

FRANKLIN MOUNTAIN ENERGY

Before the Oil Conservation Division
Examiner Hearing July 6th, 2023

Compulsory Pooling

Case No. 23611: Treble State Com 702H

**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. 23611

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- Exhibit B-4: Summary of Contacts
- Exhibit B-5 : Proposal Letter
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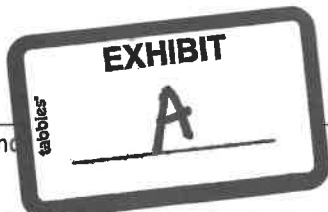
Tab C: Self Affirmed Declaration of Ben Kessel, Geologist

- Exhibit C-1: Locator Map
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- Exhibit C-7: Regional Stress Orientation Justification

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS


Case: 23611	APPLICANT'S RESPONSE
Date: July 6, 2023	
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
Formation/Pool	
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
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/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 and is approval of non-standard unit requested in this application?	Unit is standard.
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3.
Well(s)	
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 & 1945' FWL, Section 34, T-19-S R-35-E FTP: 150' FSL & 1660' FWL, Section 34, T-19-S R-35-E LTP: 150' FNL & 1660' FWL, Section 27, T-19-S R-35-E Orientation: South/North Completion Status: Standard Completion Target: Wolfcamp TVD: 11,100' MVD: 21,100'
Horizontal Well First and	See above cells and Exhibit B-2 (C-102)



Completion Target (Formation, TVD and MD)	See above cells and Exhibit B-5 (proposal letter)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B Paragraph 23
Requested Risk Charge	200%
Notice of Hearing	
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
Ownership Determination	
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
Joinder	
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
Geology	
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-7
Target Formation	Exhibits C-3 to C-6
HSU Cross Section	Exhibit C-5
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-2
Tracts	Exhibit B-6-23

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Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-3
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-3
Structure Contour Map - Subsea Depth	Exhibit C-3
Cross Section Location Map (including wells)	Exhibit C-4
Cross Section (including Landing Zone)	Exhibit C-5
Additional Information	
Special Provisions/Stipulations	NA
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
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. 23611

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 well to be drilled in the unit.

7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well.



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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 E/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 702H** well, to be horizontally drilled.

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

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

12. The well 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 well 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 well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working 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 working interest owners in the proposed well.

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

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

22. **Exhibit B.6** contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other well 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 working interest owners.

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

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.

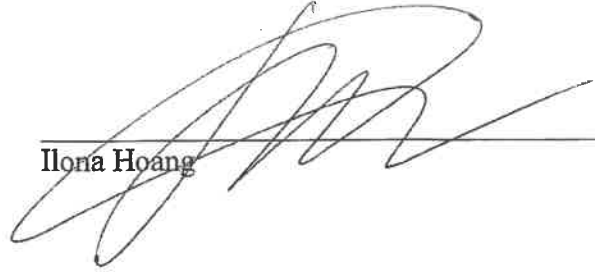
30. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[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 read 'Ilona Hoang', is 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. 23611

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 E/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 E/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 702H** well to a depth sufficient to test the Wolfcamp 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 Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.



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No. 23611

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 E/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. 23611 : 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 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.

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 334533		⁵ Property Name TREBLE STATE COM		⁶ Well Number 702H	
⁷ OGRID No. 331595		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		⁹ Elevation 3688.3'	

¹⁰ Surface Location

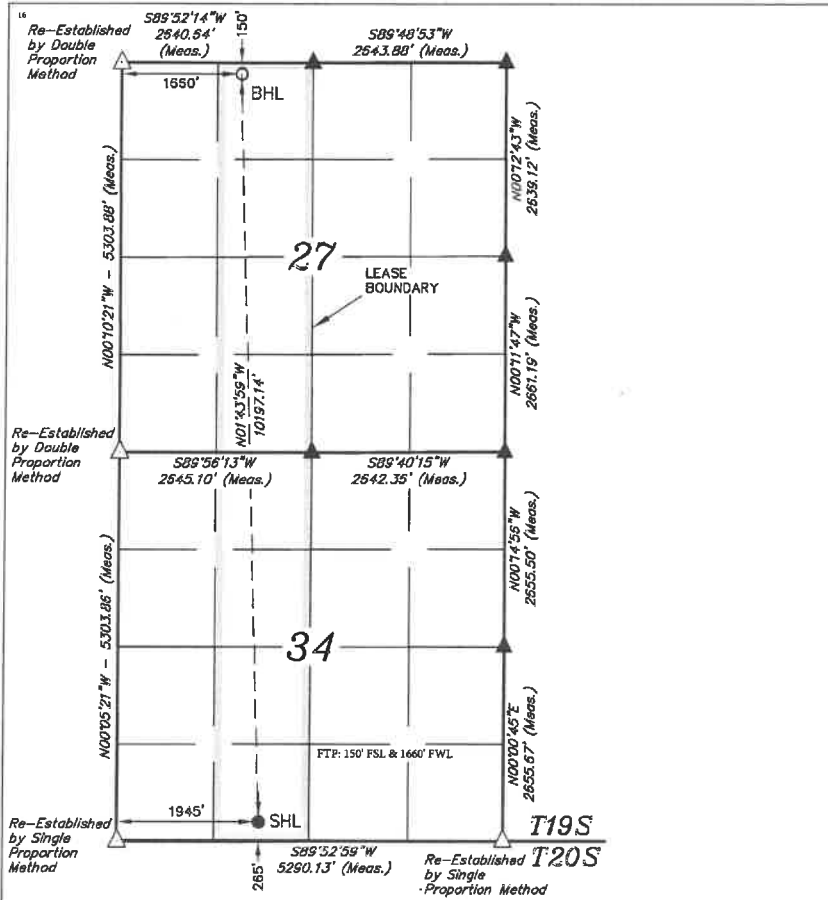
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	34	19S	35E		265	SOUTH	1945	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
C	27	19S	35E		150	NORTH	1660	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



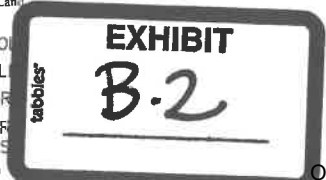
¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to 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 approved by the division.

