



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

Compulsory Pooling

Case No. 23612: Treble State Com 601H

**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. 23612

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Tab C: Self Affirmed Declaration of Ben Kessel, Geologist

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23612	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:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Pearl; Bone Spring Pool (Pool Code 49680) (Section 27) and the Pearl; Bone Spring South (Pool Code 49685) (Section 34)
Well Location Setback Rules:	State-Wide Rules Apply to each pool
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres for both pools
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 is approval of non-standard unit requested in this application?</u>	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 601H (API Pending)	SHL: 265' FSL & 695' 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: Bone Spring TVD: 10,686' MVD: 20,686'



Horizontal Well First and Last Take Points	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	OCD Hearing 7-6-23

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
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. 23612

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.



8. In this case, FME3 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.

9. This spacing unit will be dedicated to the **Treble State Com 601H** 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 two pools: The Pearl; Bone Spring Pool (Pool Code 49680) (Section 27) and the Pearl; Bone Spring South (Pool Code 49685) (Section 34).

13. Each of these pools is an oil pool with 40-acre building blocks.

14. Each of these pools 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 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 well.

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 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 unleased mineral 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.

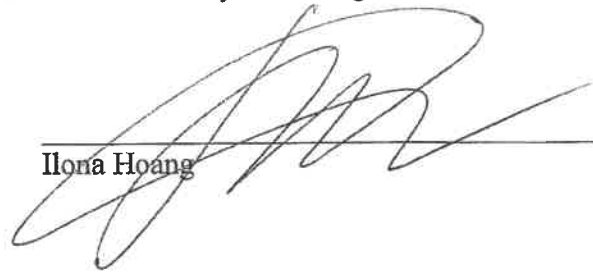
30. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[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 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. 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.

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	³ Pool Name
49680 (SEC. 27), 49685 (SEC. 34)		PEARL;BONE SPRING & PEARL;BONE SPRING, SOUTH
⁴ Property Code	⁵ Property Name	⁶ Well Number
	TREBLE STATE COM	601H
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3686.8'

¹⁰ Surface Location

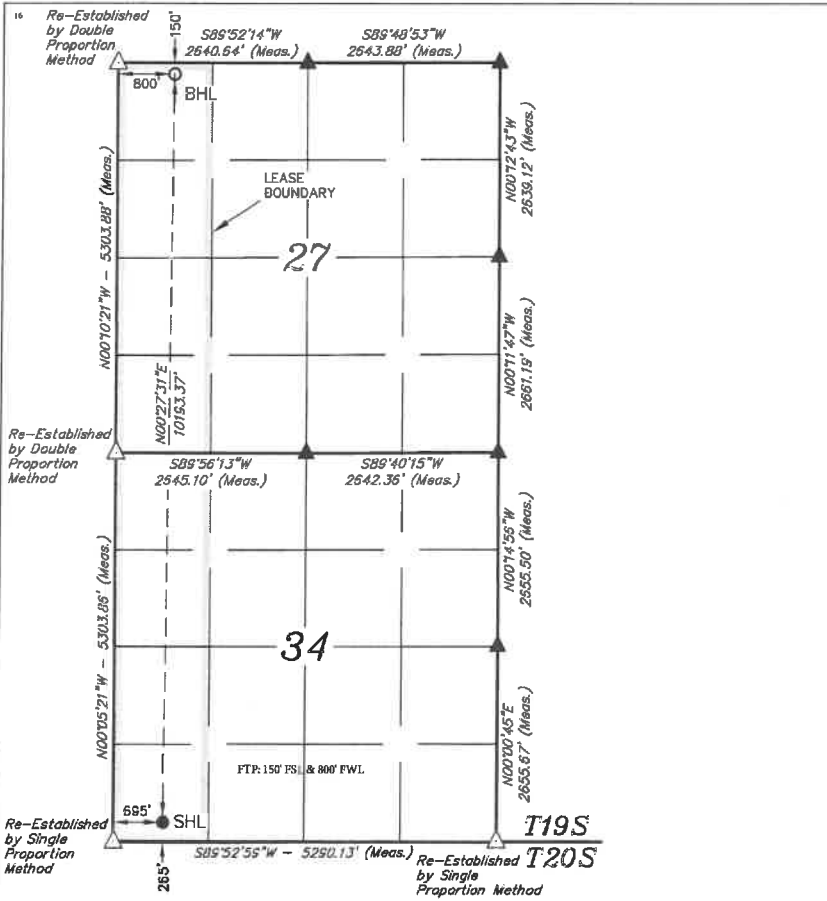
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	19S	35E		265	SOUTH	695	WEST	LEA

¹¹ 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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.



