



Before the Oil Conservation Division  
Examiner Hearing July 6<sup>th</sup>, 2023

Compulsory Pooling

**Case No. 23610: Treble State Com 701H**  
**Treble State Com 801H**

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

**IN THE MATTER OF THE APPLICATION OF**

**FRANKLIN MOUNTAIN ENERGY 3, LLC  
FOR COMPUSLORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23610**

**TABLE OF CONTENTS**

**Tab A:** Compulsory Pooling Checklist

**Tab B:** Self Affirmed Declaration of Ilona Hoang, Land Professional

- Exhibit B-1 : Application
- Exhibit B-2: C-102s
- Exhibit B-3: Lease Tract Maps/Parties to Be Pooled
- Exhibit B-4: Summary of Contacts
- Exhibit B-5 : Proposal Letter
- Exhibit B-6 : AFE
- Exhibit B-7: Notice Affidavit

**Tab C:** Self Affirmed Declaration of Ben Kessel, Geologist

- Exhibit C-1: Locator Map
- Exhibit C-2: WellBore Schematic
- Exhibit C-3 to C-6: Treble State Com 701 Geology Study
  - Exhibit C-3: Structure Map
  - Exhibit C-4: Cross Section Reference Map
  - Exhibit C-5: Cross Section
  - Exhibit C-6: Isopach Map
- Exhibit C-7 to C-10: Treble State Com 801 Geology Study
  - Exhibit C-7: Structure Map
  - Exhibit C-8: Cross Section Reference Map
  - Exhibit C-9: Cross Section
  - Exhibit C-10: Isopach Map
- Exhibit C-11: Regional Stress Orientation Justification


# COMPULSORY POOLING APPLICATION CHECKLIST

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

<b>Case: 23610</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: July 6, 2023</b>	
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID 331595
Applicant's Counsel:	Modrall Sperling
Case Title:	APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	None
Well Family	Treble State
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Klein Ranch; Wolfcamp pool, Pool Code 96989
Well Location Setback Rules:	State-Wide Rules Apply
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Unit is standard.
<b>Other Situations</b>	
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 B-3.
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: Treble State Com 701H (API Pending)	SHL: 265' FSL & 670' FWL, Section 34, T-19-S R-35-E FTP: 150' FSL & 360' FWL, Section 34, T-19-S R-35-E LTP: 150' FNL & 360' FWL, Section 27, T-19-S R-35-E Orientation: South/North Completion Status: Standard Completion Target: Wolfcamp TVD: 11,139' MVD: 21,139'



Well #1: Treble State Com 801H (API Pending)	SHL: 265' FSL & 720' FWL, Section 34, T-19-S R-35-E FTP: 150' FSL & 800' FWL, Section 34, T-19-S R-35-E LTP: 150' FNL & 800' FWL, Section 27, T-19-S R-35-E Orientation: South/North Completion Status: Standard	Completion Target: Wolfcamp TVD: 11,637' MVD: 21,637'
Horizontal Well First and Last Take Points	See above cells and Exhibit B-2 (C-102s)	
Completion Target (Formation, TVD and MD)	See above cells and Exhibit B-5 (proposal letter)	
<b>AFE Capex and Operating Costs</b>		
Drilling Supervision/Month \$	\$9,000	
Production Supervision/Month \$	\$900	
Justification for Supervision Costs	See Exhibit B Paragraph 23	
Requested Risk Charge	200%	
<b>Notice of Hearing</b>		
Proposed Notice of Hearing	Exhibit B-7	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B-7	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-7	
<b>Ownership Determination</b>		
Land Ownership Schematic of the Spacing Unit	Exhibit B-3	
Tract List (including lease numbers and owners)	Exhibit B-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit B-3	
Unlocatable Parties to be Pooled	Exhibit B-3/B-7	
Ownership Depth Severance (including percentage above & below)	NA	
<b>Joinder</b>		
Sample Copy of Proposal Letter	Exhibit B-5	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit B-4	
Overhead Rates in Proposal Letter	Exhibit B-5	
Cost Estimate to Drill and Complete	Exhibit B-6	
Cost Estimate to Equip Well	Exhibit B-6	
Cost Estimate for Production Facilities	Exhibit B-6	
<b>Geology</b>		
Summary (including special considerations)	Exhibit C	
Spacing Unit Schematic	Exhibit C-2	
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-2	
Well Orientation (with rationale)	Exhibit C-10	

Target Formation	Exhibits C-3 to C-6; C-7 to C-10
HSU Cross Section	Exhibit C-5; C-9
Depth Severance Discussion	NA
<b>Forms, Figures and Tables</b>	
C-102	Exhibit B-2
Tracts	Exhibit B-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-3
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-3; C-7
Structure Contour Map - Subsea Depth	Exhibit C-3; C-7
Cross Section Location Map (including wells)	Exhibit C-4; C-8
Cross Section (including Landing Zone)	Exhibit C-5; C-9
<b>Additional Information</b>	
Special Provisions/Stipulations	NA
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date:	3-Jul-23

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 NO. 23610

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 3, LLC (“FME3”), 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 landman were accepted by the Division as a matter of record.

2. My area of responsibility at FME3 includes the area of Lea County in New Mexico.

3. I am familiar with the application filed by FME3 in this case, which is attached as **Exhibit B.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 compulsory pooling application.

6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.

7. No opposition is expected because the 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. In this case, FME3 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.

9. This spacing unit will be dedicated to the **Treble State Com 701H** well and **Treble State Com 801H** wells, to be horizontally drilled.

10. Attached as **Exhibit B.2** is the proposed C-102 for the wells.

11. The C-102s identify the proposed surface hole locations and the bottom hole locations, as well as the first and last take points. The C-102s also identify the pool and pool code.

12. The wells will develop the Klein Ranch; Wolfcamp pool, Pool Code 96989.

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

14. This pool is governed by the state-wide horizontal well rules.

15. The producing areas for the wells is expected to be orthodox.

16. There are no depth severances within the proposed spacing unit.

17. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.

18. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the unleased mineral interest owners well proposals, including an Authorization for Expenditure.

19. In my opinion, FME3 has made a good faith effort to obtain voluntary joinder of the unleased mineral interest owners in the proposed wells.

20. **Exhibit B.4** is a summary of my contacts with the unleased mineral interest owners.

21. **Exhibit B.5** is a sample of the well proposal letter that was sent to all unleased mineral interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the wells.

22. **Exhibit B.6** contains the Authorization for Expenditure for the proposed wells. The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

23. FME3 requests overhead and administrative rates of \$9000.00/month for drilling a well and \$900.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. FME3 requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

24. FME3 requests the maximum cost plus 200% risk charge be assessed against non-consenting unleased mineral interest owners.

25. FME3 requests that it be designated operator of the wells.

26. The parties FME3 is seeking to pool were notified of this hearing.

27. FME3 seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

28. **Exhibit B.7** is an affidavit of notice prepared by counsel for FME3 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 June 20, 2023.

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



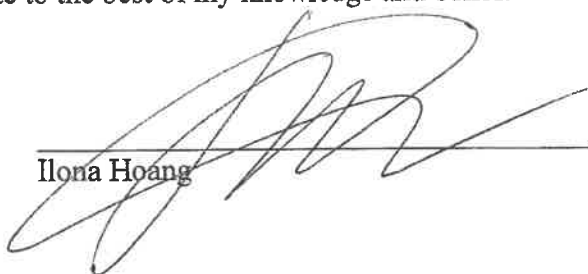
30. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

*[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: June 29 2023

Ilona Hoang

A handwritten signature in black ink, appearing to be 'Ilona Hoang', written over a horizontal line. The signature is stylized and cursive.

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 NO. 23610

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, 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 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. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a standard 320-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Treble State Com 701H** well and **Treble State Com 801H** well to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.
4. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.



5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 6, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
Earl E. DeBrine, Jr.  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 23610 : Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant 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.

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 96989		3 Pool Name KLEIN RANCH;WOLFCAMP	
4 Property Code 333786		5 Property Name TREBLE STATE COM		6 Well Number 701H	
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		9 Elevation 3688.6'	

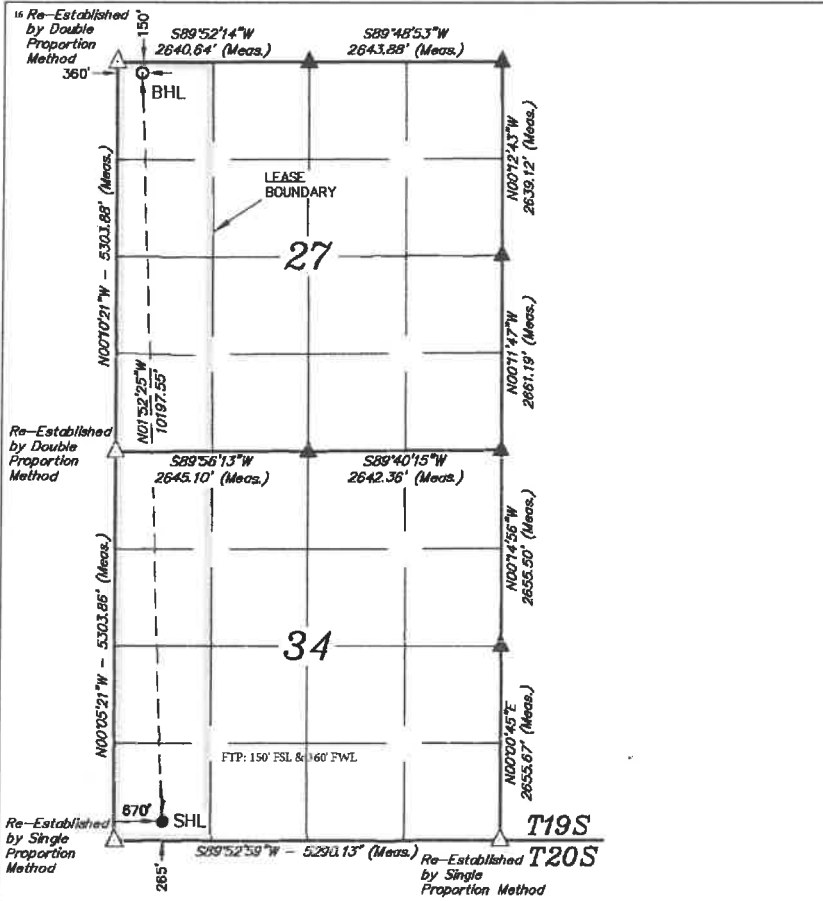
10 Surface Location

UL or lot no. M	Section 34	Township 19S	Range 35E	Lot Idn	Feet from the 265	North/South line SOUTH	Feet from the 670	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	---------------

11 Bottom Hole Location If Different From Surface

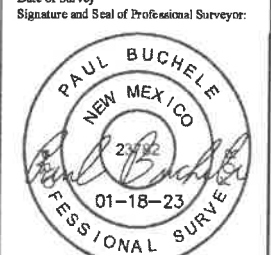
UL or lot no. D	Section 27	Township 19S	Range 35E	Lot Idn	Feet from the 150	North/South line NORTH	Feet from the 360	East/West line WEST	County LEA
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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.

