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

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

CASE NO.

APPLICATION

Franklin Mountain Energy, LLC ("Franklin"), OGRID Number 373910, 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 360-acre, more or less, Avalon/Delaware horizontal spacing unit comprising the W/2E/2 of Sections 16 and 21 and the NW/NE of Section 28, Township 24 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/2E/2 of Sections 16 and 21 and the NW/NE of Section 28, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a standard 360-acre, more or less, Avalon/Delaware horizontal spacing unit.

3. Franklin plans to drill the **Remington Fed Com 103H well** to a depth sufficient to test the Avalon/Delaware 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 Avalon/Delaware 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 Avalon/Delaware 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 October 5, 2023 and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Avalon/Delaware formation underlying a horizontal spacing unit within the W/2E/2 of Sections 16 and 21 and the NW/NE of Section 28, Township 24 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:<u>/s/ Deana M. Bennett</u> Earl E. DeBrine, Jr. Deana M. Bennett

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Post Office Box 2168 500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 edebrine@modrall.com deana.bennett@modrall.com Attorneys for Applicant **CASE NO.** _____: Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Avalon/Delaware horizontal spacing unit comprising the W/2E/2 of Sections 16 and 21 and the NW/NE of Section 28, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Remington Fed Com 103H 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, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles northwest of Jal, New Mexico.