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

Printed Name: Rachael Overbey

E-mail Address: roverbey@fmllc.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: _____

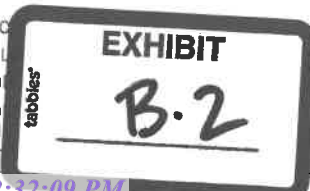
SCALE
0 1000' 2000'

Certificate Number: _____

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W102°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 or



NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°36'37.68" (32.6103011°)
LONGITUDE = 103°27'05.29" (103.451469°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°36'36.64" (32.610178°)
LONGITUDE = 103°27'03.53" (103.450981°)
STATE PLANE NAD 83 (N.M. EAST)
N: 586884.59' E: 812883.27'
STATE PLANE NAD 27 (N.M. EAST)
N: 586821.67' E: 711702.21'
NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°38'17.92" (32.638311°)
LONGITUDE = 103°27'03.85" (103.451069°)
NAD 27 (BOTTOM HOLE LOCATION)
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: 711740.98'

Lease Tract Map

Case No. 23612
W2W2 of Section 27 & 34-T19S-R35E, 320 Acres
Treble State Com 601H

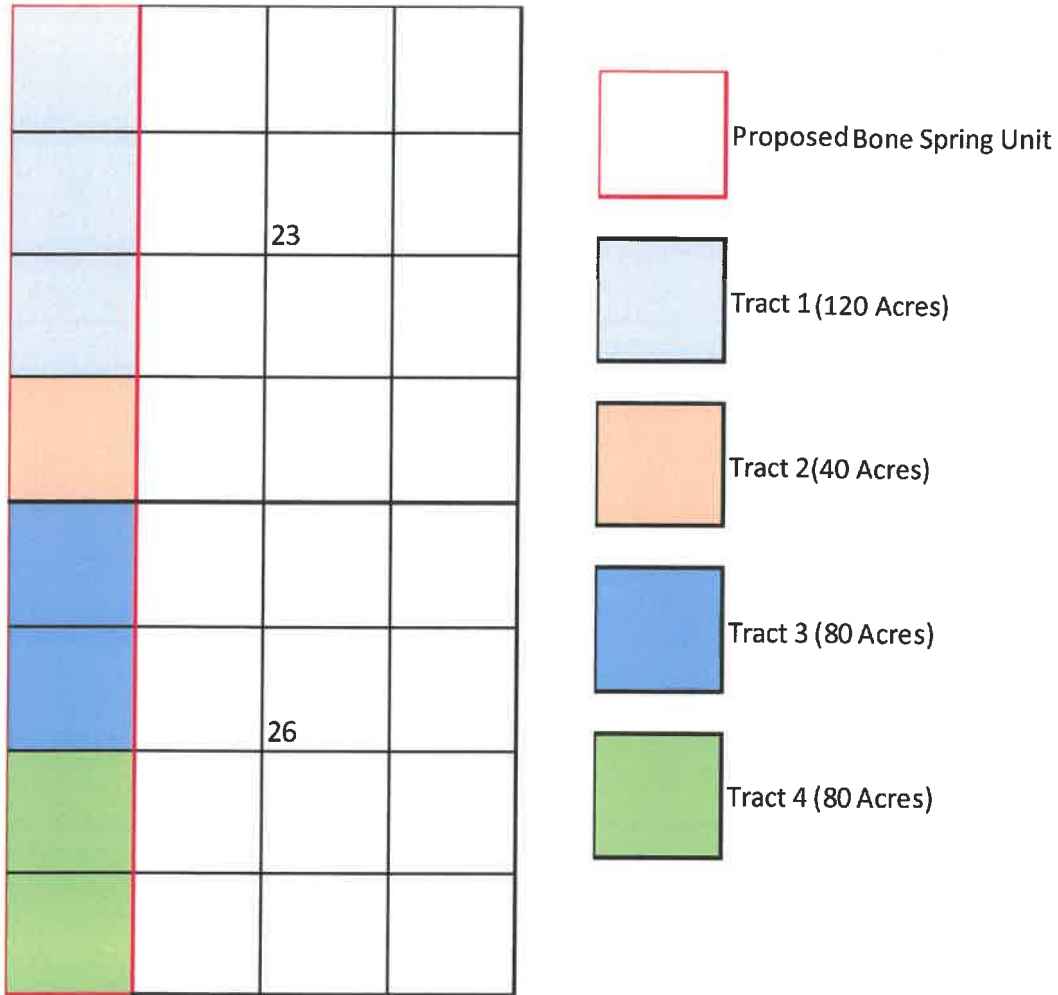


EXHIBIT
 tabbies* **B.3**



Summary of Interests

Case No. 23612
W2W2 of Section 27 & 34-T19S-R35E, 320 Acres
Treble State Com 601H

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. Wachmuth GST Trust	1.2499999%
Jack P. Hooper, Trustee, Jack P. Hooper GST Trust	1.2499999%
Total:	100.0000000%

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



Unit Recapitulation

Case No. 23612
 W2W2 of Section 27 & 34-T19S-R35E, 320 Acres
 Treble State Com 601H

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%
Total:	100.0000000%

* 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



Parties To Be Pooled—Treble 601/701/801	
Name	Ownership Type
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 rd 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@fme3.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 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 Coon 601H
Location: SHL - See 34-T19S-R34E 250 FSL 69S FWL
BHL - See 27-T19S-R35E 150 FNL 800 FWL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' 3BS well
TYD 10,687, MD 20,686.