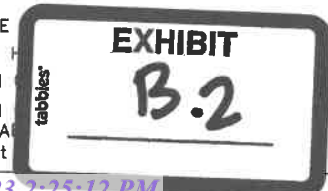


17 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  
Signature: [Signature] Date: 1-23-2023  
Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmellc.com

18 SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
January 16, 2023  
Date of Survey  
Signature and Seal of Professional Surveyor:



- NOTE:
- Distances referenced on plat to section lines are perpendicular.
  - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
  - Section breakdown information for this plat may be obtained from Uintah Engineering & Land Surveying.
- = SURFACE  
○ = BOTTOM HOLE  
▲ = SECTION  
△ = SECTION RE-ESTABLISHED (Not Set)



NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 32°36'37.08" (32.610313°)	
LONGITUDE = 103°27'05.58" (103.451550°)	
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 32°36'35.64" (32.610178°)	
LONGITUDE = 103°27'03.82" (103.451062°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 586854.44' E: 812851.28'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 586821.52' E: 771677.22'	
NAD 83 (BOTTOM HOLE LOCATION)	
LATITUDE = 32°38'17.93" (32.638313°)	
LONGITUDE = 103°27'08.99" (103.452498°)	
NAD 27 (BOTTOM HOLE LOCATION)	
LATITUDE = 32°38'17.48" (32.638190°)	
LONGITUDE = 103°27'07.23" (103.452009°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 597073.41' E: 812481.75'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 597010.21' E: 771301.07'	



SCALE  
OCD Hearing 7-6-23  
By: [Signature] Z.L. 01-18-23

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

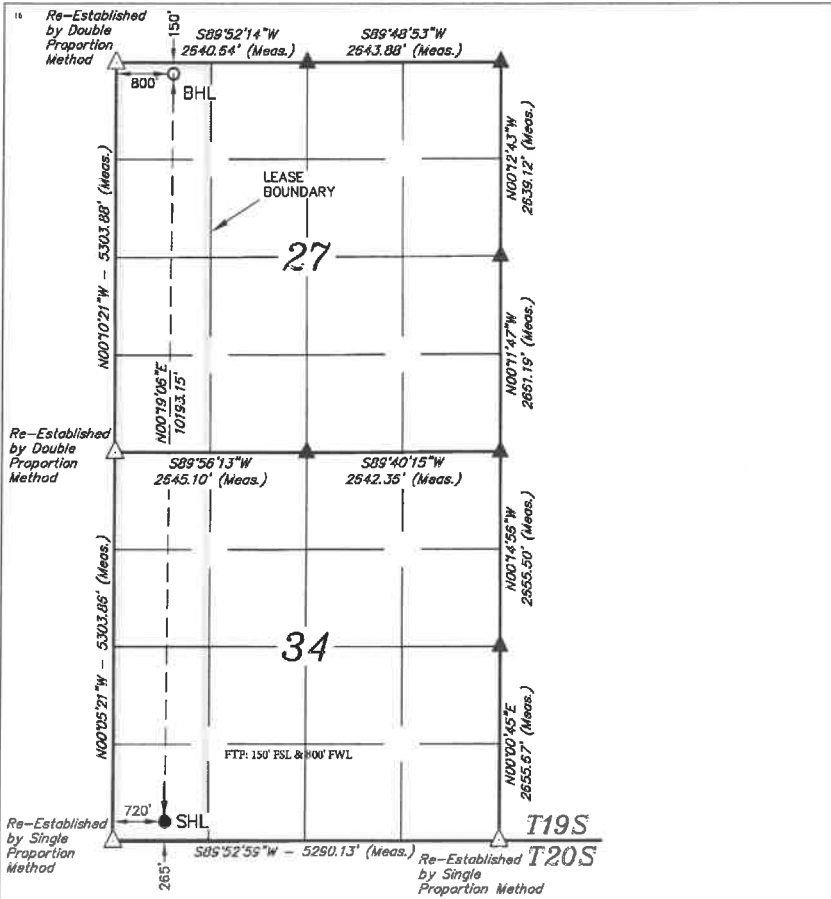
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
333786		96989		KLEIN RANCH;WOLFCAMP	
<sup>4</sup> Property Code		<sup>5</sup> Property Name		<sup>6</sup> Well Number	
331595		TREBLE STATE COM		801H	
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name		<sup>9</sup> Elevation	
331595		FRANKLIN MOUNTAIN ENERGY 3, LLC		3691.6'	

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	19S	35E		265	SOUTH	720	WEST	LEA

<sup>11</sup> 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
D	27	19S	35E		150	NORTH	800	WEST	LEA
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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.



<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°36'37.08" (32.610301°)
LONGITUDE = 103°27'05.00" (103.451388°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°36'36.64" (32.610178°)
LONGITUDE = 103°27'03.24" (103.450900°)
STATE PLANE NAD 83 (N.M. EAST)
N: 586884.75' E: 812908.27'
STATE PLANE NAD 27 (N.M. EAST)
N: 586821.83' E: 771727.21'
<b>NAD 83 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°38'17.92" (32.638311°)
LONGITUDE = 103°27'03.85" (103.451069°)
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°38'17.48" (32.638188°)
LONGITUDE = 103°27'02.09" (103.450580°)
STATE PLANE NAD 83 (N.M. EAST)
N: 597076.27' E: 812921.71'
STATE PLANE NAD 27 (N.M. EAST)
N: 597013.08' E: 771740.98'

NOTE:  
 • Distances referenced on plat to section lines are perpendicular.  
 • Basis of Bearings is a Transverse Meridian Projection with a Central Meridian of W103°53'00" (NAD 83)  
 • Section breakdown information for this plat may be obtained from Uintah Engineering & Land Surveying.  
 ● = SURFACE HOLE LOCATION  
 ○ = BOTTOM HOLE LOCATION  
 ▲ = SECTION CORNER LOCATED  
 △ = SECTION CORNER RE-ESTABLISHED.  
 (Not Set on Ground.)



**<sup>17</sup> OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Rachael Overbey* Date: 1-23-2023

Printed Name: Rachael Overbey

E-mail Address: roverbey@fmelc.com

**<sup>18</sup> SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

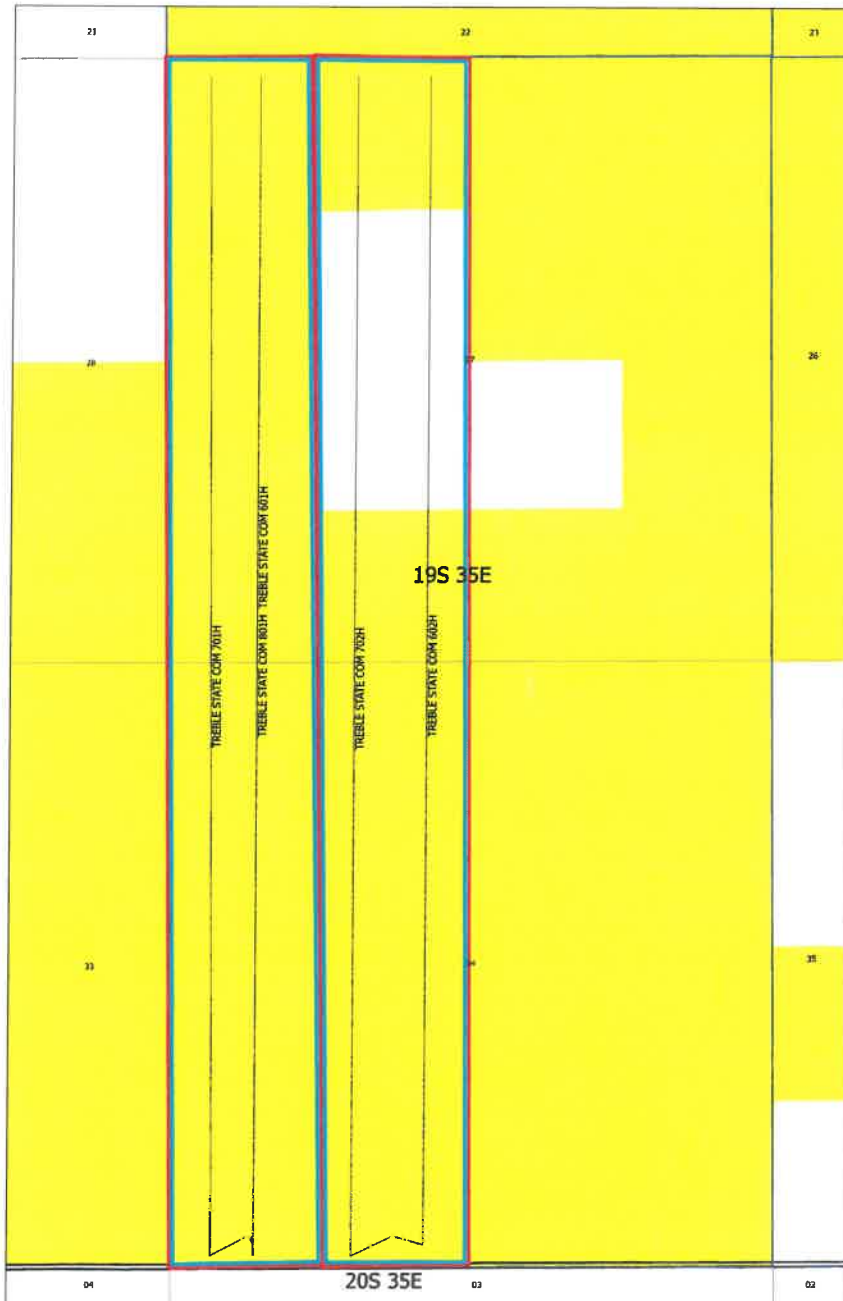
January 16, 2023

Date of Survey  
 Signature and Seal of Professional Surveyor:

Certificate Number:

# Development Overview

Case Nos. 23610, 23611, 23612, 23613



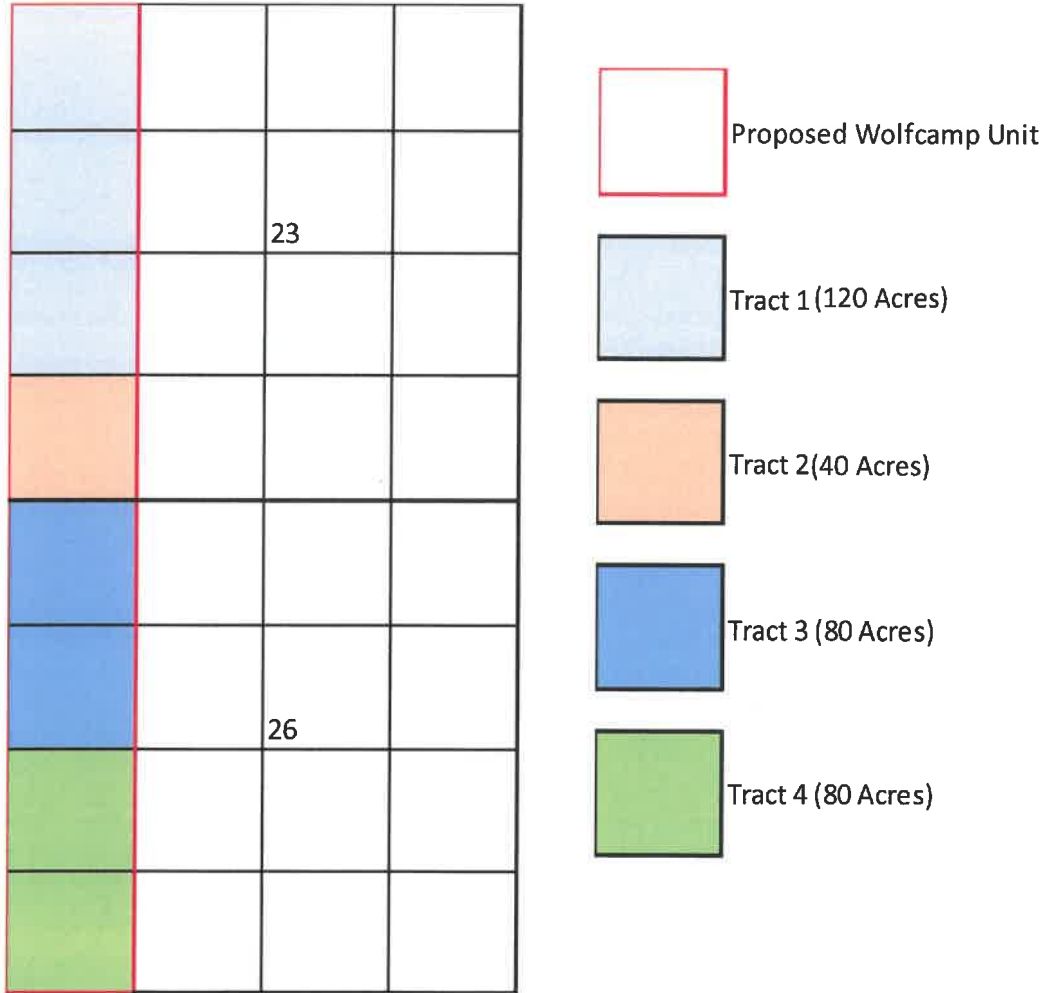
1 Mile





### Lease Tract Map

**Case No. 23610**  
**W2W2 of Section 27 & 34-T19S-R35E, 320 Acres**  
**Treble State Com 701H**  
**Treble State Com 801H**