Signature: *Rachael Overbey* Date: 1-23-2023
Printed Name: Rachael Overbey
E-mail Address: roverbey@fmlc.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:
Paul Buchele
PAUL BUCHELE
NEW MEXICO
PROFESSIONAL SURVEYOR
01-18-23

- 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 HOLE LOCATION
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER
△ = SECTION CORNER RE-ESTABLISHED (Not Set on plat)






NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°36'37.06" (32.610294°)
LONGITUDE = 103°26'50.68" (103.447410°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°36'36.61" (32.610171°)
LONGITUDE = 103°26'48.92" (103.446923°)
STATE PLANE NAD 83 (N.M. EAST)
N: 586892.38' E: 814133.05'
STATE PLANE NAD 27 (N.M. EAST)
N: 586829.49' E: 772951.97'
NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°38'17.90" (32.638307°)
LONGITUDE = 103°26'53.79" (103.448276°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°38'17.46" (32.638183°)
LONGITUDE = 103°26'52.03" (103.447787°)
STATE PLANE NAD 83 (N.M. EAST)
N: 597081.85' E: 813781.56'
STATE PLANE NAD 27 (N.M. EAST)
N: 597018.68' E: 772600.81'



Development Overview

Case Nos. 23610, 23611, 23612, 23613



-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit
-  Wolfcamp Spacing Unit

1 Mile

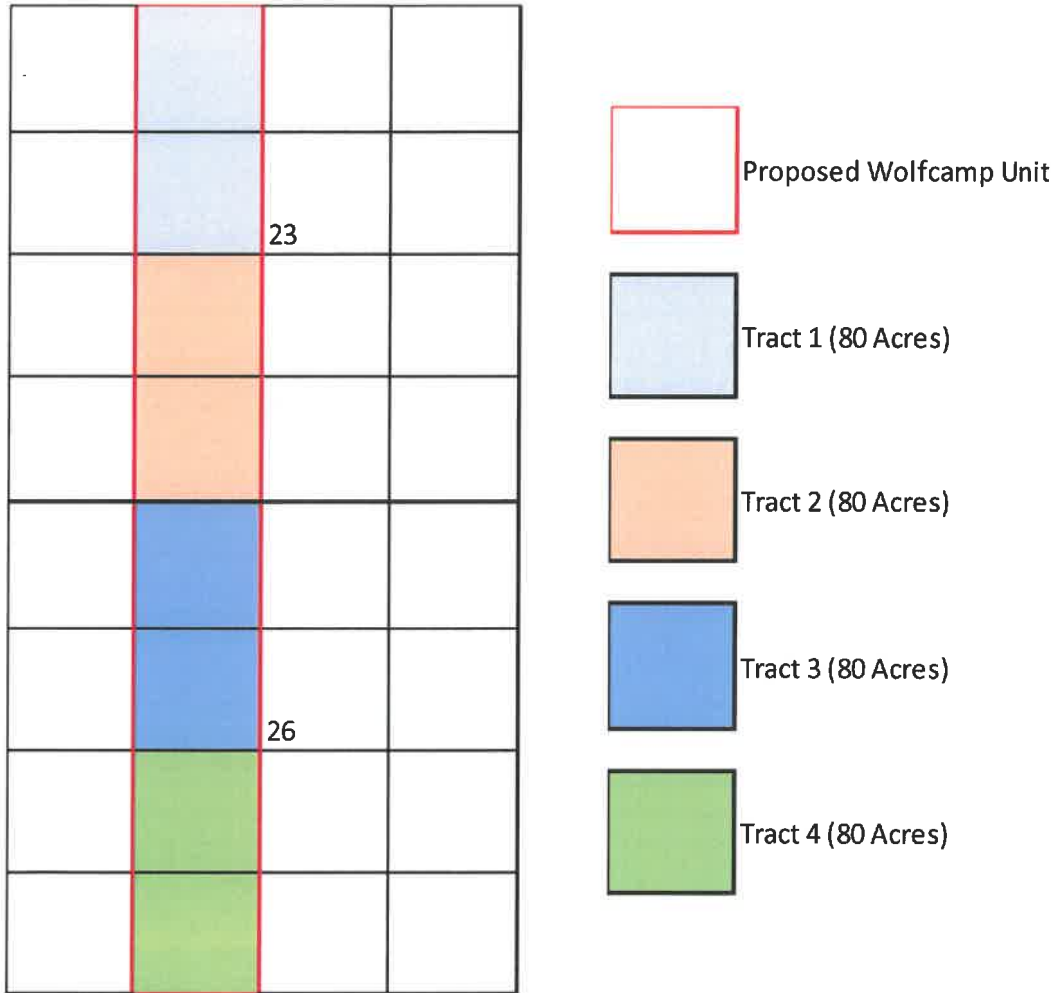


EXHIBIT
B.3
OCD Hearing 7-6-23



Lease Tract Map

Case No. 23611
E2W2 of Section 27 & 34-T19S-R35E, 320 Acres
Treble State Com 702H



Summary of Interests

Case No. 23611
E2W2 of Section 27 & 34-T19S-R35E, 320 Acres
Treble State Com 702H

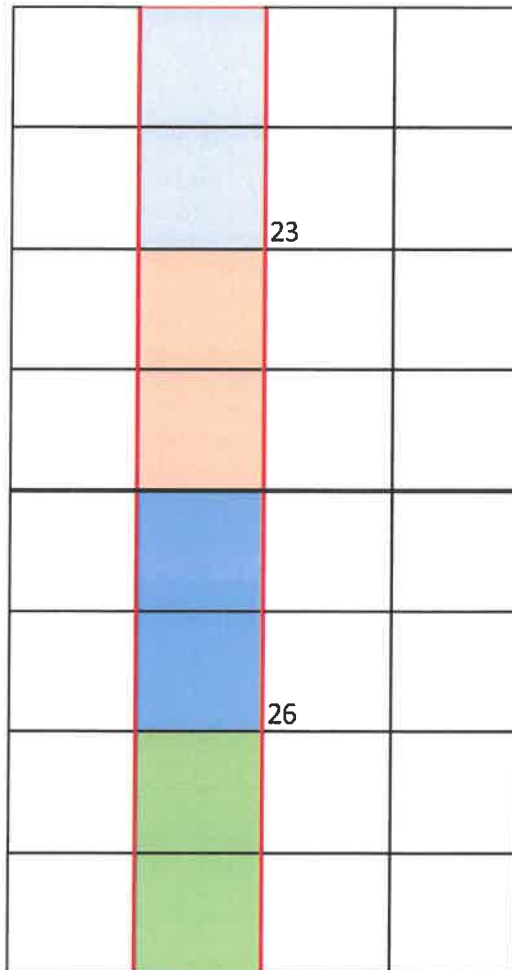
Committed Working Interest	
Franklin Mountain Energy 3, LLC	87.5000000%
Uncommitted Working Interest	
Prospector, LLC	1.2500000%
Marathon Oil Permian, LLC	1.8750000%
Sundown Production, LLC	1.8750000%
WPX Energy Permian	7.5000000%
Total:	100.0000000%



