

# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING<br>UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24110-24112, 24115

## APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC <br> FOR COMPULSORY POOLING AND NOTICE OF <br> OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 23833, 23835,
23838, 23839

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- Exhibit E-4: Affidavit of Publication


## COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23833

## Date

| Applicant |
| :--- |
| Designated Opera |
| Applicant's Couns |
| Case Title: |
| Entries of Appear |
| Well Family |
| Formation/Pool |

Formation/Pool

| Formation Name(s) or Vertical Extent: | W |
| :--- | :--- |
| Primary Product (Oil or Gas): | O |


| Pooling this vertical extent: |  |
| :--- | :--- |
| Pool Name and Pool Code: |  |

Well Location Setback Rules:

## Spacing Unit

Type (Horizontal/Vertical)

## Size (Acres)

Building Blocks:
Orientation:
Description: TRS/County
Oil

## APPLICANT'S RESPONSE

February 8, 2024 - February 9, 2024
Franklin Mountain Energy 3, LLC
Franklin Mountain Energy 3, LLC OGRID No. 331595
Modrall, Sperling, Roehl, Harris, \& Sisk, P.A.
Application of Franklin Mountain Energy 3, LLC for Compulsory
Pooling and Notice of Overlapping Spacing Unit, Lea County, New Mexico.
MRC Permian Company; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP

Cross State

Wolfcamp

Wolfcamp
Airstrip; Wolfcamp Pool (Code 970)
State-Wide Rules Apply

Horizontal
323.59-acres

40-Acres
North/South
W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the $S W / N E$, and $W / 2 S E / 4$ of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Yes.

N/A
N/A
N/A
See Exhibit B-17-b

Add wells as needed

API No. Pending
SHL: 1032' FNL \& 2100' FEL, (Unit B), Section 36, T18S, R34E
BHL: 130' FSL \& 2305' FEL, (Unit O), Section 1, T19S, R34E
Completion Target: Wolfcamp A (Approx. 11,017' TVD)
Orientation: North/South

| Received by $O C D: 2 / 15 / 202411: 05: 40$ AM wen +2 : cross state Com 8031 | API No. Pending <br> SHL: 1032' FNL \& 2070' FEL, (Unit B), Section 36, T18S, R34E BHL: $130^{\prime}$ FSL \& $1680^{\prime}$ FEL, (Unit O), Section 1, T19S, R34E Completion Target: Wolfcamp B (Approx. 11,555' TVD) Orientation: North/South |
| :---: | :---: |
| Horizontal Well First and Last Take Points | See Exhibit B-17-a |
| Completion Target (Formation, TVD and MD) | See Exhibit B-17-c |
| AFE Capex and Operating Costs |  |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Pargraph 110 |
| Requested Risk Charge | 200\% |
| Notice of Hearing |  |
| Proposed Notice of Hearing | Exhibit E-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E-2; Exhibit E-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E-4 |
| Ownership Determination |  |
| Land Ownership Schematic of the Spacing Unit | Exhibit B-3; B-17-b |
| Tract List (including lease numbers and owners) | Exhibit B-17-b |
| 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-17-e |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above \& below) | N/A |
| Joinder |  |
| Sample Copy of Proposal Letter | See Exhibit B-17-c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-17-b |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B-16 |
| Overhead Rates In Proposal Letter | See Exhibit B-17-c |
| Cost Estimate to Drill and Complete | Exhibit B-17-d |
| Cost Estimate to Equip Well | Exhibit B-17-d |
| Cost Estimate for Production Facilities | Exhibit B-17-d |
| Geology |  |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-1 |
| Well Orientation (with rationale) | Exhibit C-2 |
| Target Formation | Exhibit C-4-A to C-4-F |
| HSU Cross Section | Exhibit C-4-B; C-4-E |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables |  |
| C-102 | See Exhibit B-17-a |


| Received by OCD: 2/15/2024 11:05:40 AM- |
| :--- |
| Tracts Exhibit B-17-b <br> Summary of Interests, Unit Recapitulation (Tracts) Exhibit B-17-b <br> General Location Map (including basin) Exhibit C-1 <br> Well Bore Location Map Exhibit C-4-A; C-4-D <br> Structure Contour Map - Subsea Depth Exhibit C-4-A; C-4-D <br> Cross Section Location Map (including wells) Exhibit C-4-A; C-4-D <br> Cross Section (including Landing Zone) Exhibit C-4-B; C-4-E <br> Additional Information  <br> Special Provisions/Stipulations N/A <br> CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.  <br> Printed Name (Attorney or Party Representative): Deana M. Bennett <br> Signed Name (Attorney or Party Representative): /s/Deana M. Bennett <br> Date:  |

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23835

## Date

Applicant
Designated Operator \& OGRID (affiliation if applicable)
Applicant's Counsel:

| Case Title: |
| :--- |
| Entries of Appearance/Intervenors: |

## Well Family

Formation/Pool

| Formation Name(s) or Vertical Extent: | W |
| :--- | :--- |
| Primary Product (Oil or Gas): | O |
| Pooling this vertical extent: | W |
| Pool Name and Pool Code: | A |
| Well Location Setback Rules: | S |

## Spacing Unit

Type (Horizontal/Vertical)

## Size (Acres)

Building Blocks:
Orientation:
Description: TRS/County

## APPLICANT'S RESPONSE

February 8, 2024 - Febraury 9, 2024
Franklin Mountain Energy 3, LLC
Franklin Mountain Energy 3, LLC OGRID No. 331595
Modrall, Sperling, Roehl, Harris, \& Sisk, P.A.
Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Lea County, New Mexico.
MRC Permian Company; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP
Cross State

Wolfcamp
Oil
Wolfcamp
Airstrip; Wolfcamp Pool (Code 970)
State-Wide Rules Apply

## Horizontal

323.73-acres

40-Acres
North/South
W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4 , the SW/NW, and W/2 SW/4 of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Yes.

N/A
N/A
N/A
See Exhibit B-18-b

Add wells as needed

API No. Pending
SHL: 1350' FNL \& 380' FWL, (Unit E), Section 36, T18S, R34E
BHL: 130' FSL \& 360' FWL, (Unit M) Section 1, T19S, R34E
Completion Target: Wolfcamp A (Approx. 11,044' TVD)
Orientation: North/South

| Received by OCD:2/15/202411:05:40 AM Wen +2 : Cross state Com 801 . | API No. Pending <br> SHL: 1375' FNL \& 392' FWL, (Unit E), Section 36, T18S, R34 BHL: 130' FSL \& 900' FWL, (Unit M), Section 1, T19S, R34E Completion Target: Wolfcamp B (Approx. 11,614' TVD) Orientation: North/South |
| :---: | :---: |
| Horizontal Well First and Last Take Points | See Exhibit B-18-a |
| Completion Target (Formation, TVD and MD) | See Exhibit B-18-c |
| AFE Capex and Operating Costs |  |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Pargraph 110 |
| Requested Risk Charge | 200\% |
| Notice of Hearing |  |
| Proposed Notice of Hearing | Exhibit E-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E-2; Exhibit E-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E-4 |
| Ownership Determination |  |
| Land Ownership Schematic of the Spacing Unit | Exhibit B-3; B-18-b |
| Tract List (including lease numbers and owners) | Exhibit B-18-b |
| 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-18-e |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above \& below) | N/A |
| Joinder |  |
| Sample Copy of Proposal Letter | See Exhibit B-18-c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-18-b |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B-16 |
| Overhead Rates In Proposal Letter | See Exhibit B-18-c |
| Cost Estimate to Drill and Complete | Exhibit B-18-d |
| Cost Estimate to Equip Well | Exhibit B-18-d |
| Cost Estimate for Production Facilities | Exhibit B-18-d |
| Geology |  |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-1 |
| Well Orientation (with rationale) | Exhibit C-2 |
| Target Formation | Exhibit C-4-A to C-4-F |
| HSU Cross Section | Exhibit C-4-B; C-4-E |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables |  |
| C-102 | See Exhibit B-18-a |


| Received by OCD: 2/15/2024 11:05:40 AM- |
| :--- |
| Tracts Exhibit B-18-b <br> Summary of Interests, Unit Recapitulation (Tracts) Exhibit B-18-b <br> General Location Map (including basin) Exhibit C-1 <br> Well Bore Location Map Exhibit C-4-A; C-4-D <br> Structure Contour Map - Subsea Depth Exhibit C-4-A; C-4-D <br> Cross Section Location Map (including wells) Exhibit C-4-A; C-4-D <br> Cross Section (including Landing Zone) Exhibit C-4-B; C-4-E <br> Additional Information  <br> Special Provisions/Stipulations N/A <br> CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.  <br> Printed Name (Attorney or Party Representative): Deana M. Bennett <br> Signed Name (Attorney or Party Representative): /s/ Deana M. Bennétt <br> Date:  |


| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS |  |
| :---: | :---: |
| Case: 23838 | APPLICANT'S RESPONSE |
| Date | February 8, 2024 - Febraury 9, 2024 |
| Applicant | Franklin Mountain Energy 3, LLC |
| Designated Operator \& OGRID (affiliation if applicable) | Franklin Mountain Energy 3, LLC OGRID No. 331595 |
| Applicant's Counsel: | Modrall, Sperling, Roehl, Harris, \& Sisk, P.A. |
| Case Title: | Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Lea County, New Mexico. |
| Entries of Appearance/Intervenors: | MRC Permian Company; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP |
| Well Family | Cross 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: | Airstrip; Wolfcamp Pool (Code 970) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit |  |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 323.51-acres |
| Building Blocks: | 40-Acres |
| Orientation: | North/South |
| Description: TRS/County | E/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the $S E / N E$, and $E / 2 S E / 4$ of Section 1 (the equivalent of the $E / 2 E / 2$ of Section 1), Township 19 South, Range 34 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? | Yes. |
| Other Situations |  |
| Depth Severance: $\mathrm{Y} / \mathrm{N}$. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B-19-b |
| 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: Cross State Com 704H | API No. Pending <br> SHL: 930' FNL \& 914' FEL, (Unit A), Section 36, T18S, R34E BHL: 130' FSL \& 980' FEL, (Unit P) Section 1, T19S, R34E Completion Target: Wolfcamp A (Approx. 11,004' TVD) Orientation: North/South |


| Receivel by OCP: 2115/202411:05:40 AM Weir $\# 2$ : Cross state com 8041 | API No. Pending <br> SHL: 927' FNL \& 884' FEL, (Unit A), Section 36, T18S, R34E BHL: 130' FSL \& 360' FEL, (Unit P), Section 1, T19S, R34E Completion Target: Wolfcamp B (Approx. 11,526' TVD) Orientation: North/South |
| :---: | :---: |
| Horizontal Well First and Last Take Points | See Exhibit B-19-a |
| Completion Target (Formation, TVD and MD) | See Exhibit B-19-c |
| AFE Capex and Operating Costs |  |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Pargraph 110 |
| Requested Risk Charge | 200\% |
| Notice of Hearing |  |
| Proposed Notice of Hearing | Exhibit E-1 |
| Proof of Mailed Notice of Hearing ( 20 days before hearing) | Exhibit E-2; Exhibit E-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E-4 |
| Ownership Determination |  |
| Land Ownership Schematic of the Spacing Unit | Exhibit B-3; B-19-b |
| Tract List (including lease numbers and owners) | Exhibit B-19-b |
| 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-19-e |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above \& below) | N/A |
| Joinder |  |
| Sample Copy of Proposal Letter | See Exhibit B-19-c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-19-b |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B-16 |
| Overhead Rates In Proposal Letter | See Exhibit B-19-C |
| Cost Estimate to Drill and Complete | Exhibit B-19-d |
| Cost Estimate to Equip Well | Exhibit B-19-d |
| Cost Estimate for Production Facilities | Exhibit B-19-d |
| Geology |  |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-1 |
| Well Orientation (with rationale) | Exhibit C-2 |
| Target Formation | Exhibit C-4-A to C-4-F |
| HSU Cross Section | Exhibit C-4-B; C-4-E |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables |  |
| C-102 | See Exhibit B-19-a |


| Received by $O C D: 2 / 15 / 2024$ 11:05:40 AM- |
| :--- |
| Tracts Exhibit B-19-b <br> Summary of Interests, Unit Recapitulation (Tracts) Exhibit B-19-b <br> General Location Map (including basin) Exhibit C-1 <br> Well Bore Location Map Exhibit C-4-A; C-4-D <br> Structure Contour Map - Subsea Depth 391  <br> Cross Section Location Map (including wells) Exhibit C-4-A; C-4-D <br> Cross Section (including Landing Zone) Exhibit C-4-A; C-4-D <br> Additional Information Exhibit C-4-B; C-4-E <br> Special Provisions/Stipulations  <br> CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.  <br> Printed Name (Attorney or Party Representative): Deana M. Bennett <br> Signed Name (Attorney or Party Representative): /S/Deana M. Bennett <br> Date:  |


| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS |  |
| :---: | :---: |
| Case: 23839 | APPLICANT'S RESPONSE |
| Date | February 8, 2024 - February 9, 2024 |
| Applicant | Franklin Mountain Energy 3, LLC |
| Designated Operator \& OGRID (affiliation if applicable) | Franklin Mountain Energy 3, LLC OGRID No. 331595 |
| Applicant's Counsel: | Modrall, Sperling, Roehl, Harris, \& Sisk, P.A. |
| Case Title: | Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Lea County, New Mexico. |
| Entries of Appearance/Intervenors: | MRC Permian Company; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP |
| Well Family | Cross 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: | Airstrip; Wolfcamp Pool (Code 970) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit |  |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 323.65-acres |
| Building Blocks: | 40-Acres |
| Orientation: | North/South |
| Description: TRS/County | E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2 SW/4 of Section 1 (the equivalent of the E/2W/2 of Section 1), Township 19 South, Range 34 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? | Yes. |
| Other Situations |  |
| Depth Severance: Y/N. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B-20-b |
| 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: Cross State Com 702H | API No. Pending <br> SHL: 1097' FNL \& 2232' FWL, (Unit C), Section 36, T18S, R34E <br> BHL: 130' FSL \& 1560' FWL, (Unit N), Section 1, T19S, R34E Completion Target: Wolfcamp A (Approx. 11,032' TVD) Orientation: North/South |



| Received by $O C D: 2 / 15 / 2024$ 11:05:40 AM- |
| :--- |
| Tracts Exhibit B-20-b <br> Summary of Interests, Unit Recapitulation (Tracts) Exhibit B-20-b <br> General Location Map (including basin) Exhibit C-1 <br> Well Bore Location Map Exhibit C-4-A; C-4-D <br> Structure Contour Map - Subsea Depth 391  <br> Cross Section Location Map (including wells) Exhibit C-4-A; C-4-D <br> Cross Section (including Landing Zone) Exhibit C-4-A; C-4-D <br> Additional Information Exhibit C-4-B; C-4-E <br> Special Provisions/Stipulations  <br> CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.  <br> Printed Name (Attorney or Party Representative): Deana M. Bennett <br> Signed Name (Attorney or Party Representative): /S/Deana M. Bennett <br> Date:  |


| $\qquad$ |  |
| :---: | :---: |
|  |  |
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS |  |
| Case: 24110 | APPLICANT'S RESPONSE |
| Date | February 8, 2024 - February 9, 2024 |
| Applicant | Franklin Mountain Energy 3, LLC |
| Designated Operator \& OGRID (affiliation if applicable) | Franklin Mountain Energy 3, LLC OGRID No. 331595 |
| Applicant's Counsel: | Modrall, Sperling, Roehl, Harris, \& Sisk, P.A. |
| Case Title: | Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Lea County, New Mexico. |
| Entries of Appearance/Intervenors: | MRC Permian Company; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP |
| Well Family | Cross 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: | Scharb; Bone Spring Pool (Code 55610); Airstrip; Bone Spring Pool (Code 960) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit |  |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 323.51-acres |
| Building Blocks: | 40-Acres (Note: OCD pool code spreadsheet states that the Scharb; Bone Spring Pool has 80 -acre building blocks, which is likely superceded by statewide rules. In any event, even with the 80-acre building blocks, the unit is standard.) |
| Orientation: | North/South |
| Description: TRS/County | E/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the $S E / N E$, and $E / 2 S E / 4$ of Section 1 (the equivalent of the $E / 2 E / 2$ of Section 1), Township 19 South, Range 34 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? | Yes. |
| Other Situations |  |
| Depth Severance: $\mathrm{Y} / \mathrm{N}$. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B-21-b |
| 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 |


| Received by OCD: 2/15/202411:05:40 AM Well \#1:Cross state Com 304 n | 'API No. Pending <br> SHL: 934' FNL \& 974' FEL, (Unit A), Section 36, T18S, R34E <br> BHL: 130' FSL \& 980' FEL, (Unit P), Section 1, T19S, R34E <br> Completion Target: First Bone Spring (Approx. 9,171' TVD) Orientation: North/South |
| :---: | :---: |
| Well \#2: Cross State Com 504H | 'API No. Pending <br> SHL: 932' FNL \& 944' FEL, (Unit A), Section 36, T18S, R34E BHL: 130' FSL \& 360' FEL, (Unit P), Section 1, T19S, R34E Completion Target: Second Bone Spring (Approx. 9,549' TVD) Orientation: North/South |
| Horizontal Well First and Last Take Points | See Exhibit B-21-a |
| Completion Target (Formation, TVD and MD) | See Exhibit B-21-c |
| AFE Capex and Operating Costs |  |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Pargraph 110 |
| Requested Risk Charge | 200\% |
| Notice of Hearing |  |
| Proposed Notice of Hearing | Exhibit E-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E-2; Exhibit E-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E-4 |
| Ownership Determination |  |
| Land Ownership Schematic of the Spacing Unit | Exhibit B-4; B-21-b |
| Tract List (including lease numbers and owners) | Exhibit B-21-b |
| 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-21-e |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above \& below) | N/A |
| Joinder |  |
| Sample Copy of Proposal Letter | See Exhibit B-21-c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-21-b |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B-16 |
| Overhead Rates In Proposal Letter | See Exhibit B-21-C |
| Cost Estimate to Drill and Complete | Exhibit B-21-d |
| Cost Estimate to Equip Well | Exhibit B-21-d |
| Cost Estimate for Production Facilities | Exhibit B-21-d |
| Geology |  |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-1 |
| Well Orientation (with rationale) | Exhibit C-2 |
| Target Formation | Exhibit C-3-A to C-3-F |



