



Before the Oil Conservation Division
Examiner Hearing March 3, 2022

Case No. 22560: Western Fed Com 601H

&

Case No. 22561: Bidder 49 Fed Com 602H

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

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

CASE NOS. 22560 & 22561

TABLE OF CONTENTS

Tab A: Compulsory Pooling Checklists

Tab B: Declaration of Lee Zink Land Professional

- Exhibit 1: Applications
 - 1-A: Application Case No. 22560
 - 1-B: Application Case No. 22561
- Exhibit 2: C-102s
 - 2-A: C-102 for Western Fed Com 601H, Case No. 22560
 - 2-B: C-102 Bidder 49 Fed Com 602H, Case No. 22561
- Exhibit 3: Lease Tract Maps/Summaries of Interests
 - 3-A: Information for Case No. 22560
 - 3-B: Information for Case No. 22561
- Exhibit 4: Notice Affidavit

Tab C: Affidavit of Ben Kessel, Geologist

- Exhibit 5: Locator Map
- Exhibit 6: Wellbore Schematic
- Exhibit 7: Third Bone Spring Sand Geology Study
- Exhibit 8: Regional Stress Orientation Justification

EXAMINER HEARING MARCH 3, 2022

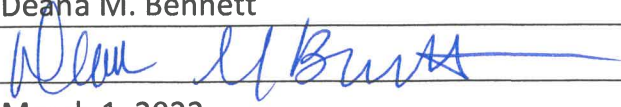
COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 22560	APPLICANT'S RESPONSE
Date: Hearing Date-March 3, 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	Western
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	W/2W/2 of Sections 25 and 36, 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 3.
Well(s)	



EXAMINER HEARING MARCH 3, 2022

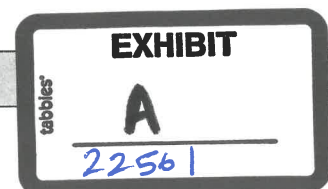
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Exhibit 2 and Exhibit B, paragraph 11.
Well #1	Western Fed Com 601H API: Not Yet Assigned SHL: 250 feet from the North line and 1241 feet from the West line, Section 1, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 600 feet from the West line, Section 25, Township 24 South, Range 35 East, NMPM. Completion Target: Bone Spring. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 2 for C-102.
Horizontal Well First and Last Take Points	Exhibit 2
Completion Target (Formation, TVD and MD)	Bone Spring: TVD 11,762'; MD 22,219'
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 1, 4
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 3
Tract List (including lease numbers and owners)	Exhibit 3
Pooled Parties (including ownership type)	Exhibit 3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	N/A

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 6
Gunbarrel/Lateral Trajectory Schematic	Exhibit 6
Well Orientation (with rationale)	Exhibit 8
Target Formation	Exhibit 7-C
HSU Cross Section	Exhibit 7-C
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 2
Tracts	Exhibit 3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 3
General Location Map (including basin)	Exhibit 5
Well Bore Location Map	Exhibit 5
Structure Contour Map - Subsea Depth	Exhibit 7-A
Cross Section Location Map (including wells)	Exhibit 7-B
Cross Section (including Landing Zone)	Exhibit 7-C
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:	March 1, 2022

EXAMINER HEARING MARCH 3, 2022

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


Case: 22561	APPLICANT'S RESPONSE
Date: Hearing Date-March 3, 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	Bidder 49
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 25 and 36, 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 3.
Well(s)	



EXAMINER HEARING MARCH 3, 2022

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Exhibit 2 and Exhibit B, paragraph 14.
Well #1	Bidder 49 Fed Com 602H API: Not yet assigned SHL: 250 feet from the North line and 2167 feet from the West line, Section 1, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the North line and 1800 feet from the West line, Section 25, Township 24 South, Range 35 East, NMPM. Completion Target: Bone Spring. Well Orientation: North/South Completion location: Expected to be standard. See also Exhibit 2 for C-102.
Horizontal Well First and Last Take Points	Exhibit 2
Completion Target (Formation, TVD and MD)	Bone Spring: TVD 11,961'; MD 22,131'
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 1, 4
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Pooled Parties (including ownership type)	Exhibit 3
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 MARCH 3, 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
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Structure Contour Map - Subsea Depth	Exhibit 7-A
Cross Section Location Map (including wells)	Exhibit 7-B
Cross Section (including Landing Zone)	Exhibit 7-C
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:	March 1, 2022

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

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

CASE NOS. 22560 & 22561

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 applications filed by Franklin in these cases, which are attached as **Exhibit 1-A and 1-B**.
4. I am familiar with the status of the lands that are subject to the applications.
5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling applications.
6. The purpose of the applications is to force pool only overriding royalty interests into the horizontal spacing units described below, and in the wells to be drilled in the units.
7. No opposition is expected because the overriding royalty interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.



8. The spacing units and wells that Franklin proposes in these cases are part of a comprehensive development plan covering Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

9. In Case No. 22560, Franklin seeks an order from the Division pooling overriding royalty interests within a 320-acre, more or less, Bone Spring horizontal spacing unit underlying the W/2W/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

10. This spacing unit will be dedicated to the Western Fed Com 601H well to be horizontally drilled.

11. The approximate TVD for the Western Fed Com 601H well is 11,762' and the approximate MD is 22,219'.

12. In Case No. 22561, Franklin seeks an order from the Division pooling overriding royalty interests within a 320 acre, more or less, Bone Spring horizontal spacing unit underlying the E/2W/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

13. This spacing unit will be dedicated to the Bidder 49 Fed Com 602H well to be horizontally drilled.

14. The approximate TVD for the Bidder 49 Fed Com 602H well is 11,961' and the approximate MD is 22,131'.

15. Attached as **Exhibit 2-A and 2-B** are the proposed C-102s for the wells.

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

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

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

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

20. There are no depth severances within the proposed spacing units.

21. **Exhibit 3** includes a lease tract map outlining the units being pooled. Franklin only needs to pool overriding interest owners because there are no other working interest owners within these units. Exhibit 3 also includes the overriding interest owners being pooled and a summary of the percent of their interests.

22. Because Franklin seeks only to pool overrides, Franklin was not required to send proposal letters to them, or Authorization for Expenditures. In addition, because Franklin only seeks to pool overrides, Franklin does not request any overhead or administrative rates or the imposition of a risk charge.

23. 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.

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

25. **Exhibit 4** 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 February 6, 2022.

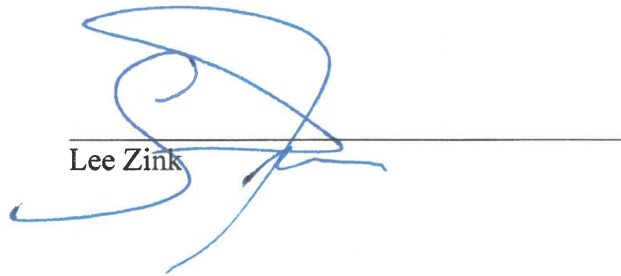
26. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

27. 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: February 24, 2022

Lee Zink



**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. 22560

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 W2W/2 of Sections 25 and 36, 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 W2W/2 of Sections 25 and 36, 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 **Western Fed Com 601H** 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 March 3, 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 W2W/2 of Sections 25 and 36, 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
Earl E. DeBrine
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. _____: 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 W2W/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Western Fed Com 601H** 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 11 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. 22561

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 25 and 36, 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 25 and 36, 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 **Bidder 49 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 March 3, 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 25 and 36, 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
Earl E. DeBrine
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. _____: 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 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Bidder 49 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 11 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 API Number		² Pool Code 98185		³ Pool Name WC-025 G-09 S253502B;LWR BONE SPRING	
⁴ Property Code		⁵ Property Name WESTERN FED COM			⁶ Well Number 601H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3284.1'