Unit Recapitulation

Case No. 23611
E2W2 of Section 27 & 34-T19S-R35E, 320 Acres
Treble State Com 702H

Committed Working Interest	
Franklin Mountain Energy 3, LLC	87.5000000%
Uncommitted Working Interest	
Prospector, LLC	1.2500000%
Marathon Oil Permian, LLC	1.8750000%
Sundown Production, LLC	1.8750000%
WPX Energy Permian	7.5000000%
Total:	100.0000000%



Tract	Lease
1	E0-5839
2	E0-5838
3	VC-0522
4	VC-0483



Parties To Be Pooled—Treble 602/702	
Name	Ownership Type
BLACK HAWK ROYALTY, LP	ORRI
CASTLE ROYALTIES LLC AS EXECUTIVE RIGHTS HOLDER	ORRI
CHARLES R. WIGGINS AND DEBORAH A. WIGGINS	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
CURTIS W. MEWBOURNE, TRUSTEE	ORRI
DEVON ENERGY PRODUCTION COMPANY, LP FKA WPX ENERGY PERMIAN, LLC	WI
ENERLEX, INC.	ORRI
JD SUTTON INC.	ORRI
LTCC ROYALTIES, LLC	ORRI
MAP 2006-OK	ORRI
MARATHON OIL PERMIAN LLC	WI
PATHMARK PETROLEUM, LLC	ORRI
PROSPECTOR, LLC	WI
PURSUIT ENERGY CORPORATION	ORRI
RANDALL CAPPS	ORRI
SOUTHWEST ROYALTIES INSTITUTIONAL INCOME FUND, 10-C, L.P.	ORRI
SOUTHWEST ROYALTIES, INC.	ORRI
STELLAR OPPORTUNITY FUND, LP	ORRI
SUNDOWN PRODUCTION LLC	WI
VICTOR J. SIRGO	ORRI

Summary of Contacts (E/2W/2: Case Nos. 23611 & 23613)

- 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 working interest owners, which I have outlined in the chart below.
- Franklin filed the application to force pool uncommitted working 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
DEVON ENERGY PRODUCTION COMPANY, LP FKA WPX ENERGY PERMIAN, LLC	WI	5/8/2023	5/10/2023	Devon notified FME3 on 5/11/23 that interest is in WPX Energy Permians ownership. Sent proposal to WPX (WPX’s land person is the same land professional as at Devon) and that was received 5/12/2023
MARATHON OIL PERMIAN LLC	WI	5/8/2023	5/10/2023	Received proposal letter; no further information requests received.
PROSPECTOR, LLC	WI	5/8/2023	5/11/2023	Received election, negotiating JOA or purchase
SUNDOWN PRODUCTION LLC	WI	5/8/2023	5/10/2023	Received proposal letter; no further information requests received.





Sent via USPS: 9405 5036 9930 0538 5264 53

May 8, 2023

Marathon Oil Permian, LLC
 990 Town and Country Blvd
 Houston, TX 77024
 Attn: Land Department, Delaware Basin

RE: **Well Proposals**
 Township 19 South, Range 35 East:
 Sections 27 & 34: E/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 602H	3rd Bone Spring	10,641'	20,641'	Sec. 34-T19S-R35E: 250' FSL, 1970' FWL	Sec. 27-T19S-R35E: 150' FNL, 2290' FWL	\$11,650,592.43	N/A
Treble State Com 702H	Wolfcamp A	11,100'	21,100'	Sec. 34-T19S-R35E: 250' FSL, 1945' FWL	Sec. 27-T19S-R35E: 150' FNL, 1660' FWL	\$11,650,592.43	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 Working Interest, 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 a Term Assignment for your working interest 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@fmelc.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 602H:

_____ I/We hereby elect to participate in the **Treble State Com 602H** well.
 _____ I/We hereby elect **NOT** to participate in the **Treble State Com 602H** well.

Treble State Com 702H:

_____ I/We hereby elect to participate in the **Treble State Com 702H** well.
 _____ I/We hereby elect **NOT** to participate in the **Treble State Com 702H** well.

Owner: Marathon Oil Permian, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____



FRANKLIN MOUNTAIN ENERGY AUTHORITY FOR EXPENDITURE

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

Well Name: Treble State Com 702H
Location: SHL Sec 34-T19S-R35E 250 FWL 1945 FWL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' WCA well.

Well #: 702H
County/State: Lea Co., NM
Date Prepared: 2/13/2023
APE #: DCE230208

Table with 4 columns: Major, Minor, Description, Amount. Contains 'Intangible Drilling Costs' and 'Intangible Completion Costs' sections.

Table with 4 columns: Major, Minor, Description, Amount. Contains 'Tangible Drilling Costs' section.

Table with 4 columns: Major, Minor, Description, Amount. Contains 'Tangible Completion Costs' section.

Table with 4 columns: Major, Minor, Description, Amount. Contains 'Tangible Facility Costs' section.

Table with 4 columns: Major, Minor, Description, Amount. Contains 'Intangible Facility Costs' section.

Table with 1 column: Office Use Only. Contains a large empty box.

Summary table with 2 columns: Category, Amount. Totals include Total Drilling, Total Completion, Total Facility, Total Intangible, Total DC Tangible, and Total APE.

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, LLC
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



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. 23611

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

CASE NO. 23613

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 compiled 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. 23611

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

CASE NO. 23613

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. 23611, 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 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. 23613, 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 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

Modrall Spierling
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

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. 23611

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 E/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 E/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 702H** well to a depth sufficient to test the Wolfcamp 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 Wolfcamp 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 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 E/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. 23611 : 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 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.

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. 23613

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 E/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 E/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.
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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 E/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. 23613 : 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 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.