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| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS |  |
| Case: 24111 | APPLICANT'S RESPONSE |
| Date | February 8, 2024 - Febraury 9, 2024 |
| Applicant | Franklin Mountain Energy 3, LLC |
| Designated Operator \& OGRID (affiliation if applicable) | Franklin Mountain Energy 3, LLC OGRID No. 331595 |
| Applicant's Counsel: | Modrall, Sperling, Roehl, Harris, \& Sisk, P.A. |
| Case Title: | Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Lea County, New Mexico. |
| Entries of Appearance/Intervenors: | MRC Permian Company; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP |
| Well Family | Cross 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: | Scharb; Bone Spring pool (Code 55610); Airstrip; Bone Spring Pool (Code 960) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit |  |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 323.59-acres |
| Building Blocks: | 40-Acres (Note: OCD pool code spreadsheet states that the Scharb; Bone Spring Pool has 80-acre building blocks, which is likely superceded by statewide rules. In any event, even with the 80-acre building blocks, the unit is standard.) |
| Orientation: | North/South |
| Description: TRS/County | W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2 SE/4 of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 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? | Yes. |
| Other Situations |  |
| Depth Severance: $\mathrm{Y} / \mathrm{N}$. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B-22-b |
| 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 |


| Received by $O C D: 2 / 15 / 2024$ 11:05:40 AM Well \#1: Cross State Com 303 n | 'API No. Pending <br> SHL: 1032' FNL \& 2160' FEL, (Unit B), Section 36, T18S, R34E BHL: 130' FSL \& 2305' FEL, (Unit O), Section 1, T19S, R34E Completion Target: First Bone Spring (Approx. 9,175' TVD) Orientation: North/South |
| :---: | :---: |
| Well \#2: Cross State Com 503H | 'API No. Pending <br> SHL: 1032' FNL \& 2130' FEL, (Unit B), Section 36, T18S, R34E BHL: 130' FSL \& 1680' FEL, (Unit O), Section 1, T19S, R34E Completion Target: Second Bone Spring (Approx. 9,532' TVD Orientation: North/South |
| Horizontal Well First and Last Take Points | See Exhibit B-22-a |
| Completion Target (Formation, TVD and MD) | See Exhibit B-22-c |
| AFE Capex and Operating Costs |  |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Pargraph 110 |
| Requested Risk Charge | 200\% |
| Notice of Hearing |  |
| Proposed Notice of Hearing | Exhibit E-1 |
| Proof of Mailed Notice of Hearing ( 20 days before hearing) | Exhibit E-2; Exhibit E-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E-4 |
| Ownership Determination |  |
| Land Ownership Schematic of the Spacing Unit | Exhibit B-4; B-22-b |
| Tract List (including lease numbers and owners) | Exhibit B-22-b |
| 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-22-e |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above \& below) | N/A |
| Joinder |  |
| Sample Copy of Proposal Letter | See Exhibit B-22-c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-22-b |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B-16 |
| Overhead Rates In Proposal Letter | See Exhibit B-22-c |
| Cost Estimate to Drill and Complete | Exhibit B-22-d |
| Cost Estimate to Equip Well | Exhibit B-22-d |
| Cost Estimate for Production Facilities | Exhibit B-22-d |
| Geology |  |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-1 |
| Well Orientation (with rationale) | Exhibit C-2 |
| Target Formation | Exhibit C-3-A to C-3-F |



|  | N CHECKLIST Page 24 of |
| :---: | :---: |
| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS |  |
| Case: 24112 | APPLICANT'S RESPONSE |
| Date | February 8, 2024 - Febraury 9, 2024 |
| Applicant | Franklin Mountain Energy 3, LLC |
| Designated Operator \& OGRID (affiliation if applicable) | Franklin Mountain Energy 3, LLC OGRID No. 331595 |
| Applicant's Counsel: | Modrall, Sperling, Roehl, Harris, \& Sisk, P.A. |
| Case Title: | Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Lea County, New Mexico. |
| Entries of Appearance/Intervenors: | MRC Permian Company; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP |
| Well Family | Cross 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: | Scharb; Bone Spring pool (Code 55610); Airstrip; Bone Spring Pool (Code 960) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit |  |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 323.73-acres |
| Building Blocks: | 40-Acres (Note: OCD pool code spreadsheet states that the Scharb; Bone Spring Pool has 80 -acre building blocks, which is likely superceded by statewide rules. In any event, even with the 80-acre building blocks, the unit is standard.) |
| Orientation: | North/South |
| Description: TRS/County | W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4 , the SW/NW, and W/2SW/4 of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 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? | Yes. |
| Other Situations |  |
| Depth Severance: $\mathrm{Y} / \mathrm{N}$. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B-23-b |
| 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 |


| WVell \#1: Cross State Com 301H | 'API No. Pending <br> SHL: $1350^{\prime}$ FNL \& 320' FWL, (Unit E), Section 36, T18S, R34E BHL: 130' FSL \& 360' FWL, (Unit M), Section 1, T19S, R34E Completion Target: First Bone Spring (Approx. 9,172' TVD) Orientation: North/South |
| :---: | :---: |
| Well \#2: Cross State Com 501H | 'API No. Pending <br> SHL: 1350' FNL \& 350' FWL, (Unit E), Section 36, T18S, R34E BHL: 130' FSL \& 900' FWL, (Unit M), Section 1, T19S, R34E Completion Target: Second Bone Spring (Approx. 9,519' TVD) Orientation: North/South |
| Horizontal Well First and Last Take Points | See Exhibit B-23-a |
| Completion Target (Formation, TVD and MD) | See Exhibit B-23-c |
| AFE Capex and Operating Costs |  |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Pargraph 110 |
| Requested Risk Charge | 200\% |
| Notice of Hearing |  |
| Proposed Notice of Hearing | Exhibit E-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E-2; Exhibit E-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E-4 |
| Ownership Determination |  |
| Land Ownership Schematic of the Spacing Unit | Exhibit B-4; B-23-b |
| Tract List (including lease numbers and owners) | Exhibit B-23-b |
| 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-23-e |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above \& below) | N/A |
| Joinder |  |
| Sample Copy of Proposal Letter | See Exhibit B-23-c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-23-b |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B-16 |
| Overhead Rates In Proposal Letter | See Exhibit B-23-c |
| Cost Estimate to Drill and Complete | Exhibit B-23-d |
| Cost Estimate to Equip Well | Exhibit B-23-d |
| Cost Estimate for Production Facilities | Exhibit B-23-d |
| Geology |  |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-1 |
| Well Orientation (with rationale) | Exhibit C-2 |
| Target Formation | Exhibit C-3-A to C-3-F |


| Received by OCD: 2/15/2024 11:05:40 AM- |
| :--- |
| HSU Cross Section Exhibit C-3-B; C-3-E <br> Depth Severance Discussion N/A <br> Forms, Figures and Tables  <br> C-102 See Exhibit B-23-a <br> Tracts Exhibit B-23-b <br> Summary of Interests, Unit Recapitulation (Tracts) Exhibit B-23-b <br> General Location Map (including basin) Exhibit C-1 <br> Well Bore Location Map Exhibit C-3-A; C-3-D <br> Structure Contour Map - Subsea Depth Exhibit C-3-A; C-3-D <br> Cross Section Location Map (including wells) Exhibit C-3-A; C-3-D <br> Cross Section (including Landing Zone) Exhibit C-3-B; C-3-E <br> Additional Information  <br> Special Provisions/Stipulations N/A <br> CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.  <br> Printed Name (Attorney or Party Representative): Deana M. Bennett <br> Signed Name (Attorney or Party Representative): /S/Deana M. Bennett <br> Date:  |


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| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS |  |
| Case: 24115 | APPLICANT'S RESPONSE |
| Date | February 8, 2024 - Febraury 9, 2024 |
| Applicant | Franklin Mountain Energy 3, LLC |
| Designated Operator \& OGRID (affiliation if applicable) | Franklin Mountain Energy 3, LLC OGRID No. 331595 |
| Applicant's Counsel: | Modrall, Sperling, Roehl, Harris, \& Sisk, P.A. |
| Case Title: | Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Lea County, New Mexico. |
| Entries of Appearance/Intervenors: | MRC Permian Company; COG Operating LLC; Armstrong Energy Corporation; Slash Exploration LP |
| Well Family | Cross 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: | Scharb; Bone Spring pool (Code 55610); Airstrip; Bone Spring Pool (Code 960) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit |  |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 323.65-acres |
| Building Blocks: | 40-Acres (Note: OCD pool code spreadsheet states that the Scharb; Bone Spring Pool has 80 -acre building blocks, which is likely superceded by statewide rules. In any event, even with the 80-acre building blocks, the unit is standard.) |
| Orientation: | North/South |
| Description: TRS/County | E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the $S E / N W$, and $E / 2 S W / 4$ of Section 1 (the equivalent of the E/2W/2 of Section 1), Township 19 South, Range 34 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? | Yes. |
| Other Situations |  |
| Depth Severance: $\mathrm{Y} / \mathrm{N}$. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B-24-b |
| 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 |


| Received by $O C D: 2 / 15 / 2024$ 11:05:40 AM Well $n$ I: Cross State Com 302r | 'API No. Pending <br> SHL: 1097' FNL \& 2172' FWL, (Unit C), Section 36, T18S, R34E BHL: $130^{\prime}$ FSL \& 1660' FWL, (Unit N), Section 1, T19S, R34E Completion Target: First Bone Spring (Approx. 9,165' TVD) Orientation: North/South |
| :---: | :---: |
| Well \#2: Cross State Com 502H | 'API No. Pending <br> SHL: 1097' FNL \& 2202' FWL, (Unit C), Section 36, T18S, R34E BHL: 130' FSL \& 2300' FWL, (Unit N), Section 1, T19S, R34E Completion Target: Second Bone Spring (Approx. 9,535' TVD) Orientation: North/South |
| Horizontal Well First and Last Take Points | See Exhibit B-24-a |
| Completion Target (Formation, TVD and MD) | See Exhibit B-24-c |
| AFE Capex and Operating Costs |  |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Pargraph 110 |
| Requested Risk Charge | 200\% |
| Notice of Hearing |  |
| Proposed Notice of Hearing | Exhibit E-1 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E-2; Exhibit E-3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E-4 |
| Ownership Determination |  |
| Land Ownership Schematic of the Spacing Unit | Exhibit B-4; B-24-b |
| Tract List (including lease numbers and owners) | Exhibit B-24-b |
| 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-24-e |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above \& below) | N/A |
| Joinder |  |
| Sample Copy of Proposal Letter | See Exhibit B-24-c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-24-b |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B-16 |
| Overhead Rates In Proposal Letter | See Exhibit B-24-c |
| Cost Estimate to Drill and Complete | Exhibit B-24-d |
| Cost Estimate to Equip Well | Exhibit B-24-d |
| Cost Estimate for Production Facilities | Exhibit B-24-d |
| Geology |  |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-1 |
| Well Orientation (with rationale) | Exhibit C-2 |
| Target Formation | Exhibit C-3-A to C-3-F |


| Received by OCD: 2/15/2024 11:05:40 AM HSU Cross Section | Exhibit C-3-B; C-3-E | Page 29 of 391 |
| :---: | :---: | :---: |
| Depth Severance Discussion | N/A |  |
| Forms, Figures and Tables |  |  |
| C-102 | See Exhibit B-24-a |  |
| Tracts | Exhibit B-24-b |  |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit B-24-b |  |
| General Location Map (including basin) | Exhibit C-1 |  |
| Well Bore Location Map | Exhibit C-3-A; C-3-D |  |
| Structure Contour Map - Subsea Depth | Exhibit C-3-A; C-3-D |  |
| Cross Section Location Map (including wells) | Exhibit C-3-A; C-3-D |  |
| Cross Section (including Landing Zone) | Exhibit C-3-B; C-3-E |  |
| Additional Information |  |  |
| Special Provisions/Stipulations | N/A |  |
| 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): | /s/ Deana M. Benn |  |
| Date: |  | 2/1/2024 |

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

APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24110-24112, 24115
APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 23833, 23835, 23838, 23839

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 23961-23964
APPLICATIONS OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24142-24145
STATE OF COLORADO )
) ss.
COUNTY OF DENVER )
Lee Zink, being duly sworn, deposes and states:

## BACKGROUND

1. I am the Director of Land for Franklin Mountain Energy 3, LLC ("FME3"), over the age of 18, and have personal knowledge of the matters stated herein.
2. I have testified before the New Mexico Oil Conservation Division (the "Division") and my credentials were accepted as a matter of record.
3. My work for FME3 includes the Delaware Basin and Lea County. I am involved in title, ownership, and leasing.
4. I am familiar with the applications FME3 filed in Case Nos. 23833, 23835, 23838, 23839, 24110-24112, and 24115. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 23961-23964, and 24142-24145. I am familiar with the land matters involved in these cases.
5. My testimony and exhibits addresses the information common to all cases and then addresses case specific information on a case-by-case basis.

## TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES

6. These cases involve competing applications for a 1294.48-acre development comprised of Bone Spring and Wolfcamp horizontal spacing units underlying Section 36, Township 18 South, Range 34 East, Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. FME3 has proposed a total of sixteen wells, known as its Cross State Com wells. MRC has proposed a total of twelve wells, known as its Mongoose wells.
7. In its eight cases, FME3 is seeking orders from the Division for compulsory pooling of interest owners who have refused to voluntarily pool their interests for the proposed Bone Spring and Wolfcamp horizontal spacing units described below, and in the wells to be drilled in the horizontal spacing units. FME3 also is requesting that it be designated operator of the wells. FME3 requests, to the extent necessary, approval of overlapping spacing units. Finally, FME3 requests that the Division deny MRC's competing pooling applications.
8. The purpose of my testimony is to demonstrate, from a land perspective, why FME3 should be designated operator of the acreage at issue in the cases, which I refer to as the Cross

Development Area, and why FME3's development plan for the Cross Development Area is superior to MRC's plan.
9. There are several reasons, from a land perspective, that FME3 should be designated operator of this acreage. First, as I will discuss in more detail, FME3 has the highest working interest in the proposed units and has the highest working interest control in the proposed units. Second, FME3's development plan will reduce surface facilities and surface impacts because FME3 will consolidate facilities with the Satellite unit, which partially overlaps the Cross units, in Section 36. Third, FME3 is a prudent operator, with the ability to develop the surface and is planning on developing this acreage in the near term-mid 2024. FME3 has extensive experience in developing this area and in investing in the infrastructure required for water management and gas takeaway necessary to support the development.
10. Exhibit B-1 is a map showing the general location and the spacing units at issue.
11. Exhibit B-2 is a summary overview of why FME's applications should be granted and why MRC's applications should be denied. Each of the factors will be discussed by FME's witnesses as relevant to each witness' area of expertise. I will be focusing on ownership, FME's ability to prudently and timely drill, complete and operate the wells in development area and prevent waste.
12. Exhibits B-3 and B-4 provide an overview of working interest control within the Cross Development Area. It is my understanding that working interest control includes committed working interest owners, such as working interest owners that have executed a Joint Operating Agreement, or that support an operator.
13. With respect to the Wolfcamp units, as shown on Exhibit B-3, FME3 has:

- $64.33 \%$ working interest control in the W/2W/2 Wolfcamp Unit (Case No. 23835);
- $38.80 \%$ working interest control in the $\mathrm{E} / 2 \mathrm{~W} / 2$ Bone Spring Unit (Case No. 23839);
- $40.66 \%$ working interest control in the W/2E/2 Wolfcamp Unit (Case No. 23833);
- $40.68 \%$ working interest control in the $\mathrm{E} / 2 \mathrm{E} / 2$ Bone Spring Unit (Case No. 23838).

