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

| APPLICATION OF FRANKLIN MOUNTAIN | |
|---------------------------------------|------------------------|
| ENERGY 3, LLC FOR COMPULSORY POOLING, | |
| LEA COUNTY, NEW MEXICO. | CASE NOS. 23610 |
| APPLICATION OF FRANKLIN MOUNTAIN | |
| ENERGY 3, LLC FOR COMPULSORY POOLING, | |
| LEA COUNTY, NEW MEXICO | CASE NOS. 23611 |
| APPLICATION OF FRANKLIN MOUNTAIN | |
| ENERGY 3, LLC FOR COMPULSORY POOLING, | |
| LEA COUNTY, NEW MEXICO. | CASE NOS. 23612 |
| APPLICATION OF FRANKLIN MOUNTAIN | |
| ENERGY 3, LLC FOR COMPULSORY POOLING, | |
| LEA COUNTY, NEW MEXICO | CASE NOS. 23613 |

CONSOLIDATED PRE-HEARING STATEMENT

Franklin Mountain Energy 3, LLC ("Franklin") submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

FRANKLIN MOUNTAIN ENERGY 3, LLC

ATTORNEY

Deana M. Bennett Earl E. DeBrine MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. P. O. Box 2168 Albuquerque, New Mexico 87103-2168 (505) 848-1800

OTHER PARTIES

ATTORNEY

None

STATEMENT OF CASES

APPLICANT:

In Case No. 23610, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Treble State Com 701H** well and **Treble State Com 801H** wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 18 miles west of Hobbs, New Mexico.

In Case No. 23611, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Treble State Com 702H** well, to be horizontally drilled. The producing area for the well is expected to 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 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Hobbs, New Mexico.

In Case No. 23612, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Treble State Com 601H** well, to be horizontally drilled. The producing area for the well is expected to 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 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Hobbs, New Mexico.

In Case No. 23613, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Treble State Com 602H** well, to be horizontally drilled. The producing area for the well is expected to 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 3, LLC as

operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

| WITNESS | ESTIMATED TIME | EXHIBITS |
|-----------------------|--------------------|-----------|
| Landman: Ilona Hoang | Approx. 15 minutes | Approx. 8 |
| Geologist: Ben Kessel | Approx. 15 minutes | Approx. 7 |

PROCEDURAL ISSUES

To date, no party has entered an appearance nor is there any expected opposition to these cases and Franklin intends to present these cases by affidavit.

Respectfully submitted,

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

By: <u>/s/ Deana M. Bennett</u>

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811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

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1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

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Action 233303

QUESTIONS

| Operator: | OGRID: |
|---------------------------------|------------------------------------------|
| Franklin Mountain Energy 3, LLC | 331595 |
| 44 Cook Street | Action Number: |
| Denver, CO 80206 | 233303 |
| | Action Type: |
| | [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

| restimony | | |
|-----------------------------------------------------------------------------|---------------|--|
| Please assist us by provide the following information about your testimony. | | |
| Number of witnesses | Not answered. | |
| Testimony time (in minutes) | Not answered. | |