**Summary of Interests**

**Case No. 23610**  
**W2W2 of Section 27 & 34-T19S-R35E, 320 Acres**  
**Treble State Com 701H**  
**Treble State Com 801H**

Committed Working Interest	
Franklin Mountain Energy 3, LLC	85.0000000%
Uncommitted Working Interest	
Hooper & Sons, LLC	4.9999999%
DolKo, LLC	1.6666669%
Alcoza, LLC	1.6666665%
Sylbert, Inc., c/o Robert Vincent Byron	1.6666669%
Michael T. Hooper, Trustee, Michael T. Hooper GST Trust	1.2500003%
Robert G. Hooper, Trustee, Robert G. Hooper GST Trust	1.2499999%
Deborah H. Wachmuth , Trustee, Deborah H. Wachsmuth GST Trust	1.2499999%
Jack P. Hooper, Trustee, Jack P. Hooper GST Trust	1.2499999%
<b>Total:</b>	<b>100.0000000%</b>

\* Owners based on title at time of proposal and when applications filed.



### Unit Recapitulation

**Case No. 23610**  
**W2W2 of Section 27 & 34-T19S-R35E, 320 Acres**  
**Treble State Com 701H**  
**Treble State Com 801H**

Committed Working Interest	
Franklin Mountain Energy 3, LLC	85.0000000%
Uncommitted Working Interest	
Hooper & Sons, LLC	4.9999999%
DolKo, LLC	1.6666669%
Alcoza, LLC	1.6666665%
Sylbert, Inc., c/o Robert Vincent Byron	1.6666669%
Michael T. Hooper, Trustee, Michael T. Hooper GST Trust	1.2500003%
Robert G. Hooper, Trustee, Robert G. Hooper GST Trust	1.2499999%
Deborah H. Wachmuth , Trustee, Deborah H. Wachsmuth GST Trust	1.2499999%
Jack P. Hooper, Trustee, Jack P. Hooper GST Trust	1.2499999%
<b>Total:</b>	<b>100.0000000%</b>

\* Owners based on title at time of proposal and when applications filed.

		23	
		26	

Tract	Lease
1	FEE
2	VC-0519
3	VC-0522
4	VC-0483

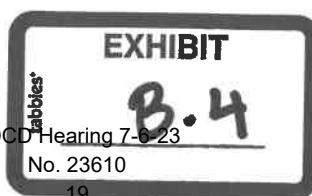


<b>Parties To Be Pooled—Treble 601/701/801</b>	
<b>Name</b>	<b>Ownership Type</b>
ALCOZA, LLC	UMI
CASTLEROYALTIES LLC AS EXECUTIVE RIGHTS HOLDER	ORRI
CHI ENERGY, INC., FBO CHI ROYALTY POOL	ORRI
CURTIS A. ANDERSON AND EDNA I. ANDERSON, TRUSTEES OF THE EDNA AND CURTIS ANDERSON REVOCABLE TRUST DATED AUGUST 31, 2021 Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated August 31, 2021	ORRI
DEBORAH H. WACHSMUTH GST TRUST DEBORAH H. WACHSMUTH, TRUSTEE	UMI
DOLKO, LLC	UMI
HOOPER & SONS, LLC	UMI
JACK P. HOOPER GST TRUST JACK P. HOOPER, TRUSTEE	UMI
JD SUTTON INC.	ORRI
LTCC ROYALTIES, LLC	ORRI
MICHAEL T HOOPER, TRUSTEE OF THE MICHAEL T HOOPER GST TRUST MICHAEL T. HOOPER, TRUSTEE	UMI
PATHMARK PETROLEUM, LLC	ORRI
PURSUIT ENERGY CORPORATION	ORRI
RANDALL CAPPS	ORRI
ROBERT G. HOOPER GST TRUST ROBERT G. HOOPER, TRUSTEE	UMI
SOUTHWEST ROYALTIES INSTITUTIONAL INCOME FUND, 10-C, L.P.	ORRI
SOUTHWEST ROYALTIES, INC.	ORRI
STELLAR OPPORTUNITY FUND, LP	ORRI
SYLBERT, INC.	UMI

## Summary of Contacts (W/2W/2: Case Nos. 23610 & 23612)

- Franklin retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around May 8, 2023.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Franklin had multiple communications with the uncommitted owners, which I have outlined in the chart below.
- Franklin filed the application to force pool unleased mineral interest owners who had not entered in to an agreement.
- Franklin's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.

Name	Ownership Type	Date Proposal Letter Sent	Proposal Letter Received	Follow Up
ALCOZA, LLC	UMI	5/8/2023	5/12/2023	Leasing with Red River Energy Partners
DEBORAH H. WACHSMUTH GST TRUST DEBORAH H. WACHSMUTH, TRUSTEE	UMI	5/8/2023	5/10/2023	Leasing with Red River Energy Partners
DOLKO, LLC	UMI	5/8/2023	5/10/2023	Leasing with Red River Energy Partners
HOOPER & SONS, LLC	UMI	5/8/2023	5/12/2023	Leasing with Red River Energy Partners
JACK P. HOOPER GST TRUST JACK P. HOOPER, TRUSTEE	UMI	5/8/2023	5/11/2023	Received election to not participate on 5/18/2023
MICHAEL T HOOPER, TRUSTEE OF THE MICHAEL T HOOPER GST TRUST MICHAEL T. HOOPER, TRUSTEE	UMI	5/8/2023	5/11/2023	Received election to not participate on 5/12/2023, reached out to lease, did not hear back
ROBERT G. HOOPER GST TRUST ROBERT G. HOOPER, TRUSTEE	UMI	5/8/2023	5/11/2023	Leasing with Red River Energy Partners
SYLBERT, INC.	UMI	5/8/2023	5/10/2023	Leasing with Red River Energy Partners





Sent via USPS: 9405 5036 9930 0538 5262 79

May 8, 2023

Hooper & Sons, LLC  
 PO Box 817  
 Roswell, NM 88202  
 Land Department, Permian Basin

RE: **Well Proposals**  
 Township 19 South, Range 35 East:  
 Sections 27 & 34: W/2W/2  
 Lea County, New Mexico  
 320.00 acres, more or less

Dear Working Interest Owner:

Franklin Mountain Energy 3, LLC ("FME3"), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Treble State Com 601	3 <sup>rd</sup> Bone Spring	10,686'	20,686'	Sec. 34-T19S-R35E: 250' FSL, 695' FWL	Sec. 27-T19S-R35E: 150' FNL, 800' FWL	\$11,650,592.43	N/A
Treble State Com 701H	Wolfcamp A	11,139'	21,139'	Sec. 34-T19S-R35E: 250' FSL, 670' FWL	Sec. 27-T19S-R35E: 150' FNL, 360' FWL	\$11,650,592.43	N/A
Treble State Com 801H	Wolfcamp B	11,637'	21,637'	Sec. 34-T19S-R35E: 250' FSL, 720' FWL	Sec. 27-T19S-R35E: 150' FNL, 800' FWL	\$11,783,083.07	N/A

FME3 reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.





FME3 is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator

Should you be interested in participating under an Operating Agreement, with your unleased minerals, FME3 will send you our proposed form.

Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate, FME3 proposes to lease your minerals at the following terms:

-  
 -

The forgoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME3 is under no obligation to negotiate, lease or purchase your interest.

Please return your signed documents to Don Johnson at [djohnson@fmellc.com](mailto:djohnson@fmellc.com) or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (720) 414-7868.

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson  
Sr. Land Analyst



**Treble State Com 601H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Treble State Com 601H** well.

\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Treble State Com 601H** well.

**Treble State Com 701H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Treble State Com 701H** well.

\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Treble State Com 701H** well.

**Treble State Com 801H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Treble State Com 801H** well.

\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Treble State Com 801H** well.

Owner: Hooper & Sons, LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





Franklin Mountain Energy 3, L.L.C.  
44 Cook Street, Suite 1000  
Denver, CO 80206  
Phone: 720-414-7858  
franklinmountainenergy.com

FRANKLIN MOUNTAIN ENERGY AUTHORITY FOR EXPENDITURE

Well Name: Treble State Com 7011  
Location: SHL Sec 34-T19S-R35E 250 FSL 670 FWL  
BHL Sec 27-T19S-R35E 150 FNL 360 FWL  
Operator: Franklin Mountain Energy 3, L.L.C.  
Purpose: Drill and complete a 10,000' WCA well.  
TYD 11,139', MD 21,139'

Well #: 701H  
County/State: Lea Co, NM  
Date Prepared: 2/13/2023  
AFE #: DCE230207

Intangible Drilling Costs table with columns: Major, Minor, Description, Amount. Includes items like ADMINISTRATIVE OVERHEAD, CASING CREW & EQPT, CEMENTING INTERMEDIATE CASING, etc.

Intangible Completion Costs table with columns: Major, Minor, Description, Amount. Includes items like ADMINISTRATIVE OVERHEAD, CASED HOLE LOGS & SURVEYS, CASING CREW & EQPT, etc.

Tangible Drilling Costs table with columns: Major, Minor, Description, Amount. Includes items like INTERMEDIATE CASING & ATTACHMENTS, PACKERS/SLEEVES/PLUGS, etc.

Tangible Completion Costs table with columns: Major, Minor, Description, Amount. Includes items like ARTIFICIAL LIFT, FLOWLINES, FRAC STING, etc.

Tangible Facility Costs table with columns: Major, Minor, Description, Amount. Includes items like FACILITY PIPE VALVES/FITTINGS, CONTAINMENT, DEHYDRATION, etc.

Intangible Facility Costs table with columns: Major, Minor, Description, Amount. Includes items like CONSULTING, COMPANY DIRECT LABOR, DAMAGES/ROW/PERMITS, etc.

Summary table with rows: Total Drill, Total Completion, Total Facility, Total DC Intangible, Total DC Tangible, Total AFE.

Office Use Only table with a large empty box for notes.