14. Conversely, MRC has less than $4 \%$ working interest ownership in each of the Wolfcamp units. I understand that MRC is seeking to acquire the working interest of COG Operating but even if that interest were credited to MRC, MRC still only has just over $15 \%$ working interest control.
15. In addition to having majority working interest and majority working interest control in the Wolfcamp units, FME3 has an interest across every tract in Sections 36 and 1, which is demonstrated on Exhibit B-3. Conversely, MRC does not own any working interest in Section 36 and, to my knowledge, does not have the support of any working interest owner in Section 36.
16. With respect to the Bone Spring units, as shown on Exhibit B-4, FME3 has:

- $57.76 \%$ working interest control in the W/2W/2 Bone Spring Unit (Case No. 24112);
- $56.55 \%$ working interest control in the $\mathrm{E} / 2 \mathrm{~W} / 2$ Bone Spring Unit (Case No. 24115);
- $46.56 \%$ working interest control in the W/2E/2 Bone Spring Unit (Case No. 24111);
- $46.59 \%$ working interest control in the E/2E/2 Bone Spring Unit (Case No. 24110)

17. Conversely, MRC has less than $13 \%$ working interest ownership in each of the Bone Spring units. I understand that MRC is seeking to acquire the working interest of COG Operating but even if that interest were credited to MRC, MRC still only has just over $24 \%$ working interest control.
18. FME3 has interests across Sections 36 and 1, which is demonstrated on Exhibit B4. Again, MRC does not own any working interest in Section 36 and, to my knowledge, does not have the support of any working interest owner in Section 36.
19. FME3 seeks to develop acreage where it owns most of the working interest or has majority interest control as it has done and plans to do in this area.
20. FME3 has the highest working interest, highest working interest control, and should be awarded operatorship.
21. I will now discuss FME3's ability to prudently operate the property and, thereby, prevent waste and FME3's ability to timely locate well sites and to operate on the surface.
22. Exhibit B-5 provides a comparison of FME3's development plans as compared to MRC's. As you can see from Exhibit B-5, FME3 is planning on eight Bone Spring wells and eight Wolfcamp wells (total of 16 wells) in the Cross Development Area whereas, in its filed applications, MRC proposes only four Bone Spring wells and eight Wolfcamp wells (total of 12 wells).
23. FME3's development plan has included targeting the First Bone Spring. Significantly, MRC's filed applications do not include the First Bone Spring. Instead, in likely a response to FME3's development plan and proposals, MRC only proposed First Bone Spring wells on January 16, 2024.
24. FME3 will be drilling wells in a wine-rack or offset pattern, while MRC has proposed its wells in a stacked pattern. As Mr. McCoy will discuss in more detail in his testimony, offset wells perform better than stacked wells.
25. Attached as Exhibit B-6 is a map demonstrating that the Cross Units are part of FME3's comprehensive development plan for the area. The Cross Development Area, which is the
subject of these cases, is outlined in red. As this exhibit shows, FME3's Cross wells in these cases are part of a comprehensive, holistic development in this area, which is efficient, thoughtful and reduces overall footprint, and reduces surface disturbance, while increasing efficiencies and decreasing costs. FME3 has orders for the Satellite Wolfcamp Units, which overlap with the Cross units. FME3 owns $100 \%$ of the working interest in the W/2 Bone Spring units. FME3 has orders for the W/2W/2 Gold wells and has drilled and is currently completing those wells.
26. Exhibit B-7 identifies the overlap between the Satellite units and the Cross units, in the N/2N/2 of Section 36. FME3's overlapping development plans are intentionally designed to maximize the efficient production of hydrocarbons, prevent waste, and protect correlative rights. The plan will allow oil and gas reserves located in the $\mathrm{N} / 2 \mathrm{~N} / 2$ of Section 36 that could otherwise be unrecoverable due to drilling constraints and set-back requirements to be developed. Additionally, the proposed development will allow for consolidated well pads, facilities, and infrastructure, significantly minimizing surface disturbances and impacts to rangeland and habitat. FME3 has analyzed this concept internally, from both the drilling engineer perspective, reservoir engineer perspective, and economic perspective, and FME3's team has concluded that this layout will not result in waste or negatively impact correlative rights.
27. This exhibit also outlines the benefits of the overlapping drill pads and facilities approach, because it allows FME3 to integrate full development, which will reduce surface disturbance. Under FME3's development plan, the Cross and Satellite drilling pads will be integrated, reducing surface disturbance. Conversely, if MRC's plan is approved, MRC will have to build pads for its Mongoose wells. Under FME3's development plan, FME3 will be able to have a single CTB , which means less overall equipment and a reduction in overall surface footprint. It also has the benefit of creating a single point for third-party takeaway infrastructure.
28. Exhibit B-8 demonstrates how sharing a drilling pad and overlapping spacing maximizes recoverable reserves. Using the shared pads for the approved pooled units neighboring to the north, FME's well designs for the Cross wells drilled to the south will capture the resources that would be stranded between the two units, eliminate any toe-setbacks from wells drilled from the south, and capture the resources otherwise left behind that are between MRC's first take points and $100^{\prime}$ of the southern lease line. Across the 16 wells planned, this incremental increase in reservoir developed will be significant.
29. Not only does FME3's proposed plan allow for more ultimate recovery of reserves but it also accelerates production, as FME3 plans to commence operations on the development as soon as the Q2 2024.
30. FME3 understands the take-away constraints in this area and is taking steps to proactively address them.
31. Exhibit B-9 provides an overview of the operational and logistical constraints in this area, as well as an overview of FME3's plans to address those constraints. Exhibits B-10 to 12 provide greater detail on the constraints and FME3's proactive approach to resolve them.
32. Exhibit B-0 discusses water takeaway constraints and steps FME3 is taking to address those constraints, including investing $\$ 17.2$ million of capital. FME3 is investing to expand the pipeline system to increase capacity, including 20 miles of pipeline infrastructure. FME3 is targeting in service Q2/Q3 2024.
33. Exhibit B-11 discusses gas takeaway constraints and FME3's approach to address them. FME3 is investing in gathering to gather gas to a single point, which has several benefits. It increases the appeal for third-party midstream operators to connect, and allows multiple third parties to connect, increasing flow assurance. FME3 is proposing to construct approximately 16
miles of pipeline infrastructure. FME3 already has or is securing the rights-of-way in place for those pipelines. FME3 is investing $\$ 19.8$ million to address the gas takeaway constraints. Target in service is Q2/Q3 2024. FME3 also signed an acreage dedication with Northwind to facilitate Northwind's buildout to reach FME3's operated acreage.
34. Exhibit B-12 demonstrates FME3's reliable oil pipeline solution. FME3 signed an acreage dedication with Plains to ensure oil pipeline takeaway would be in place day one for FME3's new development projects, including Cross.
35. Exhibit B-13 outlines FME3's recent activity in this area. FME3 has been active in the area and is committed to developing its acreage in this area. FME3 has turned on production 13 wells between October 2023 and January 2024. FME3 has 4 wells actively being completed as of January 28, 2024, with a February in-service date
36. FME3 has been diligently working to develop this area. Exhibit B-14 identifies the timeline and future target dates.
37. As indicated on B-14, FME3 acquired its initial lease in this area in December 2022 and FME3 has continued to acquire leases.
38. FME3 sent out proposal letters in July 2023, only seven months later. FME3 filed its pooling cases in September, and anticipates commencing drilling operations in June 2024.
39. Although MRC acquired its lease in December 2021 it only sent out proposals letters after receiving FME3's proposal letters. And MRC only recently sent out its First Bone Spring proposals, which are not part of a filed application. In my view, MRC has not taken diligent actions to develop this area.
40. Exhibit B-14 also identifies the other working interest owners who support FME3's development plan, namely:

- Davis Partners: Executed JOA, naming FME3 as Operator, and Letter of Support
- Mestengo: Executed JOA, naming FME3 as Operator and Letter of Support
- REG XI: Executed JOA, naming FME3 as Operator

41. Exhibit B-15 are the letters of support FME3 received from Davis Partners, and Mestengo.
42. Prior to filing its applications, FME3 made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells. To locate interest owners, FME3 conducted a diligent search of the public records in the county where the wells will be located and conducted phone directory and computer searches to locate contact information for parties entitled to notification. I mailed all working interest owners well proposals and an Authorization for Expenditure, and a form of Operating Agreement upon request.
43. FME3 sent its well proposal letters to the working interest owners and unleased mineral interest owners in July 2023.
44. Exhibit B-16 is a summary of FME3's communications with working interest owners and unleased mineral interest owners, including MRC.
45. FME3 negotiated with the uncommitted interest owners in good faith.

## CASE NO. 23833 SPECIFIC TESTIMONY AND EXHIBITS

46. Below is a brief description of the facts and exhibits for Case No. 23833.
47. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.59-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $703 H$ and Cross State Com $803 H$ wells,
to be horizontally drilled. A copy of the application for Case No. 23833 is attached as Exhibit B17.
48. Attached as Exhibit B-17-a are the C-102s for the wells proposed in Case No. 23833. The wells will develop the Airstrip; Wolfcamp Pool (Code 970). The producing area for the wells will be orthodox.
49. Attached as Exhibit B-17-b is a lease tract map for Case No. 23833. This map shows the ownership breakdown and again confirms that FME3 has higher working interest control than MRC. FME3 has $40.66 \%$ working interest control (committed interests). MRC only has $3.61 \%$ working interest and even adding COG's interest, would only have approximately $15.14 \%$ working interest control.
50. Attached as Exhibit B-17-c is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
51. Attached as Exhibit B-17-d are the Authorization for Expenditures for the proposed wells. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
52. Attached as Exhibit B- B-17-e is a list of the parties to be pooled in this case.
53. There are no depth severances within the proposed spacing unit.

## CASE NO. 23835 SPECIFIC TESTIMONY AND EXHIBITS

54. Below is a brief description of the facts and exhibits for Case No. 23835.
55. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising
the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 701H and Cross State Com $\mathbf{8 0 1 H}$ wells, to be horizontally drilled. A copy of the application for Case No. 23835 is attached as Exhibit B-18.
56. Attached as Exhibit B-18-a are the C-102s for the wells proposed in Case No. 23835. The wells will develop the Airstrip; Wolfcamp Pool (Code 970). The producing area for the wells will be orthodox.
57. Attached as Exhibit B-18-b is a lease tract map for Case No. 23835. This map shows the ownership breakdown and again confirms that FME3 has higher working interest control than MRC. FME3 has $64.33 \%$ working interest control (committed interests). MRC only has $3.61 \%$ working interest and even adding COG's interest, would only have approximately $15.17 \%$ working interest control.
58. Attached as Exhibit B-18-c is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
59. Attached as Exhibit B-18-d are the Authorization for Expenditures for the proposed wells. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
60. Attached as Exhibit B-18-e is a list of the parties to be pooled in this case.
61. There are no depth severances within the proposed spacing unit.

## CASE NO. 23838 SPECIFIC TESTIMONY AND EXHIBITS

62. Below is a brief description of the facts and exhibits for Case No. 23838.
63. In this case, FME3seeks an order from the Division pooling all uncommitted mineral interests within a 323.51 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 704 H and Cross State Com $\mathbf{8 0 4 H}$ wells, to be horizontally drilled. A copy of the application for Case No. 23838 is attached as Exhibit B-19.
64. Attached as Exhibit B-19-a are the C-102s for the wells proposed in Case No. 23838. The wells will develop the Airstrip; Wolfcamp Pool (Code 970). The producing area for the wells will be orthodox.
65. Attached as Exhibit B-19-b is a lease tract map for Case No. 23838. This map shows the ownership breakdown and again confirms that FME3 has higher working interest control than MRC. FME3 has 40.68\% working interest control (committed interests). MRC only has $3.61 \%$ working interest and even adding COG's interest, would only have approximately $15.12 \%$ working interest control.
66. Attached as Exhibit B-19-c is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
67. Attached as Exhibit B-19-d are the Authorization for Expenditures for the proposed wells. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
68. Attached as Exhibit B-19-e is a list of the parties to be pooled in this case.
69. There are no depth severances within the proposed spacing unit.

## CASE NO. 23839 SPECIFIC TESTIMONY AND EXHIBITS

70. Below is a brief description of the facts and exhibits for Case No. 23839.
71. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 702 H and Cross State Com 802 H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 23839 is attached as Exhibit B-20.
72. Attached as Exhibit B-20-a are the C-102s for the wells proposed in Case No. 23839. The wells will develop the Airstrip; Wolfcamp Pool (Code 970). The producing area for the wells will be orthodox.
73. Attached as Exhibit B-20-b is a lease tract map for Case No. 23839. This map shows the ownership breakdown and again confirms that FME3 has higher working interest control than MRC. FME3 has $38.8 \%$ working interest control (committed interests). MRC only has $3.61 \%$ working interest and even adding COG's interest, would only have approximately $15.16 \%$ working interest control.
74. Attached as Exhibit B-20-c is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
75. Attached as Exhibit B-20-d are the Authorization for Expenditures for the proposed wells. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
76. Attached as Exhibit B-20-e is a list of the parties to be pooled in this case.
77. There are no depth severances within the proposed spacing unit.

## CASE NO. 24110 SPECIFIC TESTIMONY AND EXHIBITS

78. Below is a brief description of the facts and exhibits for Case No. 24110.
79. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.51 -acre, more or less, Bone Spring horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 1, the $\mathrm{SE} / \mathrm{NE}$, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 304H and Cross State Com 504H wells, to be horizontally drilled. A copy of the application for Case No. 24110 is attached as Exhibit B-21.
80. Attached as Exhibit B-21-a are the C-102s for the wells proposed in Case No. 24110. The wells will develop the Scharb; Bone Spring Pool (Code 55610) and the Airstrip; Bone Spring Pool (Code 960). The producing area for the wells will be orthodox.
81. Attached as Exhibit B-21-b is a lease tract map for Case No. 24110. This map shows the ownership breakdown and again confirms that FME3 has higher working interest control than MRC. FME3 has 46.59\% working interest control (committed interests). MRC only has $12.84 \%$ working interest and even adding COG's interest, would only have approximately $24.35 \%$ working interest control.
82. Attached as Exhibit B-21-c is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
83. Attached as Exhibit B-21-d are the Authorization for Expenditures for the proposed wells. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
84. Attached as Exhibit B-21-e is a list of the parties to be pooled in this case.
85. There are no depth severances within the proposed spacing unit.

## CASE NO. 24111 SPECIFIC TESTIMONY AND EXHIBITS

86. Below is a brief description of the facts and exhibits for Case No. 24111.
87. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 303H and Cross State Com $\mathbf{5 0 3 H}$ wells, to be horizontally drilled. A copy of the application for Case No. 24111 is attached as Exhibit B-22.
88. Attached as Exhibit B-22-a are the C-102s for the wells proposed in Case No. 24111. The wells will develop the Scharb; Bone Spring Pool (Code 55610) and the Airstrip; Bone Spring Pool (Code 960). The producing area for the wells will be orthodox.
89. Attached as Exhibit B-22-b is a lease tract map for Case No. 24111. This map shows the ownership breakdown and again confirms that FME3 has higher working interest control
than MRC. FME3 has $46.56 \%$ working interest control (committed interests). MRC only has $12.84 \%$ working interest and even adding COG's interest, would only have approximately $24.37 \%$ working interest control.
90. Attached as Exhibit B-22-c is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
91. Attached as Exhibit B-22-d are the Authorization for Expenditures for the proposed wells. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
92. Attached as Exhibit B-22-e is a list of the parties to be pooled in this case.
93. There are no depth severances within the proposed spacing unit.

## CASE NO. 24112 SPECIFIC TESTIMONY AND EXHIBITS

94. Below is a brief description of the facts and exhibits for Case No. 24112.
95. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 301H and Cross State Com 501 H wells, to be horizontally drilled.
96. A copy of the application for Case No. 24111 is attached as Exhibit B-23.
97. Attached as Exhibit B-23-a are the C-102s for the wells proposed in Case No. 24112. The wells will develop the Scharb; Bone Spring Pool (Code 55610) and the Airstrip; Bone Spring Pool (Code 960). The producing area for the wells will be orthodox.
98. Attached as Exhibit B-23-b is a lease tract map for Case No. 24112. This map shows the ownership breakdown and again confirms that FME3 has higher working interest control than MRC. FME3 has 57.76\% working interest control (committed interests). MRC only has $12.86 \%$ working interest and even adding COG's interest, would only have approximately $24.42 \%$ working interest control.
99. Attached as Exhibit B-23-c is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
100. Attached as Exhibit B-23-d are the Authorization for Expenditures for the proposed wells. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
101. Attached as Exhibit B-23-e is a list of the parties to be pooled in this case.
102. There are no depth severances within the proposed spacing unit.

## CASE NO. 24115 SPECIFIC TESTIMONY AND EXHIBITS

103. Below is a brief description of the facts and exhibits for Case No. 24115.
104. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New

Mexico. This spacing unit will be dedicated to the Cross State Com 302H and Cross State Com $\mathbf{5 0 2 H}$ wells, to be horizontally drilled. A copy of the application for Case No. 24115 is attached as Exhibit B-24.
105. Attached as Exhibit B-24-a are the C-102s for the wells proposed in Case No. 24115. The wells will develop the Scharb; Bone Spring Pool (Code 55610) and the Airstrip; Bone Spring Pool (Code 960). The producing area for the wells will be orthodox.
106. Attached as Exhibit B-24-b is a lease tract map for Case No. 24115. This map shows the ownership breakdown and again confirms that FME3 has higher working interest control than MRC. FME3 has 56.55\% working interest control (committed interests). MRC only has $12.87 \%$ working interest and even adding COG's interest, would only have approximately $24.42 \%$ working interest control.
107. Attached as Exhibit B-24-c is an example proposal letter for these wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well.
108. Attached as Exhibit B-24-d are the Authorization for Expenditures for the proposed wells. In my opinion, these estimated costs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
109. Attached as Exhibit B-24-e is a list of the parties to be pooled in this case.
110. There are no depth severances within the proposed spacing unit.
111. FME3 requests overhead and administrative rates of $\$ 9,000$ month during drilling and $\$ 900 /$ month while producing. 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 and consistent with the
rates awarded by the Division in in recent compulsory pooling orders. FME3 requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
112. FME3 requests the maximum cost plus $200 \%$ risk charge be assessed against nonconsenting pooled working interest owners.
113. FME3 requests that it be designated operator of the wells.
114. FME3 requests that overriding royalty interest owners be pooled.
115. I provided Modrall with the names and addresses of uncommitted interest owners and overriding royalty interests owners of record in the Cross units.
116. To the extent necessary, FME3 requests approval of overlapping spacing units.
117. I search publicly available information to identify any additional operators or working interest owners in any of the spacing units the Cross applications will overlap and provided that information to Modrall.
118. Based upon my knowledge of the land matters involved in these cases, education and training, it is my expert opinion that FME3's development plan will protect correlative rights and prevent waste.
119. The attachments to my Affidavit were prepared by me or compiled from company business records.
[Signature page follows]

Dated: February 1, 2024


State of (iolorado
County of


This record was acknowledged before me on February 1, 2024, by Lee Zink.