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Karlene Schuman
Modrall Sperlberg 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: 247711

Received by OCD: 7/3/2023 1:39:36 PM

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0109 0503 44	BLACK HAWK ROYALTY, LP 7045 NORTH HIGHWAY 81 DUNCAN OK 73533	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
2	9314 8699 0430 0109 0503 51	Castle Royalties LLC, as Executive Rights Holder 15601 DALLAS PARKWAY SUITE 900 ADDISON TX 75001	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
3	9314 8699 0430 0109 0503 68	CHARLES R. WIGGINS & DEBORAH A. WIGGINS PO BOX 10862 MIDLAND TX 79702	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
4	9314 8699 0430 0109 0503 75	CHI ENERGY, INC., FBO CHI ROYALTY POOL PO BOX 1799 MIDLAND TX 79702	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
5	9314 8699 0430 0109 0503 82	CURTIS A. ANDERSON AND EDNA I. ANDERSON, Trustees of Revocable Trust dated 8/31/21 9314 CHERRY BROOK LANE FRISCO TX 75033	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
6	9314 8699 0430 0109 0503 99	CURTIS W. MEWBOURNE, TRUSTEE PO BOX 7698 TYLER TX 75711	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
7	9314 8699 0430 0109 0504 05	DCP MIDSTREAM, LP 6900 EAST LAYTON AVENUE, SUITE 900 DENVER CO 80237	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
8	9314 8699 0430 0109 0504 12	DEVON ENERGY PRODUCTION Company, LP FKA WPX Energy Permian, LLC 333 WEST SHERIDAN AVENUE Oklahoma City OK 73102	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
9	9314 8699 0430 0109 0504 29	ENERLEX, INC. 18452 EAST 111TH STREET Broken Arrow OK 74011	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
10	9314 8699 0430 0109 0504 36	JD SUTTON INC. HC 64 BOX 100 LOCO OK 73442	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
11	9314 8699 0430 0109 0504 43	LTCC ROYALTIES, LLC 1801 WEST TEXAS AVENUE MIDLAND TX 79701	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
12	9314 8699 0430 0109 0504 50	MAP 2006-OK 101 NORTH ROBINSON, SUITE 1000 Oklahoma City OK 73102	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
13	9314 8699 0430 0109 0504 67	MARATHON OIL PERMIAN LLC 990 TOWN AND COUNTRY BOULEVARD HOUSTON TX 77024	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H



OCD Hearing 7-6-23
No. 23611



Page 34 of 50

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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: 247711

Received by OCD: 7/3/2023 1:39:36 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 0504 74	PATHMARK PETROLEUM, LLC 4809 COLE AVENUE, SUITE 107 DALLAS TX 75205	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
15	9314 8699 0430 0109 0504 81	PROSPECTOR, LLC PO BOX 429 ROSWELL NM 88202	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
16	9314 8699 0430 0109 0504 98	PURSUIT ENERGY CORPORATION PO BOX 671098 DALLAS TX 75367	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
17	9314 8699 0430 0109 0505 04	RANDALL CAPPS PO BOX 6025 MIDLAND TX 79704	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
18	9314 8699 0430 0109 0505 11	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	10154.702,602H Notice
19	9314 8699 0430 0109 0505 28	SOUTHWEST ROYALTIES, INC. 200 N. LORAIN STREET, SUITE 400 MIDLAND TX 79701	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
20	9314 8699 0430 0109 0505 35	STATE OF NEW MEXICO, ACTING BY AND through Commissioner of Public Land PO BOX 1148 SANTA FE NM 87504	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
21	9314 8699 0430 0109 0505 42	STELLAR OPPORTUNITY FUND, LP 11110 NORTH COUNTRY SQUIRE HOUSTON TX 77024	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
22	9314 8699 0430 0109 0505 59	SUNDOWN PRODUCTION LLC Two Galleria Tower 13455 NOEL ROAD, SUITE 2000 DALLAS TX 75240	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
23	9314 8699 0430 0109 0505 66	VICTOR J. SIRGO 3405 CHOATE PLACE MIDLAND TX 79707	\$1.50	\$4.15	\$2.10	\$0.00	10154.702,602H Notice
Totals:			\$34.50	\$95.45	\$48.30	\$0.00	
Grand Total:						\$178.25	

List Number of Pieces
Listed by Sender

23

Total Number of Pieces
Received at Post Office

23

Postmaster:
Name of receiving employee

Dated:



Transaction Report Details - CertifiedPro.net
 Firm Mail Book ID= 247711
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USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300109050566	2023-06-15 8:49 AM	10154.702,602H	VICTOR J. SIRGO		MIDLAND	TX	79707	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300109050559	2023-06-15 8:49 AM	10154.702,602H	SUNDOWN PRODUCTION LLC	Two Galleria Tower	DALLAS	TX	75240	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300109050542	2023-06-15 8:49 AM	10154.702,602H	STELLAR OPPORTUNITY FUND, LP		HOUSTON	TX	77024	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300109050535	2023-06-15 8:49 AM	10154.702,602H	STATE OF NEW MEXICO, ACTING BY AND	through Commissioner of Public Land	SANTA FE	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300109050528	2023-06-15 8:49 AM	10154.702,602H	SOUTHWEST ROYALTIES, INC.		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 4:47 PM
9314869904300109050511	2023-06-15 8:49 AM	10154.702,602H	SOUTHWEST ROYALTIES INSTITUTIONAL INCOME	Fund, 10-C, L.P.	MIDLAND	TX	79705	Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300109050504	2023-06-15 8:49 AM	10154.702,602H	RANDALL CAPPIS		MIDLAND	TX	79704	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-22 12:00 AM
9314869904300109050498	2023-06-15 8:49 AM	10154.702,602H	PURSUIT ENERGY CORPORATION		DALLAS	TX	75367	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-22 12:00 AM
9314869904300109050481	2023-06-15 8:49 AM	10154.702,602H	PROSPECTOR, LLC		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 9:59 AM
9314869904300109050474	2023-06-15 8:49 AM	10154.702,602H	PATHMARK PETROLEUM, LLC		DALLAS	TX	75205	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 5:19 PM
9314869904300109050467	2023-06-15 8:49 AM	10154.702,602H	MARATHON OIL PERMIAN LLC		HOUSTON	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 2:36 PM
9314869904300109050450	2023-06-15 8:49 AM	10154.702,602H	MAP 2006-OK		Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 3:58 PM
9314869904300109050443	2023-06-15 8:49 AM	10154.702,602H	LTCC ROYALTIES, LLC		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 10:52 AM
9314869904300109050436	2023-06-15 8:49 AM	10154.702,602H	JD SUTTON INC.		LOCO	OK	73442	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 10:49 AM
9314869904300109050429	2023-06-15 8:49 AM	10154.702,602H	ENERLEX, INC.		Broken Arrow	OK	74011	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-21 9:16 AM
9314869904300109050412	2023-06-15 8:49 AM	10154.702,602H	DEVON ENERGY PRODUCTION Company, LP FKA	WPX Energy Permian, LLC	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300109050405	2023-06-15 8:49 AM	10154.702,602H	DCP MIDSTREAM, LP		DENVER	CO	80237	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 11:21 AM
9314869904300109050399	2023-06-15 8:49 AM	10154.702,602H	CURTIS W. MEWBOURNE, TRUSTEE		TYLER	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-22 8:47 AM
9314869904300109050382	2023-06-15 8:49 AM	10154.702,602H	CURTIS A. ANDERSON AND EDNA I. ANDERSON,	Trustees of Revocable Trust dated 8/31/21	FRISCO	TX	75033	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300109050375	2023-06-15 8:49 AM	10154.702,602H	CHI ENERGY, INC., FBO CHI ROYALTY POOL		MIDLAND	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 11:16 AM
9314869904300109050368	2023-06-15 8:49 AM	10154.702,602H	CHARLES R. WIGGINS & DEBORAH A. WIGGINS		MIDLAND	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300109050351	2023-06-15 8:49 AM	10154.702,602H	Castle Royalties LLC, as Executive Rights Holder		ADDISON	TX	75001	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-20 10:30 AM
9314869904300109050344	2023-06-15 8:49 AM	10154.702,602H	BLACK HAWK ROYALTY, LP		DUNCAN	OK	73533	Delivered	Return Receipt - Electronic, Certified Mail	2023-06-22 12:00 AM



