

**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. 23619

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 23620

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

None

ATTORNEY

STATEMENT OF CASES

APPLICANT:

In Case No. 23619, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Wolfcamp horizontal spacing unit comprising W/2 SW/4 of Section 23, W/2 W/2 of Section 26, and the NW/4 NW/4 of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Gold State Com 701H and Gold State 801H wells**, 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 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 24 miles west of Hobbs, New Mexico.

In Case No. 23620, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising W/2 SW/4 of Section 23, W/2W/2 of Section 26, and the NW/4 NW/4 of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Gold State Com 301H and Gold State 601H wells**, 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 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 well. Said area is located approximately 24 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: /s/ Deana M. Bennett

Deana M. Bennett

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District IV
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 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

Action 233315

QUESTIONS

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| Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206 | OGRID: 331595 |
| | Action Number: 233315 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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