Well #: 601H
County/State: Lea Co., NM
Date Prepared: 2/13/2023
APE #: DCB230205

Intangible Drilling Costs			Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,500
225	10	CASING CREW & EQPT	\$50,000
225	15	CEMENTING INTERMEDIATE CASING	\$40,000
225	16	CEMENTING PRODUCTION CASING	\$80,000
225	20	CEMENTING SURFACE CASING	\$36,000
225	25	COMMUNICATIONS	\$21,000
225	30	COMPLETION FLUIDS	\$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000
225	40	CONTRACT LABOR	\$55,000
225	45	DAMAGES	\$15,000
225	50	DAYWORK CONTRACT	\$585,000
225	55	DRILLING - DIRECTIONAL	\$220,000
225	60	DRILLING - FOOTAGE	\$90,000
225	65	DRILLING BITS	\$100,000
225	70	ELECTRICAL POWER/GENERATION	\$0
225	75	ENGINEERING	\$21,000
225	80	ENVIRONMENTAL SERVICES	\$210,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000
225	85	EQUIPMENT RENTAL	\$30,000
225	90	FISHING TOOLS/SERVICES	\$0
225	95	HEALTH & SAFETY	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$19,000
225	105	INSURANCE	\$1,900
225	106	INSPECTIONS	\$17,000
225	110	LEGAL, TITLE SERVICES	\$6,000
225	113	MATERIALS & SUPPLIES	\$5,000
225	120	MISCELLANEOUS	\$5,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000
225	130	MUD & CHEMICALS	\$190,000
225	140	OPENHOLE LOGGING	\$0
225	141	CASED HOLE LOGGING	\$0
225	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$170,000
225	155	RIG MOVE & RACKING COSTS	\$130,000
225	160	RIG UP TEAR OUT & STANDBY	\$0
225	163	SITE RESTORATION	\$10,000
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$75,600
225	173	SUPERVISION - GEOLOGICAL	\$41,400
225	180	TRANSPORTATION/TRUCKING	\$22,000
225	178	TAXES	\$134,057
225	35	CONTINGENCY COSTS 5%	\$121,870
Total Intangible Drilling Costs:			\$4,002,127

Tangible Drilling Costs			Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,144,050
230	35	SURFACE CASING & ATTACHMENTS	\$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$89,295
Total Tangible Drilling Costs:			\$1,712,843

Tangible Facility Costs			Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0
270	30	PRIMARY POWER MATERIALS	\$56,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000
270	60	H2S TREATING EQUIPMENT	\$0
270	65	SEPARATION EQUIPMENT	\$125,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0
270	75	PRE-FABRICATED SKIDS	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$137,000
270	90	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000
270	110	TANKS & WALKWAYS	\$90,000
270	130	MECHANICAL BATTERY BUILD	\$154,000
270	132	EL&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
Total Tangible Facility Costs:			\$1,007,924

Total Drilling	\$4,006,170.14
Total Completion	\$6,045,445.24
Total Facility	\$1,194,776.75
Total Intangible	\$8,196,122.54
Total Drilling	\$2,261,441.14

Total APE: \$11,650,312.43

Intangible Completion Costs			Amount
240	5	ADMINISTRATIVE OVERHEAD	\$8,200
240	10	CASED HOLE LOGS & SURVEYS	\$6,635
240	15	CASING CREW & EQPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$194,313
240	25	COMMUNICATIONS	\$1,896
240	30	COMPANY DIRECT LABOR	\$0
240	35	COMPLETION/WORKOVER RIG	\$75,000
240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
240	50	DAMAGES/RECLAMATION	\$1,896
240	55	DISPOSAL SOLIDS	\$2,844
240	60	ELECTRICAL POWER/GENERATION	\$0
240	62	ENGINEERING	\$5,687
240	65	ENVIRONMENTAL/CLEANUP	\$0
240	70	FISHING TOOLS / SERVICES	\$0
240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
240	72	FRAC WATER/COMPLETION FLUID	\$470,000
240	75	FUEL, POWER/DIESEL	\$50,000
240	80	HEALTH & SAFETY	\$4,700
240	85	HOUSING AND SUPPORT SERVICES	\$14,000
240	90	MATERIALS & SUPPLIES	\$0
240	95	MISCELLANEOUS	\$0
240	100	MUD & CHEMICALS	\$10,000
240	110	P&A/TA COSTS	\$0
240	115	PERFORATING/WIRELINE SERVICE	\$265,403
240	120	PIPE INSPECTION	\$0
240	125	ROAD, LOCATIONS REPAIRS	\$2,000
240	130	STIMULATION	\$2,616,000
240	135	SUBSURFACE EQUIPMENT RENTAL	\$37,915
240	140	SUPERVISION	\$90,047
240	145	SURFACE EQUIP RENTAL	\$189,573
240	150	TRANSPORTATION/TRUCKING	\$2,844
240	155	WATER TREATMENT	\$56,872
240	160	WELDING SERVICES	\$0
240	185	WELL TESTING/FLOWBACK	\$165,000
240	148	TAXES	\$273,599
240	40	CONTINGENCY COSTS 5%	\$248,726
Total Intangible Completion Costs:			\$7,196,810