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

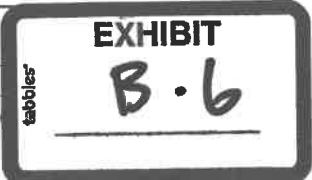
Operator: Franklin Mountain Energy 3, L.L.C.  
Approved By: [Signature] Chief Executive Officer

Date: 2/13/2023

WI Owner:  
Approved By:  
Printed Name:

Date:  
Title:

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS SELECT





Franklin Mountain Energy 3, L.L.C.  
44 Cook Street, Suite 1000  
Denver, CO 80206  
Phone: 720-414-7868  
franklinmountainenergy.com

**Well Name:** Treble State Com 801H  
**Location:** SHL, Sec 34-T19S-R35E 350 FSL 720 FWL  
DHL, Sec 27-T19S-R35E 150 FNL 800 FWL  
**Operator:** Franklin Mountain Energy 3, LLC  
**Purpose:** Drill and complete a 10,000' WCB well.  
TVD 11,637, MD 21,637.

**Well #:** 801H  
**County/State:** Lea Co., NM  
**Date Prepared:** 2/13/2023  
**AFE #:** DCIE20209

Intangible Drilling Costs			Intangible Completion Costs				
Major	Minor	Description	Amount	Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$5,200	240	5	ADMINISTRATIVE OVERHEAD	\$8,200
225	10	CASING CREW & EQPT	\$55,000	240	10	CASING HOLE LOGS & SURVEYS	\$6,635
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	\$85,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,313
225	20	CEMENTING SURFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$22,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTRAROUTS	\$23,697
225	40	CONTRACT LABOR	\$60,000	240	50	DAMAGES/RECLAMATION	\$1,896
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225	50	DAYWORK CONTRACT	\$650,000	240	60	ELECTRICAL POWER/GENERATION	\$0
225	55	DRILLING - DIRECTIONAL	\$230,000	240	62	ENGINEERING	\$5,687
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS	\$110,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225	75	ENGINEERING	\$25,200	240	72	FRAC WATER/COMPLETION FLUID	\$470,000
225	80	ENVIRONMENTAL SERVICES	\$220,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	240	80	HEALTH & SAFETY	\$4,700
225	85	EQUIPMENT RENTAL	\$60,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
225	90	FISHING TOOLS-SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$0
225	95	HEALTH & SAFETY	\$11,000	240	95	MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$21,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	\$2,500	240	110	PLATS COSTS	\$0
225	106	INSPECTIONS	\$20,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$17,915
225	130	MUD & CHEMICALS	\$200,000	240	140	SUPERVISION	\$90,047
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING	\$180,000	240	160	WELDING SERVICES	\$0
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
225	160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$209,199
225	163	SITE RESTORATION	\$0	240	40	CONTINGENCY COSTS 5%	\$244,726
225	165	STAKING & SURVEYING	\$6,000			<b>Total Intangible Completion Costs:</b>	<b>\$5,108,470</b>
225	170	SUPERVISION	\$88,200				
225	175	SUPERVISION - GEOLOGICAL	\$48,300				
225	180	TRANSPORTATION/TRUCKING	\$25,000				
225	178	TAXES	\$143,721				
225	35	CONTINGENCY COSTS 5%	\$130,655				
		<b>Total Intangible Drilling Costs:</b>	<b>\$1,887,470</b>				

Tangible Drilling Costs			Tangible Completion Costs				
Major	Minor	Description	Amount	Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,548	245	5	ARTIFICIAL LIFT	\$175,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	15	FLOWLINES	\$20,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,165,590	245	25	FRAC STRING	\$0
230	35	SURFACE CASING & ATTACHMENTS	\$173,758	245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	45	PRODUCTION LINER	\$0
230	40	TAXES	\$90,689	245	50	PRODUCTION PROCESSING FACILITY	\$0
		<b>Total Tangible Drilling Costs:</b>	<b>\$1,739,585</b>	245	55	PRODUCTION TUBING	\$150,000
				245	60	RODS/PUMPS	\$0
				245	65	SUBSURFACE EQUIPMENT	\$50,000
				245	75	WELLHEAD EQUIPMENT	\$125,000
				245	70	TAXES	\$28,600
						<b>Total Tangible Completion Costs:</b>	<b>\$548,600</b>

Tangible Facility Costs			Intangible Facility Costs				
Major	Minor	Description	Amount	Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000	265	5	CONSULTING	\$18,100
270	15	CONTAINMENT	\$0	265	12	COMPANY DIRECT LABOR	\$0
270	25	DEHYDRATION	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	30	PRIMARY POWER MATERIALS	\$56,000	265	22	PAD/ROAD CONSTRUCTION	\$50,000
270	50	FLOWLINES / PIPING / HOOKUP	\$47,000	265	25	ENGINEERING / SCIENCE	\$22,000
270	60	H2S TREATING EQUIPMENT	\$0	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
270	65	SEPARATION EQUIPMENT	\$125,000	265	45	CONTRACT LABOR & SERVICES	\$0
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	60	OVERHEAD	\$3,000
270	75	PRE-FABRICATED SKIDS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,500
270	86	FACILITY SURFACE EQUIPMENT	\$137,000	265	85	TRANSPORTATION / TRUCKING	\$0
270	90	H2S SAFETY SYSTEM	\$4,000	265	83	TAXES	\$6,523
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000	265	10	CONTINGENCY COSTS 5%	\$5,910
270	110	TANKS & WALKWAYS	\$90,000			<b>Total Intangible Facility Costs:</b>	<b>\$121,533</b>
270	130	MECHANICAL BATTERY BUILD	\$154,000				
270	132	EI&C BATTERY BUILD	\$45,000				
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000				
270	136	PRIMARY POWER BUILD	\$56,000				
270	138	FLOWLINE INSTALLATION	\$27,000				
270	140	SIGNAGE	\$250				
270	125	TAXES	\$55,674				
		<b>Total Tangible Facility Costs:</b>	<b>\$1,967,924</b>				

Total Drilling:	\$4,637,060.28
Total Completion:	\$5,957,083.34
Total Facility:	\$1,198,926.75
Total DC Intangible:	\$8,295,021.04
Total DC Tangible:	\$2,288,185.28
<b>Total AFE:</b>	<b>\$11,783,083.07</b>

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. DRILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: Franklin Mountain Energy 3, LLC

Approved By: Date: 2/13/2023  
Chief Executive Officer

WI Owner: \_\_\_\_\_

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME

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 NO. 23610

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

CASE NO. 23612

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy 3, LLC, the Applicant herein, declares as follows:

1) The above-referenced Applications were provided under notice letter, dated June 15, 2023, and attached hereto, as Exhibit A.

2) Exhibit B is the mailing list, which show the notice letters were delivered to the USPS for mailing on June 15, 2023.

3) Exhibit C is the certified mailing tracking information, which is automatically complied by CertifiedPro, the software Modrall uses to track the mailings. This shows the names and addresses of the parties to whom notice was sent and proof of delivery.

4) Exhibit D is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the July 6, 2023 hearing was published on June 20, 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: June 30, 2023

  
\_\_\_\_\_  
Deana M. Bennett





MODRALL SPERLING  
LAWYERS

June 15, 2023

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

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

**CASE NO. 23610**

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

**CASE NO. 23612**

**TO: AFFECTED PARTIES**

This letter is to advise you that Franklin Mountain Energy 3, LLC (“Franklin Mountain Energy 3”) has filed the enclosed applications.

In Case No. 23610, Franklin Mountain Energy 3 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. 23612, Franklin Mountain Energy 3 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**

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

**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.

**The hearing will be conducted remotely on July 6, 2023 beginning at 8:15 a.m. To participate in the electronic hearing, see the posted on the docket for the hearing date: <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,



Deana M. Bennett  
*Attorney for Applicant*

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 NO. 23610

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, 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 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. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a standard 320-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Treble State Com 701H** well and **Treble State Com 801H** well to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.
4. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 6, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
Earl E. DeBrine, Jr.  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 23610 : Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant 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.



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 NO. 23612

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, 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 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. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a standard 320-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the **Treble State Com 601H** well to a depth sufficient to test the Bone Spring formation. The well will be horizontally drilled, and the producing area for the well is expected to be orthodox.
4. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring 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 pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 6, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2W/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

C. Authorizing Franklin to recover its costs of drilling, equipping and completing the well;

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

E. 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.

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
Earl E. DeBrine, Jr.  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 23612 : Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant 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.

Released to Imaging: 7/3/2023 2:25:12 PM

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

PS Form 3877

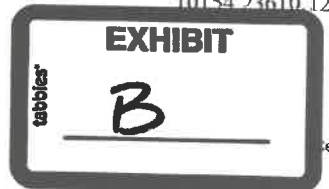
Type of Mailing: CERTIFIED MAIL  
06/15/2023

Firm Mailing Book ID: 247712

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0109 0520 41	ALCOZA, LLC 117 GREAT OAKS DRIVE NORMAN OK 73071	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
2	9314 8699 0430 0109 0520 58	Castle Royalties, LLC as Executive Rights Holder 15601 DALLAS PARKWAY SUITE 900 ADDISON TX 75001	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
3	9314 8699 0430 0109 0520 65	CHI ENERGY, INC., FBO CHI ROYALTY POOL PO BOX 1799 MIDLAND TX 79702	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
4	9314 8699 0430 0109 0520 72	CURTIS A. ANDERSON AND EDNA I. ANDERSON Trustees of Rev. Trust dated 8-31-21 9314 CHERRY BROOK LANE FRISCO TX 75033	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
5	9314 8699 0430 0109 0520 89	DEBORAH H. WACHSMUTH GST TRUST Deborah H. Wachsmuth, Trustee PO BOX 17006 SAN ANTONIO TX 78217	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
6	9314 8699 0430 0109 0520 96	DOLKO, LLC 117 GREAT OAKS DRIVE NORMAN OK 73071	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
7	9314 8699 0430 0109 0521 02	HOOPER & SONS, LLC PO BOX 817 ROSWELL NM 88202	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
8	9314 8699 0430 0109 0521 19	JACK P. HOOPER GST TRUST, Jack P. Hooper, Trustee 5511 EAST 89TH COURT TULSA OK 74137	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
9	9314 8699 0430 0109 0521 26	JD SUTTON INC. HC 64 BOX 100 LOCO OK 73442	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
10	9314 8699 0430 0109 0521 33	L & K Ranch, LLC PO BOX 1503 HOBBS NM 88241	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
11	9314 8699 0430 0109 0521 40	LTCC ROYALTIES, LLC 1801 WEST TEXAS AVENUE MIDLAND TX 79701	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
12	9314 8699 0430 0109 0521 57	MICHAEL T HOOPER, TRUSTEE OF THE MICHAEL T HOOPER GST TRUST 11015 Sunshine Crt EL PASO TX 79936	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
13	9314 8699 0430 0109 0521 64	PATHMARK PETROLEUM, LLC 4809 COLE AVENUE, SUITE 107 DALLAS TX 75205	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice



OCD Hearing 7-6-23  
No. 23610



Received by OCD: 7/3/2023 1:21:14 PM

Released to Imaging: 7/3/2023 2:25:12 PM

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
06/15/2023

Firm Mailing Book ID: 247712

Received by OCD: 7/3/2023 1:21:14 PM

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
14	9314 8699 0430 0109 0521 71	PURSUIT ENERGY CORPORATION PO BOX 671098 DALLAS TX 75367	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
15	9314 8699 0430 0109 0521 88	RANDALL CAPPS PO BOX 6025 MIDLAND TX 79704	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
16	9314 8699 0430 0109 0521 95	ROBERT G. HOOPER GST TRUST Robert G. Hooper, Trustee PO BOX 733 ROSWELL NM 88202	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
17	9314 8699 0430 0109 0522 01	SOUTHWEST ROYALTIES INSTITUTIONAL INCOME Fund, 10-C, L.P. 6 DESTA DRIVE, SUITE 2100 MIDLAND TX 79705	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
18	9314 8699 0430 0109 0522 18	SOUTHWEST ROYALTIES, INC. 200 N. LORAIN STREET, SUITE 400 MIDLAND TX 79701	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
19	9314 8699 0430 0109 0522 25	STATE OF NEW MEXICO, ACTING BY AND through Commissioner of Public Land 310 Old Santa Fe Trail SANTA FE NM 87504	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
20	9314 8699 0430 0109 0522 32	STELLAR OPPORTUNITY FUND, LP 11110 NORTH COUNTRY SQUIRE HOUSTON TX 77024	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice
21	9314 8699 0430 0109 0522 49	SYLBERT, INC. c/o Robert Vincent Byron 3509 WELLS DRIVE PLANO TX 75093	\$1.50	\$4.15	\$2.10	\$0.00	10154.23610,12. Notice