## [Stamp]



My Commission Expires:_113/2028


## Comparison of Operator's Development Plans - FME3 vs. MRC

 franklin mguntain|  | Wolfcamp |  |  |  |
| :--- | ---: | ---: | ---: | ---: |
|  | W2W2 | E2W2 | W2E2 | E2E2 |
| Franklin Mountain Energy 3, LLC |  |  |  |  |
| (Committed Interest) | $64.33 \%$ | $38.80 \%$ | $40.66 \%$ | $40.68 \%$ |
| MRC Permian Company | $3.61 \%$ | $3.61 \%$ | $3.61 \%$ | $3.61 \%$ |

FME3 WI - Wolfcamp




|  | Bone Spring |  |  |  |
| :--- | ---: | ---: | ---: | ---: |
|  | W2W2 | E2W2 | W2E2 | E2E2 |
| Franklin Mountain Energy 3, LLC |  |  |  |  |
| (Committed Interest) | $57.76 \%$ | $56.55 \%$ | $46.56 \%$ | $46.59 \%$ |
| MRC Permian Company | $12.86 \%$ | $12.87 \%$ | $12.84 \%$ | $12.84 \%$ |



Ownership Comparison Table - Bone Spring Overview
Nivin A
Development Comparison: FME3's Development Plan Is Superior



Area of Development
T18S-R34E
Sec. 23, 24, 25, 26, 35 \& 36, T19S-R34E

| $\sum$ |
| :--- |
| $\sum$ |
| 0 |
| 0 |
| 0 |
| 0 |
| 0 |


FME3's Development Plan Requires Minimal Surface Disturbances FRANKLINMGU
FME3's plan reduces waste as the Cross development will fully leverage existing Satellite surface disturbances

- Satellite and Cross wells are drilled from the same pads
- Satellite and Cross wells are produced into the same CTB with flowlines installed in the same pipeline corridors
Matador's plan will result in an increase in waste
- New surface disturbances will be required for drilling pads and CTB




" Adequate water takeaway does not exist to support a 16-well horizontal project
- Closest $3^{\text {rd }}$ Party SWD to project has limited to no capacity

$$
\begin{aligned}
& \text { Solid Line }=\text { In-Service FME3 pipelines } \\
& \text { Dashed Line }=\text { FME3 pipelines in progress } \\
& >70 \% \text { of easement secured, remaining } 30 \% \text { in process }
\end{aligned}
$$

 FME3 Gold Treble have pushed $3^{\text {rd }}$ party capacities

## - FME3 has existing company owned

 capacity and is investing to expand capacity- 2024 approved budget of $\$ 17.2 \mathrm{~mm}$ - ~20 miles of pipeline infrastructure
- Target in service Q2/Q3 2024
- FME3 disposal access will include: - (1) FME3 owned SWD
- (2) Firm takeaway contracts
- (3) Interruptible takeaway contracts
3rd Party Offtake w/
Limited/No Capacity

- Adequate gas takeaway does not exist to support a 16-well horizontal project
- FME3's recent projects at Eagle and Treble have maxed out $3^{\text {rd }}$ party capacities
- Existing capacity is for sweet gas (no hydrogen sulfide,
- Shallower 1BS and 2BS zones expected to have h2s
* FME3 is investing in gathering gas to a single point
- Increases appeal for $3^{\text {rd }}$ party midstreams to connect
- Allows multiple $3^{\text {rd }}$ parties to connect, increasing flow assurance to prevent waste
- 2024 approved budget of $\$ 19.8 \mathrm{~mm}$
~16 miles of pipeline infrastructure

$$
\text { Target in service Q2/Q3 } 2024
$$

Initial investments into treating for sweet offloads

- $3^{\text {rd }}$ Party Investment is required - Northwind is a new build - FME3 is anchor customer for this area
- Northwind's initial build stopped ~8 miles to South
- FME3 signed an acreage dedication to facilitate build
- Northwind will gather h2s gas
- FME3 gas takeaway will include:
- (1) Firm Northwind offload with $100 \%$ capacity for FME3 forecasted volumes
- (2) Interruptible offloads
- Potential for other options for flow assurance
FME3 has a Reliable Oil Pipeline Solution in Place
franklin mquntain

FME3 is all systems go
FME3's Timeline of Cross Development

O/1/1,

November $28^{\text {th }}, 2023$
New Mexico Oil Conservation Division
Via e-filing by Franklin Mountain Energy 3, LLC in Case Nos. 23833-23840

Re: Support for Franklin Mountain Energy 3, LLC Cross State cases, Case Nos. 23833-23840, Lea County, New Mexico.

Dear OCD:
Mestengo Energy Company, LLC, ("Mestengo") respectfully submits this letter in support of Franklin Mountain Energy 3, LLC's ("Franklin") Cross State cases, Case Nos. 23833-23840, Lea County, New Mexico. In Mestengo's opinion, Franklin's proposed development plans will prevent waste and protect correlative rights as Franklin's proposals will efficiently and effectively develop the acreage. Mestengo and Franklin are in discussions regarding entering into a JOA. Mestengo hereby grants Franklin the right to represent its interests and supports the designation of Franklin as operator and its planned development described in the above captioned cases.

Should you have any questions, please email me at skylar.fast@mestengoec.com or call me at 719-248-7753.
Sincerely,
T. Skylar Fast, CPL
VP Land \& Business Development
Mestengo Energy Company, LLC


# DAVIS PARTNERS, LTD. 

P. O. Box 271

Midland, Texas 79702
432-683-8001

November 27, 2023
New Mexico Oil Conservation Division
Via e-filing by Franklin Mountain Energy 3, LLC in Case Nos. 23833-23840

Re: Support for Franklin Mountain Energy 3, LLC Cross State cases, Case Nos. 23833-23840, Lea County, New Mexico.

## Dear OCD:

Davis Partners, Lid, respectfully submits this letter in support of Franklin Mountain Energy 3, LLC's ("Franklin") Cross State cases, Case Nos. 23833-23840, Lea County, New Mexico. In my opinion, Franklin's proposed development plans will prevent waste and protect correlative rights as Franklin's proposals will efficiently and effectively develop the acreage. Davis Partners, Ltd and Franklin have entered into a JOA. Davis Partners, Ltd hereby grants Franklin the right to represent its interests and supports the designation of Franklin as operator and its planned development described in the above captioned cases.

Should you have any questions, please email me at fdavis@4dranch.com or call me at 432-6838001.

F. Ferrell Davis, Manager
Summary of Communication

| Date | Owner | Exchange |
| :---: | :---: | :---: |
| 5/16/2023 | Slash Expioration | Received self marketed promotion to sell interest. Continuous communications involving interests, AFEs, Pooling status, and ongoing sales. |
| 7/25/2023 | COG Operating LL.C | Requested well information about well proposals. |
|  |  | Marketed interest package via Ten Oaks |
| 7/25/2023 | Davis Partners LTD | Received phones call and emails from Davis Partners. Wants to participate, signed elections and JOA, Voluntarily being pooled, does not want to be compulsory pooled |
| 7/25/2023 | TH McElvain Oil \& Gas, LLLLP | Elected to participate and signed JOA before selling to FME3 on 2/1/2024 |
| 7/26/2023 | Paul Davis, Ltd. | Participating, received elections on 7/26/2023 |
| 7/27/2023 | Buckhorn Energy, LLC \& Sharktooth Resources, Ltd. | Email exchange with Antelope Energy, managing for Buckhorn and Sharktooth |
| 7/27/2023 | Hollmig LLC | Received call requesting working interest and lease information. Sent lease packet via broker. |
| 7/28/2023 | Baloney Feather, Ltd. | Email exchange about working interest information |
| 7/28/2023 | Ben S. Cason and Carolyn Cason | Received email confirmation on 7/28/2023, Leased to Milestone Oil |
| 7/31/2023 | Marathon Oil Permian UC | Requested well information via email |
| 8/13/2023 | OGX Royalty Fund IV, LP | Participating, received elections on |
| 9/12/2023 | SMAA Family, LP | Participating, received elections on |
| 11/27/2023 | David F. Bruner | Leased to FME3 |
| 11/27/2023 | Dawn Bruner Finlayson | Leased to FME3 |
| 11/27/2023 | Robert B. Bruner | Leased to FME3 |
| 11/30/2023 | JS\&AL Family Limited Partnership | Term Assignment with FME3 |
| 11/30/2023 | Louellen T. Mays | Term Assignment with FME3 |
| 11/30/2023 | Williamson Dil \& Gas, LLC | Term Assignment with FME3 |
| 8/1/2024 | Mid Lavaca Energy Company | Email and phone call exchanges about ownership and leasing, Election to go non-consent received $8 / 1 / 2023$, no lease taken. |

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

APPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY 3, LLC FOR COMPULSORY POOLING<br>AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23833

## 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 323.59 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 Section 36 , Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.59-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com $\mathbf{7 0 3 H}$ and Cross State Com $\mathbf{8 0 3 H}$ wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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. 23833 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 703H and Cross State Com $\mathbf{8 0 3 H}$ 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.


State of New Mexico
Energy, Minerals \& Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ${ }^{1}$ APT Number | $\begin{gathered} { }^{2} \text { Pool Code } \\ 970 \end{gathered}$ | AIRSTRIP; WOLFCAMP |  |
| :---: | :---: | :---: | :---: |
| ${ }^{4}$ Property Code |  | s Property Name CROSS STATE COM | $\begin{gathered} 6 \text { Well Number } \\ 703 \mathrm{H} \end{gathered}$ |
| $\begin{aligned} & \text { TOGRDD Na- } \\ & 331595 \end{aligned}$ | FRANK | ${ }^{5}$ Operntor Name <br> N MOUNTAIN ENERGY 3, LLC | $\begin{aligned} & \hline \text { Elevation } \\ & 3961.6^{\prime} \end{aligned}$ |



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


State of New Mexico
Energy, Minerals \& Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ${ }^{1}$ API Number | ${ }^{2} \mathrm{PaOl}$ Code | ${ }^{3}$ Pool NameAIRSTRIP; WOLFCAMP |  |
| :---: | :---: | :---: | :---: |
|  | 970 |  |  |
| ${ }^{4}$ Property Code |  | 5Properly Name CROSS STATE COM | $\begin{aligned} & 6 \text { Well Number } \\ & 803 \mathrm{H} \\ & \hline \end{aligned}$ |
| $\begin{gathered} \hline \text { TOGRID No. } \\ 331595 \end{gathered}$ | FRANK | 'Operator Name <br> N MOUNTAIN ENERGY 3, LLC | $\begin{gathered} 9 \text { Elevation } \\ 3961.5^{\prime} \\ \hline \end{gathered}$ |

${ }^{10}$ Surface Location

| $\begin{gathered} \text { ULerlotna. } \\ B \end{gathered}$ | $\begin{gathered} \text { Section } \\ 36 \end{gathered}$ | $\begin{gathered} \text { Towaship } \\ 18 \mathrm{~S} \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & \text { 34E } \end{aligned}$ | Lat Idn | $\begin{aligned} & \text { Feet from the } \\ & 1032 \end{aligned}$ | North/Sonth line NORTH | $\begin{aligned} & \text { Feet from the } \\ & 2070 \end{aligned}$ | Eat/Weat line EAST | $\begin{aligned} & \text { Connty } \\ & \text { LEA } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ${ }^{1}$ Bottom Hole Location If Different From Surface |  |  |  |  |  |  |  |  |  |
| $\begin{gathered} \text { TLar lot no. } \\ 0 \end{gathered}$ | $\begin{aligned} & \text { Section } \\ & 1 \end{aligned}$ | $\begin{gathered} \text { Tawnaship } \\ 19 \mathrm{~S} \end{gathered}$ | $\begin{gathered} \hline \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lot Idn | $\begin{aligned} & \text { Feet fram the } \\ & 130 \end{aligned}$ | $\begin{aligned} & \text { North/South Nine } \\ & \text { SOUTH } \end{aligned}$ | $\begin{aligned} & \text { Fert from the } \\ & 1680 \end{aligned}$ | Enst/West line EAST | $\begin{aligned} & \text { Connty } \\ & \text { LEA } \end{aligned}$ |
| $\begin{gathered} 12 \text { Dedicated Acres } \\ 323.59 \end{gathered}$ | ${ }^{13}$ Jolat or Tnflill |  | ${ }^{14}$ Consplidntian Code |  | ${ }^{15} \mathrm{Onder} \mathrm{Na}$. |  |  |  |  |

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.
Case No. 23833 Unit Summary
Case No. 23833
323.59 Acres Cross State Com 703H
Cross State Com 803H

| Commited Working Interest |  |
| :--- | ---: |
| Franklin Mountain Energy 3, LLC | $31.216292 \%$ |
| Davis Partners, Ltd. | $1.039912 \%$ |
| REG XI Assets, LLC | $6.522197 \%$ |
| Mestengo Energy Company, LLC | $1.880507 \%$ |
| VPD New Mexico, LLC | $0.401595 \%$ |
|  |  | | Commited Working Interest | $41.060503 \%$ |
| :--- | :--- | Slash Exploration, LP Devon Energy Production Company, LP $\quad 11.854995 \%$

 | Marathon Oil Permian, LLC | $11.080720 \%$ |
| :--- | :--- |







58.939497\%


July 14, 2023

AHCCI, LLC
6844 Rio Grande Boulevard NW
Albuquerque, NM 87107
Attn: Land Dept, Permian Basin

## RE: Well Proposals

Township 18 South, Range 34 East Section 36: W2E2
Township 19 South, Range 34 East
Section 1: Lot 2 (43.59), SWNE, W2SE
Wolfcamp Formation
Lea County, New Mexico
323.59 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 <br> Name | Target Formation | Total Vertical <br> Depth | Measured Depth | SHL | BHL | Total AFE | Order |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cross <br> State <br> Com <br> 703 H | WCA | 11017 | 21,017 | Sec 36- T18S- R34E 990 FNL 2098 FEL | Sec 1- T19S- R34E 130 FSL 2305 FEL | \$11,650,592.43 | N/A |
| Cross <br> State <br> Com <br> 803H | WCB | 11555 | 21,555' | $\begin{gathered} \text { Sec 36- } \\ \text { T18S- } \\ \text { R34E } \\ 990 \mathrm{FNL} \\ 2073 \mathrm{FEL} \end{gathered}$ | Sec 1- T19S- R34E 130 FSL 1680 FEL | \$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
- $\quad \$ 9,000 / \$ 900$ 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 or lease at the following terms:

The foregoing 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@fmellc.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) 4147863.

Respectfully,
Franklin Mountain Energy 3, LLC


Don Johnson
Sr. Land Analyst

## Cross State Com 703H:

I/We hereby elect to participate in the Cross State Com 703H well. I/We hereby elect NOT to participate in the Cross State Com 703H well.

## Cross State Com 803H:

I/We hereby elect to participate in the Cross State Com $\mathbf{8 0 3 H}$ well.
I/We hereby elect NOT to participate in the Cross State Com $\mathbf{8 0 3 H}$ well.

Owner: AHCCI, LLC

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date:

|  |  |  |  |
| :---: | :---: | :---: | :---: |
| Well Natue: |  | Cross State Com 70311 |  |
| Loration: |  | SHL: Sec 36-T18S-R3AE 990 FNL 20048 FE. BIL SEC L-TIPS-R34E J30FSL 2306 FEL |  |
| Operator: |  | Frankin Moutasa Energy 3, LI,C |  |
| Purpase: |  | Dill and complete in 10,000 WCA wall TVD $11,017$. MD 21,017 |  |
| Imanaible Drilling Cosis |  |  |  |
| M1aior Aligor neestiplion |  |  | Amongt |
| 225 | 5 | ADMINISTATIVE OVERIEAD | 54,300 |
| 225 | 10 | CASING CREW \& EQPT | \$50,000 |
| 235 | 15 | cementing intermedhate casing | 549,000 |
| 225 | 16 | CEMENTING PRODLCTION CASING | \$80,000 |
| 225 | 20 | CEmentang slface casivg | 536,000 |
| 225 | 25 | COMIMLICATIONS | \$21,000 |
| 225 | 30 | COAPPI,ETION FLuIDS | 36,000 |
| 225 | 34 | CONSTRUCTIOMLOAATION \& ROAD | \$45,000 |
| 225 | 40 | CONTRACT LABOR | \$55,000 |
| 225 | 45 | Damages | \$15,000 |
| 225 | 50 | DAYWORK COMTRACT | 5585,000 |
| 223 | 55 | DRILIRMG. DIRECTIONAL. | \$220,000 |
| 225 | 60 | ORLLING- FOOTAGE | 590.000 |
| 225 | 65 | drilimg bits | \$100.000 |
| 225 | 70 | electrucal fowergonieration | 50 |
| $\underline{3}$ | 75 | ExGINEERING | \$21,000 |
| 225 | 80 | Exvironmental services | \$210,000 |
| 275 | 84 | EQUTRMENT RENTAL DOWAHOLE | \$50,000 |
| 225 | 85 | EQHPMENT RENTAL | \$50,000 |
| 225 | \% | FISHING TOOLSEERVICES | 50 |
| 225 | 95 | HEALTH E SAFETY | 59.000 |
| 225 | 100 | HOLSING AND SLPPPORT StR VICES | \$19,000 |
| 22.5 | 105 | Insuramee | \$1,900 |
| 225 | 109 | INSPECTIONS | \$17,000 |
| 235 | 110 | LEGAL TTILE StRVICES | 56,000 |
| 225 | 115 | matenals as Slpplites | ss,000 |
| 29S | 120 | miscelianeous | 35,000 |
| 225 | 125 | MLDESERATIHL PiCONDUCT PIPE | \$31,000 |
| 225 | 130) | MLD \& CHEMECALS | \$190,000 |
| 225 | 140 | OPENIOLE LOGGING | 50 |
| 225 | 141 | CASED HOLE LOGGING | 50 |
| 225 | 145 | Pramits, LLCENSES, ETC | \$30,000 |
|  | 150 | POWER FUEL \& Water halling | 51\%,000 |
| 225 | 155 | RHG MOVE \& RACKING COSTS | 5130,000 |
| 225 | 160 | rig up tear out \& stamdey | 10 |
| 225 | 163 | SITE RESTORATION | 510000 |
| 225 | 165 | STAKRG\& SURYEYTNG | 50,000 |
| 235 | 170 | SUPER VISION | 575,600 |
| 223 | 175 | SUPERVISION - GEDLOGHCAL. | \$51,400 |
| 225 | 180 | TRANSPRRTATHONTRUCKENO | 522,000 |
| 225 | 178 | Taxes | 5134.057 |
| 235 | 35 | CONTINGFNCY COSTS St | S121,870 |
|  |  | Totar Insaugithe brimhar Costs: | 32, (19) +21 |
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| Major Minor |  | Derription | Ampornt |
| 230 | 10 | IATERMETIATECASIRGI ATTACUMENTS | \$173,258 |
| 230 | 20 | Packers ${ }^{\text {a }}$ Levevesplug | \$66.000 |
| 330 | 25 | PRODLCTHON CASNM \& ATTACHMENTS | \$1,144,050 |
| 230 | 35 | SURFACE CASING \& ATTACHMEMTS | \$169,340 |
| 230 | 45 | WELLHEAD EQUPAEATTCASING DOW. | 570,000 |
| 230 | 40 | TAXIS 5 | 580,245 |
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| 270 | 15 | CORTAINMENT |
| 270 | 23 | DEHYDRATION |
| 270 | 30 | PRIMARY PONER MATERIALS |
| 270 | 50 | FLOWLINES / PIPELINE $/$ HOOJKUP |
| 270 | 60 | H2S TREATING EQIIPMENT |
| 270 | ds | separation equipment |
| 270 | * | ROATD, OCATHOMFENCINGREPAARS |
| 270 | 75 | PRE-FARRICATED SKIDS |
| 270 | 86 | Facrlity Sugface equipment |
| 270 | 90 | H2S SAFETY SYSTEM |
| 270 | 100 | CONTROI. / INSTRLMMENT / AETERS : SCADA |
| 270 | 110 | TANKS \& WALKWAY |
| 270 | 130 | mechanical battery bulld |
| 270 | 132 | ELEC Batter renld |
| 270 | 134 | CONTROLS AND SCADA BATTERYBLUED |
| 270 | 136 | FRIMARY POWER BUILD |
| 270 | 138 | FIOWLINE INSTALLATION |
| 270 | 140 | Signage |
| 270 | 125 | TAXES |
|  |  | Toral Tangible Facilitr Costos |