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FAQs >

Tracking Number:

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Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item has been delivered to an agent for final delivery in OKLAHOMA CITY, OK 73102 on June 21, 2023 at 6:00 am.

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Feedback

Delivered to Agent

Delivered to Agent for Final Delivery

OKLAHOMA CITY, OK 73102

June 21, 2023, 6:00 am

Arrived at Post Office

OKLAHOMA CITY, OK 73102

June 20, 2023, 9:49 am

Departed USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER

June 20, 2023, 7:42 am

In Transit to Next Facility

June 19, 2023

Arrived at USPS Regional Destination Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER

June 17, 2023, 1:49 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101
June 15, 2023, 9:23 pm

Arrived at USPS Origin Facility

ALBUQUERQUE, NM 87101
June 15, 2023, 7:56 pm

Accepted at USPS Origin Facility

ALBUQUERQUE, NM 87102
June 15, 2023, 6:41 pm

Pre-Shipment Info Sent to USPS, USPS Awaiting Item

June 15, 2023

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FAQs

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
#00279766
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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; Dolko, 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; Pursuit 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 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 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; Pursuit 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; Dolko, 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; Pursuit 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; Pursuit 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 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.

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

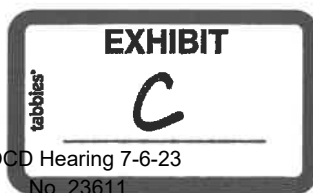
APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR APPROVAL OF NON-STANDARD
SPACING UNIT, COMPULSORY POOLING, AND NOTICE OF
OVERLAPPING SPACING UNITS,
LEA COUNTY, NEW MEXICO

CASE NO. 23611

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 3, LLC (“FME3”), 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 FME3 includes the area of Lea County in New Mexico.
3. I am familiar with the application filed by FME3 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 FME3’s development plan.
6. **Exhibit C.3** through **Exhibit C.6** are the geology study I prepared for the **Treble State Com 702H** 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 Treble State Com 702H well proposed in this case is identified by the black-dashed line. 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 Treble State Com 702H well, 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 well falls 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 southeast.

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

12. 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.

13. **Exhibit C.7** provides an overview of the stress orientation in the area based on the 2020 Snee-Zoback paper.

14. 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.