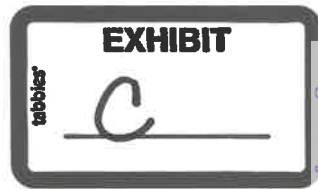
Totals: \$31.50      \$87.15      \$44.10      \$0.00  
**Grand Total: \$162.75**

List Number of Pieces Listed by Sender: 21  
Total Number of Pieces Received at Post Office: 21  
Postmaster: *[Signature]*  
Name of receiving employee:  
Dated:



Transaction Report Details - CertifiedPro.net  
 Firm Mail Book ID= 247712  
 Generated: 6/29/2023 2:20:50 PM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300109052249	2023-06-15 9:10 AM	10154.23610.12.	SYLBERT, INC.	c/o Robert Vincent Byron	PLANO	TX	75093	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300109052232	2023-06-15 9:10 AM	10154.23610.12.	STELLAR OPPORTUNITY FUND, LP		HOUSTON	TX	77024	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300109052225	2023-06-15 9:10 AM	10154.23610.12.	STATE OF NEW MEXICO, ACTING BY AND	through Commissioner of Public Land	SANTA FE	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300109052218	2023-06-15 9:10 AM	10154.23610.12.	SOUTHWEST ROYALTIES, INC.		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 4:48 PM
9314869904300109052201	2023-06-15 9:10 AM	10154.23610.12.	SOUTHWEST ROYALTIES INSTITUTIONAL INCOME	Fund, 10-C, L.P.	MIDLAND	TX	79705	Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300109052195	2023-06-15 9:10 AM	10154.23610.12.	ROBERT G. HOOPER GST TRUST	Robert G. Hooper, Trustee	ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-23 1:25 PM
9314869904300109052188	2023-06-15 9:10 AM	10154.23610.12.	RANDALL CAPPIS		MIDLAND	TX	79704	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-22 12:00 AM
9314869904300109052171	2023-06-15 9:10 AM	10154.23610.12.	PURSUIT ENERGY CORPORATION		DALLAS	TX	75367	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-22 12:00 AM
9314869904300109052164	2023-06-15 9:10 AM	10154.23610.12.	PATHMARK PETROLEUM, LLC		DALLAS	TX	75205	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 5:19 PM
9314869904300109052157	2023-06-15 9:10 AM	10154.23610.12.	MICHAEL T HOOPER, TRUSTEE OF THE	MICHAEL T HOOPER GST TRUST	EL PASO	TX	79936	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 11:53 AM
9314869904300109052140	2023-06-15 9:10 AM	10154.23610.12.	LTC ROYALTIES, LLC		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 10:52 AM
9314869904300109052133	2023-06-15 9:10 AM	10154.23610.12.	L & K Ranch, LLC		HOBBS	NM	88241	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-22 12:00 AM
9314869904300109052126	2023-06-15 9:10 AM	10154.23610.12.	JD SUTTON INC.		LOCO	OK	73442	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 10:49 AM
9314869904300109052119	2023-06-15 9:10 AM	10154.23610.12.	JACK P. HOOPER GST TRUST,	Jack P. Hooper, Trustee	TULSA	OK	74137	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300109052102	2023-06-15 9:10 AM	10154.23610.12.	HOOPER & SONS, LLC		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-27 10:02 AM
9314869904300109052096	2023-06-15 9:10 AM	10154.23610.12.	DOLKO, LLC		NORMAN	OK	73071	Returned to Sender	Return Receipt - Electronic, Certified Mail	2023-06-23 9:17 AM
9314869904300109052089	2023-06-15 9:10 AM	10154.23610.12.	DEBORAH H. WACHSMUTH GST TRUST	Deborah H. Wachsmuth, Trustee	SAN ANTONIO	TX	78217	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 11:13 AM
9314869904300109052072	2023-06-15 9:10 AM	10154.23610.12.	CURTIS A. ANDERSON AND EDNA I. ANDERSON	Trustees of Rev. Trust dated 8-31-21	FRISCO	TX	75033	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300109052065	2023-06-15 9:10 AM	10154.23610.12.	CHI ENERGY, INC., FBO CHI ROYALTY POOL		MIDLAND	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 11:16 AM
9314869904300109052058	2023-06-15 9:10 AM	10154.23610.12.	Castle Royalties, LLC as Executive Rights Holder		ADDISON	TX	75001	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 10:30 AM
9314869904300109052041	2023-06-15 9:10 AM	10154.23610.12.	ALCOZA, LLC		NORMAN	OK	73071	Returned to Sender	Return Receipt - Electronic, Certified Mail	2023-06-23 9:17 AM



LEGAL NOTICE  
June 20, 2023

# 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 therefor for a period of 1 issue(s).

Beginning with the issue dated  
June 20, 2023  
and ending with the issue dated  
June 20, 2023.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
20th day of June 2023.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2027.

(Seal) STATE OF NEW MEXICO  
NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087528  
COMMISSION EXPIRES 01/29/27

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, LRS 1937 and payment of fees for said

**EXHIBIT**  
D

**CASE NO. 23610:** Notice to all affected parties, as well as heirs and devisees of: Alcoza, LLC; Castle Royalties LLC as Executive Rights Holder; Chi Energy, Inc., FBO Chi Royalty Pool; Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust Dated 8/31/21; Deborah H. Wachsmuth GST Trust, Deborah H. Wachsmuth, Trustee; Dolco, LLC; Hooper & Sons, LLC; Jack P. Hooper GST Trust, Jack P. Hooper, Trustee; JD Sutton Inc.; L & K Ranch, LLC; LTCC Royalties, LLC; Michael T. Hooper, Trustee of the Michael T. Hooper GST Trust, Pathmark Petroleum, LLC; Pursult Energy Corporation; Randall Capps; Robert G. Hooper GST Trust, Robert G. Hooper, Trustee; Southwest Royalties Institutional Income Fund, 10-C, L.P.; Southwest Royalties, Inc.; State of New Mexico, acting by and through its Commissioner of Public Lands; Stellar Opportunity Fund, LP; Sylbert, Inc. of Application of Franklin Mountain Energy 3, 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 July 6, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant 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.

**CASE NO. 23611:** Notice to all affected parties, as well as heirs and devisees of: Black Hawk Royalty, LP; Castle Royalties, LLC as Executive Rights Holder; Charles R. Wiggins and Deborah A. Wiggins; Chi Energy, Inc., FBO Chi Royalty Pool; Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated 8/31/21; Curtis W. Mewbourne, Trustee; DCP Midstream, LP; Devon Energy Production Company, LP FKA WPX Energy Permian, LLC; Enerlex, Inc.; JD Sutton Inc.; LTCC Royalties, LLC; MAP 2006-OK; Marathon Oil Permian, LLC; Pathmark Petroleum, LLC; Prospector, LLC; Pursult Energy Corporation; Randall Capps; Southwest Royalties Institutional Income Fund, 10-C, L.P.; Southwest Royalties, Inc.; State of New Mexico, acting by and through its Commissioner of Public Lands; Stellar Opportunity Fund, LP; Sundown Production LLC; Victor J. Sirgo of Application of Franklin Mountain Energy 3, 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 July 6, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant 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.

**CASE NO. 23612:** Notice to all affected parties, as well as heirs and devisees of: Alcoza, LLC; Castle Royalties LLC as Executive Rights Holder; Chi Energy, Inc., FBO Chi Royalty Pool; Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust Dated 8/31/21; Deborah H. Wachsmuth GST Trust, Deborah H. Wachsmuth, Trustee; Dolco, LLC; Hooper & Sons, LLC; Jack P. Hooper GST Trust, Jack P. Hooper, Trustee; JD Sutton Inc.; L & K Ranch, LLC; LTCC Royalties, LLC; Michael T. Hooper, Trustee of the Michael T. Hooper GST Trust, Pathmark Petroleum, LLC; Pursult Energy Corporation; Randall Capps; Robert G. Hooper GST Trust, Robert G. Hooper, Trustee; Southwest Royalties Institutional Income Fund, 10-C, L.P.; Southwest Royalties, Inc.; State of New Mexico, acting by and through its Commissioner of Public Lands; Stellar Opportunity Fund, LP; Sylbert, Inc. of Application of Franklin Mountain Energy 3, 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 July 6, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant 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.

**CASE NO. 23613:** Notice to all affected parties, as well as heirs and devisees of: Black Hawk Royalty, LP; Castle Royalties, LLC as Executive Rights Holder; Charles R. Wiggins and Deborah A. Wiggins; Chi Energy, Inc., FBO Chi Royalty Pool; Curtis A. Anderson and Edna I. Anderson, Trustees of the Edna and Curtis Anderson Revocable Trust dated 8/31/21; Curtis W. Mewbourne, Trustee; DCP Midstream, LP; Devon Energy Production Company, LP FKA WPX Energy Permian, LLC; Enerlex, Inc.; JD Sutton Inc.; LTCC Royalties, LLC; MAP 2006-OK; Marathon Oil Permian, LLC; Pathmark Petroleum, LLC; Prospector, LLC; Pursult Energy Corporation; Randall Capps; Southwest Royalties Institutional Income Fund, 10-C, L.P.; Southwest Royalties, Inc.; State of New Mexico, acting by and through its Commissioner of Public Lands; Stellar Opportunity Fund, LP; Sundown Production LLC; Victor J. Sirgo of Application of Franklin Mountain Energy 3, 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 July 6, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant 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 802H 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.

OCD Hearing 7-6-23

No. 23610

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. 23610

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.

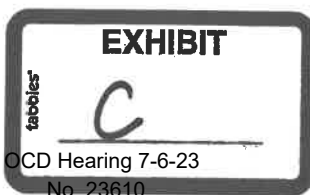
3. I am familiar with the application filed by Franklin in this case.

4. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.

5. **Exhibit C.2** is a wellbore schematic showing Franklin’s development plan.

6. **Exhibit C.3** through **Exhibit C.6** are the geology study I prepared for the **Treble State Com 701H** well, which will target the Wolfcamp formation.

7. **Exhibit C.3** is a structure map of the Wolfcamp formation. The proposed spacing unit is identified by a green box. The Wolfcamp wells proposed in this case are the black-dashed lines. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.





8. **Exhibit C.4** is a cross-section reference map that identifies five wells in the vicinity of the proposed Wolfcamp A wells, shown by a line of cross-section running from A to A'.

9. **Exhibit C.5** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Wolfcamp 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 for the Wolfcamp formation increases slightly to the southwest.

11. **Exhibit C.6** is an Isopach map of the Wolfcamp formation. The gross interval thickness increases slightly to the southwest.

12. **Exhibit C.7** through **Exhibit C.10** are the geology study I prepared for the **Treble State 801H** well, which will target the Wolfcamp B formation.

