

Before the Oil Conservation Division Examiner Hearing March 2, 2023

Case No. 23342

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY LLC TO AMEND ORDER NO. R-22090, LEA COUNTY, NEW MEXICO

CASE NO. 23342

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY LLC TO AMEND ORDER NO. R-22090, LEA COUNTY, NEW MEXICO

> CASE NO. 23342 ORDER NO. R-22090 (Amend)

SELF AFFIRMED DECLARATION OF ILONA HOANG

Ilona Hoang hereby states and declares as follows:

- 1. I am over the age of 18, I am a landman 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 my credentials as an expert petroleum land professional 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, which is attached as **Exhibit A.1**.
 - 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 application.
- 6. The purpose of the application is to re-open Order No. R-22090, attached as **Exhibit A.2**, to amend it to allow for a one-year extension of time to commence drilling the initial well under the Order.



- 7. Order No. R-22090, issued in Case No. 22447, pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring standard horizontal spacing unit comprised of the W/2 W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
 - 8. Order No. R-22090 designated Franklin as the operator of the wells and the unit.
- 9. Order No. R-22090, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well."
- 10. Further, Order No. R-22090, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 11. Under Order No. R-22090, Franklin would be required to commence drilling the initial well by April 4, 2023.
- 12. Good cause exists for Franklin's request for an extension of time. Franklin's plan to develop this acreage was delayed because of a leasing question with BLM which arose in mid-2022, after the Order was issued.
- 13. The issue having now been largely resolved, Franklin expects it will be able to drill these wells in the first quarter of 2024.
- 14. Franklin asks that the deadline to commence drilling the initial well be extended for one year, from April 4, 2023 to April 4, 2024.
- 15. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

16. In my opinion, the granting of this 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: 02 / 23 / 2023

Ilona Høang

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY LLC TO AMEND ORDER NO. R-22090, LEA COUNTY, NEW MEXICO

> CASE NO. 23342 ORDER NO. R-22090 (Amend)

APPLICATION

Franklin Mountain Energy LLC ("Franklin"), OGRID Number 373910, through its undersigned attorneys, hereby applies to the Oil Conservation Division (the "Division") for the limited purpose of amending Order No. R-22090 (the "Order") to allow for an extension of time for Franklin to commence drilling the initial well under the Order. In support of this application, Franklin states as follows:

- 1. In December 2021, Franklin filed an application (Case No. 22447) seeking to pool uncommitted interests in the Bone Spring formation underlying the W/2 W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
 - 2. On April 4, 2022, the Division entered Order No. R-22090 in Case No. 22447.
- 3. Order No. R-22090 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring standard horizontal spacing unit comprised of the W/2 W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
 - 4. Order No. R-22090 designated Franklin as the operator of the wells and the unit.



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- 5. Order No. R-22090, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well."
- 6. Further, Order No. R-22090, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 7. Under Order No. R-22090, Franklin would be required to commence drilling the initial well by April 4, 2023.
- 8. Franklin hereby requests that Order No. R-22090 be amended to allow Franklin additional time to commence drilling the initial well under the Order.
- 9. Franklin asks that the deadline to commence drilling the initial well be extended for one year, from April 4, 2023 to April 4, 2024.
- 10. Good cause exists for Franklin's request for an extension of time. Franklin's plan to develop this acreage was delayed because of a leasing question with BLM which arose in mid-2022, after the Order was issued. The issue having now been largely resolved, Franklin expects it will be able to drill these wells in the first quarter of 2024.

WHEREFORE, Franklin requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, and after notice and hearing as required by law, the Division:

- A. Amend Order No. R-22090 to extend the time for Franklin to commence drilling the initial well under the Order for one year, through April 4, 2024; and
 - B. Incorporate all other provisions of Order No. R-22090.

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

By:/s/ Deana M. Bennett
Deana M. Bennett Earl E. DeBrine Post Office Box 2168 500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 deana.bennett@modrall.com

eed@modrall.com

Attorneys for Franklin Mountain Energy LLC

CASE NO. 23342: (Amend) Application of Franklin Mountain Energy LLC to Amend Order No. R-22090, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22090 to allow for a one-year extension of time to commence drilling the initial well under Order No. R-22090. Order No. R-22090 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring standard horizontal spacing unit comprised of the W/2 W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico. 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**