THIS ALTHORITY FOR EXPEADTLLEE IS BASLEDONCOST ESTIMAYES BLLLNG WLLL REFLECT YOLIR PROPORTINATE SHARE OF THE ACTUAL WVOICE COSTS


WI Owner
Approved By $\qquad$

## Date

EXHIBIT
ALI. PARTICIPANIS MUST CARRY THEIR OWN CONTROI OF WEL WNSURANCE AND ATIACH A CERITFICATE OF NSURANCE TO THIS ELECTION OR INSURE WITH FA

|  |  |  |  | Franklia Mountais Energy 3, LLe 44 Cook Street, Suite 1D0 Deaver, CO 80206 Phome 720-414.7868 Ifrandingmoumainentery. cont |
| :---: | :---: | :---: | :---: | :---: |
| FRANK AUTHORIT | N MDUNTAIN NERGY OR EXPENDTTURE |  |  |  |
| Well NWwae: | Crome Sute Com 50311 | Well ${ }^{\text {H }}$ | 80.311 |  |
| Location: | SHL Sec 36-TI8S-R34E 990 FNL 2073 FEL BHL. Sec 1.TJ9S-R34E 130 FSL 16\%0 FEL | ComatyState: | Len Co, NM |  |
| Oprratar: | Franklin Mounatio Enerry 3. Lic | Dace Prepared: | 621!2023 |  |
| Purpose: | Drif and corpplerea 10,000 WCB wel TYD 11,555, MD 21,55 $5^{\circ}$ | AFE \% | DCE230611 |  |


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| Maior | Migor | Dostription | Amant |
| 225 | 5 | ADMINSTRATIVE OVERUHEAD | 35.200 |
| 228 | 10 | CASIMG CREW \& EQPT | S5s,000 |
| 225 | 15 | crmenting intermediate casing | 540,000 |
| 225 | 16 | cementing production casing | \$85.000 |
| 225 | 20 | cementing suface casing | \$36,000 |
| 22.5 | 25 | communications | 522.000 |
| 225 | 30 | COMPLETTON FLUMDS | \$6.000 |
| 225 | 34 | constructionlocation e road | 545.000 |
| 225 | 40 | contract labior | \$60,000 |
| 225 | 45 | damages | 515,000 |
| 225 | 50 | DAYWORK COMTRACT | 5650.000 |
| 235 | 5 | DRILINEG-DIRECTIONA. | 5230,000 |
| 225 | 60 | DRILING - FOOTAGE | 590,000 |
| 225 | 65 | braling bits | S10,000 |
| 235 | 70 | ELECTRICAL POWERGENFRATION | 50 |
| 225 | 75 | Encinecrang | 525,200 |
| 229 | 80 | ENYIRDNMENTAL SERVICES | \$220,000 |
| 225 | 84 | EQUJPMENT RESTA, DOWYYEOLE | \$60,000 |
| 225 | 8 | EQUAPMENT RENTAL | \$60,000 |
| 225 | 90 | FISHING TOOLSSERVICES | 30 |
| 225 | 95 | heal.TH\& SAFETY | \$11,000 |
| 225 | 100 | housing and slipport sirrvices | \$21.000 |
| 225 | 10.5 | insuranice | 52.200 |
| 225 | 106 | nNSPECTHO:S | 520,000 |
| 235 | 110 | LEGAL TITL. SERVTES | 55,000 |
| 225 | 118 | materialsa supplies | 55.000 |
| 225 | 130 | miscrelmaneots | 550000 |
| 225 | 125 | MOUSE/RATHOLECONDUC:3 PJPE | \$31,000 |
| 225 | 130 | MUD \& CHEmICALS | 5200,000 |
| 225 | 140 | dpaniole loggna | * |
| 225 | 41 | CASED HOLELOCSING | 80 |
| 225 | 145 | PERMITS, LICENSES, ETC | \$20,000 |
| 225 | Iso | POWER FUEL \% Water haulimg | 5189,000 |
| 225 | 155 | RIG MOVE\& RACKING COSTS | \$130,000 |
| 225 | 160 | gGG LP TEAR OLT \& STANDBY | 50 |
| 235 | 163 | SITE RESTORATION | 30 |
| 235 | 165 | STAKING A SURVEYTNG | S6,000 |
| 225 | 170 | SIPERTISION | *15, 200 |
| 228 | 175 | SUPERVISION - GEDHOGICAL. | 518.300 |
| 225 | 180 | TRARSPORTATIONTRUCKING | 535,000 |
| 223 | 178 | taxes | 5143,723 |
| 225 | 35 | CONTINGENCY Costs 5 \% | 5130.655 |
|  |  | Tefoil Jntangiblt Jrilling Coses: |  |
| Tantible Drilinu Costs |  |  |  |
| Mrajor Mlatar Detrriptip |  |  | Apabinion |
| 230 | 10 | INTERMEDATE CASING A ATACHMENS | 5173,548 |
| 230 | 20 | Packersisleevesflugis | \$66,000 |
| 230 | 25 | PRODUCTHON CASENGE ATTACHMENTS | \$1.165,599 |
| 230 | 15 | Sumpace casing d attachments | \$173,738 |
| 330 | 45 | WELLHEAD EOTHPMENTHCASING BOWL | \$70,000 |
| 230 | 40 | TAXES | 500,659 |
|  |  | Towat Tewzible Drilling Cavs: | 31.0.0.883 |


| Magar Minor Descrintion |  |  | Amannt |
| :---: | :---: | :---: | :---: |
| 240 | 5 | ADMENSTRATIVE OVIERHEAD | 58,200 |
| 240 | 10 | casen hile logs de SURVEYS | 56,635 |
| 240 | 15 | CASING CREW \& EQPT | 50 |
| 240 | 20 | COILAD TUBINGSNUBBING LINT | \$194,313 |
| 240 | 25 | COMMLICATIONS | \$1,8\% |
| 240 | 30 | COMPANY DIRECT LABOR | 50 |
| 210 | 35 | COMPLETIONWORKOVER RIG | 575,000 |
| 240 | 45 | CONTRACT LABORROUSTABOUTS | \$33,697 |
| 340 | 50 | DAMAGESRECIAMATION | \$1,8\% |
| 240 | 55 | Disposal solids | 52,844 |
| 240 | 60 | electrical powertgeneration | S0 |
| 240 | 62 | enginaering | \$5,637 |
| 240 | 65 | ENVIROMMENTALICLEANLP | \$0 |
| 240 | 70 | FISHING TOOLS SERVJCES | 50 |
| 240 | 21 | Flutoshaulingidsposal | 5180.000 |
| 240 | 72 | FRAC Wateracolipletion Filid | 5470,000 |
| 246 | 75 | FUEI, POWLRDIESE, | \$550,000 |
| 240 | 84 | HEALTH \& SAFETY | \$4,700 |
| 240 | 85 | HOULING AND SUPPORT SERVICEES | \$14,000 |
| 240 | 90 | materials e SLPPL.IES | \$0 |
| 240 | 95 | MISCELLANEOUS | 20 |
| 240 | 100 |  | 510,000 |
| 240 | 110 | P真ATTA COSTS | 50 |
| 240 | 115 | PERFORATINGNURELINE SERVICE | \$265,403 |
| 240 | 120 | PIPE IMSPECTION | \$0 |
| 240 | 125 | hoad, locations ripairs | 52,000 |
| 240 | 130 | stimulation | 58,616,000 |
| 240 | 135 | SLBSLIRFACE EQUIPAENTAL RENTAL | \$37,915 |
| 240 | 140 | SUPERVISION | 590,047 |
| 240 | 145 | SURFACE EQUIP RENTAI. | 5189,573 |
| 340 | 159 | TRANSPORTATIONTRUCKING | 57,844 |
| 240 | 155 | Water transfer | 556,872 |
| 240 | 160 | Helditg Services | 50 |
| 240 | 165 | WELL TESTINGFLOWBACK | 5155,000 |
| 240 | 148 | Taxes | \$269,499 |
| 240 | 40 | CONTEMGENCY COSTS 5\% | 35244,220 |
|  |  |  | 35,40146 |


| Mujor Minor Dateriplion |  |  | Amanat ${ }_{\text {\% }} \mathbf{1 7 5 , 0 6 0}$ |
| :---: | :---: | :---: | :---: |
| 245 | 5 | ARTIFICIAL LIFT |  |
| 245 | 15 | Flowlines | \$20,000 |
| 245 | 25 | frac string | 50 |
| 245 | 40 | PaCkersislemevesplugsigl. Mandrels | 0 |
| 245 | 45 | PRODUCTIONLAER | 10 |
| 245 | 50 | production processing facility | 50 |
| 245 | 55 | production tuang | \$150,000 |
| 24.5 | 60 | RODSPIMTS | 50 |
| 245 | 65 | SUBSURFACE EQUIPMENT | \$50,000 |
| 245 | 75 | WELLHEAD EQUPMENT | 5125,000 |
| 245 | 70 | taxes | 521,600 |
|  |  | Toral Tongitle Completion Cosis: | 35415000 |

Tanzible Fariaity Casta

| Mejor Minor Dexcripfian |  |  | Atapas |
| :---: | :---: | :---: | :---: |
| 270 | 10 | FACLILY PIPEMALVES/FITINGS | \$180,000 |
| 270 | 15 | CONTANMMENT | 50 |
| 270 | ${ }^{5} 5$ | DEHYDRATIOA | 50 |
| 270 | 30 | Prja,ary power materials | 556.000 |
| 270 | 50 | FLOULINES: PIPELINE: HOOKUP | \$47,000 |
| 270 | 60 | H2S TREATING Equipment | 50 |
| 270 | 65 | SEParation equapment | \$125,000 |
| 270 | 06 | ROADLOCATIONHENCINGREPAIRS | 50 |
| 270 | 75 | PREFABRICATED SKILS | so |
| 270 | 86 | Factuty stiriace equipment | 5137,060 |
| 270 | 90 | H2S SAFETY SYSTEM | 5.000 |
| 278 | 100 | CONTROL/ NSTRUMFAT : M | 386,000 |
| 276 | 110 | TANKS \& WALKWAY | \$00,000 |
| 279 | 130 | MECHANTÇAL BATTERY BULLD | \$154,000 |
| 270 | 132 | Ehac battery bull | S45,000 |
| 270 | 134 | CONTROLS AND SCADA BATTERY Blalld | 55,000 |
| 270 | 130 | PRJMARY POWER BUTLD | 556,000 |
| 270 | 138 | FLOWUINE INSTALLATION | 587,000 |
| 270 | 140 | Signacie | 5250 |
| 270 | 125 | TAXES | \$53,674 |
|  |  | Town 1 Turgible Farciling Cuss: | 5\%,067,920 |
|  |  |  |  |
| Toid Drill |  |  | \$4,677.06078] |
| Tonicomplaion |  |  | 55.357,045.54 |
| Total Ficiliy |  |  | 51, 195.97678 |
| Toral D C Manmiole |  |  | 5\%.2039271.04 |
| Tunal IC Tanuble' |  |  | 52.288, 885.28 |


| Major Misor Destription |  |  | Abmaust |
| :---: | :---: | :---: | :---: |
| 365 | 3 | CONSUTITNG | \$18,100 |
| 265 | 12 | COMPANY DIRECT LABOR | 50 |
| 265 | 20 | DAMAGESROWPPERMITS.ETC | 524,000 |
| 265 | 22 | padrond construction | \$50,000 |
| 265 | 25 | - Encintering sctence | \$32,000 |
| 265 | 40 | HEALTHSAFETY/FNVIRONMENTAL | 50 |
| 265 | 45 | CONTRACT LABOR A SERVICES | 50 |
| 263 | 60 | OVERHEAD | 33,000 |
| 265 | 80 | SURVEY/PLATS / STAKINGS | 31,500 |
| 365 | 85 | TRANSPORTATION:TRUKKING | 50 |
| 265 | 83 | taxes | 56,52, |
| 265 | 10 | CONTINGENCY COSTS 5\% | 55.930 |
|  |  | Total Intanyible Fariligy Costs: | उागफा |





Case No. 23833 W/2E/2 Wolfcamp Case

## Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

Slash Exploration LP
Devon Energy Production Company LP
COG Operating LLC
Marathon Oil Permian LLC
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Charles D. Ray
SMAA Family, LP
Stillwater Investments
Tarpon Industries Corporation
Jon Brickey
MRC Permian Company
Milestone Oil, LLC
AHCCI, LLC, a New Mexico Limited Liability Company (ULM)
AHCFL, LLC, a New Mexico Limited Liability Company (ULM)
AHCJL, LLC, a New Mexico Limited Liability Company (ULM)
Baloney Feather, Ltd. (ULM)
David B. Deniger (ULM)
Derrill G. Elmore, Jr., Deceased - Jane W. Elmore, a widow (ULM)
Doris Forrester Garrett (ULM)
Eleanor Hampton Sherbert (ULM)
Elisabeth Sinak (ULM)
Elizabeth Reymond a/k/a Betsy Reymond (ULM)
Frances Dunaway McGregor (ULM)
Frederic D. Brownell (ULM)
Harry F. Bliss III (ULM)
Hollmig LLC (ULM)
Hope Hampton Benner (ULM)
Jack Gordon Hampton, II, as his sole and separate property and estate (ULM)
Larri Moore Trippet Hampton (ULM)
Marguerite Forrester Tigert (ULM)
Marla J. Orr (ULM)
Mary Anita Dunaway Crockett (ULM)
Mid Lavaca Energy Company (ULM)
MSH Family Real Estate Partnership II, LLC, a Delaware Limited Liability Company (ULM)
OGX Royalty Fund IV, LP (ULM)
Patricia Wallace (ULM)
Paul Davis, Ltd., a Texas Limited Partnership (ULM)
R.E. Hampton, Jr. (ULM)

Randolph D. McCall (ULM)
Richard D. Jones, Jr. (ULM)
Robert K. Landis III (ULM)
SDH 2009 Investments, LP, a Texas Limited Partnership (ULM)
SMP Sidecar Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)

SMP Titan Flex, LP, a Delaware Limited Partnership (ULM)
SMP Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
The Allar Company (ULM)
Tyson Properties, LLC, a Texas Limited Liability Company (ULM)
Wadi Petroleum, Inc. (ULM)
White Star Royalty Company (ULM)
William S. Deniger, Jr. (ULM)
Wilson W. Crook III (ULM)

## ORRI to Be Pooled

Slash Exploration LP
Marathon Oil Permian, LLC
Charles D. Ray
JS\&AL Family LP
Armstrong Energy Corporation
Williamson Oil and Gas, LLC
Stillwater Investments
Jon Brickey
Tarpon Industries Corporation
Louellen T. Mays
Collins \& Jones Investments
SMAA Family LP
Buckhorn Energy LLC
Shark Tooth Resources, Ltd.
White Star Royalty Company
Mongoose Minerals LLC
Oak Valley Mineral and Land, LP
Ross Duncan Properties LLC
Good News Minerals, LLC
John D. Savage
Crown Oil Partners, LP
Post Oak Crown IV-B, LLC
Post Oak Crown IV, LLC
Post Oak Mavros II, LLC
LMC Energy, LLC
H. Jason Wacker

David W. Cromwell
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham
JA Gill Family Limited Partnership
Blue Ridge Royalties, LLC
Chimney Rock Oil \& Gas, LLC
JKV Corporation
Rocking H. Holdings, Ltd.
The Taurus Corporation

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

## APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING <br> AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23835

## 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 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.73-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 701H and Cross State Com 801H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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. 23835 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 701 H and Cross State Com 801 H 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.
$\frac{\text { DistrictI }}{1625}$
1625 N. French Dr, Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720 District III
811 S. First St, Artesia, NM 88210
Phone: (575) 748-1283 Faxi (575) 748-9720
District III
tho Rio Brazos Road, Aztec. NMM 87410 Phane: (505) 334-6178 Far: ( 505 ) 334-6170
1220 S St. Francis Dr., Sarta Ft, NMM 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

WELL LOCATION AND ACREAGE DEDICATION PLAT


1•Surface Location

| UL or lot no | Section | Townghip | Range | LotTda | Feet from the | North/South line | Feet from the | East/West line | County |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| E | 36 | 18 S | 34 E |  | 1350 | NORTH | 380 | WEST |  |

"Bottom Hole Location If Different From Surface


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.


State of New Mexico
Energy, Minerals \& Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

${ }^{10}$ Surface Location

| $\begin{gathered} \text { UL or lot no. } \\ \hline \end{gathered}$ | $\begin{gathered} \text { Section } \\ 36 \end{gathered}$ | $\begin{gathered} \text { Township } \\ 18 S \end{gathered}$ | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lot Ida | $\begin{aligned} & \text { Feet from the } \\ & 1350 \end{aligned}$ | North/Sorth line NORTH | $\begin{gathered} \text { Feet from the } \\ 410 \end{gathered}$ | Eant'Weat line WEST | County <br> LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ${ }^{11}$ Bottom Hole Location If Different From Surface |  |  |  |  |  |  |  |  |  |
| UL ar lot no. M | Section 1 | Township 19S | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lat Kdm | $\begin{aligned} & \text { Feet from the } \\ & 130 \end{aligned}$ | North/South line SOUTH | $\begin{aligned} & \text { Fect from the } \\ & 900 \end{aligned}$ | East/Weat line WEST | $\begin{aligned} & \text { County } \\ & \text { LEA } \end{aligned}$ |
| 11 Dedicated Acres 323.73 | ${ }^{13}$ Joint or Iofill |  | ${ }^{4}$ Consolidation Code |  | ${ }^{13}$ Order No. |  |  |  |  |

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.