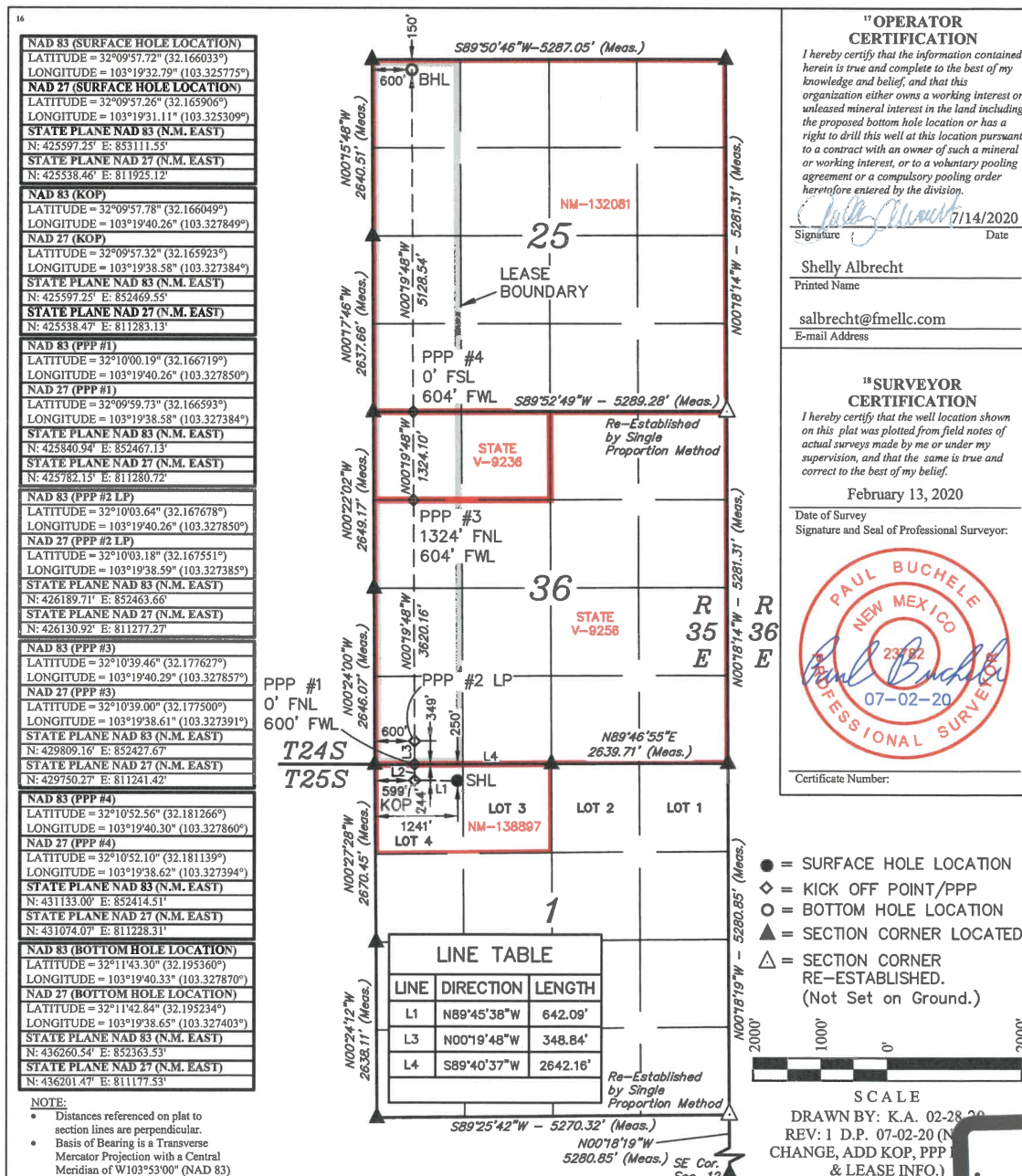
¹⁰Surface Location

UL or lot no. 4	Section 1	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line NORTH	Feet from the 1241	East/West line WEST	County LEA
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"Bottom Hole Location If Different From Surface

UL or lot no. D	Section 25	Township 24S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 600	East/West line WEST	County 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.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
	98185	WC-025 G-09 S253502B;LWR BONE SPRING
⁴ Property Code	⁵ Property Name	⁶ Well Number
	BIDDER 49 FED COM	602H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
373910	FRANKLIN MOUNTAIN ENERGY LLC	3319.3'

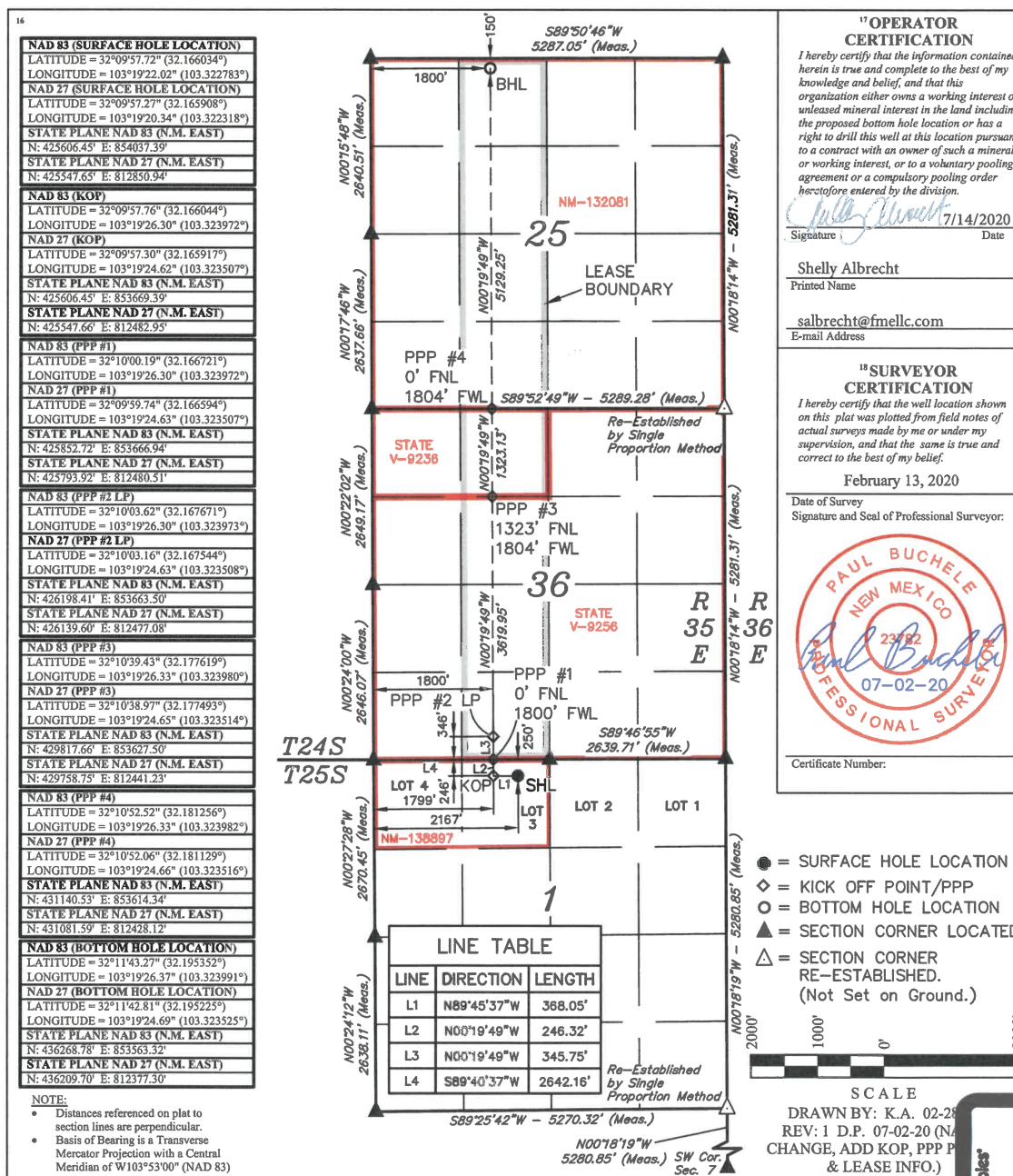
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	1	25S	35E		250	NORTH	2167	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	24S	35E		150	NORTH	1800	WEST	LEA
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						
320									