15. In my opinion, the granting of FME3's application is in the interests of conservation and the prevention of waste.

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

[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: July 3rd, 2023

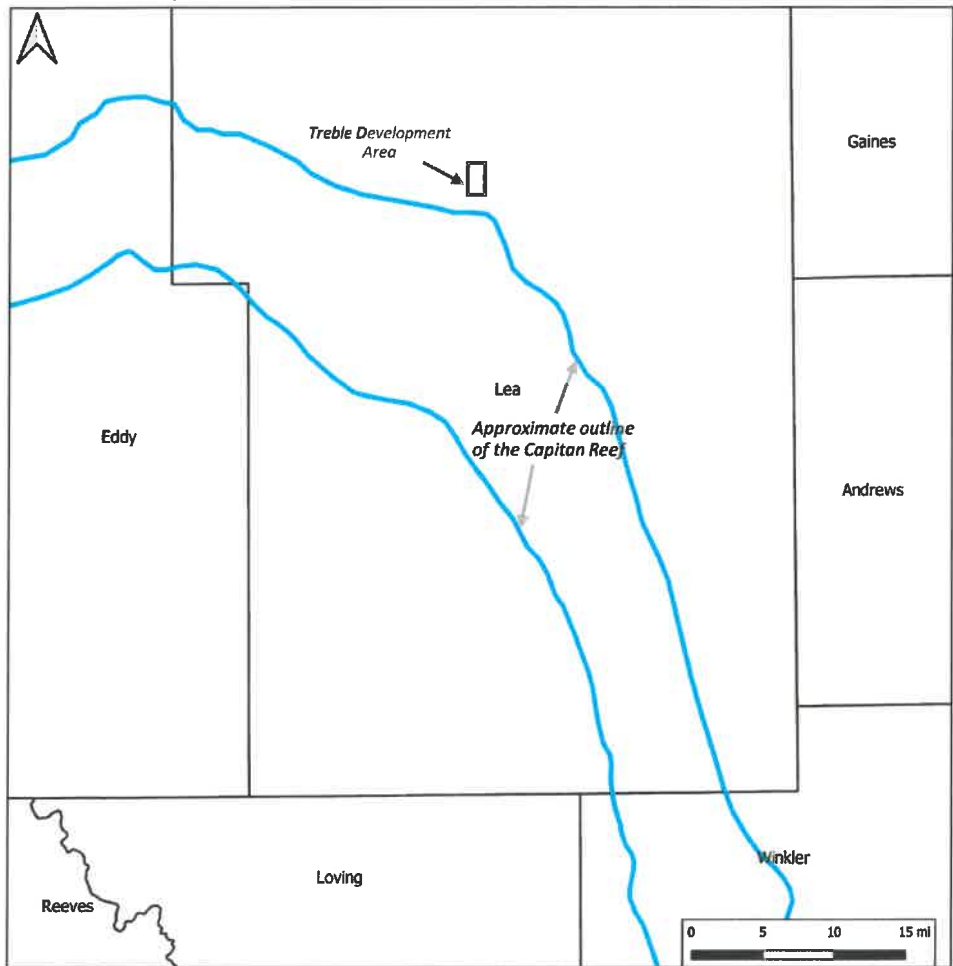


Ben Kessel



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



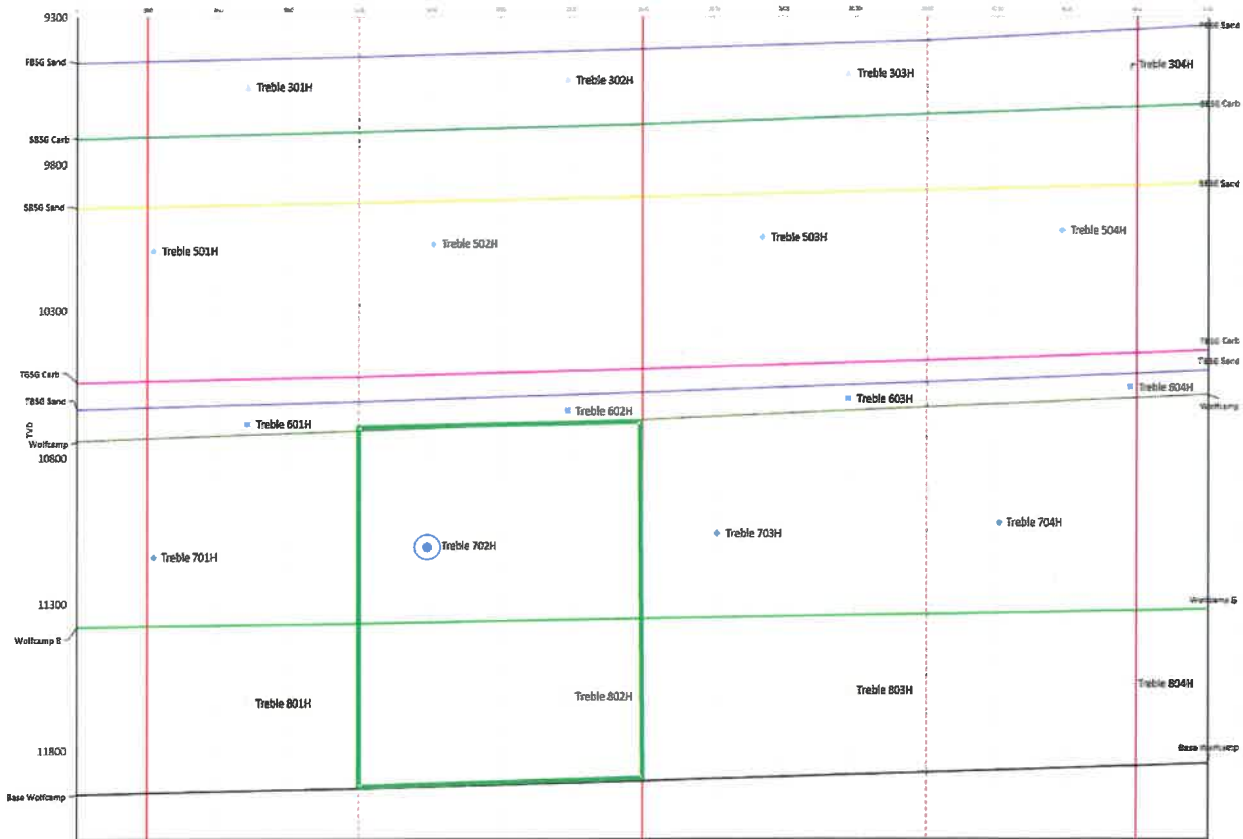
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Wellbore Schematic



19S 35E Section 34-Looking North
Distance FWL



⊙ Proposed Lateral



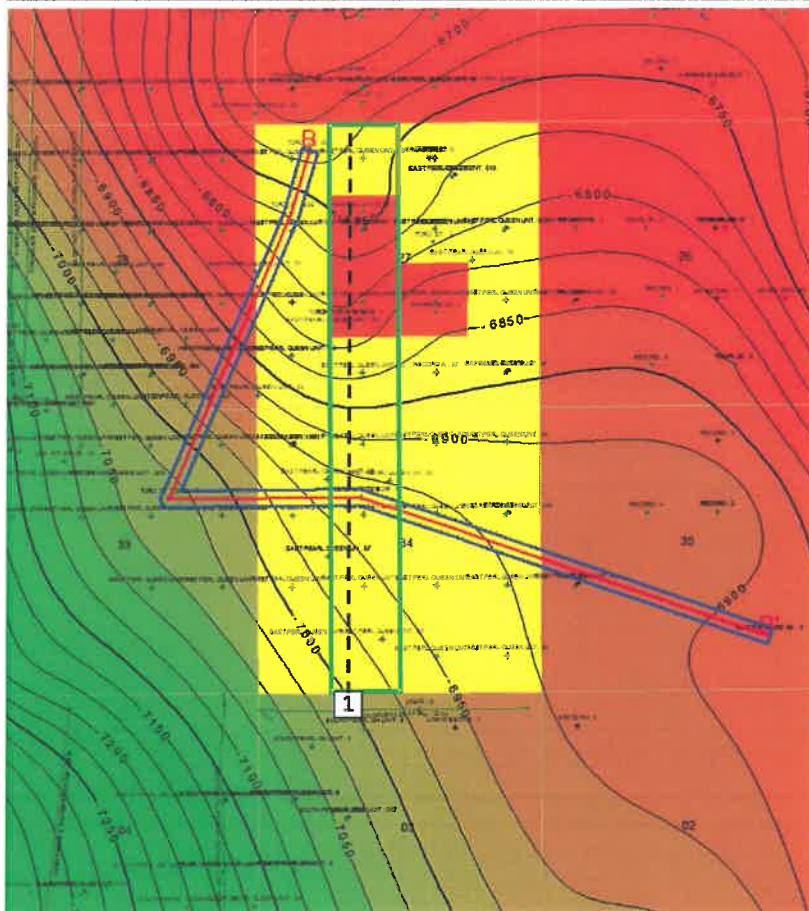
Wolfcamp Spacing Unit



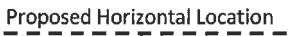



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Wolfcamp Structure



-  Franklin Mountain Acreage
-  Wolfcamp Spacing Unit
-  Proposed Horizontal Location
-  Treble State Com 702H

