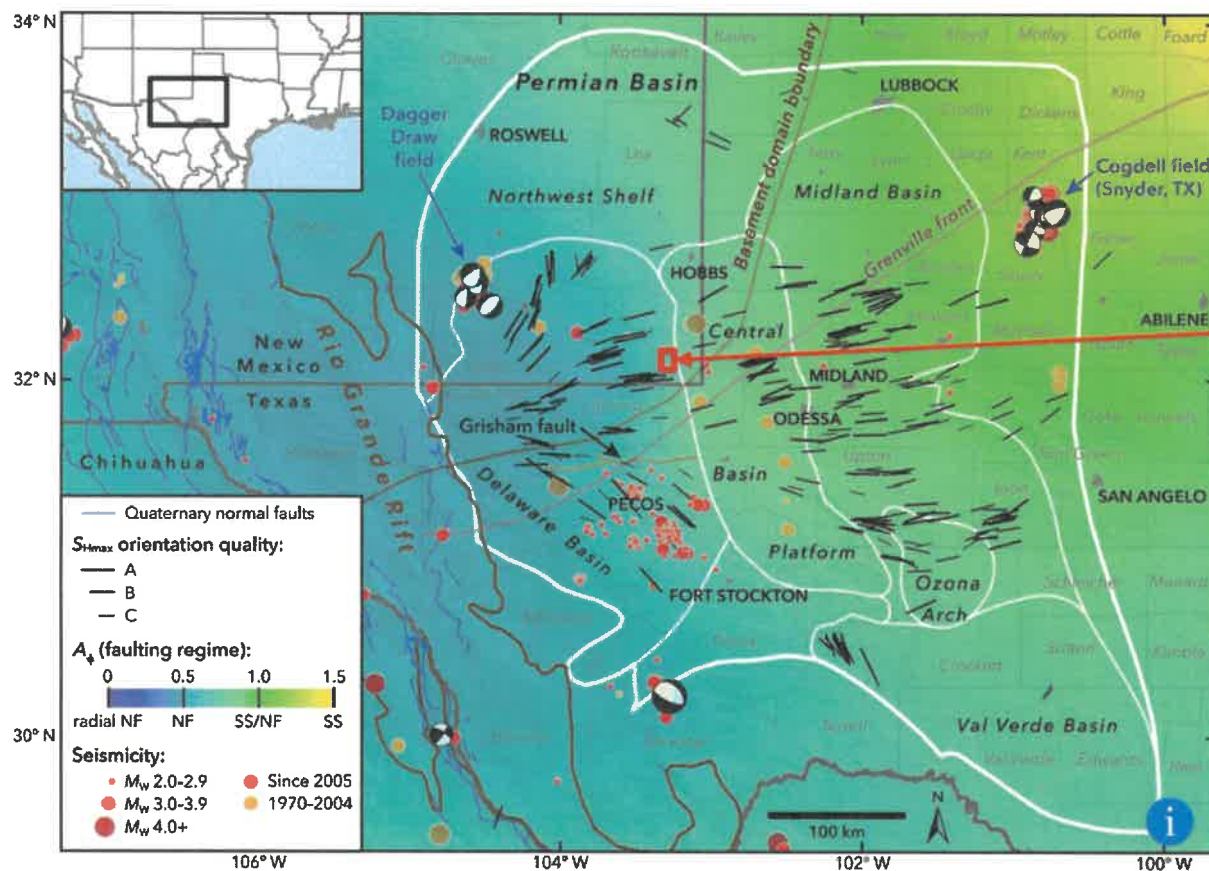
1 mile

-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit

Proposed Horizontal Location

**1** Triumph Fed Com 604

# Regional Stress



- Red box shows the approximate location of the Mirror development
- Reported local  $S_{hmax}$  (Snee and Zoback, 2018) direction is ENE, around  $265^\circ$
- The Triumph Fed Com 604 well is 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](http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603)