Tangible Completion Costs			Amount
245	5	ARTIFICIAL LIFT	\$175,000
245	15	FLOWLINES	\$20,000
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$150,000
245	55	PRODUCTION TUBING	\$0
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$50,000
245	75	WELLHEAD EQUIPMENT	\$125,000
245	70	TAXES	\$28,600
Total Tangible Completion Costs:			\$748,600

Intangible Facility Costs			Amount
265	5	CONSULTING	\$18,100
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
265	22	PAD/ROAD CONSTRUCTION	\$50,000
265	25	ENGINEERING / SERVICE	\$22,000
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$3,000
265	80	SURVEY / PLATS / STAKINGS	\$1,500
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$6,423
265	10	CONTINGENCY COSTS 5%	\$5,930
Total Intangible Facility Costs:			\$111,953

Office Use Only:

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]*
Craig Walter
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 ATTACHMENT



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 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
L A W Y E R S

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 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 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

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.
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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.

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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;

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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 2:32:09 PM

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: 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.



OCD Hearing 7-6-23
No. 23612



Received by OCD: 7/3/2023 2:29:43 PM

Released to Imaging: 7/3/2023 2:32:09 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 2:29:43 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: [Signature]
 Dated: [Signature]



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 CAPPS		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.	LTCC 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 # 1087526
COMMISSION EXPIRES 01/29/27

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



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/ocd/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; 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/ocd/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/ocd/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/ocd/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.

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

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 601H well**, which will target the Third Bone Spring.

7. **Exhibit C.3** is a structure map of the Third Bone Spring formation. The proposed spacing unit is identified by a purple box. Treble State Com 601H 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 601H 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 Third Bone Spring 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 Third Bone Spring formation increases to the northwest.

11. **Exhibit C.6** is an Isopach map of the Third Bone Spring formation. The gross interval thickness increases to the northwest.

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.

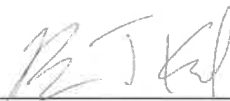
15. In my opinion, the granting of FME3's application is in the interests of conservation and the prevention of waste.