All wells shown

1 mile

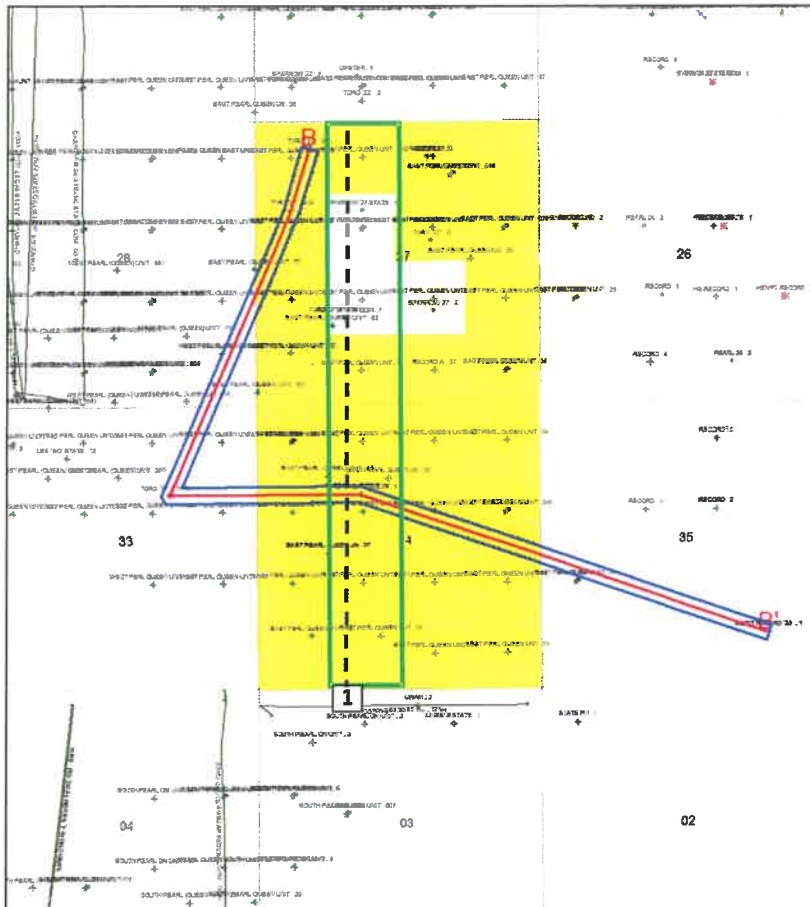


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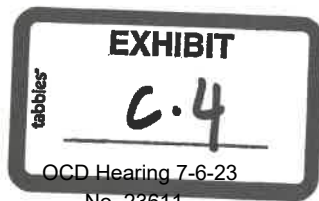
Cross Section Reference Map



- Franklin Mountain Acreage
- Wolfcamp Spacing Unit
- Proposed Horizontal Location
- 1 Treble State Com 702H