13. **Exhibit C.7** is structure map of the Wolfcamp B formation. The proposed spacing unit is identified by a green box. The Wolfcamp B wells proposed in this case are the black-dashed lines. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

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

15. **Exhibit C.9** is a stratigraphic cross-section, and the well logs on the cross-section give a representative sample of the Wolfcamp B 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.

16. In my opinion, the gross interval thickness for the Wolfcamp B formation increases slightly to the southeast.

17. **Exhibit C.10** is an Isopach map of the Wolfcamp B formation. The gross interval thickness increases slightly to the southeast.

18. I conclude from the geology studies referenced above that:

- a. The horizontal spacing unit is 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 unit will contribute more or less equally to production.

19. **Exhibit C.11** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

20. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to  $S_{Hmax}$ , optimal for induced fracture propagation. This is because the  $S_{Hmax}$  is at approximately 255 degrees ENE in this area of Lea County.

21. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

22. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

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

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: July 3rd, 2023

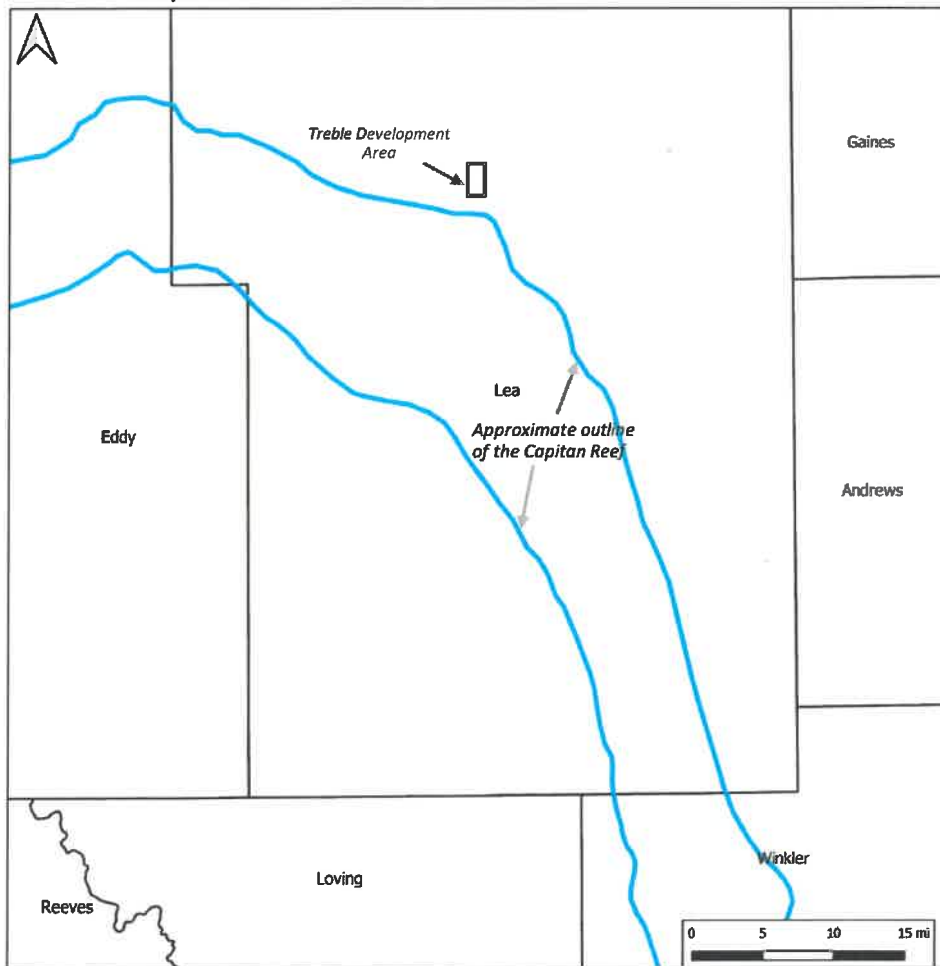
  
\_\_\_\_\_

Ben Kessel



# Treble Development

## Locator Map



- Black box shows the location of the Treble development area
- Planned wells are located outside of the eastern edge of the Capitan Reef

[https://www.twdb.texas.gov/publications/reports/contracted\\_reports/doc/0804830794CapitanReef/Final%20Revised%20Capitan%20PDF%20w\\_Seals.pdf](https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20Capitan%20PDF%20w_Seals.pdf)

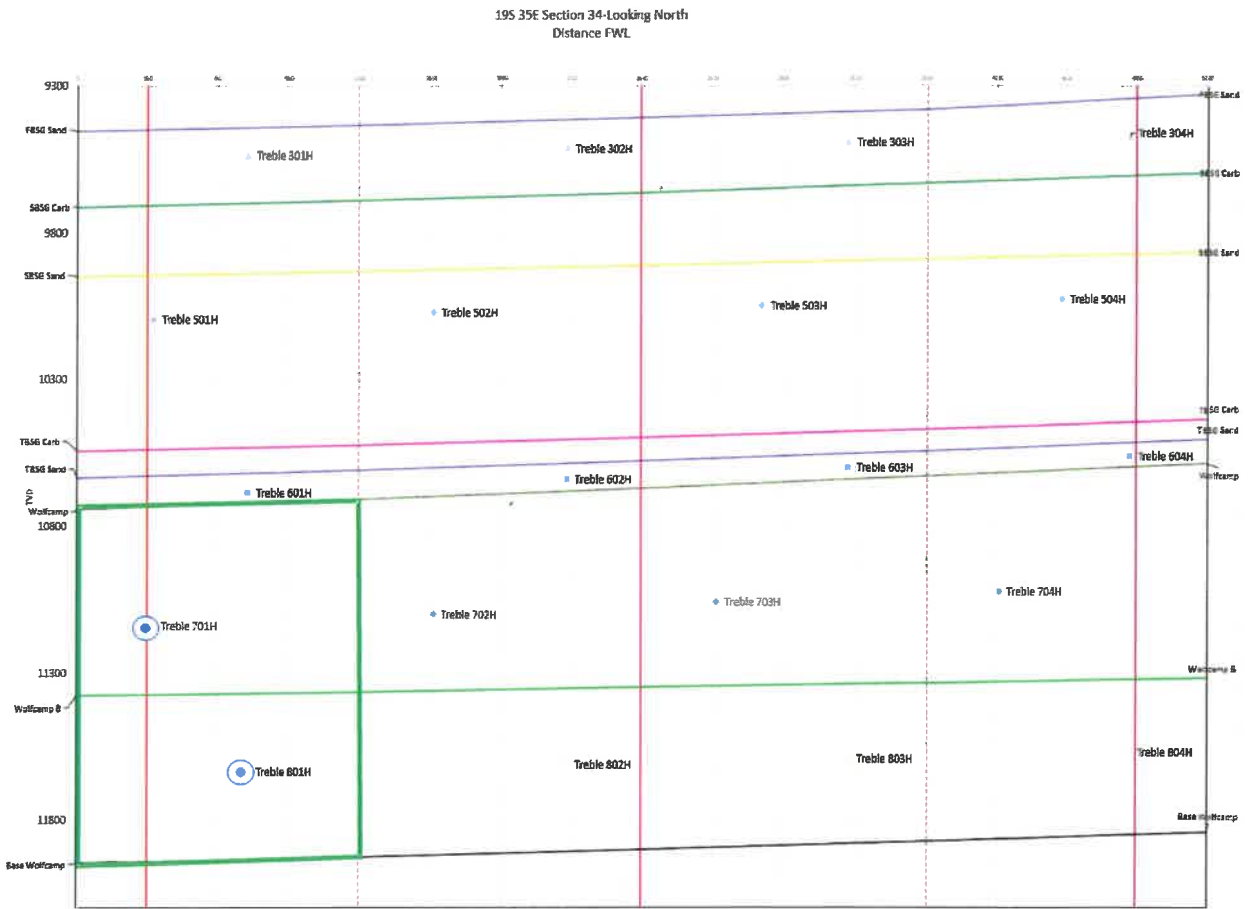


OCD Hearing 7-6-23

No. 23610

42

# Wellbore Schematic



⊙ Proposed Laterals



Wolfcamp Spacing Unit

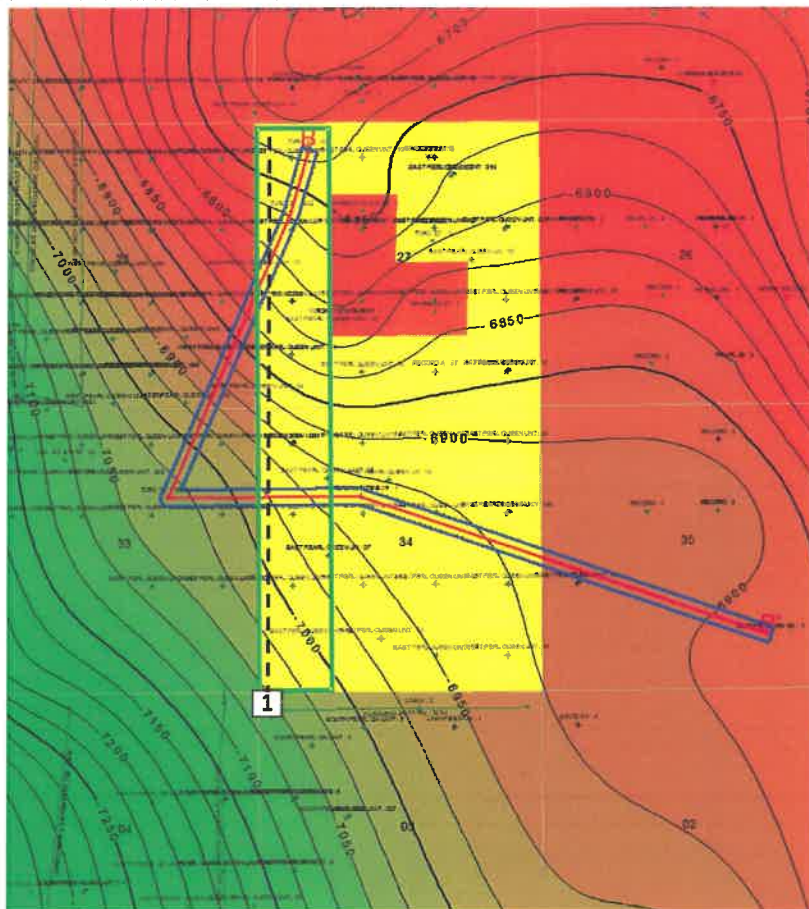




OCD Hearing 7-6-23

No. 23610

43

# Wolfcamp Structure



-  Franklin Mountain Acreage
-  Wolfcamp Spacing Unit

Proposed Horizontal Location

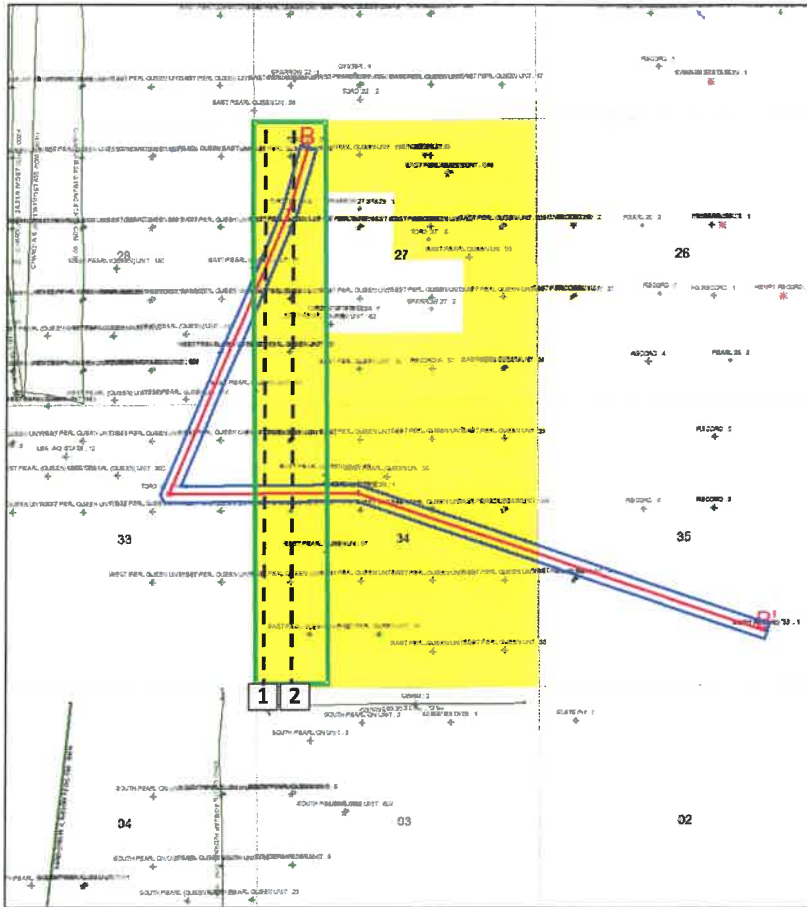
**1** Treble State Com 701H

All wells shown

1 mile



# Cross Section Reference Map



- Franklin Mountain Acreage
- Wolfcamp Spacing Unit

- Proposed Horizontal Location
- 1 Treble State Com 701H
  - 2 Treble State Com 801H