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

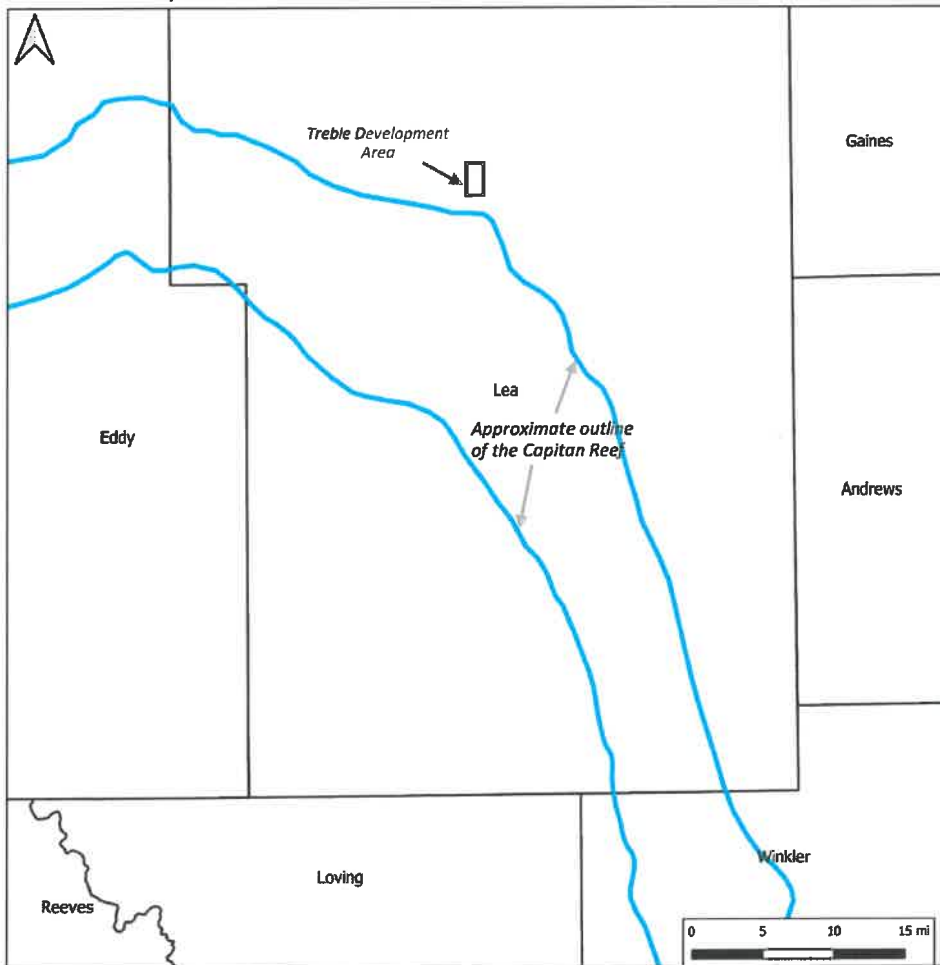


Ben Kessel



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

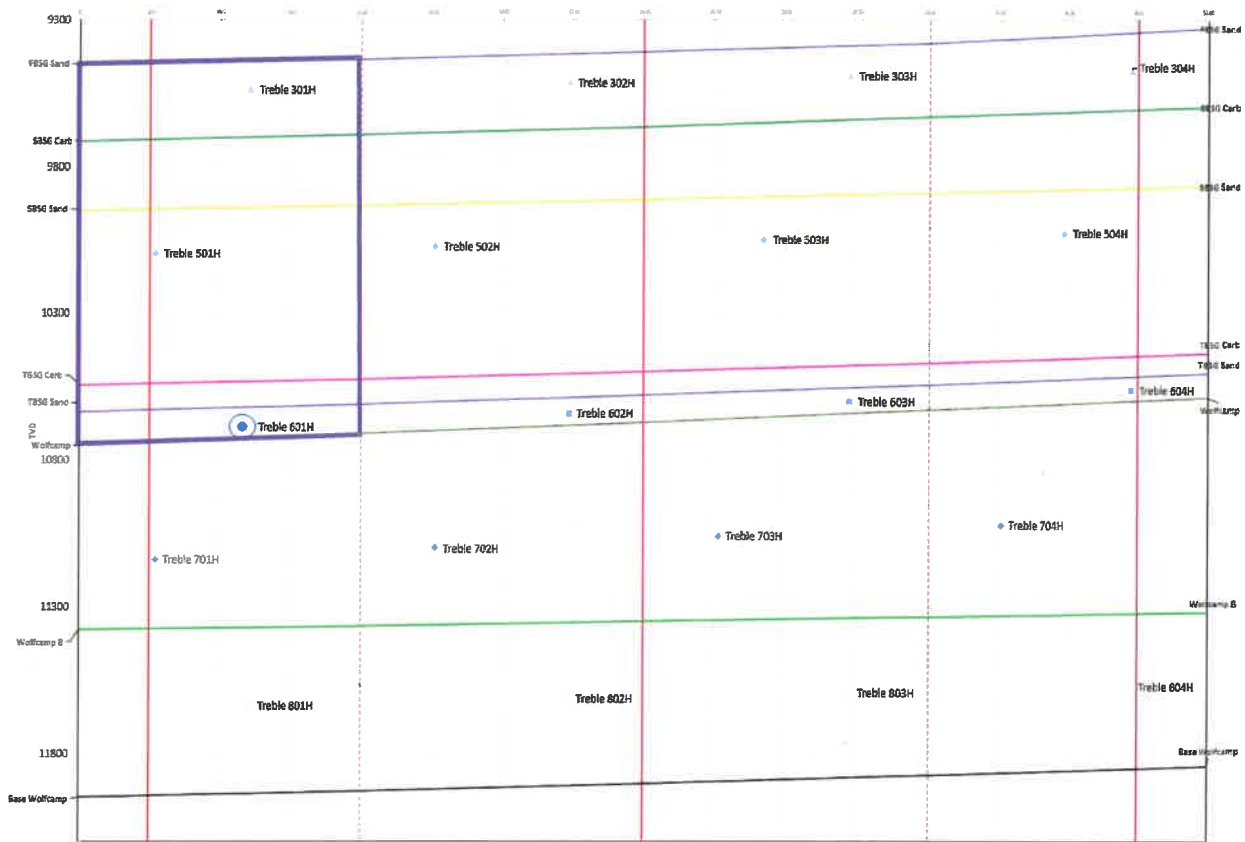
https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20Capitan%20PDF%20w_Seals.pdf