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

2-B

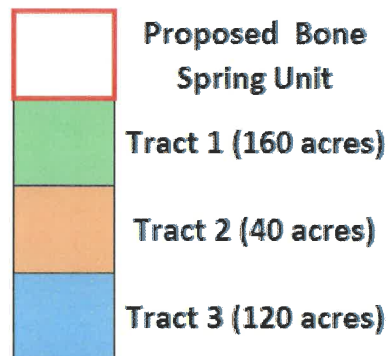
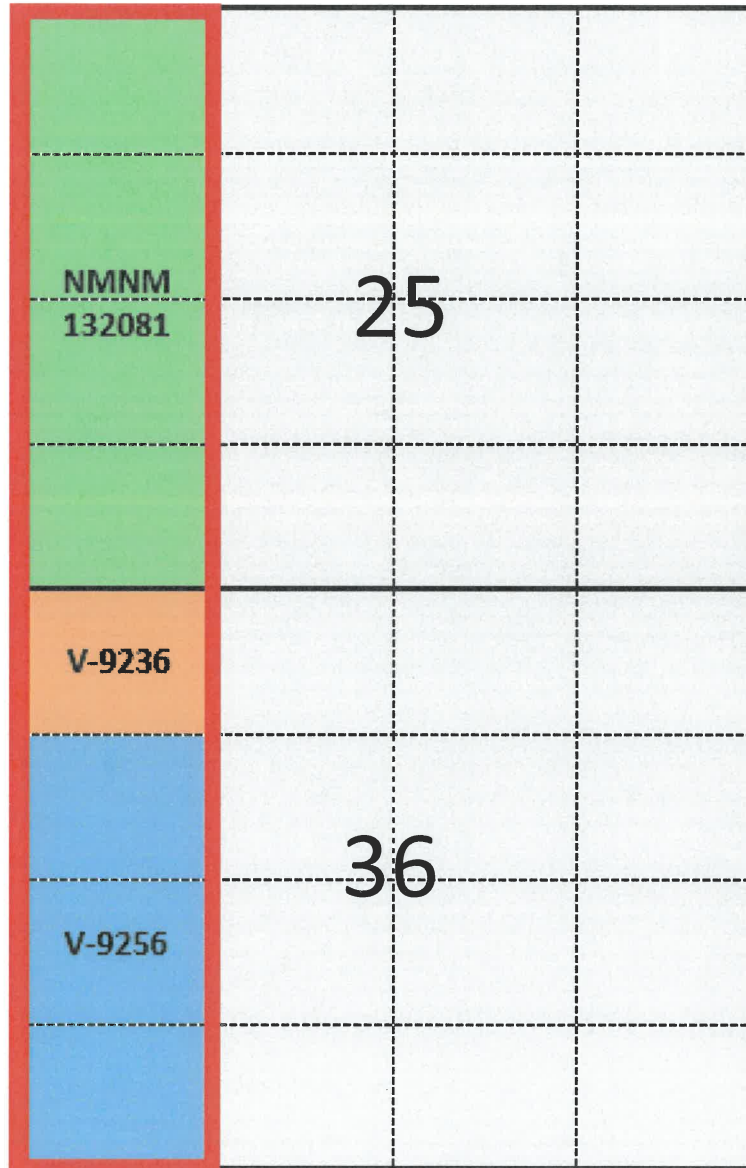
22561

Lease Tract Map

Case No. 22560

W/2W/2 of Sections 25 & 36-T24S-R35E, 320 Gross Acres

Western Fed Com 601H



Summary of Interests

Case No. 22560

W/2W/2 of Sections 25 & 36-T24S-R35E, 320 Gross Acres

Western Fed Com 601H

Committed Working Interests	
Franklin Mountain Energy, LLC	100.000000%
Overriding Royalty Interests	
Monticello Minerals, LLC	0.279055%
Prevail Energy, LLC	1.089999%
Rheiner Holdings, LLC	0.796730%
Cayuga Royalties, LLC	1.581452%
TOTAL:	100.000000%



Unit Recapitulation

Case No. 22560

W/2W/2 of Sections 25 & 36-T24S-R35E, 320 Gross Acres
Western Fed Com 601H

Committed Working Interests	
Franklin Mountain Energy, LLC	100.000000%
Overriding Royalty Interests	
Monticello Minerals, LLC	0.279055%
Prevail Energy, LLC	1.089999%
Rheiner Holdings, LLC	0.796730%
Cayuga Royalties, LLC	1.581452%
TOTAL:	100.000000%



Tract	Lease
1	NMNM 132081
2	V-9236
3	V-9256

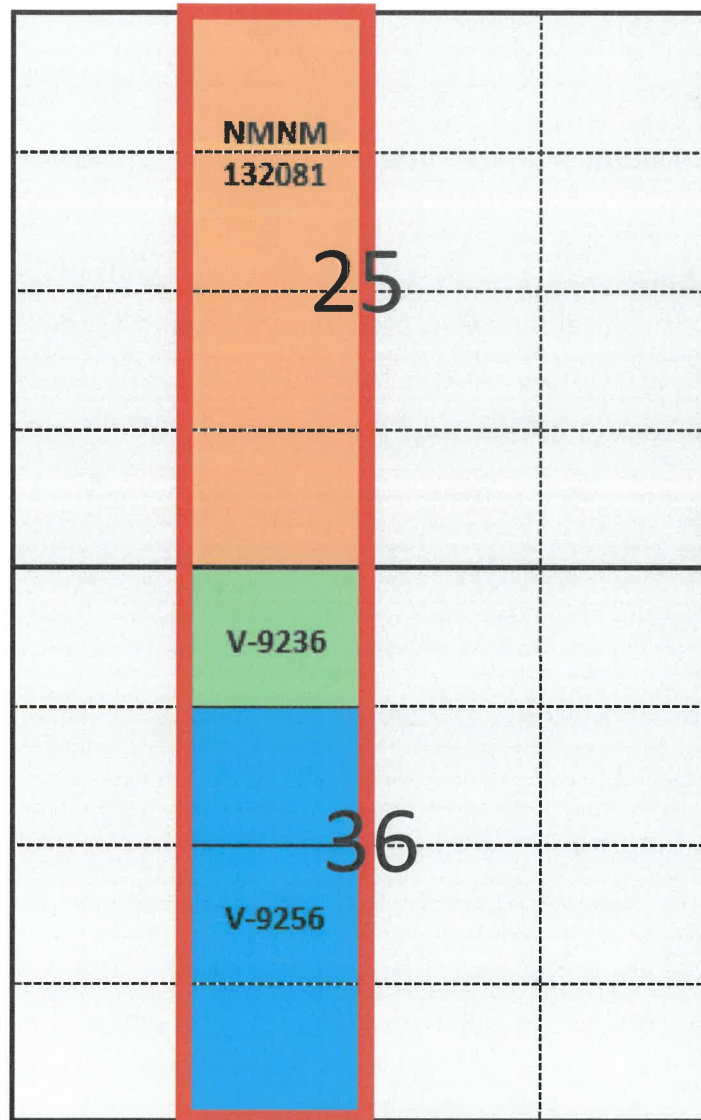


Lease Tract Map

Case No. 22561

E/2W/2 of Sections 25 & 36-T24S-R35E, 320 Gross Acres

Bidder 49 Fed Com 602H



Tract	Lease
1	NMNM 132081
2	V-9236
3	V-9256



Summary of Interests

Case No. 22561
E/2W/2 of Sections 25 & 36-T24S-R35E, 320 Gross Acres
Bidder 49 Fed Com 602H

Committed Working Interests	
Franklin Mountain Energy, LLC	100.000000%
Overriding Royalty Interests	
Monticello Minerals, LLC	0.279055%
Prevail Energy, LLC	1.089999%
Rheiner Holdings, LLC	0.796730%
Cayuga Royalties, LLC	1.581452%
TOTAL:	100.000000%



