

**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. _____

APPLICATION

Franklin Mountain Energy, LLC (“FME”), OGRID Number 373910, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a 360-acre, more or less, Leonard horizontal spacing unit comprising the W/2 E/2 of Sections 1 and 12, and the NW/4 NE/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the W/2 E/2 of Sections 1 and 12, and the NW/4 NE/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 360-acre, more or less, Leonard horizontal spacing unit.
3. FME plans to drill the **PF Fed Com 103H** well to a depth sufficient to test the Leonard formation. The well will be horizontally drilled and will be drilled at orthodox locations under the Division’s rules.

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

5. The creation of a standard horizontal spacing unit and the pooling of all interests in the Leonard 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 June 2, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Creating an approximated 360-acre, more or less, Leonard horizontal spacing unit comprising the W/2 E/2 of Sections 1 and 12, and the NW/4 NE/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Pooling all mineral interests in the Leonard formation underlying a horizontal spacing unit within the W/2 E/2 of Sections 1 and 12, and the NW/4 NE/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

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

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

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

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

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

By: /s/ Bryce H. Smith

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. _____: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Leonard horizontal spacing unit underlying the W/2 E/2 of Sections 1 and 12, and the NW/4 NE/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **PF Fed Com 103H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, 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 8 miles Southwest from Jal, New Mexico.