

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

**APPLICATIONS OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING
AND NOTICE OF OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 23829-23832

CONSOLIDATED PRE-HEARING STATEMENT

Franklin Mountain Energy 3, LLC (“Franklin”) submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

FRANKLIN MOUNTAIN ENERGY 3, LLC

ATTORNEY

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Earl E. DeBrine
Yarithza Peña
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OTHER PARTIES

None

ATTORNEY

STATEMENT OF CASES

APPLICANT:

In Case No. 23829, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing

unit comprising the W/2W/2 of Sections 24 and 25 and the NW/NW of Section 36, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Satellite State Com 701H and Satellite State Com 801H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 36, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

In Case No. 23830, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Sections 24 and 25 and the NE/NW of Section 36, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Satellite State Com 702H and Satellite State Com 802H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 36, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

In Case No. 23831, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 24 and 25 and the NW/NE of Section 36, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Satellite State Com 703H and Satellite State Com 803H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 36, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

In Case No. 23832, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 24 and 25 and the NE/NE of Section 36, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Satellite State Com 704H and Satellite State Com 804H wells**, to be horizontally drilled.

The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 36, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Don Johnson	Approx. 10 minutes	Approx. 10
Geologist: Ben Kessel	Approx. 10 minutes	Approx. 15

PROCEDURAL ISSUES

To date, no party has entered an appearance nor is there any expected opposition to these cases and Franklin intends to present these cases by affidavit.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 270133

QUESTIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 270133
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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