Wellbore Schematic



19S 35E Section 34-Looking North
Distance FWL

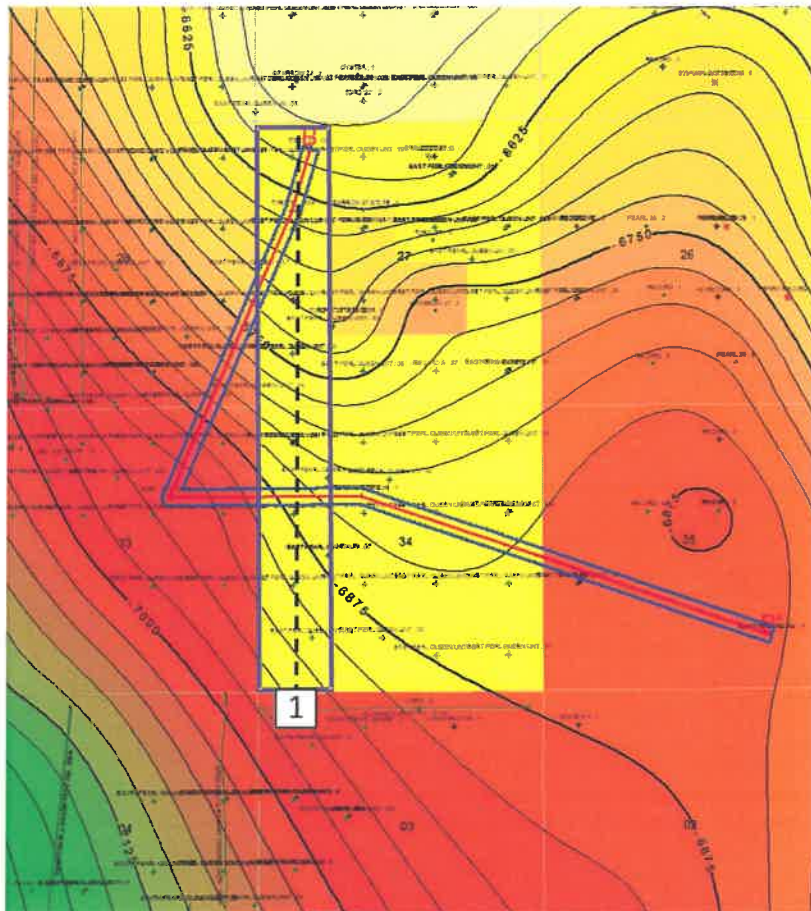


⦿ Proposed Lateral

▭ Bone Spring Spacing Unit



TBSG Structure



- Franklin Mountain Acreage
- Bone Spring Spacing Unit
- Proposed Horizontal Location
- 1 Treble State Com 601H

All wells shown

1 mile

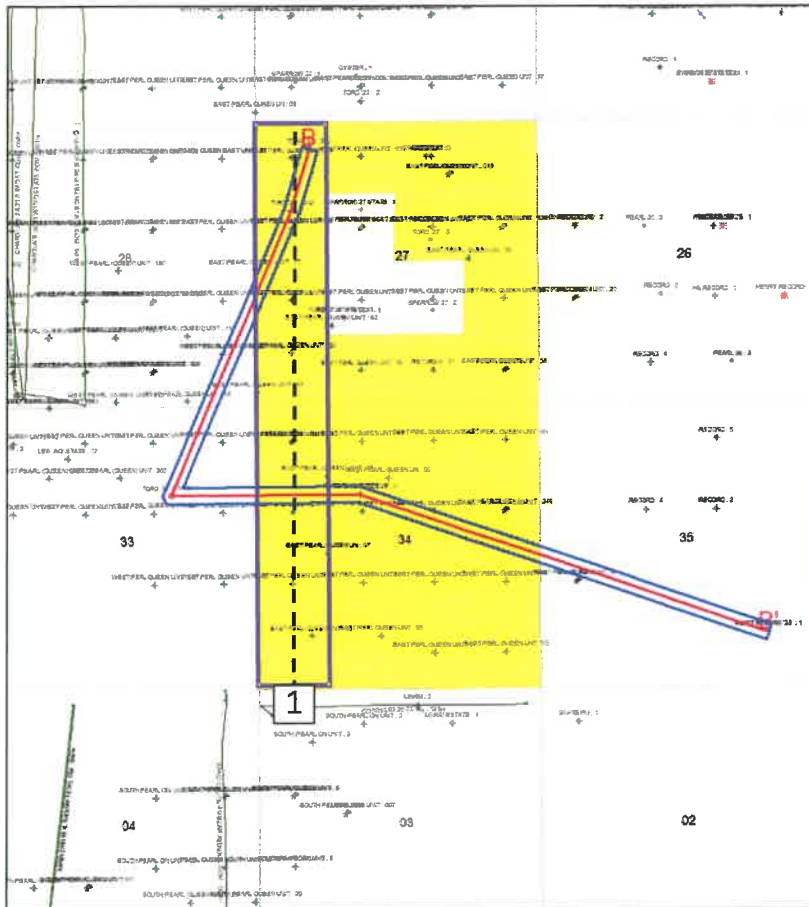


OCD Hearing 7-6-23

No. 23612

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Cross Section Reference Map



- Franklin Mountain Acreage
- Bone Spring Spacing Unit
- Proposed Horizontal Location
- 1 Treble State Com 601H