IN THE MATTER OF APPLICATION FOR **COMPULSORY POOLING SUBMITTED BY** FRANKLIN MOUNTAIN ENERGY, LLC

CASE NO. 22447 ORDER NO. R-22090

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on March 3, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Franklin Mountain Energy, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- Operator proposes the supervision and risk charges for the Well(s) described in 3. Exhibit A.
- Operator identified the owners of uncommitted interests in oil and gas minerals in 4. the Unit and provided evidence that notice was given.
- The Application was heard by the Hearing Examiner on the date specified above, 5. during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- Operator is the owner of an oil and gas working interest within the Unit. 7.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 0. Operator has the right to drill the Well(s) to a common source of supply at the

- depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 22447 ORDER NO. R-22090

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- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

- of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 et seq., and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 et seq.
- The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ADRIENNE SANDOVAL DIRECTOR

AES/jag

Date: 4/04/2022

Exhibit A

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BEFORE THE OIL CONSERVATION DIVISION

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ALL INFORMATION IN THE APPLICATION MUST I	BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 22447	APPLICANT'S RESPONSE
Date: March 3, 2022	
Applicant	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)
	Modrall Sperling (Deana M. Bennett, Earl E.
Applicant's Counsel:	DeBrine, Bryce H. Smith)
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Tap Rock Resources, LLC / Tap Rock Resources II, LLC MONTGOMERY & ANDREWS, P.A. Sharon T. Shaheen Ricardo S. Gonzales sshaheen@montand.com rgonzales@montand.com Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 986-2678
Well Family	Elevate
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: Well Location Setback Rules:	WC-025 G-09 S253502B-LWR BONE SPRING (98185) Statewide rules
Spacing Unit Size:	320 acres
pacing Unit	
ype (Horizontal/Vertical)	Horizontal
iize (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	W/2W/2 of Sections 14 and 23, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico

Other Situations	
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	See Exhibit 4.
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Elevate Fed Com 601H
footages, completion target, orientation, completion status	API: 30-025-48588
(standard or non-standard)	SHL: 271 feet from the North line and 813 feet
	from the West line, Section 14, Township 24
	South, Range 35 East, NMPM.
	BHL: 150 feet from the South line and 600 fee
	from the West line, Section 23, Township 24
	South, Range 35 East, NMPM.
	Completion Target: Bone Spring.
	Well Orientation: North/South
	Completion location: Expected to be standard
	See also Exhibit 3 for C-102.
Horizontal Well First and Last Take Points	Elevate Fed Com 601H
	FTP: 615 feet from the North Line and 600 fee
	from the West line, Section 14, Township 24
	South, Range 35 East, NMPM.
	LTP: 150 feet from the South line and 600 feet
	from the West line, Section 23, Township 24
	South, Range 35 East, NMPM.
Control Tours (Famous to TUD - 1840)	See also Exhibit 3 for C-102.
Completion Target (Formation, TVD and MD)	Completion Target: Bone Spring
	TVD: 11,883' MD: 21,875'
	See also Exhibit 6.
	The state and the state of
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Tab B, Declaration of Lee Zink
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits 2, 8

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Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 8
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 4
Tract List (including lease numbers and owners)	Exhibit 4
Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & belo	N/A
Joinder	A CONTRACTOR OF THE CONTRACTOR
Sample Copy of Proposal Letter	Exhibit 6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4
,,	
Chronology of Contact with Non-Joined Working Interests	Exhibit 5
• • • • • • • • • • • • • • • • • • •	
Overhead Rates In Proposal Letter	Exhibit 6
Cost Estimate to Drill and Complete	Exhibit 7
cost Estimate to Drin and Complete	LATING /
Cost Estimate to Equip Well	Exhibit 7
Cost Estimate for Production Facilities	Exhibit 7
Geology	
Summary (including special considerations)	Tab C
Spacing Unit Schematic	Exhibit 10
Gunbarrel/Lateral Trajectory Schematic	Exhibit 10
Well Orientation (with rationale)	Exhibit 12
Target Formation	Exhibits 11A-11D
HSU Cross Section	Exhibits 11A-11D
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit 3
Fracts	Exhibit 4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
General Location Map (including basin)	Exhibit 9
Well Bore Location Map	Exhibit 9
Structure Contour Map - Subsea Depth	Exhibit 11A
Cross Section Location Map (including wells) Cleased to Imaging: 3/1/2022 3:08:40 PM Case No. 2244	Exhibit 11B

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Cross Section (including Landing Zone)	Exhibit 11C
Additional Information	
CERTIFICATION: I hereby certify that the information p	provided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
	MAN. 11 Bailt
Signed Name (Attorney or Party Representative):	NOWN TO TOYMON

