

**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 for an order pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 of Sections 28 and 33, Township 18 South, Range 34 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/2 of Sections 28 and 33, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a 640-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the **Hook State Com 303H, Hook State Com 304H, Hook State Com 503H, Hook State Com 504H, Hook State Com 603H and the Hook State Com 604H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.
4. The completed intervals for the Hook State Com 304H and the Hook State Com 604H wells are expected to be less than 330’ from the adjoining tracts thereby allowing for the

inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

5. 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 wells or to otherwise commit their interests to the wells.

6. 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 November 2, 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/2 of Sections 28 and 33, Township 18 South, Range 34 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
Yarithza Peña
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
yarithza.pena@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 standard 640-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 of Sections 28 and 33, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Hook State Com 303H, Hook State Com 304H, Hook State Com 503H, Hook State Com 504H, Hook State Com 603H and the Hook State Com 604H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The completed intervals for the Hook State Com 304H and the Hook State Com 604H wells are expected to be less than 330' from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. 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, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 21 miles west of Hobbs, New Mexico.