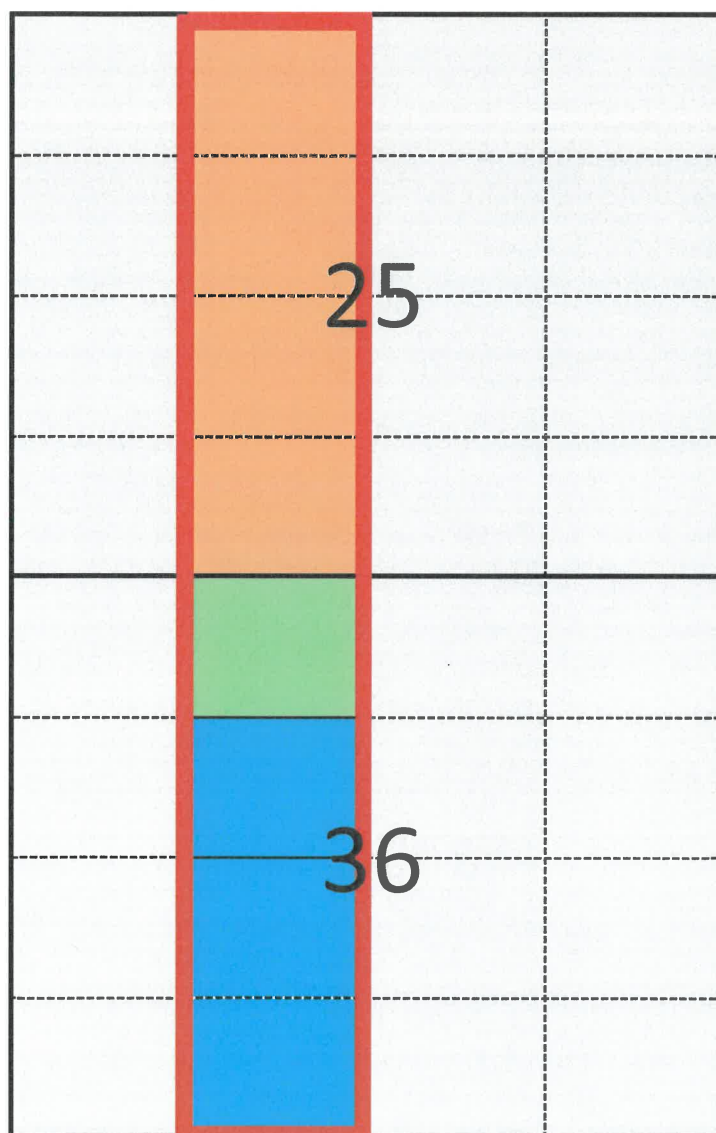
Unit Recapitulation

Case No. 22561

E/2W/2 of Sections 25 & 36-T24S-R35E, 320 Gross Acres

Bidder 49 Fed Com 602H

Committed Working Interests	
Franklin Mountain Energy, LLC	100.000000%
Overriding Royalty Interests	
Monticello Minerals, LLC	0.279055%
Prevail Energy, LLC	1.089999%
Rheiner Holdings, LLC	0.796730%
Cayuga Royalties, LLC	1.581452%
TOTAL:	100.000000%



Tract	Lease
1	NMNM 132081
2	V-9236
3	V-9256



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

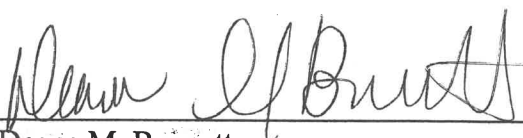
**APPLICATIONS OF FRANKLIN MOUNTAIN
ENERGY, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 22560-22565

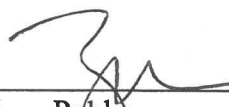
AFFIDAVIT

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 mailed February 4, 2022, 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 February 6, 2022, as reflected in the attached Affidavit of Publication.


Deana M. Bennett

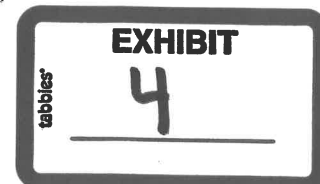
SUBSCRIBED AND SWORN to before me this 1 day of March, 2022 by Deana M. Bennett.



Notary Public

My commission expires: Dec 07, 2023

STATE OF NEW MEXICO
NOTARY PUBLIC
Zina Carmelita Crum
Commission No. 1062220
December 07, 2023



BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MARCH 3, 2022

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 222119
Generated: 2/28/2022 10:19:46 AM

USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300091522744	2022-02-04 1:05 PM	10154.0001.	Cayuga Royalties, LLC	Houston	TX	77254	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-24 9:47 AM
9314869904300091522737	2022-02-04 1:05 PM	10154.0001.	Rheiner Holdings, LLC	Houston	TX	77098	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-16 9:13 AM
9314869904300091522720	2022-02-04 1:05 PM	10154.0001.	Prevail Energy, LLC	Denver	CO	80220	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-08 2:16 PM
9314869904300091522713	2022-02-04 1:05 PM	10154.0001.	Monticello Minerals, LLC	Dallas	TX	75206	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-08 4:38 PM
9314869904300091522706	2022-02-04 1:05 PM	10154.0001.	United States of America, BLM	Santa Fe	NM	87508	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300091522690	2022-02-04 1:05 PM	10154.0001.	New Mexico State Land Office	Santa Fe	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-08 7:30 AM
9314869904300091522683	2022-02-04 1:05 PM	10154.0001.	New Mexico State Land Office	Santa Fe	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	2022-02-08 11:39 AM

BEFORE THE OIL CONSERVATION DIVISION

EXAMINER HEARING MARCH 3, 2022

PS Form 3877

Type of Mailing: CERTIFIED MAIL
02/04/2022

Firm Mailing Book ID: 222119

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

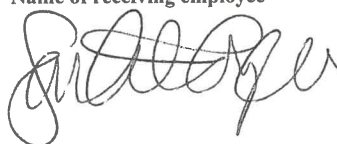
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0091 5226 83	New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe NM 87504	\$1.56	\$3.75	\$1.85	\$0.00	10154.0001. Notice
2	9314 8699 0430 0091 5226 90	New Mexico State Land Office PO Box 1148 Santa Fe NM 87504	\$1.56	\$3.75	\$1.85	\$0.00	10154.0001. Notice
3	9314 8699 0430 0091 5227 06	United States of America, BLM 301 Dinosaur Trail Santa Fe NM 87508	\$1.56	\$3.75	\$1.85	\$0.00	10154.0001. Notice
4	9314 8699 0430 0091 5227 13	Monticello Minerals, LLC 5528 Vickery Blvd. Dallas TX 75206	\$1.56	\$3.75	\$1.85	\$0.00	10154.0001. Notice
5	9314 8699 0430 0091 5227 20	Prevail Energy, LLC 521 Dexter St. Denver CO 80220	\$1.56	\$3.75	\$1.85	\$0.00	10154.0001. Notice
6	9314 8699 0430 0091 5227 37	Rheiner Holdings, LLC PO Box 980552 Houston TX 77098	\$1.56	\$3.75	\$1.85	\$0.00	10154.0001. Notice
7	9314 8699 0430 0091 5227 44	Cayuga Royalties, LLC PO Box 540711 Houston TX 77254	\$1.56	\$3.75	\$1.85	\$0.00	10154.0001. Notice
Totals:			\$10.92	\$26.25	\$12.95	\$0.00	
			Grand Total:		\$50.12		

List Number of Pieces
Listed by Sender

7

Total Number of Pieces
Received at Post Office

7

Postmaster:
Name of receiving employee

Dated:



EXAMINER HEARING MARCH 3, 2022 LEGAL NOTICE
February 6, 2022

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
February 06, 2022
and ending with the issue dated
February 06, 2022.



Publisher

Sworn and subscribed to before me this
6th day of February 2022.



Business Manager

My commission expires
January 29, 2023

(S)

GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 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. 22560: Notice to all affected parties, as well as their heirs and devisees of New Mexico State Land Office; United States of America, Bureau of Land Management; Monticello Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, 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 March 3, 2022 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division pooling all overriding royalty interests within a Bone Spring horizontal spacing unit underlying the W2W/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Western Fed Com 601H 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 11 miles Northwest of Jal, New Mexico.

CASE NO. 22561: Notice to all affected parties, as well as their heirs and devisees of New Mexico State Land Office; United States of America, Bureau of Land Management; Monticello Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, 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 March 3, 2022 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. 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 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Bidder 49 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 11 miles Northwest of Jal, New Mexico.

CASE NO. 22562: Notice to all affected parties, as well as their heirs and devisees of New Mexico State Land Office; United States of America, Bureau of Land Management; Monticello Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, 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 March 3, 2022 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division pooling all overriding royalty interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the KC7 Fed Com 603H 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 11 miles Northwest of Jal, New Mexico.

CASE NO. 22563: Notice to all affected parties, as well as their heirs and devisees of New Mexico State Land Office; United States of America, Bureau of Land Management; Monticello Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, 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 March 3, 2022 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division pooling all overriding royalty interests within a Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the El Paso Fed Com 604H 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 11 miles Northwest of Jal, New Mexico.

CASE NO. 22564: Notice to all affected parties, as well as their heirs and devisees of New Mexico State Land Office; United States of America, Bureau of Land Management; Monticello Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, 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 March 3, 2022 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division pooling all overriding royalty interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the KC7 Fed Com 704H, the El Paso Fed Com 705H, and the El Paso Fed Com 706H wells to be horizontally drilled. The completed interval for the El Paso Fed Com 705H well will be less than 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 designation of Franklin Mountain Energy, LLC as operator of the wells. Said area is located approximately 11 miles Northwest of Jal, New Mexico.