All wells shown

1 mile



Bone Spring Cross Section

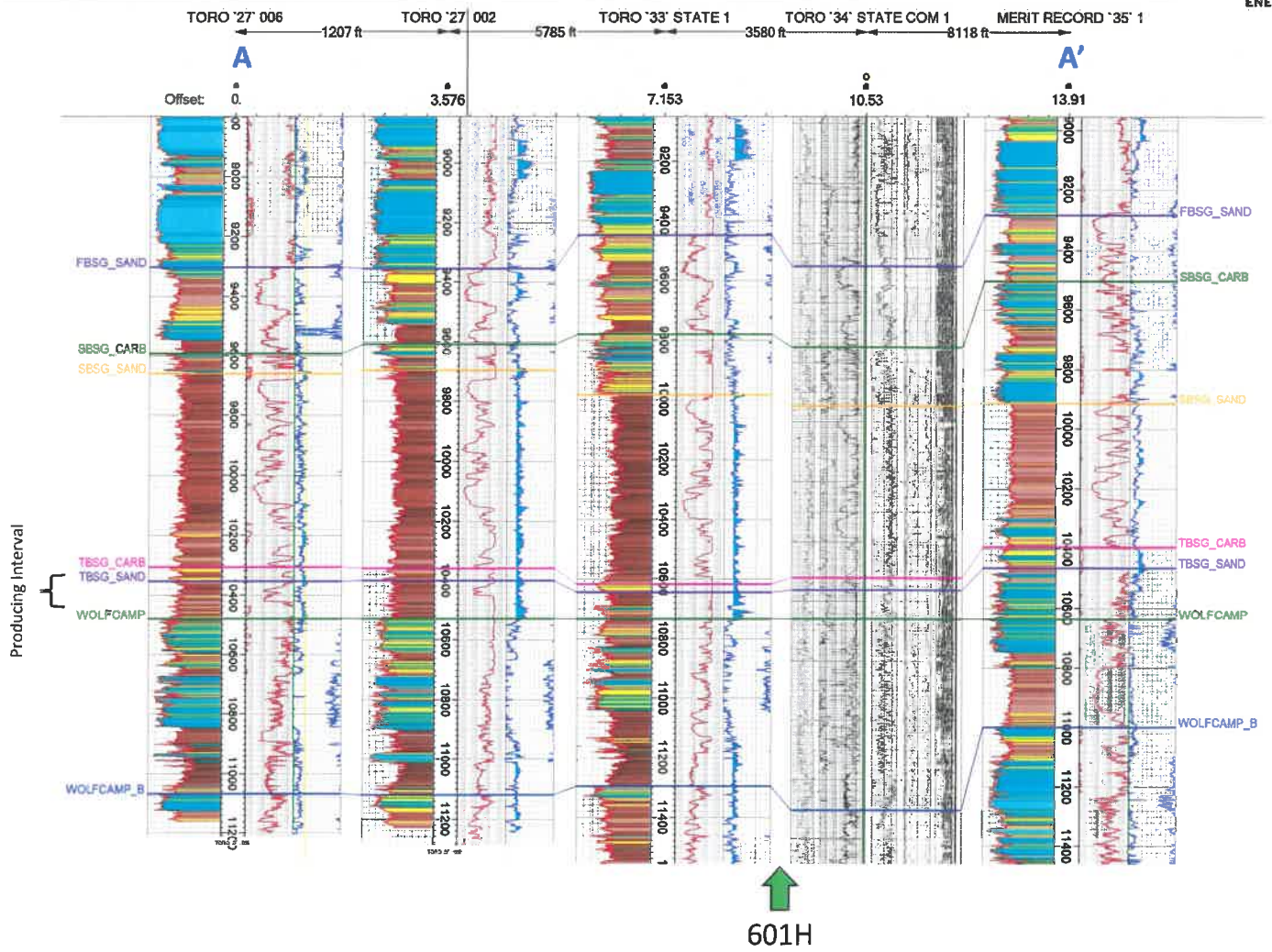
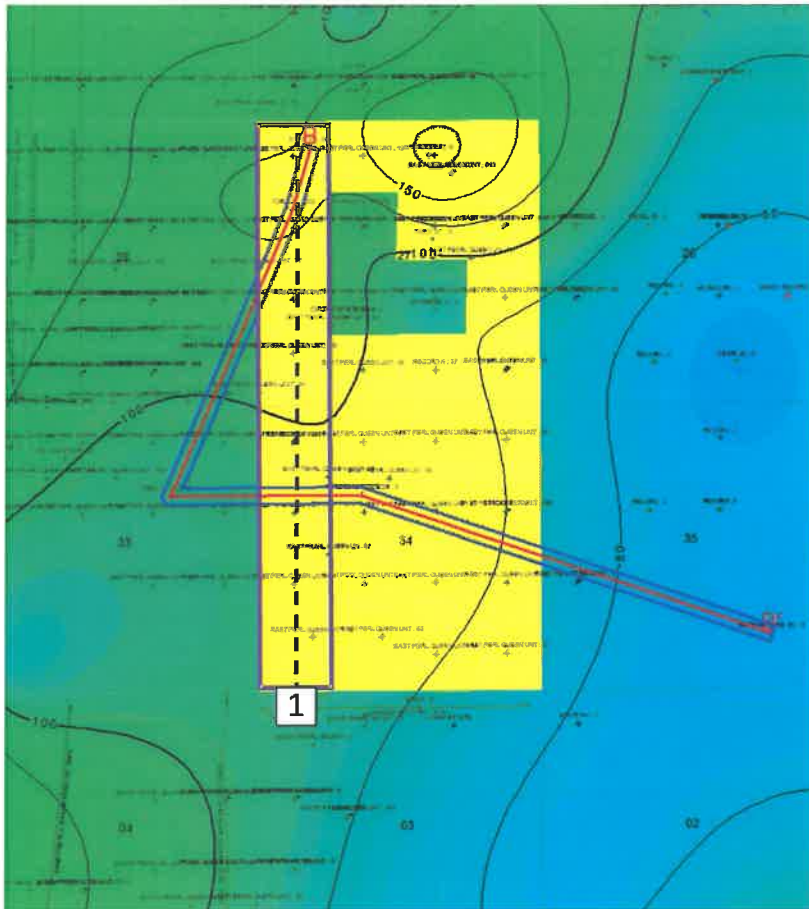