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Parties to Be PooledCase 22447	Interest Type
Tap Rock Resources II, LLC	WI
Energen Resources Corporation	UMI
Energen Resources Corporation c/o Diamondback Energy Inc.	UMI
Beverly Bowen DeLucia	UMI
Candace Delgado	UMI
Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oil Trust	имі
Elisa Delgado	UMI
Heirs of Thomas H. Turner and Tullie C. Flowers c/o Heirs of Eulene T. Freeman	UMI
Helen Learmont Bedford, as Trustee/Helen Learmont Bedford Family Trust	UMI
Kirchner Investments, LLC	UMI
Sheryn A. Turner heir to J.C. Turner	UMI
Susan Elisabeth Bowen	UMI
Sylvia Delgado	UMI
William E. Richardson, Revocable Inter Vivos Trust of William E. Richardson 4/28/94	UMI
Prevail Energy, LLC	ORRI
Rheiner Holdings, LLC	ORRI
Monticello Minerals, LLC	ORRI
Cayuga Royalties, LLC	ORRI



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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO AMEND ORDER NO. R-22090, LEA COUNTY, NEW MEXICO.

CASE NO. 23342

APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO AMEND ORDER NO. R-22092, LEA COUNTY, NEW MEXICO.

CASE NO. 23343

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, declares as follows:

- 1) The above-referenced Applications were provided under notice letters, dated February 9, 2023, and attached hereto, as Exhibit B1.
- 2) Exhibit B2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on February 9, 2023.
- 3) Exhibit B3 is the certified mailing tracking information, which is automatically complied by CertifiedPro, the software Modrall uses to track the mailings. The spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.
- 4) Exhibit B4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the March 2, 2023 hearing was published on February 15, 2023.
- 5) 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 27, 2023

Deana M Rennett

EXHIBIT B



LAWYERS

February 9, 2023

Deana M. Bennett 505.848.1834 dmb@modrall.com

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO AMEND ORDER NO. R-22090, LEA COUNTY, NEW MEXICO.

CASE NO. 23342

APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC TO AMEND ORDER NO. R-22092, LEA COUNTY, NEW MEXICO. CASE NO. 23343

TO: AFFECTED PARTIES

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

In Case No. 23342, Franklin Mountain Energy seeks an order from the Division for the limited purpose of amending Order No. R-22090 to allow for a one-year extension of time to commence drilling the initial well under Order No. R-22090. Order No. R-22090 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring standard horizontal spacing unit comprised of the W/2 W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Said area is located approximately 16 miles northwest of Jal, New Mexico.

In Case No. 23343, Franklin Mountain Energy seeks an order from the Division for the limited purpose of amending Order No. R-22092 to allow for a one-year extension of time to commence drilling the initial well under Order No. R-22092. Order No. R-22092 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp standard horizontal spacing unit comprised of the W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Said area is located approximately 16 miles northwest of Jal, New Mexico.

The hearing will be conducted remotely on March 2, 2023 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date:

Modrail Sperling Rochl Harris & Sisk P.A.

500 Fourth Street NW Sulte 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168



OCD EXAMINER HEARING MARCH 2, 2023 Page 2

https://www.emnrd.nm.gov/ocd/hearing-info/. This hearing is subject to continuance by the Division to a subsequent docket date.

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in these 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 these 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,

Wella H Bennett Deana M. Bennett

Attorney for Applicant

2121

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY LLC TO AMEND ORDER NO. R-22090, LEA COUNTY, NEW MEXICO

> CASE NO. 23342 ORDER NO. R-22090 (Amend)

APPLICATION

Franklin Mountain Energy LLC ("Franklin"), OGRID Number 373910, through its undersigned attorneys, hereby applies to the Oil Conservation Division (the "Division") for the limited purpose of amending Order No. R-22090 (the "Order") to allow for an extension of time for Franklin to commence drilling the initial well under the Order. In support of this application, Franklin states as follows:

- 1. In December 2021, Franklin filed an application (Case No. 22447) seeking to pool uncommitted interests in the Bone Spring formation underlying the W/2 W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
 - 2. On April 4, 2022, the Division entered Order No. R-22090 in Case No. 22447.
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WHEREFORE, Franklin requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, and after notice and hearing as required by law, the Division:

- A. Amend Order No. R-22090 to extend the time for Franklin to commence drilling the initial well under the Order for one year, through April 4, 2024; and
 - B. Incorporate all other provisions of Order No. R-22090.