CASE NO. 22565: Notice to all affected parties, as well as their heirs and devisees of New Mexico State Land Office; United States of America, Bureau of Land Management; Monticello Minerals, LLC; Prevall Energy, LLC; Rheiner Holdings, 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 March 3, 2022 to consider this application. Due to state building closures during the COVID-19 Public Health Emergency, the hearing will be conducted remotely. You may access the instructions to appear at <http://www.emnrd.state.nm.us/OCD/documents/10-08OCDHearing.pdf> or under "OCD NOTICES" at <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant seeks an order from the Division pooling all overriding royalty interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Western Fed Com 702H and Bidder 49 Fed Com 703H wells to be horizontally drilled. The completed interval for the Western Fed Com 702H well will be less than 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 designation of Franklin Mountain Energy, LLC as operator of the wells. Said area is located approximately 11 miles Northwest of Jal, New Mexico.

#37289



MODRALL SPERLING

L A W Y E R S

February 4, 2022

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. 22560

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

CASE NO. 22561

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

CASE NO. 22562

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

CASE NO. 22563

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

CASE NO. 22564

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

CASE NO. 22565

TO: AFFECTED PARTIES

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

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

In Case No. 22560, FME 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 11 miles Northwest of Jal, New Mexico.

In Case No. 22561, 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 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Bidder 49 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 11 miles Northwest of Jal, New Mexico.

In Case No. 22562, FME seeks an order from the Division pooling all overriding royalty interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **KC7 Fed Com 603H** 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 11 miles Northwest of Jal, New Mexico.

In Case No. 22563, FME seeks an order from the Division pooling all overriding royalty interests within a Bone Spring horizontal spacing unit underlying the E/2E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **El Paso Fed Com 604H** 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 11 miles Northwest of Jal, New Mexico.

In Case No. 22564, FME seeks an order from the Division pooling all overriding royalty interests within a Wolfcamp horizontal spacing unit underlying the E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **KC7 Fed Com 704H**, the **El Paso Fed Com 705H**, and the **El Paso Fed Com**

Page 3

706H wells to be horizontally drilled. The completed interval for the El Paso Fed Com 705H well will be less than 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 designation of Franklin Mountain Energy, LLC as operator of the wells. Said area is located approximately 11 miles Northwest of Jal, New Mexico.

In Case No. 22565, FME seeks an order from the Division pooling all overriding royalty interests within a Wolfcamp horizontal spacing unit underlying the W/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Western Fed Com 702H and Bidder 49 Fed Com 703H** wells to be horizontally drilled. The completed interval for the Western Fed Com 702H well will be less than 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 designation of Franklin Mountain Energy, LLC as operator of the wells. Said area is located approximately 11 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 March 3, 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. 22560

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 W2W/2 of Sections 25 and 36, 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 W2W/2 of Sections 25 and 36, 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 **Western Fed Com 601H** 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 March 3, 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 W2W/2 of Sections 25 and 36, 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

Earl E. DeBrine

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. _____: 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 W2W/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Western Fed Com 601H** 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 11 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. 22561

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 25 and 36, 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 25 and 36, 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 **Bidder 49 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 March 3, 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 25 and 36, 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
Earl E. DeBrine
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. _____: 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 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Bidder 49 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 11 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. 22562

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 W/2 E/2 of Sections 25 and 36, 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 W/2 E/2 of Sections 25 and 36, 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 **KC7 Fed Com 603H** 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 March 3, 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 W/2 E/2 of Sections 25 and 36, 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
Earl E. DeBrine
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. _____: 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 W/2 E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **KC7 Fed Com 603H** 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 11 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. 22563

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/2E/2 of Sections 25 and 36, 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 25 and 36, 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 **El Paso 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 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 March 3, 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/2E/2 of Sections 25 and 36, 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
Earl E. DeBrine
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. _____: 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/2E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **El Paso Fed Com 604H** 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 11 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. 22564

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 Wolfcamp horizontal spacing unit underlying the E/2 of Sections 25 and 36, 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 25 and 36, 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 **KC7 Fed Com 704H**, the **El Paso Fed Com 705H**, and the **El Paso Fed Com 706H** wells to a depth sufficient to test the Wolfcamp formation.
4. The completed interval for the El Paso 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 seeks only to pool overriding royalty interest owners. The pooling of such 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 March 3, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all overriding royalty interest owners in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and

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

MODRALL, SPERLING, ROEHL, HARRIS

& SISK, P.A.

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CASE NO. ____: 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 Wolfcamp horizontal spacing unit underlying the E/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **KC7 Fed Com 704H**, the **El Paso Fed Com 705H**, and the **El Paso Fed Com 706H** wells to be horizontally drilled. The completed interval for the El Paso Fed Com 705H well will be less than 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 designation of Franklin Mountain Energy, LLC as operator of the wells. Said area is located approximately 11 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. 22565

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 Wolfcamp horizontal spacing unit underlying the W/2 of Sections 25 and 36, 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 W/2 of Sections 25 and 36, 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 **Western Fed Com 702H** and **Bidder 49 Fed Com 703H** wells to a depth sufficient to test the Wolfcamp formation.
4. The completed interval for the Western Fed Com 702H 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's 640-acre horizontal spacing unit for the Western Fed Com 702H and Bidder 49 Fed Com 703H wells will overlap with an existing FME 320-acre spacing unit that is dedicated to the Proxy WCA State Com 001H located in the W/2W/2 of Section 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. FME is the operator of the Proxy WCA State Com 001H well and there are no other working interest owners.

7. FME seeks only to pool overriding royalty interest owners. The pooling of such 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 March 3, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all overriding royalty interest owners in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 of Sections 25 and 36, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and

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

MODRALL, SPERLING, ROEHL, HARRIS

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

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

CASE NOS. 22560 & 22561

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 applications filed by Franklin in these cases.

4. **Exhibit 5** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.

5. **Exhibit 6** is a wellbore schematic showing Franklin's development plan, which includes the wells proposed in Case Numbers 22560 through 22565, including in this case.

6. The exhibits behind **Tab 7** are the geology study I prepared for the Western Fed Com 601H and the Bidder 49 Fed Com 602H wells, which are Third Bone Spring Sand wells, proposed in the W/2W/2 and E/2W/2 of Sections 25 and 36, Township 24 South, Range 35 East, respectively.



7. **Exhibit 7-A** is structure map of the Third Bone Spring Sand. The proposed spacing unit is identified by a pink box. The Western Fed Com 601H well is the black dashed line identified by the box labeled "1" and the Bidder 49 Fed Com 602H is the black dashed line identified by the box labeled "2". The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

8. **Exhibit 7-B** is a cross section reference map that identifies four wells in the vicinity of the proposed wells, shown by a line of cross-section running from A to A'.

9. **Exhibit 7-C** is a stratigraphic cross section. 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 wells fall within the wells I used for the cross-section.

10. In my opinion, the gross interval thickness increases slightly to the west.

11. **Exhibit 7-D** is a Gross Sand Isochore of the Third Bone Spring Sand. The gross interval thickness increases slightly to the west.

12. I conclude from the maps that:

- a. The horizontal spacing units are 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 units will contribute more or less equally to production.

13. **Exhibit 8** 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 inducted fracture propagation. This is because the S_{Hmax} is at approximately 265 degrees ENE in this area of Lea County.