Case No. 23835 Unit Summary
W2W2 of Sec 36-T18S-R34E \& Lot 4, SWNW, W2SW of Sec 1-T19S-R34E, 323.73 Acres Cross State Com 701H
Cross State Com 801H


## Case No. 23835

FRANKLIN MIUIN

Uncommited Working Interest

| Uncommited Working Interest |  |
| :--- | ---: |
| COG Operating, LLC | $11.569409 \%$ |
| Marathon Oil Permian, LLC | $11.115707 \%$ |
| Buckhorn Energy, LLC | $1.260284 \%$ |
| Shark Tooth Resources, Ltd. | $0.420096 \%$ |
| Charles D. Ray | $0.378086 \%$ |
| SMAA Family, LP | $0.105025 \%$ |
| Stillwater Investments | $0.024505 \%$ |
| Tarpon Industries Corporation | $0.024505 \%$ |
| Jon Brickey | $3.606135 \%$ |
| MRC Permian, LLC | $6.738968 \%$ |
| Unleased Mineral Owners (34) | $35.267226 \%$ |
|  |  |
| Uncommited Working Interest | $100.000000 \%$ |
|  |  |
| Total: |  |

July 14, 2023

## AHCCI, LLC

6844 Rio Grande Boulevard NW
Albuquerque, NM 87107
Attn: Land Dept, Permian Basin

## RE: Well Proposals

Township 18 South, Range 34 East Section 36: W2W2
Township 19 South, Range 34 East
Section 1: Lot 4 (43.73), SWNW, W2SW
Wolfcamp Formation
Lea County, New Mexico
323.73 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 <br> Name | Target Formation | Total Vertical Depth | Measured Depth | SHL | BHL | Total AFE | Order |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cross <br> State <br> Com <br> 701H | WCA | 11044 | 21,044' | Sec 36- T18S- R34E 1375 FNL 367 FWL | $\begin{gathered} \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ \text { 130 FSL } \\ 360 \text { FWL } \end{gathered}$ | \$11,650,592.43 | N/A |
| Cross <br> State <br> Com <br> 801 H | WCB | 11614 | 21,614' | Sec 36- <br> T18S- <br> R34E <br> 1375 FNL <br> 392 FWL | $\begin{gathered} \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ \text { 130 FSL } \\ 900 \text { FWL } \end{gathered}$ | \$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
- $\quad \$ 9,000 / \$ 900$ 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 or lease at the following terms:

The foregoing 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@fmellc.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) 4147863.

Respectfully,
Franklin Mountain Energy 3, LLC


Don Johnson
Sr. Land Analyst

## Cross State Com 701H;

$\qquad$ I/We hereby elect to participate in the Cross State Com 701H well. I/We hereby elect NOT to participate in the Cross State Com 701H well.

## Cross State Com 801H:

I/We hereby elect to participate in the Cross State Com $\mathbf{8 0 1 H}$ well. I/We hereby elect NOT to participate in the Cross State Com $\mathbf{8 0 1 H}$ well.

Owner: AHCCI, LLC

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date: $\qquad$


| Intantible Driliat Costs |  |  |  |
| :---: | :---: | :---: | :---: |
| Major | Minor | Dexaription | Amanat |
| 225 | 5 | AIMMINISTRATIVEOVERHEAD | \$5.200 |
| 225 | 10 | CASING CREW A EQPT | 355,000 |
| 235 | 15 | CEMENTING DITERMEDIATE Casding | 540,000 |
| 235 | 15 | CEmbATING PRODUCTION CASING | 585,000 |
| 235 | 20 | ceminting suface casing | \$13,000 |
| 225 | 25 | COMMUNTCATIDNS | 523,000 |
| 235 | 30 | COSPLETION FLUIDS | 56,000 |
| 235 | 34 | CONSTRUCTIONMOCATLON\& ROAD | 545,000 |
| 235 | 40 | contract labor | 560,000 |
| 235 | 45 | damages | 515,000 |
| 395 | so | daywork Comtract | \$650,000 |
| 225 | 55 | DRILLING - Directiona | \$330.000 |
| 225 | 60 | DRILIANG - footage | 590,000 |
| 225 | 6 | DRHLINGG Brts | 5110,000 |
| 215 | ${ }^{9}$ | ELECTRJCAL POUTERGGENERATION | 30 |
| 275 | 35 | enginerring | \$25.200 |
| 225 | 8 | enviromaental services | 5220,000 |
| 225 | 24 | IEQLSPMENT RENTAL DOWNHOLE | \$60,090 |
| 225 | 85 | EQUIPMENT RENTAL, | \$60,000 |
| 225 | 90 | Fishive tools services | 50 |
| 225 | 95 | HEALTH \& SAFETT | 511,000 |
| 225 | 100 | HOUSNGG AND SLPPPORT SER VTCES | 521,000 |
| 225 | 105 | insidrance | 52000 |
| 225 | 106 | INSPECTIOMS | 520,000 |
| 235 | 110 | lagal. title services | 55.000 |
| 225 | 115 | MATERIASS \& SUPPLIES | 55.000 |
| 225 | 120 | misczllaneous | 55.000 |
| 225 | 175 | mol'SERATHOLECONDUCT PIPE | 571,000 |
| 238 | 130 | MUD を CHEMICALS | \$300,000 |
| 235 | 140 |  | 50 |
| 225 | 14 h | CASED HOLE LOGGING | 50 |
| 225 | 145 | permatt, licenses, eTC | 530,000 |
| 225 | 150 | POWER FLIFL L WATER HALLING | 5188000 |
| 22. | 15s. | RIG MOVE \& RACKING COSTS | \$170.000 |
| 225 | 160 | RKG IP TEAR OUT A STANDBY | 50 |
| 325 | 163 | STTE RESTORATION | 50 |
| 225 | 165 | STAKIMG A SURVEYING | 56,000 |
| 235 | 170 | SUPERTISION | 548.200 |
| 225 | 175 | SUPERVISION - geological. | 548,300 |
| 223 | 189 | TRANSPORTATHONTRUCKING | \$95.000 |
| 235 | 173 | tases | 5143.724 |
| 275. | 33 | CONTMGENCY COSTS 5 | 5120,65 |
|  |  | Tastul latangible Sribing Costs: | 32, $11 / 40$ |
| Tangible brilint Cosh |  |  |  |
| Mrior Sinor |  | DSERMEDIATE CASING A ATACHMENTS | Ampunt |
| 230 | 10 |  | \$173,548 |
| 230 | 20 | PACKERSSLEEVESTILGS | \$66.000 |
| 230 | 2 | PRODGCTION CASING \& ATTACHMENTS | \$1,165.500 |
| 230 | 35 |  | \$173,758 |
| 230 | 45 | SIRFACECASINGA ATTACHMENTS WTLLIBEAD EOUIPMENTCCASEGG BOW'I | $\begin{aligned} & 570,000 \\ & 500,689 \end{aligned}$ |
| 230 | 40 | TAXES <br> Taral Tandile fribing ciman: |  |
|  |  |  | 51.291.58 |



| Maior Minor Desrription |  |  |
| :---: | :---: | :---: |
| 270 | 10 | FACILITY PIPEVALGESFITTMGS |
| 270 | 13 | COATAMMENT |
| 270 | 25 | Dehyoration |
| 270 | 10 | Primary power materials |
| 270 | 50 | FLOWLENES; PIPELINE / HODKUP |
| 270 | 60 | h2S TREATIKG EQUJPMENT |
| 270 | 65 | SEPALATION EQUIPMENT |
| 270 | 68 | ROADLOCationfenctigrrepars |
| $2 \%$ | 75 | PRE-FABRLCATED SKIDS |
| 270 | \% 6 | FACLITTY SURFACE EQUIPMENT |
| 270 | 9 | HZS SAFETY SYSTEM |
| 270 | 106 | CONTROL/INSTRUMENT/METERS/SCADA |
| 270 | 110 | TANX ${ }^{\text {a Whalk }}$ WAYS |
| 270 | 130 | MECHANICAL BATTERY BUILD |
| 270 | 132 | Egac batter ${ }^{\text {\% bullo }}$ |
| 270 | 134 | comtrols and scaba battery bul. |
| 270 | 136 | Primary powter bulld |
| 270 | 138 | flowline mistallatton |
| 270 | 140 | 5!GNace |
| 270 | 125 | TAXES |


| TGeal Divil | 54,627,006788 |
| :---: | :---: |
| Toxal Com lema |  |
| Youal Fursify | \$1, 198,97675 |
| Toral DC Tilammbe | 13.203,9104 |
| TMal | 32.288.185.28 |



| Majar | Minor | Descriqution | Amouni |
| :---: | :---: | :---: | :---: |
| 265 | 5 | CONSULTING | \$18,100 |
| 265 | 12 | COMPANT DRECT LABOK | 50 |
| 265 | 20 | DAMAGESROWFPERMITS, ETC | 524,000 |
| 265 | 22 | PADUROAD CONSTRLICTION: | \$50,000 |
| 265 | 25 | Engaverna / Scibrice | 522,000 |
| 365 | 40 | HEALTHSAFETYTENVIRONMENTAL | sp |
| 265 | 45 | contract labor \& Services | 50 |
| 265 | 60 | OVERHEAD | 53,000 |
| 265 | 80 | SURVEY \&PLATS/STAKINGS | S1.s(x) |
| 205 | 85 | TRANSPORTATION:TRUCKING | \$0 |
| 365 | 83 | taxes | S6, 523 |
| 25s | 10 | CONTINGENCY COSTS $5 \%$ | 55,9]0 |
|  |  | Tend bitantible Feitioy Cask: | S131,05] |


 Berwa, CD 80206
Phane: $720-114.786$

| FRANK <br> Authort | N MOUNTAIN NERGY <br> for expenditere |  |  | Berver, CD 80206 <br> Phone: 720-414-7865 <br> franklinmountainenerg eore |
| :---: | :---: | :---: | :---: | :---: |
| Wett Mimine: | Crost State Com 7014 | Wen* ${ }^{\text {a }}$ | 7011 |  |
| Locution: | SHL Sec 36.TISS-R34E 1375 FNT, 367 FWL. BHL: Sec I-TI9S-R34E I30 FSL 366 FWL | Comaty/State: | Lea Co., NM |  |
| Operator: | Frankin Mcmatain Energy 3, L.LC | Date Prepared: | 6218023 |  |
| Purpose: | Drill and compleas as, 10 HeO WCA wel | AFE ${ }^{\text {e }}$ | DCE230514 |  |


| Intantible Driling Costs |  |  |  |
| :---: | :---: | :---: | :---: |
| Majer Minor Description |  |  | Ampoup |
| 225 | ¢ | ADMINSTRATVEOVERHEAD | 54,500) |
| 235 | 10 | CASINGCREW a EQPT | \$50,000 |
| 235 | 15 | CEMTENTNG LINTERMEDLATE Casing | \$40,000 |
| 225 | 16 | CEMENTING PRODUCTION CASINO | 580.000 |
| 225 | 20 | CEMENTNG Stiface casing | \$66,000 |
| 225 | 25 | communications | S21,000 |
| 223 | 30 | COMPLETION GTEDS | 56.000 |
| 225 | 34 | CONSTRUCTIONLOCATHON: ROAD | 545,000 |
| 225 | 41 | COntract labor | \$55.000 |
| 225 | 45 | damages | \$15,000 |
| 225 | 50 | DAYWORK CONTRACT | \$5s5.000 |
| 225 | 55 | driling-directional. | \$220000 |
| 225 | 60 | DRILIING - FOOTAGE | 590,000 |
| 225 | 65 | DRLLing bits | \$100,000 |
| 225 | 70 | ELECTRICAL POWERGENERATION | 30 |
| 325 | 75 | engintering | 521,000 |
| 235 | 8 | ENVIRONMENTAL SERVICES | 5210.000 |
| 235 | 84 | EQUPPMENT RENTAL DOWNHDLE | 550,000 |
| 225 | 55 | EQUIPMENT RENTAL. | \$50,000 |
| 225 | 9 | FISHING TOOLS:SERYICES | 30. |
| 229 | 95 | HEALTH\& SAFETY | \$9,000 |
| 225 | 100 | HOUSIKO AND SUPPORT SERVICES | \$19,000 |
| 225 | 105 | instrance | 51,000 |
| 225 | 106 | mispections | \$17,000 |
| 22.5 | 110 | LEGA, TITLE SERVICES | \$8,000 |
| 22.5 | 115 | materials \& Supmaes | \$5,008 |
| 225 | 120 | MISCFIL, ANEOUS | 55.000 |
| 23.5 | 125 | MOUSERATHOLEHCONDLCT PIPE. | 531,000 |
| 225 | 110 | MHD \& CHEMICALS | \$180,000 |
| 225 | 146 | OPENHOLE LDGGRAG | 50 |
| 225 | 141 | Cased hole logging | S0. |
| 225 | 145 | PERMATS, LICENSES, ETC, | \$20,000 |
| 235 | 150 | POWER FUEL \& WATER HALLING | 1170,000 |
| 225 | 159 | RIG MOVE を RACKING COSTS | 5130,000 |
| 225 | 160 | RIG up tiar our a standiy | 50 |
| 225 | 163 | SITE RESTOAATIO* | \$10,000 |
| 225 | lós | STAKING A SURVEYPNG | 56,000 |
| 225 | 170 | SUPER VISION | 575.600 |
| 225 | 175 | SUPERVISION-GEOLOGICAL | 511.400 |
| 225 | 180 | transportationtrteking | \$22,000 |
| 225 | 878 | taxes | \$134,057 |
| 225 | 35 | CONTINGENCY COSTS $5 \%$ | 5121.370 |
|  |  |  | 32000,12 |
| Taugible Driline Costs |  |  |  |
| Majar Minar |  | Descrintian | Amamat |
| 230 | 10 | INTERMEDIATE CASING A ATACHMENTS | 5173,735 |
| 230 | 20 | PACKERSSLEEYESPR.UGS | \$66,000 |
| 230 | 25 | PRODUCTIOA CASING \& ATTACHIMENTS | \$1,141,050 |
| 230 | 35 | SURFACE CASSNG ${ }^{\text {a }}$ ATACHMEXTS | 5169.730 |
| 230 | 45 | WELIHEAD EOLIPMENT/CASING BOWI. | 570,000 |
| 230 | 40 | TAXES | 589, 295 |
|  |  | Total Tangibe Drilling Coxks | 51. 12.3 [] |


| Majer Aliner Oescription |  |  | Ampong! |
| :---: | :---: | :---: | :---: |
| 240 | 5 | ADMINISTRATIVE OVERIFAD | 38.200 |
| 240 | 10 | CASED HOLER LOGS * SURVEYS | 56,635 |
| 240 | 15 | casing crew en eqri | 50 |
| 240 | 20 | COHLED tubingrnubring lint | 5194,313 |
| 248 | 25 | communicationis | \$1,89\% |
| 240 | 30 | COMPANY OTRECT LABOR | 50 |
| 240 | 35 | COMPIETIONTHORKOYER RIG | 575,000 |
| 240 | 4 | contract labordoustabouts | 523,697 |
| 249 | 50 | Damagesreclanation | 51,8\% |
| 240 | 55 | DISPOSAL SOLIDS | 52,844 |
| 380 | 60 | Electrical powerugeneration | \$0 |
| 340 | 62 | engineering | 33,687 |
| 340 | 65 | Envtronmentalcleanup | so |
| 240 | 76 | FISHING TOOLS S SER VICES | 50 |
| 240 | 7 | flumbmathinginisposal | 5180,000 |
| 240 | 72 | FRAC WATERCOMPLETION FLUID | \$470,000 |
| 240 | 75 | FULI, POWERDIESEL | 5550,020 |
| 240 | 80 | HEALTHE SAEETY | 54,700 |
| 240 | 85 | HOLSING AND SUPPORT SERVICES | \$14,009 |
| 240 | 90 | haterials a SUPPLIES | 30 |
| 240 | 95 | miscellaneous | \$0 |
| 240 | 100 | mRD \& CIEMICALS | 510,000 |
| 240 | 10 | peata COSTS | 50 |
| 240 | 115 | Pekforativghirelini sirrvice | 5235.403 |
| 240 | 130 | PIPE INSPECTION | 50 |
| 240 | 125 | ROAD LOCATIONS HEPARS | \$2,000 |
| 240 | 130 | STbMCLATLOA | 52,616,000 |
| 240 | 135 | SUBSLRFACE EQLIPAESTAL RGNTAL | 537,915 |
| 240 | 140 | SLPERVISION | 590,047 |
| 240 | 145 | SURFace equip rental | 5189,573 |
| 240 | 150 | TRANSPORTATIONTRUCKING | S2,844 |
| 240 | 155 | WATER TRANSFER | SSb, 872 |
| 240 | 160 | metding services | \$0 |
| 240 | 165 | HELL TESTINGFLOWBACK | 5165,000 |
| 240 | 248 | TAACES | \$ 57395909 |
| 240 | 40 |  | 35348, 5126 |


| Tampibtr Completiono Cosis |  |  |  |
| :---: | :---: | :---: | :---: |
| Mgjor Mingr Destription |  |  | Ampun! |
| 245 | 5 | ARTIFCTAL Lift | \$175,000 |
| 245 | 15 | FLOWLTNES | 570,000 |
| 245 | 25 | frac staing | 50 |
| 245 | 40 | PACKERSSLEEVESPLLGSIGL MANDRE1.5 | 50 |
| 245 | 45 | PRODUCTION LINER | 50 |
| 245 | 50 | PRODLCTION PROCESSING FACILIJY | 50 |
| 245 | 5. | PRODUCTION TIJBNG | \$150.000 |
| 245 | 60 | RODS PUAMPS | 50 |
| 245 | 6 | SUBSLRFACE EQGAPMENT | 550,000 |
| 24.5 | 35 | WELLREAD ECUTPMEAT | \$135,000 |
| 245 | 76 | TAXES | 521600 |
|  |  | Toudi Targible Cumplesian Cists: | 5848.000 |



all participants must carky tigir own control of well insurance and attach a certificate df insufance to this election or insure with fme