Received by OCD: 1/26/2023 10:25:46 AM

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

By:/s/ Deana M. Bennett

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CASE NO. 23342: (Amend) Application of Franklin Mountain Energy LLC to Amend Order No. R-22090, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22090 to allow for a one-year extension of time to commence drilling the initial well under Order No. R-22090. Order No. R-22090 pooled uncommitted interest owners in a 320-acre, more or less, Bone Spring standard horizontal spacing unit comprised of the W/2 W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Said area is located approximately 16 miles northwest of Jal, New Mexico.

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY LLC TO AMEND ORDER NO. R-22092, LEA COUNTY, NEW MEXICO

> CASE NO. 23343 ORDER NO. R-22092 (Amend)

APPLICATION

Franklin Mountain Energy LLC ("Franklin"), OGRID Number 373910, through its undersigned attorneys, hereby applies to the Oil Conservation Division (the "Division") for the limited purpose of amending Order No. R-22092 (the "Order") to allow for an extension of time for Franklin to commence drilling the initial well under the Order. In support of this application, Franklin states as follows:

- 1. In December 2021, Franklin filed an application (Case No. 22448) seeking to pool uncommitted interests in the Wolfcamp formation underlying the W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
 - 2. On April 4, 2022, the Division entered Order No. R-22092 in Case No. 22448.
- 3. Order No. R-22092 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp standard horizontal spacing unit comprised of the W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
 - 4. Order No. R-22092 designated Franklin as the operator of the wells and the unit.

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- 5. Order No. R-22092, ¶ 19 states: "The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well."
- 6. Further, Order No. R-22092, ¶ 20 states: "This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown."
- 7. Under Order No. R-22092, Franklin would be required to commence drilling the initial well by April 4, 2023.
- 8. Franklin hereby requests that Order No. R-22092 be amended to allow Franklin additional time to commence drilling the initial well under the Order.
- 9. Franklin asks that the deadline to commence drilling the initial well be extended for one year, from April 4, 2023 to April 4, 2024.
- 10. Good cause exists for Franklin's request for an extension of time. Franklin's plan to develop this acreage was delayed because of a leasing question with BLM which arose in mid-2022, after the Order was issued. The issue having now been largely resolved, Franklin expects it will be able to drill these wells in the first quarter of 2024.

WHEREFORE, Franklin requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, and after notice and hearing as required by law, the Division:

- A. Amend Order No. R-22092 to extend the time for Franklin to commence drilling the initial well under the Order for one year, through April 4, 2024; and
 - B. Incorporate all other provisions of Order No. R-22092.

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Page 4 of 4

CASE NO. 23343: (Amend) Application of Franklin Mountain Energy LLC to Amend Order No. R-22092, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22092 to allow for a one-year extension of time to commence drilling the initial well under Order No. R-22092. Order No. R-22092 pooled uncommitted interest owners in a 640-acre, more or less, Wolfcamp standard horizontal spacing unit comprised of the W/2 of Sections 14 and 23, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Said area is located approximately 16 miles northwest of Jal, New Mexico.

Firm Mailing Book ID: 240915

Type of Mailing: CERTIFIED MAIL. 02/09/2023

PS Form 3877

Reference Contents	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	10154.No.23342,43. Notice	Page 1 2023 Watz CertifiedPro.net
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Service Fee	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	\$4.15	
Postage	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	
Name, Street, City, State, Zip	Tap Rock Resources II, LLC 523 Park Point Drive, Suite 200 Golden CO 80401	Energen Resources Corporation 605 Richard Arrington Jr. Blvd. North Birmingham AL 35203	Energen Resources Corporation c/o Diamondback Energy Inc. 500 W. Texas Ave. Ste 1200 Midland TX 79701	Beverly Bowen DeLucia 8454 Day Street Sunland CA 91040	Candace Delgado 2110 Rancho Siringo Rd., Apt 6 Santa Fe NM 87505	Deborah Lyeth Master and First Interstate Bank of Denver, Trustees of Lyeth Oil Trust P.O. Box 2227 Houston TX 77252	Blisa Delgado 2 Pasco Galisteo Santa Fe NM 87508	Heirs of Thomas H. Turner and Tullie C. Flowers c/o Heirs of Eulene T. Freeman PO Box 435 Erick OK 73645	Helen Learmont Bedford, as Trustee/Helen Learmont Bedford Family Trust 6421 Camp Bowie Blvd., Suite 314 ForthWorth TX 76116	Kirchner Investments, LLC 7130 South Lewis, Suite 900 FEB - 9 2023 Tulsa OK 74136	Sheryn A. Turner heir to J.C. Turner 7515 Woodthrush Dr #6 Dallas TX 75230	Sheryn A. Turner heir to J.C. Turner 7301 Bayswater Rd, Amarillo TX 79109	Susan Elisabeth Bowen P.O. Box 584 Verdugo City CA 91046	
USPS Article Number	9314 8699 0430 0104 2890 53	9314 8699 0430 0104 2890 60	9314 8699 0430 0104 2890 77	9314 8699 0430 0104 2890 84	9314 8699 0430 0104 2890 91	9314 8699 0430 0104 2891 07	9314 8699 0430 0104 2891 14	9314 8699 0430 0104 2891 21	9314 8699 0430 0104 2891 38	9314 8699 0430 0104 2891 45	9314 8699 0430 0104 2891 52	9314 8699 0430 0104 2891 69	9314 8699 0430 0104 2891 76	