All wells shown

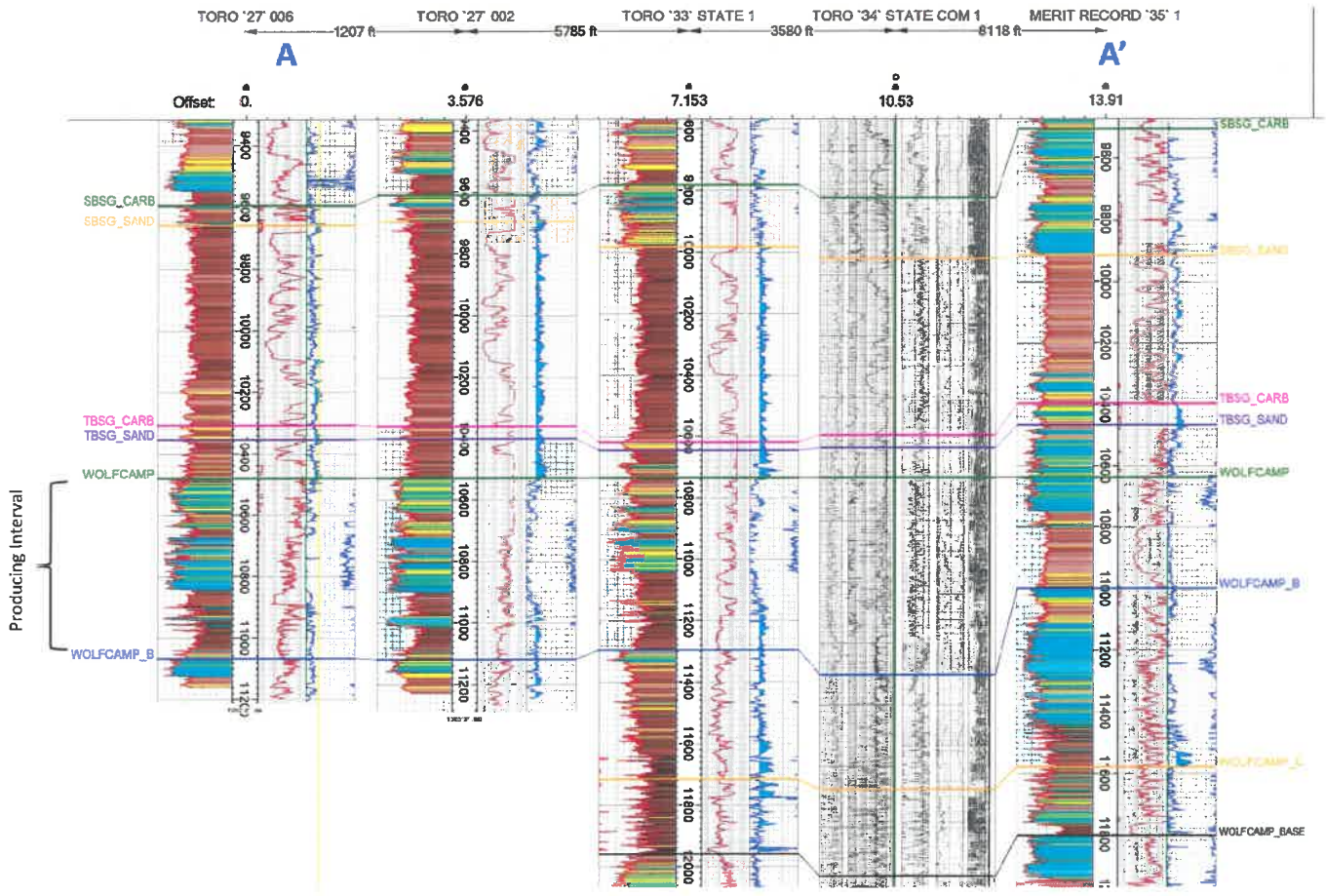
1 mile



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No. 23611

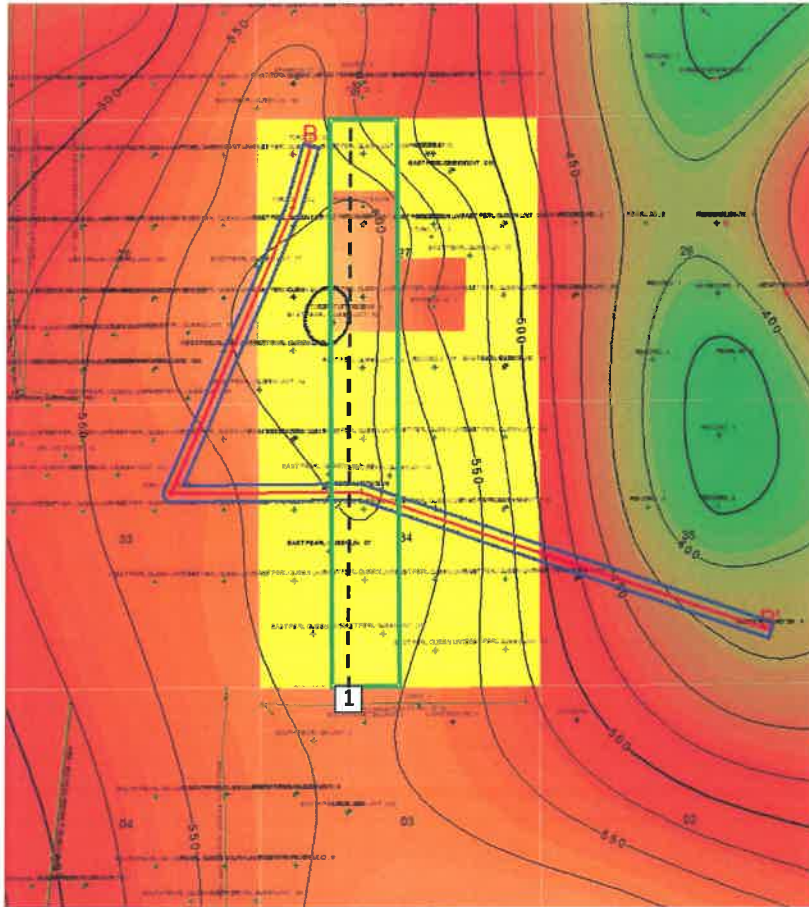
Wolfcamp Cross Section







↑
702H

EXHIBIT
6.5

Wolfcamp Isopach



-  Franklin Mountain Acreage
-  Wolfcamp Spacing Unit
-  Proposed Horizontal Location
-  1 Treble State Com 702H

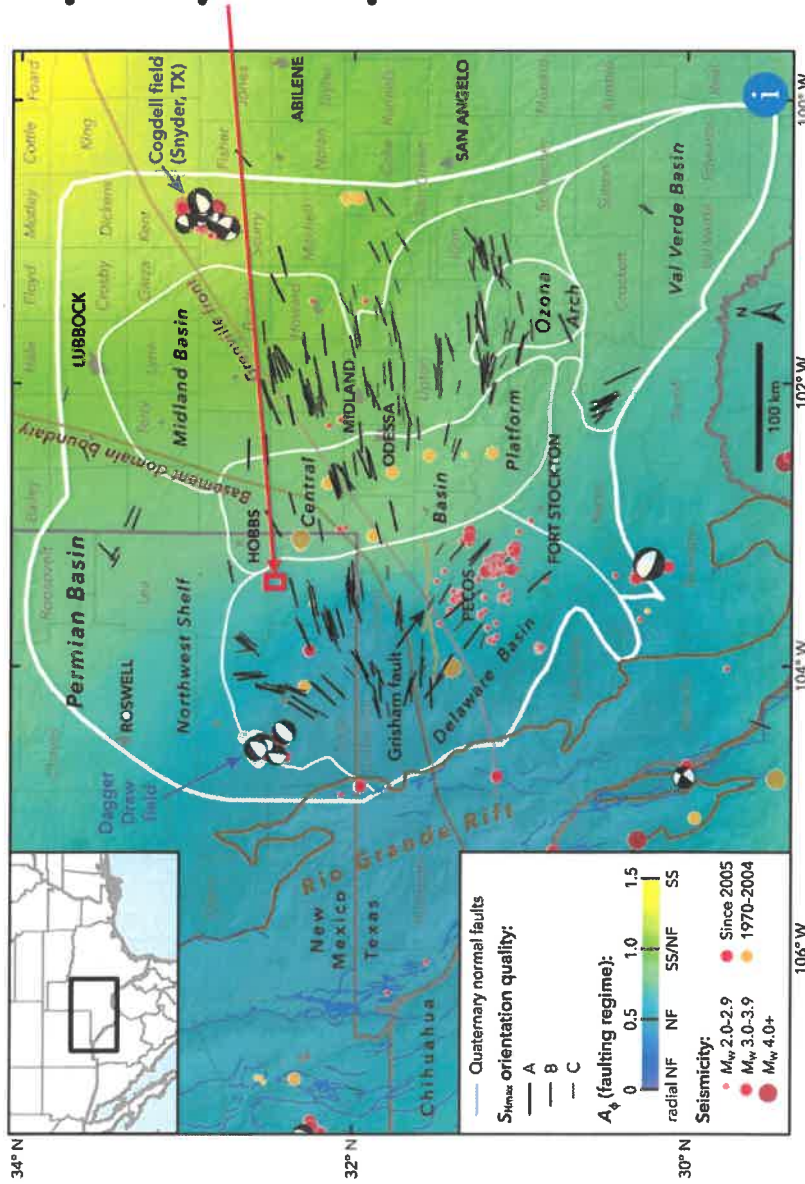
All wells shown

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 702H well is 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