All wells shown

1 mile

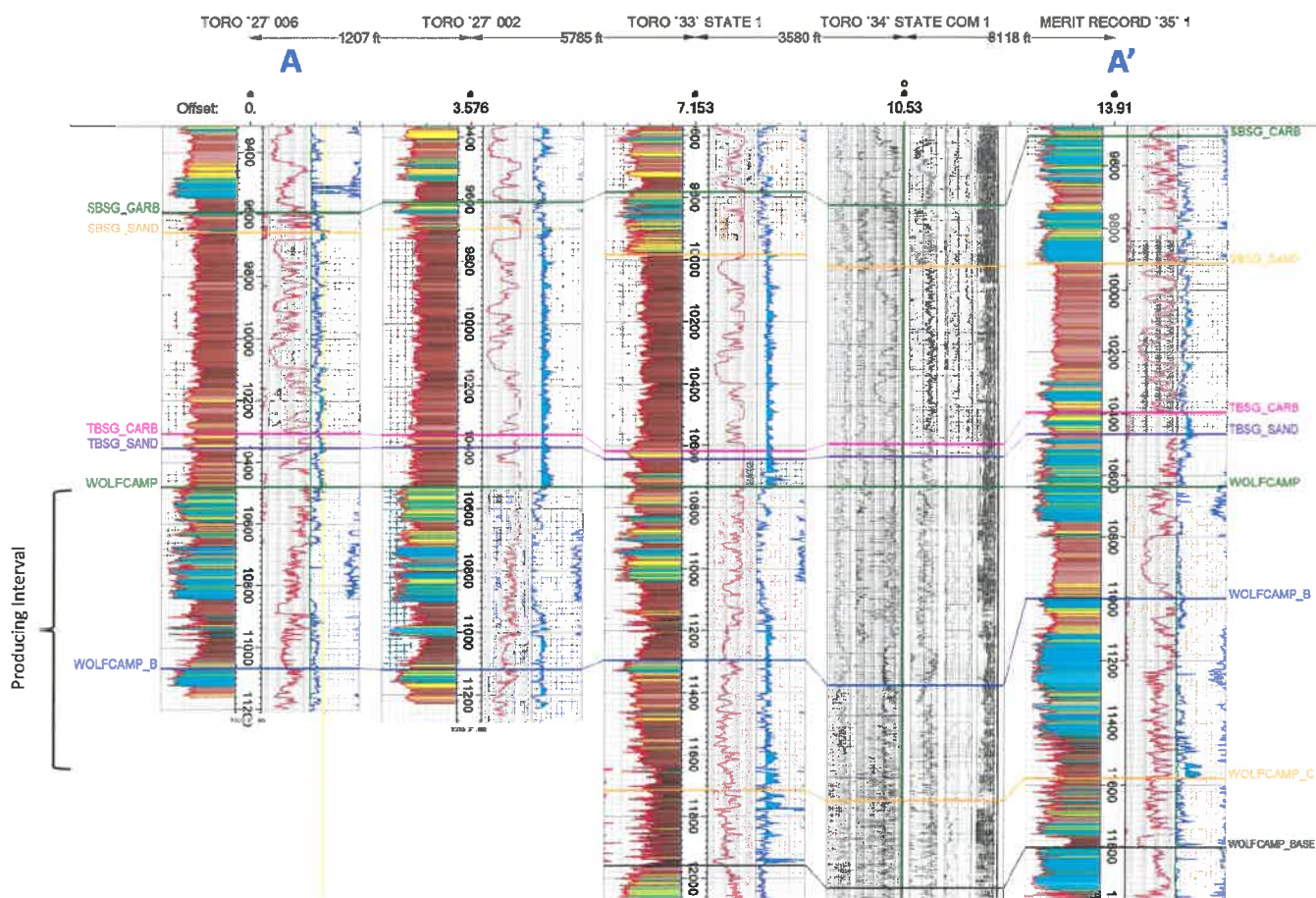
**EXHIBIT**

**C.4**

OCD Hearing 7-6-23

No. 23610

# Wolfcamp Cross Section



701H & 801H

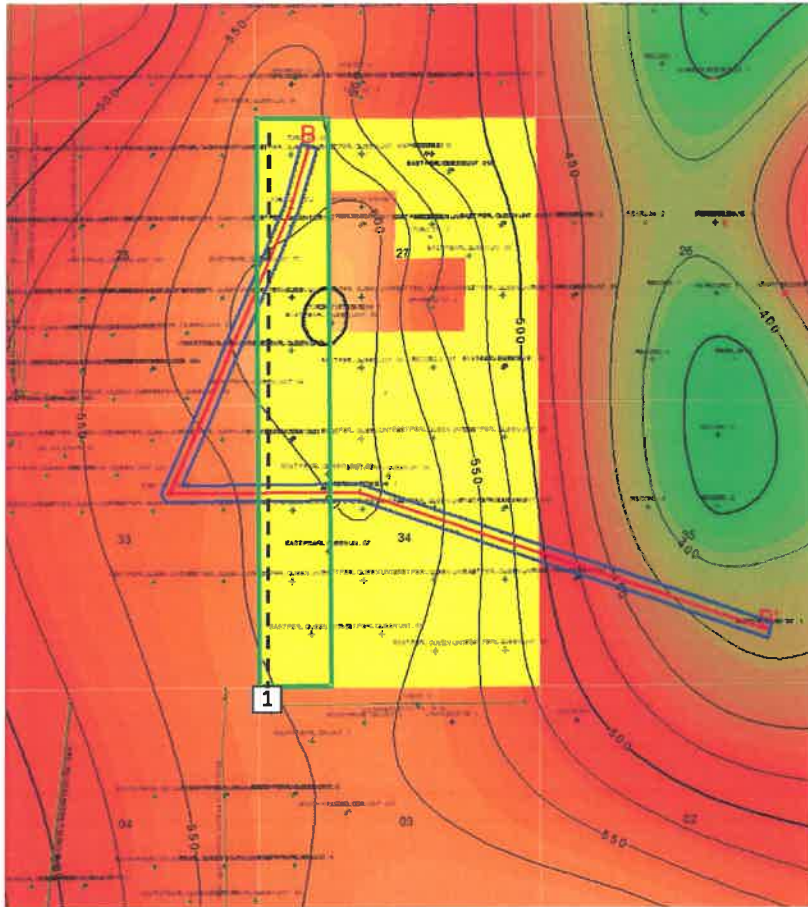


OCD Hearing 7-6-23

No. 23610



# Wolfcamp Isopach



- Franklin Mountain Acreage
- Wolfcamp Spacing Unit

Proposed Horizontal Location

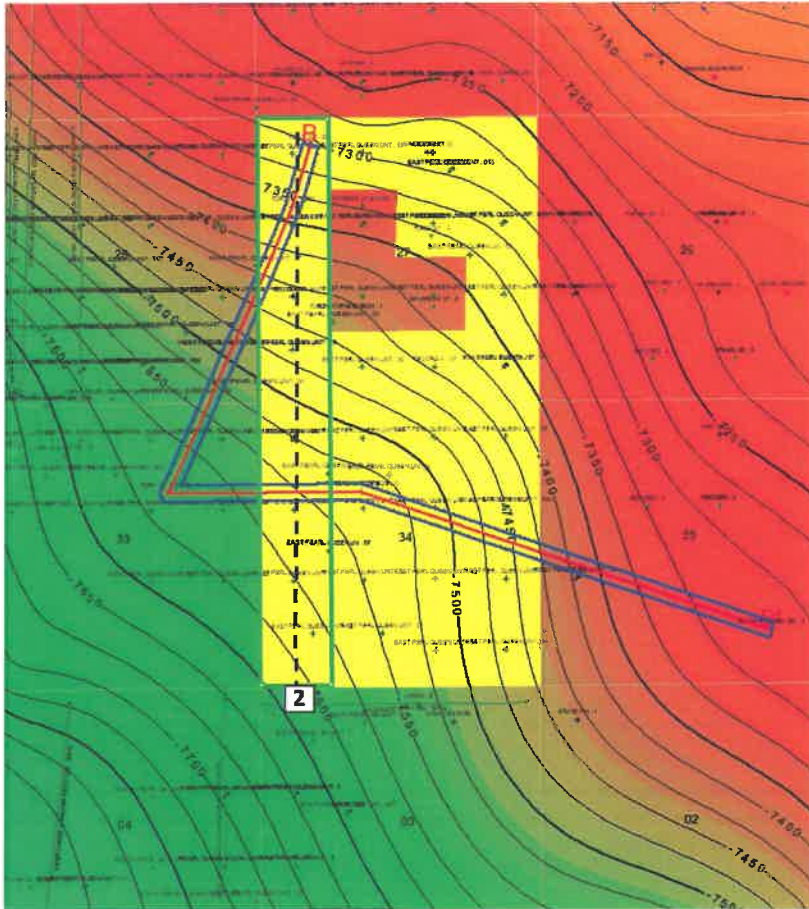
1 Treble State Com 701H




All wells shown

1 mile



# Wolfcamp B Structure



-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit
-  Proposed Horizontal Location