15. Exhibits 5-8 were prepared by me or under my supervision or compiled from company business records.

16. In my opinion, the granting of Franklin's applications 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.

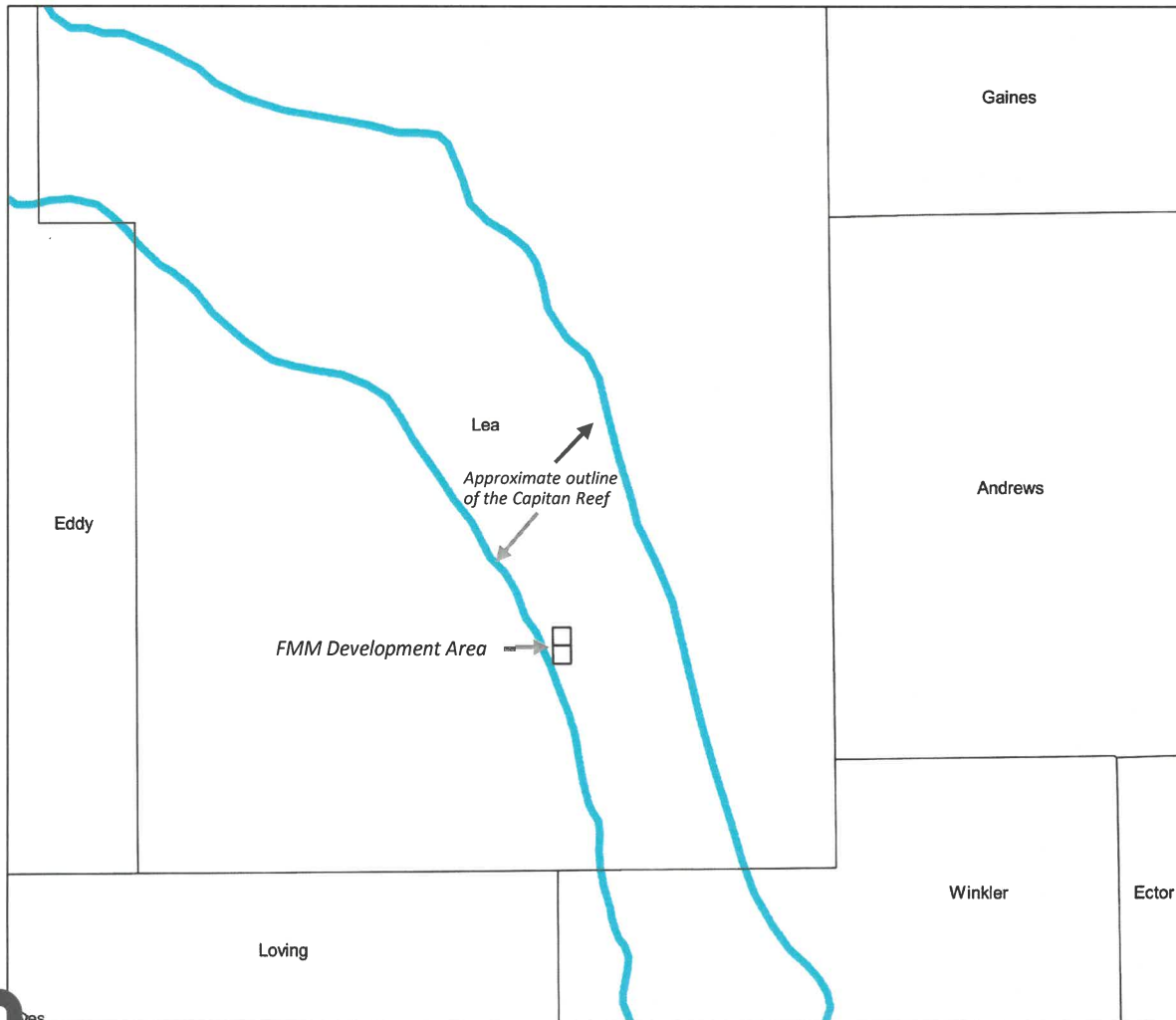
Dated: February 24, 2022.



Ben Kessel

FMM Development

Locator Map

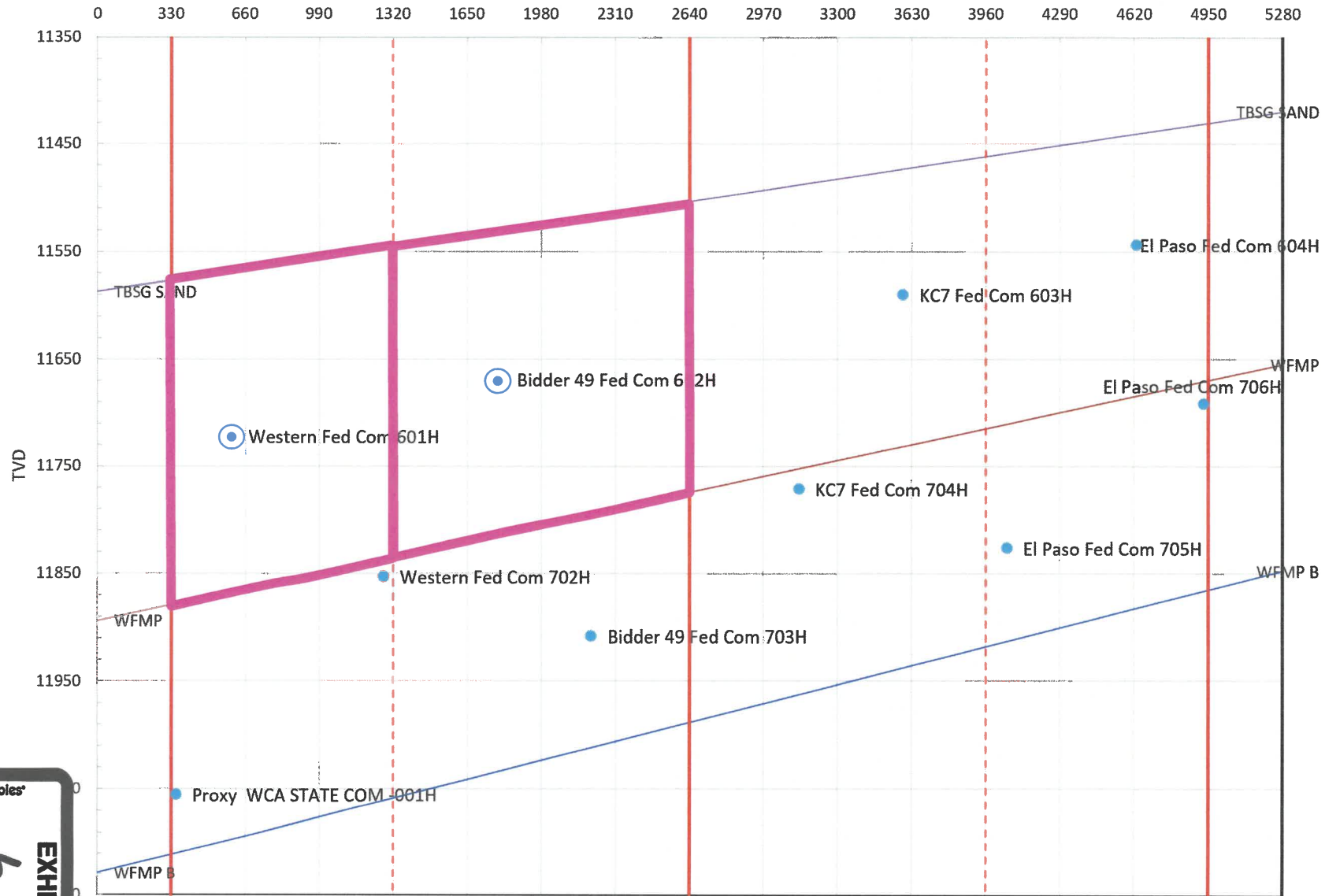


- Black box shows the location of FMM development area
- Planned wells are located inside of the western edge of the Capitan Reef