Case No. 23835 W/2W/2 Wolfcamp Case
Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled
COG Operating LLC
Marathon Oil Permian LLC
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Charles D. Ray
SMAA Family, LP
Stillwater Investments
Tarpon Industries Corporation
Jon Brickey
MRC Permian Company
Milestone Oil, LLC
AHCCI, LLC, a New Mexico Limited Liability Company (ULM)
AHCFL, LLC, a New Mexico Limited Liability Company (ULM)
AHCJL, LLC, a New Mexico Limited Liability Company (ULM)
Baloney Feather, Ltd. (ULM)
David B. Deniger (ULM)
Derrill G. Elmore, Jr., Deceased - Jane W. Elmore, a widow (ULM)
Doris Forrester Garrett (ULM)
Eleanor Hampton Sherbert (ULM)
Elisabeth Sinak (ULM)
Elizabeth Reymond a/k/a Betsy Reymond (ULM)
Frances Dunaway McGregor (ULM)
Frederic D. Brownell (ULM)
Harry F. Bliss III (ULM)
Hollmig LLC (ULM)
Hope Hampton Benner (ULM)
Jack Gordon Hampton, II, as his sole and separate property and estate (ULM)
Larri Moore Trippet Hampton (ULM)
Marguerite Forrester Tigert (ULM)
Marla J. Orr (ULM)
Mary Anita Dunaway Crockett (ULM)
Mid Lavaca Energy Company (ULM)
MSH Family Real Estate Partnership II, LLC, a Delaware Limited Liability Company (ULM)
OGX Royalty Fund IV, LP (ULM)
Patricia Wallace (ULM)
Paul Davis, Ltd., a Texas Limited Partnership (ULM)
R.E. Hampton, Jr. (ULM)

Randolph D. McCall (ULM)
Richard D. Jones, Jr. (ULM)
Robert K. Landis III (ULM)
SDH 2009 Investments, LP, a Texas Limited Partnership (ULM)
SMP Sidecar Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
SMP Titan Flex, LP, a Delaware Limited Partnership (ULM)

SMP Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
The Allar Company (ULM)
Tyson Properties, LLC, a Texas Limited Liability Company (ULM)
Wadi Petroleum, Inc. (ULM)
White Star Royalty Company (ULM)
William S. Deniger, Jr. (ULM)
Wilson W. Crook III (ULM)

## ORRI to Be Pooled

Slash Exploration LP
Marathon Oil Permian, LLC
Charles D. Ray
JS\&AL Family LP
Armstrong Energy Corporation
Williamson Oil and Gas, LLC
Stillwater Investments
Jon Brickey
Tarpon Industries Corporation
Louellen T. Mays
Collins \& Jones Investments
SMAA Family LP
Buckhorn Energy LLC
Shark Tooth Resources, Ltd.
White Star Royalty Company
Mongoose Minerals LLC
Oak Valley Mineral and Land, LP
Ross Duncan Properties LLC
Good News Minerals, LLC
John D. Savage
Crown Oil Partners, LP
Post Oak Crown IV-B, LLC
Post Oak Crown IV, LLC
Post Oak Mavros II, LLC
LMC Energy, LLC
H. Jason Wacker

David W. Cromwell
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham
JA Gill Family Limited Partnership
Blue Ridge Royalties, LLC
Chimney Rock Oil \& Gas, LLC
JKV Corporation
Rocking H. Holdings, Ltd.
The Taurus Corporation

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

## APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23838

## 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 323.51 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the $\mathrm{SE} / \mathrm{NE}$, and $\mathrm{E} / 2 \mathrm{SE}$ of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.51-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com $\mathbf{7 0 4 H}$ and Cross State Com $\mathbf{8 0 4 H}$ wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1 , the $S E / N E$, and $E / 2 S E$ of Section 1 (the equivalent of the $E / 2 E / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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,<br>MODRALL, SPERLING, ROEHL, HARRIS<br>\& SISK, P.A.<br>By:/s/ Deana M. Bennett<br>Earl E. DeBrine, Jr.<br>Deana M. Bennett<br>Post Office Box 2168<br>500 Fourth Street NW, Suite 1000<br>Albuquerque, New Mexico 87103-2168<br>Telephone: 505.848.1800<br>edebrine@modrall.com<br>deana.bennett@modrall.com<br>Attorneys for Applicant

CASE NO. 23838 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.51-acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{7 0 4 H}$ and Cross State Com $\mathbf{8 0 4 H}$ 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.

State of New Mexico
Energy, Minerals \& Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

${ }^{10}$ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Fect from the |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| A | 36 | 18 S | 34 E |  | North/Sauth line <br> NORTH | Fect from the <br> 914 | East/Wast line <br> EAST | County <br> LEA |

"Bottom Hole Location If Different From Surface

| $\begin{gathered} \text { UL or lot no. } \\ \mathrm{P} \end{gathered}$ | $\begin{gathered} \text { Section } \\ 1 \end{gathered}$ | $\begin{gathered} \text { Tuwnship } \\ 19 \mathrm{~S} \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & 34 \mathrm{E} \end{aligned}$ | Lot Idn | $\begin{gathered} \text { Feet from the } \\ 130 \\ \hline \end{gathered}$ | North/Sputh line SOUTH | $\begin{gathered} \text { Feet from the } \\ 980 \end{gathered}$ | East/West line EAST | County LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| "Dedicated Acres 323.51 | ${ }^{13}$ Joint or Infill |  | ${ }^{14}$ Consolidation Code |  | ${ }^{1 s}$ Order No. |  |  |  |  |

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.



State of New Mexico
Energy, Minerals \& Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 'API | $\begin{gathered} 2 \text { Pool Code } \\ 970 \\ \hline \end{gathered}$ | AIRSTRIP; WOLFCAMP |  |
| :---: | :---: | :---: | :---: |
| ${ }^{4}$ Property Code |  | ${ }^{5}$ Property Name CROSS STATE COM | $\begin{aligned} & \text { 6 Well Number } \\ & 804 \mathrm{H} \end{aligned}$ |
| $\begin{aligned} & \text { 7 OGRID No. } \\ & 331595 \end{aligned}$ | FRAN | ${ }^{8}$ Operator Name <br> N MOUNTAIN ENERGY 3, LLC | 9 Elevation 3958.6 ' |

"Surface Location

| UL or lot ne. A | $\begin{gathered} \hline \text { Section } \\ 36 \end{gathered}$ | Tounship 18 S | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lot Idn | $\begin{aligned} & \text { Fect from the } \\ & 927 \end{aligned}$ | North/South line NORTH | $\begin{aligned} & \text { Fect from the } \\ & 884 \end{aligned}$ | EastWest line EAST | County LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

"Bottom Hole Location If Different From Surface


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.

Case No. 23838 Unit Summary

July 14, 2023

AHCCI, LLC
6844 Rio Grande Boulevard NW
Albuquerque, NM 87107
Attn: Land Dept, Permian Basin

## RE: Well Proposals

Township 18 South, Range 34 East Section 36: E2E2
Township 19 South, Range 34 East
Section 1: Lot 1 (43.51), SENE, E2SE
Wolfcamp Formation
Lea County, New Mexico
323.51 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 <br> Formation | Total Vertical Depth | Measured Depth | SHL | BHL | Total AFE | Order |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cross <br> State <br> Com <br> 704H | WCA | 11004 | 21,004 ${ }^{\prime}$ | Sec 36- T18S- R34E 922 FNL 928 FEL | $\begin{gathered} \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ \text { 130 FSL } \\ 980 \mathrm{FEL} \end{gathered}$ | \$11,650,592,43 | N/A |
| Cross <br> State <br> Com <br> 804H | WCB | 11526 | 21,526 | $\begin{aligned} & \text { Sec 36- } \\ & \text { T18S- } \\ & \text { R34E } \\ & 922 \text { FNL } \\ & 903 \text { FEL } \end{aligned}$ | $\begin{gathered} \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ 130 \mathrm{FSL} \\ 360 \mathrm{FEL} \end{gathered}$ | \$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.

FRANKLIN MOUNTAIN
ENERGY
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
- $\quad \$ 9,000 / \$ 900$ 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 or lease at the following terms:

The foregoing 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 $\omega$ fnellc.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) 4147863.

Respectfully,
Franklin Mountain Energy 3, LLC


Don Johnson
Sr. Land Analyst

## Cross State Com 704H:

$\ldots$ _I/We hereby elect to participate in the Cross State Com 704H well. I/We hereby elect NOT to participate in the Cross State Com 704H well.

## Cross State Com 804H:

I/We hereby elect to participate in the Cross State Com $\mathbf{8 0 4 H}$ well. I/We hereby elect NOT to participate in the Cross State Com $\mathbf{8 0 4 H}$ well.

Owner: AHCCI, LLC

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date: $\qquad$


Tadelble Ficiliy Costs

| Mipjor Myinar Dearription |  |  |
| :---: | :---: | :---: |
| 270 | 10 | FACILITY PIPENALVESTITTIAGS |
| 2\%0 | 15 | CONTANXSENT |
| 270 | 25 | DEHYDRATION |
| 270 | 30 | Primary fower alaterials |
| 270 | 50 | FLOULINES PIPGLINE H HOOKLIP |
| 270 | 60 | H2S TREATING EQUTPMENT |
| 270 | 65 | 3EPARATION EQUAPMENT |
| 270 | 66 | ROADMOCATIONTENEINGREPAIRS |
| 270 | 75 | PREFABRICATED SKIDS |
| 270 | в6 | facuity slmface equmpaent |
| 270 | 90 | H2S SAFETY SYSTEM |
| 270 | 100 | CONTROL/INSTRUMENT / METERS : SCADA |
| 270 | 130 | TANKSE Walkways |
| 270 | 130 | MECHANICAL BATTERY BULD |
| 270 | 132 | Elac batter build |
| 270 | 13.4 | COMTROLS AND SCADA BATTERY BUILS |
| 270 | 136 | PRIMARY POWER BUILD |
| 270 | 138 | FLOWLINE ENSTALLATIGN |
| 270 | 140 | sigwage |
| 270 | 125 |  |
|  |  | Toual Targible Feciligy Cons: |


| Major | Minur | Description | Amount |
| :---: | :---: | :---: | :---: |
| 265 | 5 | COnstilitak | \$18,100 |
| 265 | 12 | COMPANY DIRECT LABOR | so |
| 265 | 20 | DAMAGESTROW/PERMITS, ETC | 524,000 |
| 26,5 | 37 | Padmoad constrluction | \$50,000 |
| 265 | 25 | Emginetring science | \$22,000 |
| 265 | 40 | HEALTLSAFETY/ENVIRONMENTAL. | 50 |
| 265 | 45 | CONTRACT LABOR \& SFRVICES | 30 |
| 265 | 60 | OVERHLAD | \$3,000 |
| 265 | 80 | SUR VEY / PLATS / STAKINGS | 51.500 |
| 265 | 85 | transportatlonftrucking | 50 |
| 265 | ${ }^{3}$ | TAXES | 56.523 |
| 263 | 10 | CONTINGENCY COSTS 5\% Town datandite Facilit Cosk: | 515.930 |





ALL PARTCIPANTS MUST CARRY THIER OWN CONTROL OF WEIL BNSURANEE AND ATTACII A CERTIFICATE OF INSURANCE TO THIS ELECTION OR DNSURE WTTH FMES

Case No. $23838 \mathrm{E} / 2 \mathrm{E} / 2$ Wolfcamp Case

## Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

Slash Exploration LP<br>Devon Energy Production Company, LP<br>COG Operating LLC<br>Marathon Oil Permian LLC<br>Buckhorn Energy, LLC<br>Sharktooth Resources, Ltd.<br>Charles D. Ray<br>SMAA Family, LP<br>Stillwater Investments<br>Tarpon Industries Corporation<br>Jon Brickey<br>MRC Permian Company<br>Milestone Oil, LLC<br>AHCCI, LLC, a New Mexico Limited Liability Company (ULM)<br>AHCFL, LLC, a New Mexico Limited Liability Company (ULM)<br>AHCJL, LLC, a New Mexico Limited Liability Company (ULM)<br>Baloney Feather, Ltd. (ULM)<br>David B. Deniger (ULM)<br>Derrill G. Elmore, Jr., Deceased - Jane W. Elmore, a widow (ULM)<br>Doris Forrester Garrett (ULM)<br>Eleanor Hampton Sherbert (ULM)<br>Elisabeth Sinak (ULM)<br>Elizabeth Reymond a/k/a Betsy Reymond (ULM)<br>Frances Dunaway McGregor (ULM)<br>Frederic D. Brownell (ULM)<br>Harry F. Bliss III (ULM)<br>Hollmig LLC (ULM)<br>Hope Hampton Benner (ULM)<br>Jack Gordon Hampton, II, as his sole and separate property and estate (ULM)<br>Larri Moore Trippet Hampton (ULM)<br>Marguerite Forrester Tigert (ULM)<br>Marla J. Orr (ULM)<br>Mary Anita Dunaway Crockett (ULM)<br>Mid Lavaca Energy Company (ULM)<br>MSH Family Real Estate Partnership II, LLC, a Delaware Limited Liability Company (ULM)<br>OGX Royalty Fund IV, LP (ULM)<br>Patricia Wallace (ULM)<br>Paul Davis, Ltd., a Texas Limited Partnership (ULM)<br>R.E. Hampton, Jr. (ULM)<br>Randolph D. McCall (ULM)<br>Richard D. Jones, Jr. (ULM)<br>Robert K. Landis III (ULM)<br>SDH 2009 Investments, LP, a Texas Limited Partnership (ULM)<br>SMP Sidecar Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)

SMP Titan Flex, LP, a Delaware Limited Partnership (ULM)
SMP Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
The Allar Company (ULM)
Tyson Properties, LLC, a Texas Limited Liability Company (ULM)
White Star Royalty Company (ULM)
William S. Deniger, Jr. (ULM)
Wilson W. Crook III (ULM)

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Slash Exploration LP
Marathon Oil Permian, LLC
Charles D. Ray
JS\&AL Family LP
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Williamson Oil and Gas, LLC
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Jon Brickey
Tarpon Industries Corporation
Louellen T. Mays
Collins \& Jones Investments
SMAA Family LP
Buckhorn Energy LLC
Shark Tooth Resources, Ltd.
White Star Royalty Company
Mongoose Minerals LLC
Oak Valley Mineral and Land, LP
Ross Duncan Properties LLC
Good News Minerals, LLC
John D. Savage
Crown Oil Partners, LP
Post Oak Crown IV-B, LLC
Post Oak Crown IV, LLC
Post Oak Mavros II, LLC
LMC Energy, LLC
H. Jason Wacker

David W. Cromwell
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham
JA Gill Family Limited Partnership
Blue Ridge Royalties, LLC
Chimney Rock Oil \& Gas, LLC
JKV Corporation
Rocking H. Holdings, Ltd.
The Taurus Corporation

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


#### Abstract

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


CASE NO. 23839

## 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 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the E/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 323.65 -acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com $\mathbf{7 0 2 H}$ and Cross State Com $\mathbf{8 0 2 H}$ wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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,<br>MODRALL, SPERLING, ROEHL, HARRIS \& SISK, P.A.<br>By:/s/ Deana M. Bennett<br>Earl E. DeBrine, Jr.<br>Deana M. Bennett<br>Post Office Box 2168<br>500 Fourth Street NW, Suite 1000<br>Albuquerque, New Mexico 87103-2168<br>Telephone: 505.848.1800<br>edebrine@modrall.com<br>deana.bennett@modrall.com<br>Attorneys for Applicant

CASE NO. 23839 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{7 0 2 H}$ and Cross State Com $\mathbf{8 0 2 H}$ 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.
$\frac{\text { District I }}{1625 \text { N. French Dr., Hobbs, NM } 88240}$ Phont: (575) 393-6161 Fax: (575) 393-0720 District II
11 S. First St, Attesia NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720 District III
Phone: ( 505 ) 33 Road, Aztec, NMM 87410 District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505 Pbone: (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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ${ }^{1}$ API Number | $\begin{aligned} & { }^{1} \text { Pool Code } \\ & 970 \\ & \hline \end{aligned}$ | AIRSTRIP; WOLFCAMP |  |
| :---: | :---: | :---: | :---: |
| ${ }^{4}$ Property Code |  | 5 Property Name CROSS STATE COM | $\begin{gathered} \text { Well Number } \\ 702 \mathrm{H} \end{gathered}$ |
| $\begin{gathered} \hline{ }^{7} \text { OGRID No. } \\ 331595 \\ \hline \end{gathered}$ | FRAN | *Operatar Name <br> N MOUNTAIN ENERGY 3, LLC | $\begin{aligned} & \text { "ETevation } \\ & 3965.7 \\ & \hline \end{aligned}$ |

-Surface Location

| $\begin{gathered} \text { UL or lot } \mathrm{Co} \\ \mathrm{C} \end{gathered}$ | $\begin{gathered} \text { Section } \\ 36 \end{gathered}$ | $\begin{gathered} \text { Townghip } \\ 185 \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & 34 \mathrm{E} \end{aligned}$ | LotIdn | $\begin{aligned} & \text { Feet from the } \\ & 1097 \end{aligned}$ | Narth/Sauth line NORTH | $\begin{aligned} & \text { Feet from the } \\ & 2232 \end{aligned}$ | Eavt/Weat Ine WEST | County LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

n Bottom Hole Location If Different From Surface

| $\begin{gathered} \text { IL ar lot no. } \\ \mathrm{N} \end{gathered}$ | $\begin{gathered} \hline \text { Section } \\ 1 \\ \hline \end{gathered}$ | Townshlp <br> 195 | $\begin{aligned} & \text { Range } \\ & 34 \mathrm{E} \end{aligned}$ | Lot Idm | $\begin{gathered} \text { Feet from the } \\ 130 \end{gathered}$ | North/South line SOUTH | $\begin{aligned} & \text { Feet from the } \\ & 1560 \end{aligned}$ | Kantwest line WEST | Connty LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{gathered} 12 \text { Dedicnted Acres } \\ 323.65 \end{gathered}$ |  | ${ }^{13}$ Joint or Infill | ${ }^{4}$ Consolidation Code |  | ${ }^{3}$ Onder No. |  |  |  |  |

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.