EXHIBIT
 tabbles® **C.5**

TBSG Isopach



-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit
-  Proposed Horizontal Location
-  Treble State Com 601H

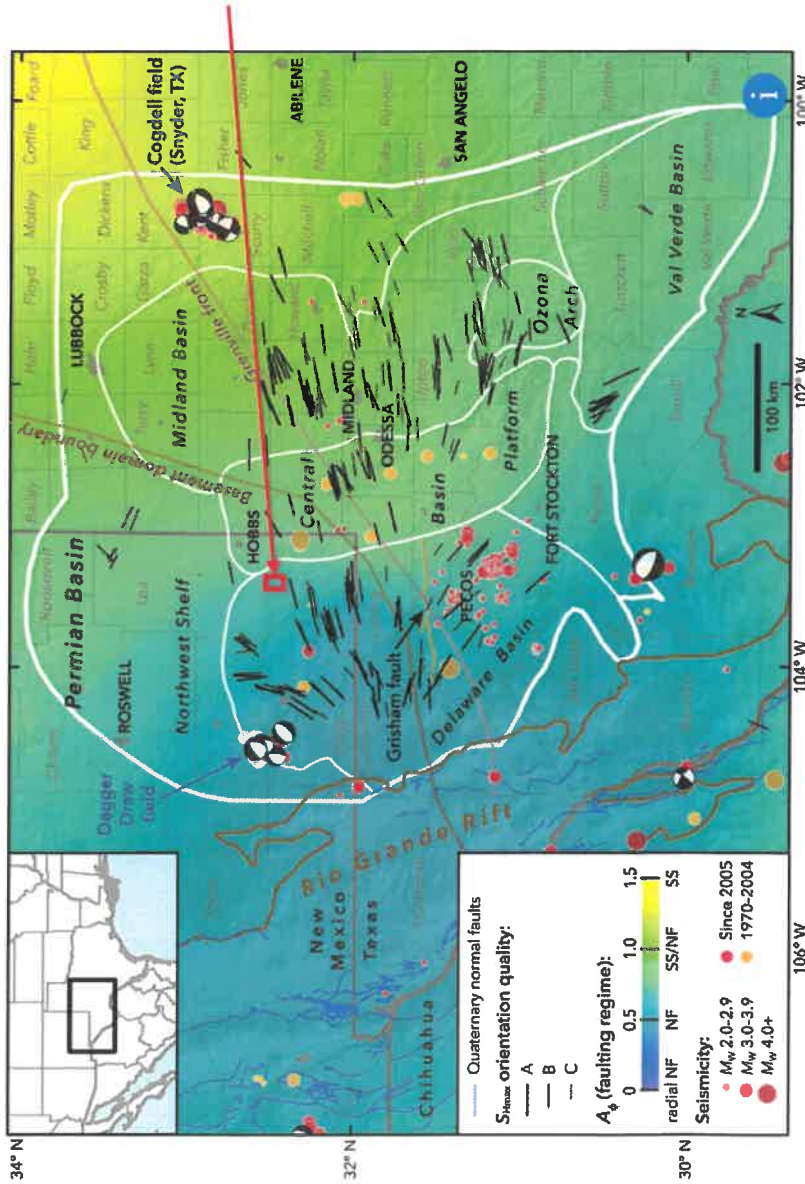
All wells shown

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 601H 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