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

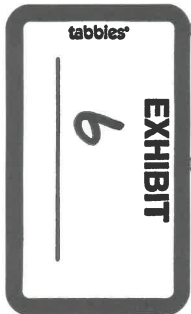


Wellbore Schematic



Proposed Laterals

Bone Spring Spacing Units



Bone Spring Structure



Franklin Mountain
Acreage

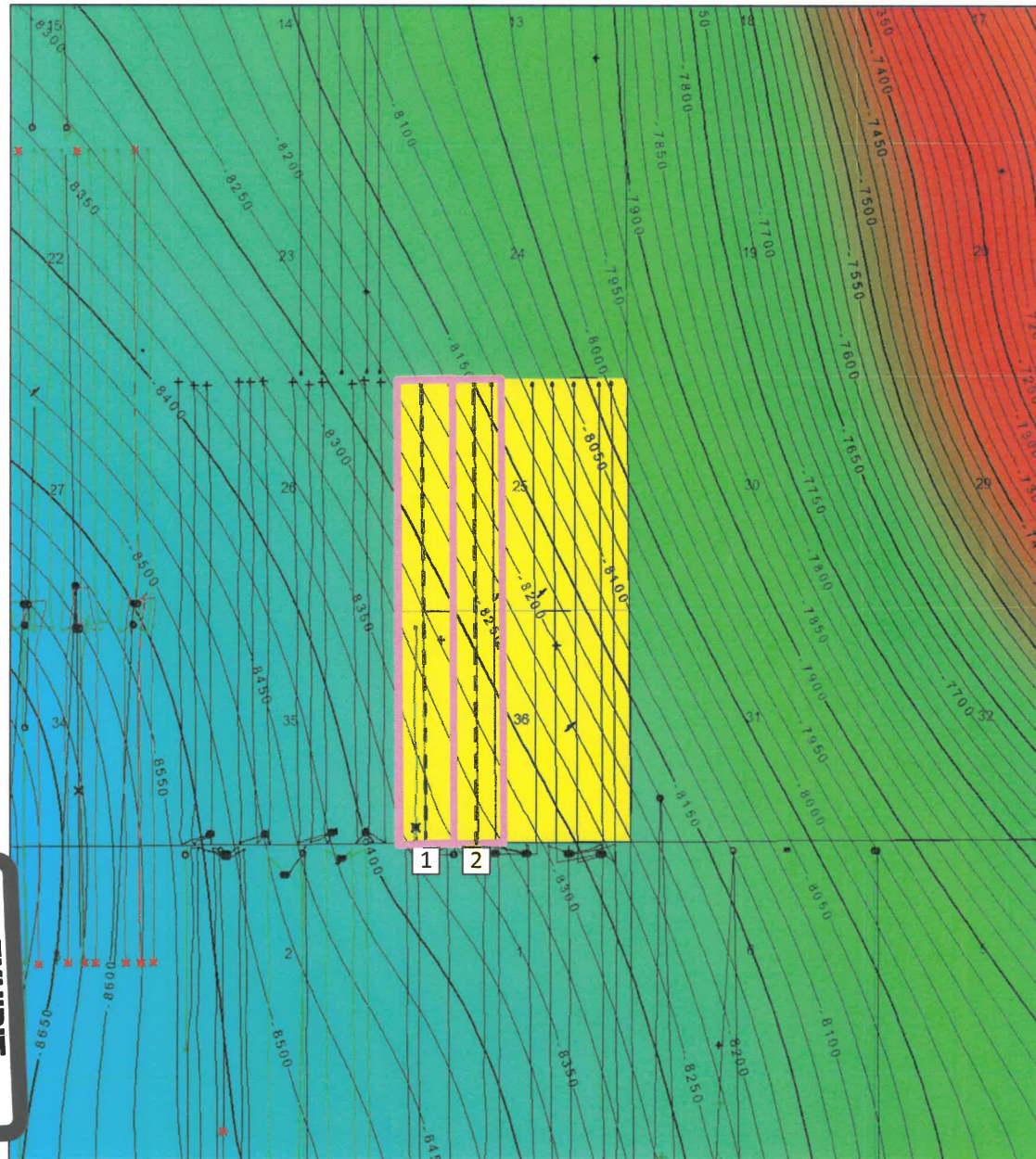


Bone Spring Spacing
Unit

Proposed Horizontal Location

1 Western Fed Com 601

2 Bidder 49 Fed Com 602



C.I. = 25'

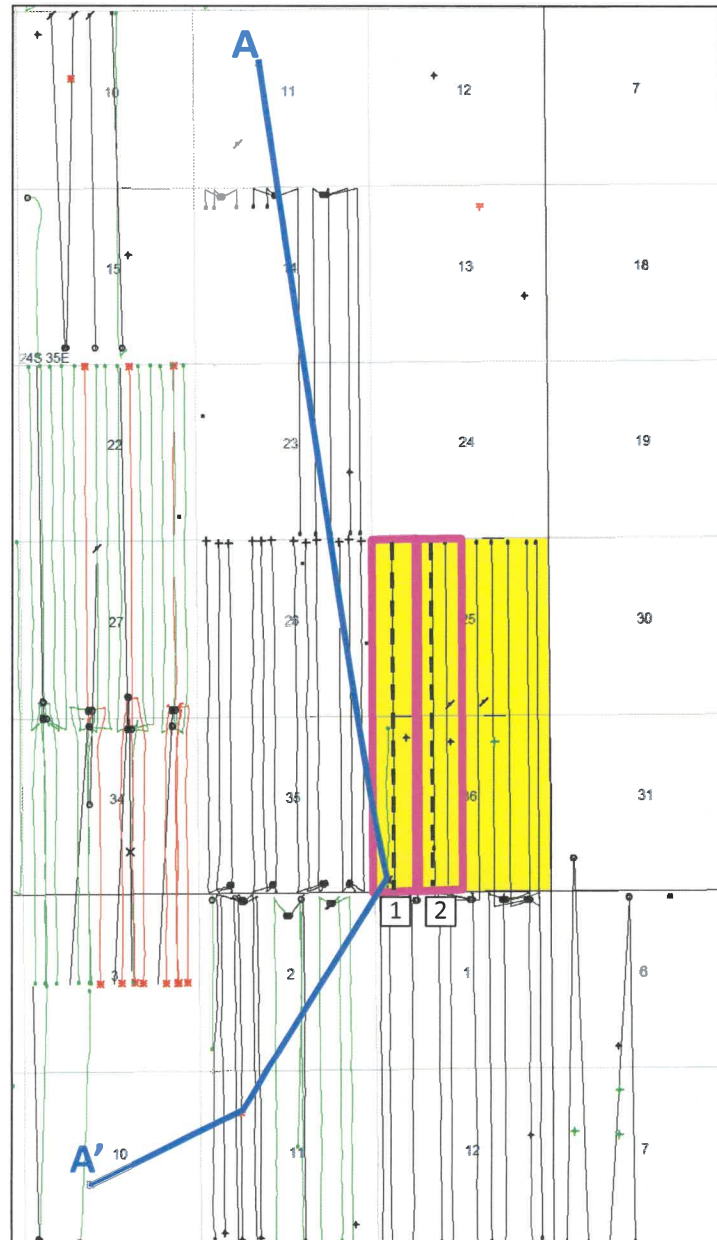
1 mile

tabbles

7.A

EXHIBIT

Bone Spring Cross Section Reference Map



Franklin Mountain
Acreage



Bone Spring Spacing
Units

Proposed Horizontal Location

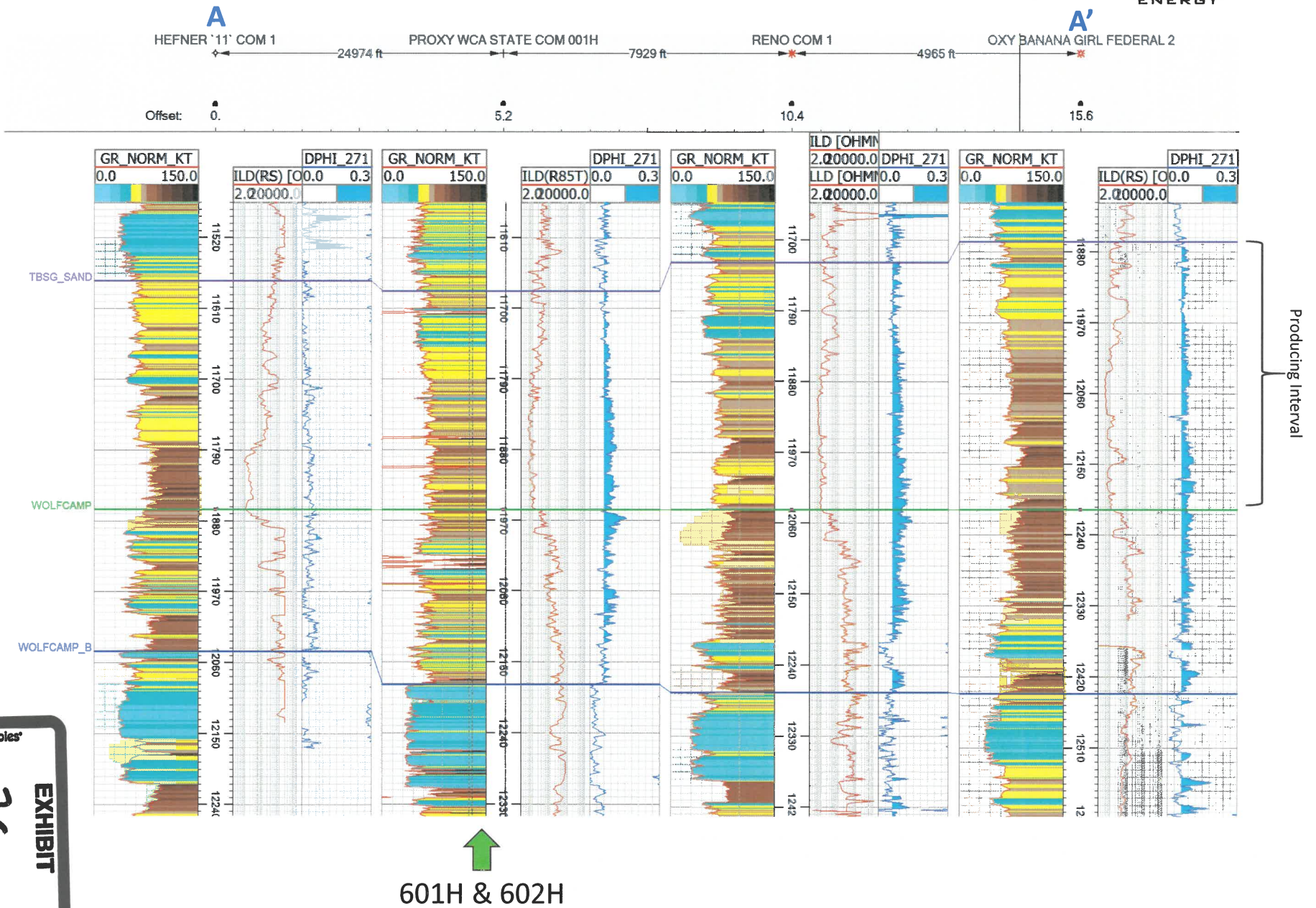
- 1 Western Fed Com 601
- 2 Bidder 49 Fed Com 602