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9314 8699 0430 0104 2891 90		William E. Richardson, Revocable Inter Vivos Trust of William B. Richardson 4/28/94 502 South Main Street Tulsa OK 74103	\$1.50	\$4.15	\$2.10	\$0.00	10154.No.23342,43. Notice
9314 8699 0430 0104 2892 06		Prevail Energy, LLC 521 Dexter St. Denver CO 80220	\$1.50	\$4.15	\$2.10	\$0.00	10154.No.23342,43. Notice
9314 8699 0430 0104 2892 13		Rheiner Holdings, LLC P.O. Box 980552 Houston TX 77098	\$1.50	\$4.15	\$2.10	\$0.00	10154.No.23342,43. Notice
9314 8699 0430 0104 2892 20		Monticello Minerals, LLC 5528 Vickery Blvd Dallas TX 75206	\$1.50	\$4.15	\$2.10	\$0.00	10154.No.23342,43. Notice
9314 8699 0430 0104 2892 37		Cayuga Royalties, LLC P.O. Box 540711 Houston TX 77254	\$1.50	\$4.15	\$2.10	\$0.00	10154.No.23342,43. Notice
9314 8699 0430 0104 2892 44		United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$1.50	\$4.15	\$2.10	\$0.00	10154.No.23342,43. Notice
		Totals:	\$30.00	\$83.00 \$42.0 Grand Total:	\$42.00 Total:	\$0.00	

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

			Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 240915 Generated: 2/27/2023 9:07:35 AM	ertifiedPro.net 40915 07:35 AM					
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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 15, 2023 and ending with the issue dated February 15, 2023.

Publisher

Sworn and subscribed to before me this 15th day of February 2023.

Business Manager

My commission expires

January 29, 2027 (Seal)

STATE OF NEW MEXICO NOTARY PUBLIC **GUSSIE RUTH BLACK** COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

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

LEGAL NOTICE February 15, 2023

CASE NO. 23342: Notice to all affected parties, as well as helrs and devisees of United States of America; Tap Rock Resources II, LLC; Energen Resources Corporation; Energen Resources Corporation c/o Dismondback Energy Inc.; Beverly Bowen Delucis; Candace Delgado; Deborah Lyeth Master and First Interestate Bank of Denver, Trustees of Lyeth Oil Trust; Elise Delgado; Heirs of Thomas H. Turner and Tuille C. Flowers c/o Heirs of Eulene T. Freeman; Halen Learmont Bedford, as Trustee/ Helen Learmont Bedford Family Trust; Kirchner Investments, LLC; Sheryn A. Turner, helr to J.C. Turner; Susan Elisabeth Bowen; Sylvis Delgado; William E. Richardson, Trustee, Revocable Inter Vivos Trust O; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerais, LLC; Cayuga Royaltles, LLC of Application of Franklin Mountain Energy LLC to Amend Order No. R-22090, 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 Merch 2, 2023 to consider this application. Information about accessing the electronic hearing, is posted at "OGD NOTICES" at https://www.emnrd.nm.gov/ocd/hearling-info/. This hearing is subject to continuance by the Division to the limited purpose of amending Order No. R-22090 to allow for a one-year extension of time to commence drilling the initial well under Order No. R-22090. Order No. R-22090 pooled uncommitted interest owners in a 320-acre, more or less; Bone Spring standard horizontal spacing unit comprised of the W/2 W/2 of Sections 14 and 23. Township 24 South Range 35 East; N.M.P.M., Lea County, New Mexico. Said area is located approximately 16 miles northwest of Jal, New Mexico.

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DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168

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