**2** Treble State Com 801H

All wells shown

1 mile

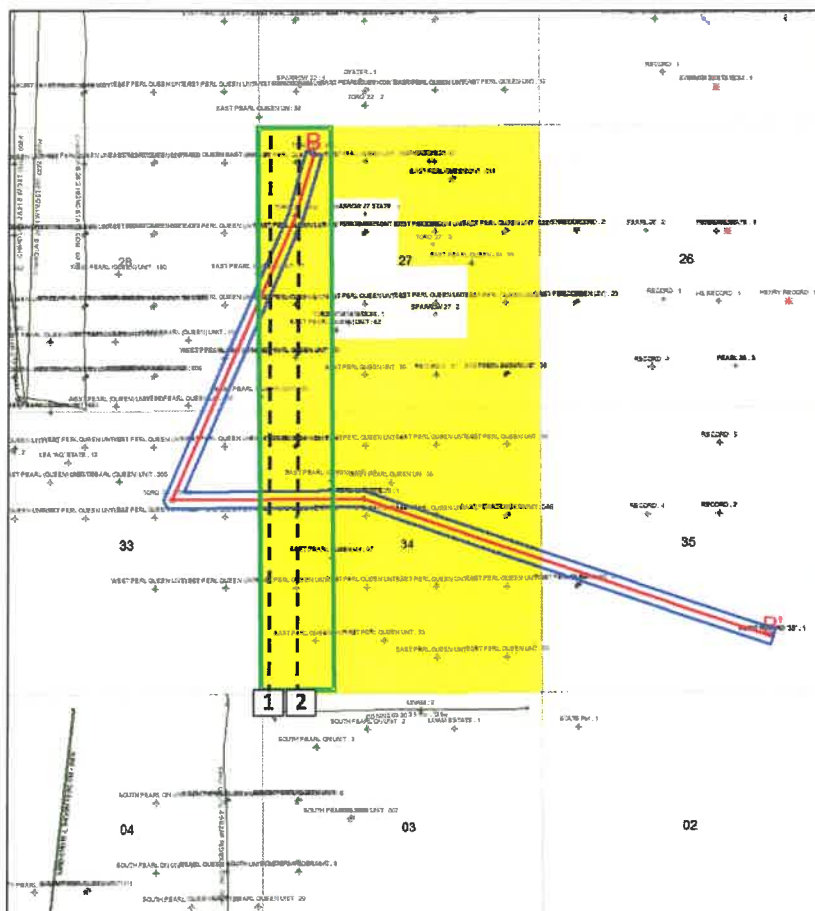


OCD Hearing 7-6-23

No. 23610

48

# Cross Section Reference Map



- Franklin Mountain Acreage
- Wolfcamp Spacing Unit

Proposed Horizontal Location

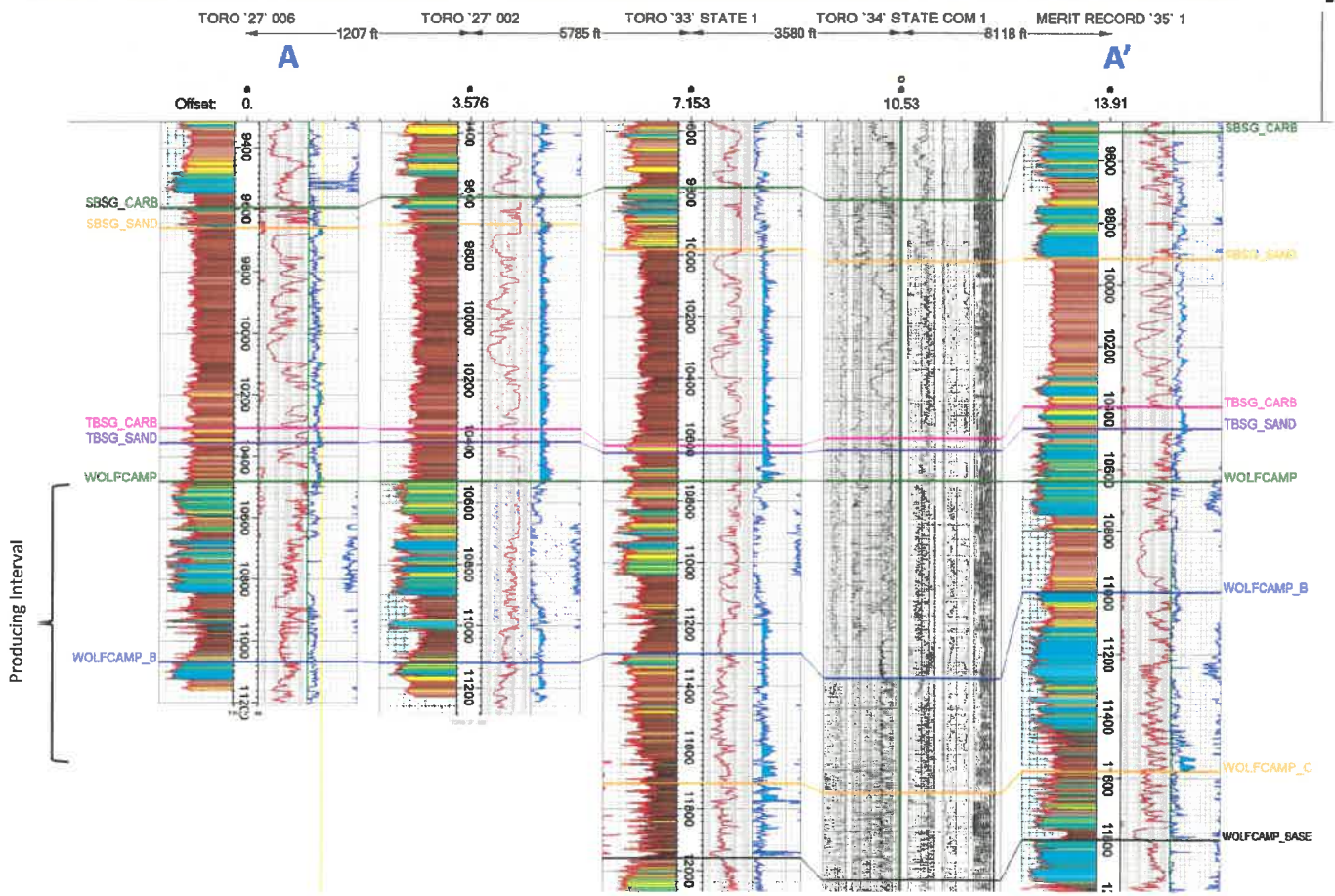
- 1 Treble State Com 701H
- 2 Treble State Com 801H

All wells shown

1 mile



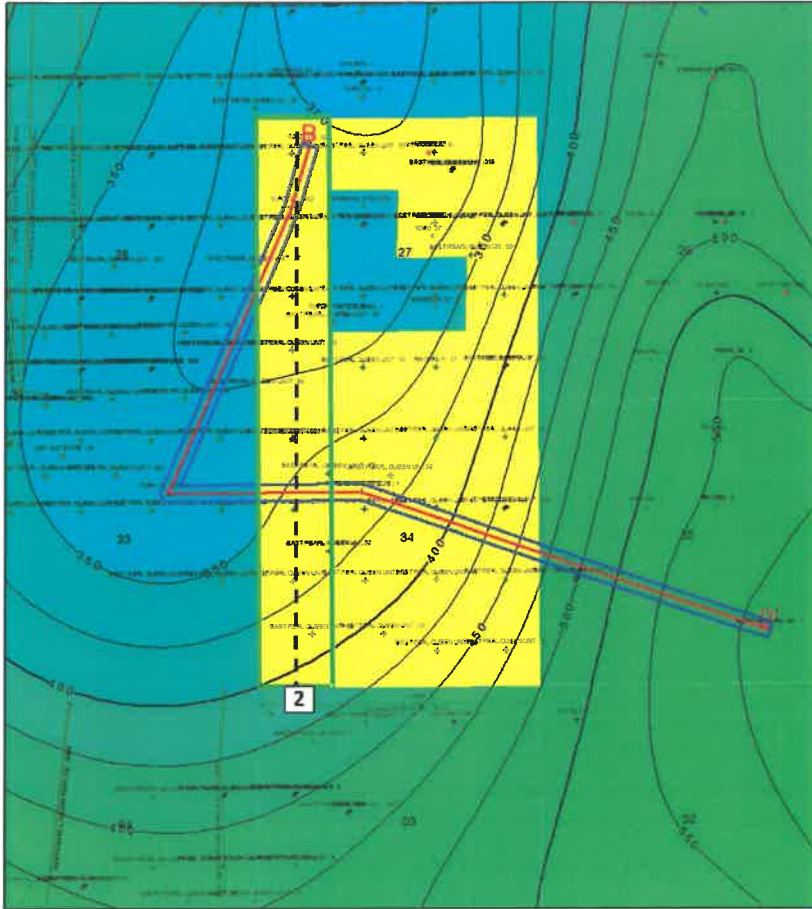
# Wolfcamp Cross Section






↑  
701H & 801H

**EXHIBIT**  
**C-9**

# Wolfcamp B Isopach



-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit
-  Proposed Horizontal Location

**2** Treble State Com 801H

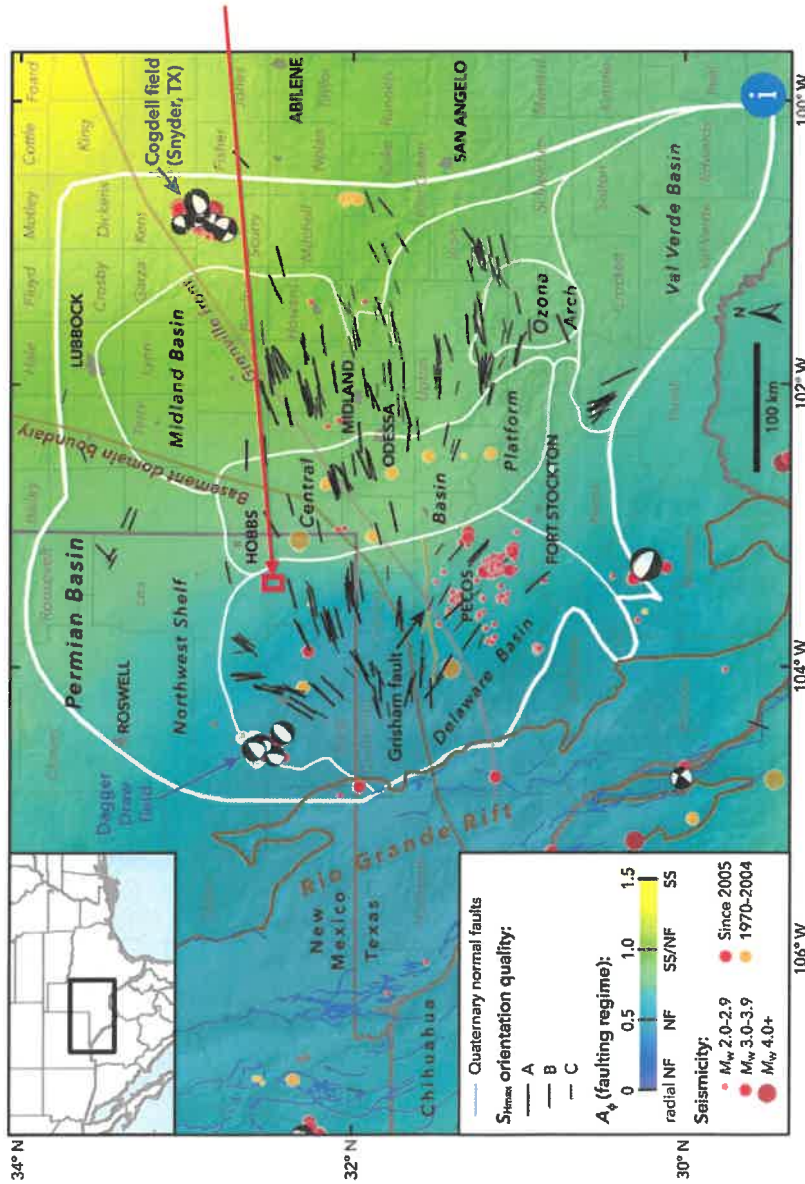
All wells shown

1 mile





# Regional Stress



- Red box shows the approximate location of the Treble development
- Reported local  $S_{Hmax}$  (Snee and Zoback, 2018) direction is ENE, around 255°
- The Treble State Com 701H & 801H 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](http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603)