All wells shown

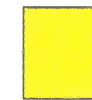
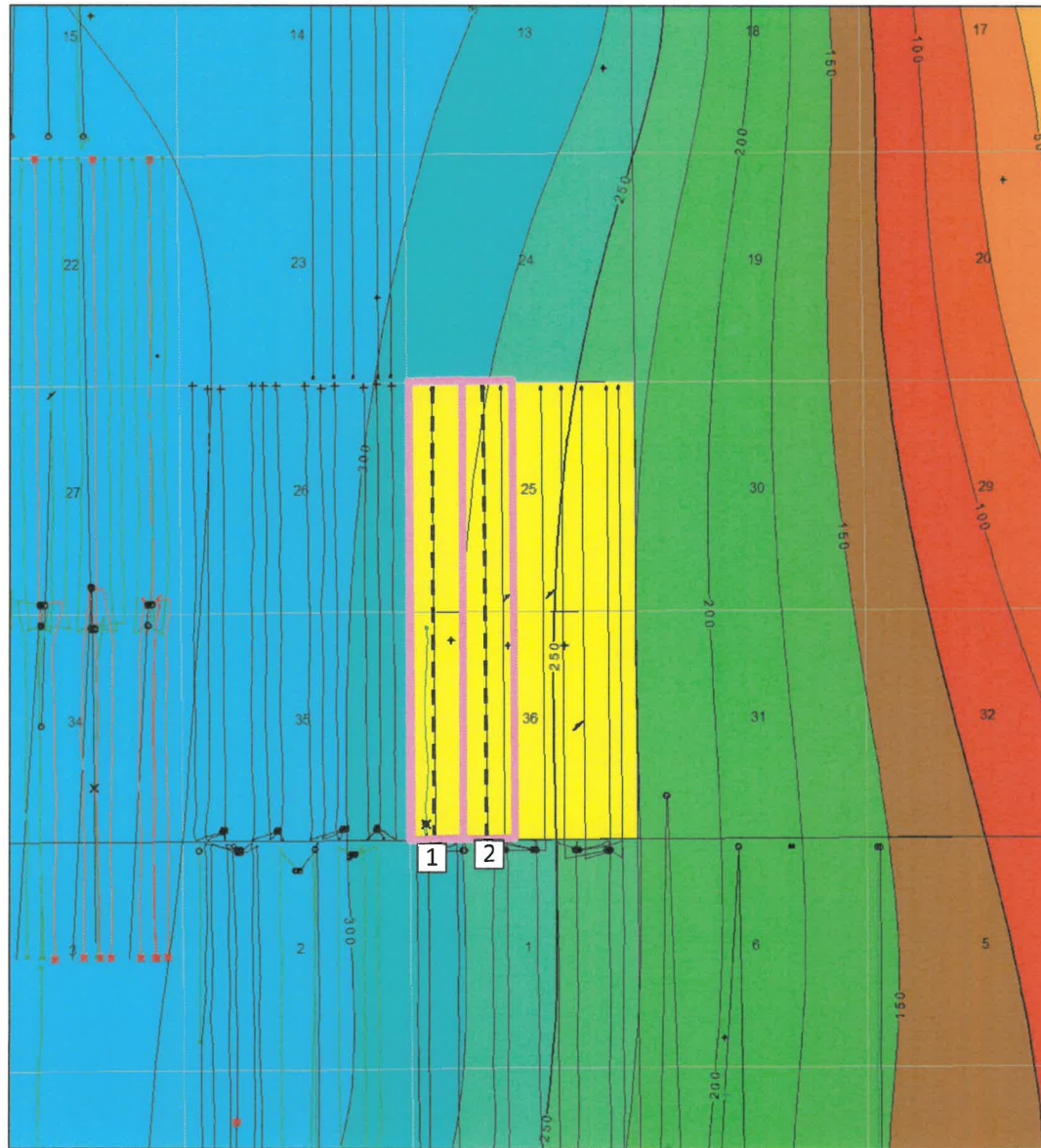
1 mile



Bone Spring Cross Section



Bone Spring Isopach



Franklin Mountain
Acreage



Bone Spring Spacing
Unit

Proposed Horizontal Location

1 Western Fed Com 601

2 Bidder 49 Fed Com 602

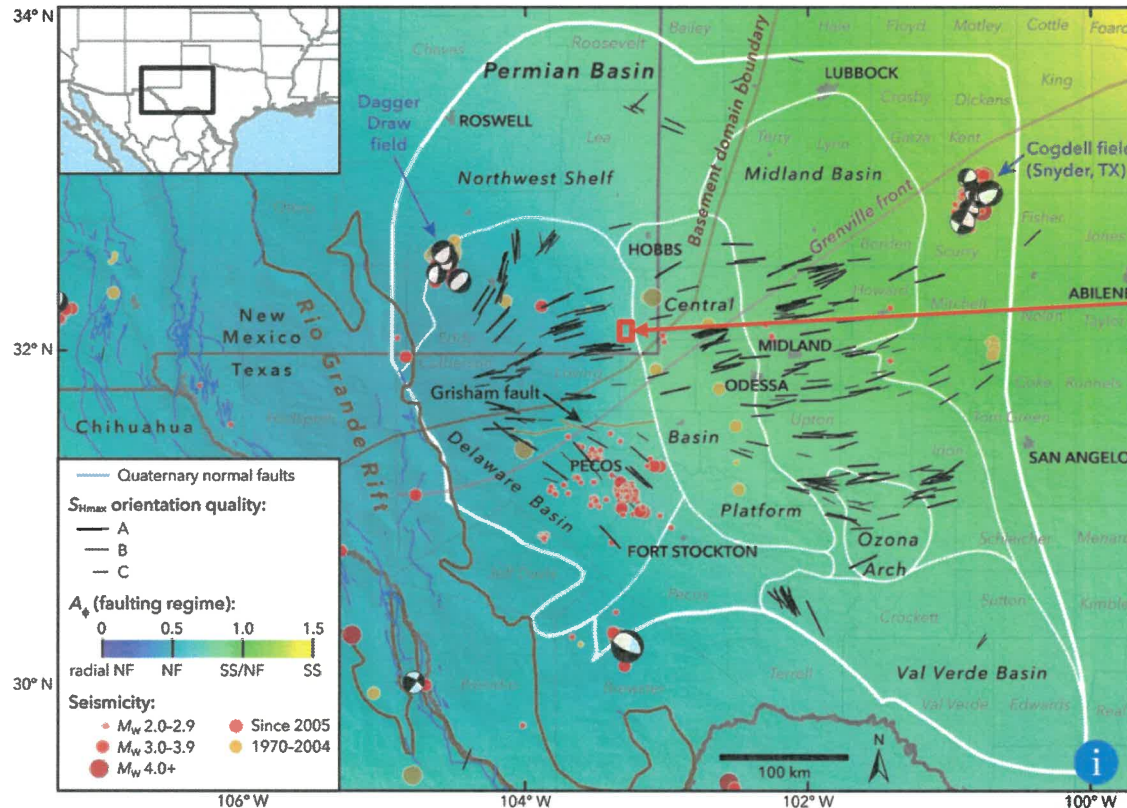
1

2

C.I. = 25'

1 mile

Regional Stress



- Red box shows the approximate location of the FMM development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 265°
- The Western Fed Com 601& Bidder 49 Fed Com 602 wells 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