Form C-102
Revised August 1,201 Submit one copy to appropriate District OfficeAMENDED REPORT

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 - -3


Printed Name
roverbey@fmellc.com
E-mail Address

NAD 83 (BOTTOM HOLE LOCATIO LONGITUDE $=-103931^{\circ} 02.41^{\prime \prime}\left(-103.517337^{\circ}\right)$ \begin{tabular}{|l|l|l|}
\hline NAD 27 (BOTTOM HOLE LOCATTON) <br>
\hline LATTIUDE $=32^{\circ} 40^{\prime} 56.47^{\prime \prime}\left(32.682354^{\circ}\right)$ <br>
\hline

 LONGITUDE $=-103^{\circ} 91100.64^{\prime \prime}\left(-103.516843^{\circ}\right)$ 

STATE PLANE NAD 83 (N.M. EAST) <br>
\hline N: $612982.01^{1}$ E: $7923985^{\circ}$
\end{tabular} N: 612982.01' E: 792398.75 N: 612918.03' E: 751218.29'

$\bullet=$ SURFACE HOLE LOCATON
$\circ=$ BOTTOM HOLE LOCATION
$\mathbf{A}=$ SECTON CORNER LOCATED

NOTE:




Signature and Seal of Professiogal Surveyor:

$\frac{\text { District I }}{1625 \text { N. French } \mathrm{Dr}_{\text {r., }}}$ Hobbs, NM 88240 Phone: (575) 393-6161 Fex: (575) 393-0720 District IR

St Aterie NM 88210 Phone: (575) 748-1283 Fex: (575) 748-9720
District II $\quad$ Rrazor Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170
District IV 1220 . 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 87505AMENDED REPORT

"Surface Location

| UL or lot no. | Section <br> C | Townghlp <br> $18 S$ | Range <br> $34 E$ | Lot Idn | Feet from the | North/South line <br> NORTH | Feet from the <br> 2262 | Eat/Weat line <br> WEST | Connty <br> LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

"Bottom Hole Location If Different From Surface

| $\begin{gathered} \text { UL. or lot no. } \\ \mathrm{N} \end{gathered}$ | $\begin{gathered} \text { Section } \\ 1 \end{gathered}$ | Townshlp <br> 19 S | $\begin{gathered} \hline \text { Range } \\ 34 E \end{gathered}$ | Lot Ida | $\begin{gathered} \text { Feet from the } \\ 130 \end{gathered}$ | North/Soufth line SOUTH | $\begin{aligned} & \text { Feet from the } \\ & 2300 \end{aligned}$ | Eat/Weat line WEST | $\begin{aligned} & \hline \text { Connty } \\ & \text { LEA } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{gathered} \text { I2 Dedlcated Acres } \\ 323.65 \end{gathered}$ |  | ${ }^{13}$ Jolnt or Maflil | ${ }^{14}$ Consolidation Code |  | ${ }^{15}$ Order No. |  |  |  |  |

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.

Case No. 23839 Unit Summary
Lot 3, SENW, E2SW of Sec 1-T19S-R34E, 323.65 Acres
Cross State Com 702H
Cross State Com 802 H


Case No. 23839
E2W2 of Sec 36-T18S-R34E

|  |  |  |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
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|  |  |  |  |  |  |  |  |

Sent via USPS: 9400109205568755327978

July 14, 2023

AHCCI, LLC
6844 Rio Grande Boulevard NW
Albuquerque, NM 87107
Attn: Land Dept, Permian Basin

## RE: Well Proposals

Township 18 South, Range 34 East Section 36: E2W2
Township 19 South, Range 34 East
Section 1: Lot 3 (43.65), SENW, E2SW
Wolfcamp Formation
Lea County, New Mexico
323.65 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 <br> Vertical <br> Depth | Measured Depth | SHL | BHL | Total AFE | Order |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cross <br> State <br> Com <br> 702H | WCA | 11032 | 21,032 | $\begin{gathered} \hline \text { Sec 36- } \\ \text { T18S- } \\ \text { R34E } \\ 990 \text { FNL } \\ 2232 \\ \text { FWL } \end{gathered}$ | $\begin{gathered} \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ 130 \text { FSL } \\ 1560 \\ \text { FWL } \end{gathered}$ | \$11,650,592.43 | N/A |
| Cross <br> State <br> Com <br> 802H | WCB | 11583 | 21,583' | $\begin{gathered} \text { Sec 36- } \\ \text { T18S- } \\ \text { R34E } \\ 990 \text { FNL } \\ 2257 \\ \text { FWL } \end{gathered}$ | $\begin{gathered} \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ \text { 130 FSL } \\ 2300 \\ \text { FWL } \end{gathered}$ | \$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
- $\quad \$ 9,000 / \$ 900$ 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 or lease at the following terms:

The foregoing 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@finellc.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) 4147863.

Respectfully,
Franklin Mountain Energy 3, LLC


Don Johnson
Sr. Land Analyst

## Cross State Com 702H:

$\qquad$ I/We hereby elect to participate in the Cross State Com 702H well.
I/We hereby elect NOT to participate in the Cross State Com 702H well.

## Cross State Com 802H:

$\qquad$ I/We hereby elect to participate in the Cross State Com $\mathbf{8 0 2 H}$ well. I/We hereby elect NOT to participate in the Cross State Com 802H well.

Owner: AHCCI, LLC

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date: $\qquad$

| SN | $N$ |  |  | Frenklin Mountais Eneqray 3, LLAC <br> 44 Cook Sireet, Suite 1000 Derver, CO 203DG <br> Phone: 720-114-7868 <br> frosiklinatountinherneriv. com |
| :---: | :---: | :---: | :---: | :---: |
|  | N MOUNTAIN HERGY Mor Expendttere |  |  |  |
| Well Name: | Cross Suate Corp 20.11 t | Well \%: | 702 H |  |
| Lecentian: |  BHL. Set f -T18S-R34E 130 FSL 1560 FWL | Canuty/State: | LeaCo, NM |  |
| Operalur: | Frankin Mountin Energy 3, Li.C | Date Prepared: | $623 / 2003$ |  |
| Phrpast: |  TVD 11,037, MD 21,032 | AFE ${ }_{\text {\% }}$ | DCEP30607 |  |


| tatanjole Drillina Costs |  |  |  |
| :---: | :---: | :---: | :---: |
| Mejor | Minor | Dacriplion | Ampapt |
| 225 | 5 | ADAINISTRATIVE OVERHEAD | 34, 500 |
| 225 | 10 | CASING CREW \& EQPT | \$50,000 |
| 225 | 15 | cementina intermediate casing | 540.000 |
| 225 | 16 | CEMENTING PRODUCTION CASING | Sm0,00 |
| 225 | 20 | CEmenttag sifacte casing | \$76,000 |
| 22. | 25 | commlunications | \$21,000 |
| 225 | 30 | COMPLETION FLLILS | 56,000 |
| 22.5 | 34 | CONSTRUCHINLOCAMON \& ROAD | 545,000 |
| 225 | 40 | contract labok | 555,000 |
| 225 | 45 | Dabiages | 513.000 |
| 23s | so | DAMWORK COATRACT | \$885,000 |
| 225 | Ss | DRILLING DIRECTIONAL | \$220,000 |
| 225 | 60 | DRILIING FDOTAGE | \$90,000 |
| 23 | 65 | Draling bits | 5100,000 |
| 22.5 | 70 | ELECTRICAL POWERGGENERATION | 50 |
| 325 | 75 | Engineering | 121,000 |
| 239 | 40 | Envtronmental services | \$210,000 |
| 225 | 4 | EQUPMENT RENTAL, DOWNHOHE | \$50.000 |
| 225 | 85 | EQUAPMENT RENTAL | 550,000 |
| 225 | 90 | FISHING TOOLSSER VICES | 50 |
| 225 | 95 | HEALTH\& SAFETY | 59,000 |
| 275 | 100 | housing and suprort slervices | \$19,000 |
| 225 | 109 | insurance | 51.906 |
| 22.5 | 106 | WSPECTIONS | \$17,000 |
| 22. | 110 | LEGAL TITES SERVTCES | S6,000 |
| 235 | 115 | MATERIALS $\frac{1}{\text { E SUPPLIES }}$ | 55,000 |
| 23.5 | 120 | miscelianeous | \$5.000 |
| 225 | 125 | a | \$ $\$ 1.0000$ |
| 225 | 130 | MUD ${ }^{\text {C CHEMRCALS }}$ | \$190.000 |
| 275 | 140 | OPENHOLIE LOGGING | 50 |
| 22.5 | 141 | CASED HOEELCGGENG | 50 |
| 225 | 145 | PERRATS, LIGENSES, ETC | 530,000 |
| 225 | 150 | pouter fuele hiater hatling | \$17a000 |
| 225 | 135 | RIG MOVE \& RaCKING COSTS | 5130,000 |
| 225 | 160 | RIG ifp tear out \& Stampay | 50 |
| 225 | 163 | ST'E RESTOAATION | \$10,000 |
| 223 | 168 | Stakng a sliv veytng | 56,002 |
| 225 | 170 | SUPERYISION | 575,600 |
| 223 | 175 | SUPERVISION-gECHOGICAL | 511,400 |
| 235 | 180 | TRANSPORTAYIONTTUUCKING | \$22,000 |
| 223 | 13\% | TAXES | 5194.057 |
| 225 | 3.5 | CONTINGENCY COSTS S4. Tow hemaible Drithag Costs: | [121,870 |
|  |  |  | E2,001,32 |
| Tampible Mraliat Conty |  |  |  |
| Major Minor Pemeription |  |  | Amous: |
| 2.0 | 10 | Iftermedate casing entiachients | 5173,758 |
| 230 | 20 | packerssuevissplugs | 566,000 |
| 350 | 25 | PROBUCTRON CASING A ATTACHMENTS | $51.844,050$ |
| 230 | 35 | SURFACE CASIMG ATTACHMENTS | \$169,740 |
| 230 | 45 | WELIHEAD EQUIPMENTICASNG BOWL, | 570,000 |
|  | 40 | taves | 589,295 |
|  |  | Tatal Tampible Driling Cast: | 51, 12.20 |


| Mejor Bliner Desription |  |  |  |
| :---: | :---: | :---: | :---: |
| - 26 | 5 | ADMINSTRATIVEOVERMEAD | Amorn |
| 340 | 10 | CASED HOLE LOGS \& SLHVY:YS | 56,635 |
| 240 | Is | Casina crew eleqp | 50 |
| 240 | 20 | COILED TUBNGOSNUBBING GNTT | 5194,313 |
| 246 | 25 | communications | 51.896 |
| 240 | 30 | Company dmect labor | so |
| 240 | 35 | COMPLETIONWORKȮYER RIG | 575,003 |
| 245 | 45 | contract laborroustabouts | 523,697 |
| 240 | 50 | Damagesfecliamation | \$1,8\% |
| 240 | 55 | dispesal solids | 52,844 |
| 20 | 60 | electrical. powerigeneration | \$0 |
| 240 | 62 | Emgintering | \$5,687 |
| 24a | 65 | ENVIROMMENTAUSLIANJP | 50 |
| 2446 | 70 | FISHING TOOLS/ SERVICES | 50 |
| 230 | 71 | Flutbinlaillingolsposal | \$180,000 |
| 240 | 72 | FRAC WATER/COAEPIETION F.UID | 5470,000 |
| 240 | 75 | FUEL, POWERDIESEL | \$550,000 |
| 240 | 80 | HEALTH \& SAFETY | 54,700 |
| 240 | 85 | HOUSTNG AND SUfPPORT SERVICES | \$14,000 |
| 240 | \$ | MATERIALS \& SUPPLIES | 50 |
| 240 | 95 | MISCELLANEOU5 | 50 |
| 249 | 100 | Mtide CHExicals | 510,006 |
| 240 | 116 | Pisafta costs | 50 |
| 240 | 115 | Perforatingwtreline service | 3265.403 |
| 240 | 120 | PIPE ENSPECTION | 50 |
| 240 | 125 | ROAD, LOCATTONS REPARS | \$2,000 |
| 240 | 130 | Stimbleation | 52,016,000 |
| 240 | 135 | SUBSURFACE EQUIPMENTAL, REETAL. | \$37,915 |
| 240 | 140 | SUPERVISION | 590.047 |
| 240 | 145 | SURFACEE HQUTP RESMAL | \$189,573 |
| 240 | 150 | TRANSPORTATIONTRUEKING | 52,844 |
| 240 | 155 | WATER TRANSFER | \$56,872 |
| 240 | 160 | WELDING SER VICES | 50 |
| 240 | 165 | WFilit TESTINGIFLOYBACK | \$165,000 |
| 240 | 148 | TAXES | 5773,599 |
| 2 NO | 43 | CONTINGFACY COSTS Sh | 5248,725 51,40,340 |


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| 270 | 15 | CONTAINMENT |
| 270 | 25 | DEAYDRATION |
| 270 | 30 | PRIMARY POWER MATERIALS |
| 270 | 50 | FLOWLRES / PIPELINE JIHONUP |
| 270 | 60 | H2S TREATING EQUTPMENT |
| 270 | 65 | SEParation equipment |
| 270 | $6{ }^{\circ}$ | ROADLOCATTONAENCINGREPAIRS |
| 270 | 75 | PRE-FARRICATED SKIDS |
| 270 | 86 | Facllity surface Equipment |
| 270 | 00 | H2S SAFETY SYSTEM |
| 270 | 100 | CONTRDL/ HNSTRUAENT / METERS $/$ SCADA |
| 270 | 110 | TANKS \& MAlxways |
| 270 | 130 | MECHANICAL Battery butid |
| 270 | 132 | EIAC BATTERY BLILD |
| 270 | 134 | CONTROLS AND SCADA BAYTERY BULL |
| 270 | 13. | Primary rower butid |
| 270 | 138 | FLOWLINE INSTALLATION |
| 270 | 100 | SIGNage |
| 270 | 135 | Taxes |
| Teatur Tangilic Faciliay Cars: |  |  |



WI Owitc.
Approved By


Primed Nime.
AT, PARTICIPAMTS MLST CARRY THER OUW CONTROL OF WELL INSURANCE AND ATTACH A CERTIFGATE OF INSURANCE TO THILS ELECTION ORIN

44 Cook Sireer, Suite 1000 Denver, CO 80200 FRANKLIN MGUNTAIN Phonc: 720-144-7868


| Intangible Dridime Costy |  |  |  |
| :---: | :---: | :---: | :---: |
| Major Minor |  | Description | $\frac{\text { Amount }}{55,200}$ |
|  |  | ADMEISTRATIVE OVERHEAD |  |
| 225 | 10 | CASING CREW \& EQPJ | 555,000 |
| 225 | 15 | CEMENTING INTERMEDIATLI CASING | S40,600 |
| 225 | 16 | cementing production casing | 585,000 |
| 235 | 20 | cenenting suface casing | 516,000 |
| 235 | 25 | COMMANCATHNS | 322,000 |
| 235 | 30 | COMPLETION FLCHOS | 56,000 |
| 229 | 34 | CONSTRUCTIDNLOCATION E ROAD | S45.000 |
| 275 | 44 | CONTRACT LaBOR | \$60,000 |
| 225 | 4.5 | damages | \$15,000 |
| 225 | so | DAYWORK CONTRACT | 5650,000 |
| 225 | 55 | DRILLING - DIRECTIONAT | \$230,000 |
| 225 | 69 | DRILING FOOTAGE | \$93,000 |
| 25 | 69 | Dfllidnt sits | 5110,000 |
| 225 | 70 | GLECTRICAL POWERGEEERATION | 50 |
| 225 | 73 | fngmetring | 525.300 |
| 225 | 80 | ENVIRONMENTAL SERVIGES | 5220.008 |
| 225 | 84 | EQUIPMENT REATAL DOWMIMLE | \$64,000 |
| 225 | 85 | EQUPMERT RENTAL | 560.000 |
| 225 | 900 | FISHENG TOOLSSEERYGES | 50 |
| 22.4 | 95 | HEALTH \& SAFETY | 511.000 |
| 225 | 100 | HOUSING AND SUPPORT SERYICES | 321,000 |
| 275 | 105 | bisuramce | \$2,250 |
| 225 | 106 | Inspections | \$20,000 |
| 22. | 110 | Legal, title services | \$5,000 |
| 225 | 115 | MATERIALS \& SUPPMIES | 55.000 |
| 325 | 120 | Miscellaneous | \$5.000 |
| 225 | 125 |  | 531.000 |
| 225 | 130 | MED \& CHEMICALS | \$200.000 |
| 225 | 140 | OPENHOLE LOGGING | 50 |
| 22.5 | 141 | CASED HOLE LOKGING | 80 |
| 235 | 145 | PERMITS, LICENSES, ETC | 520.000 |
| 22.5 | 150 | PGWER FIUEL \& Water hauling | \$180,000 |
| 225 | 155 | RIG MOVE \& RACKNG COSTS | 5130,000 |
| 225 | 160 | gig up tear out \& Standoby | 50 |
| 235 | 163 | SITE RESTORATION | 5 |
| 225 | 165 | STAKING - SURVEYTNG | 36,000 |
| 225 | 170 | SUFERVISION | 588.210 |
| 225 | 175 | SUPERVISEN-GEOLOGICAL | 3483.300 |
| 225 | 180 | TRANSPORTATIONTRICKING | 325,000 |
| 225 | 35 | taxis | \$143,721 |
| 225 |  | contingency costs s\% <br> Towt Intangiate Itriling Cests: | \$130.659 |
|  |  |  | [2,187,4] |
| Tangitit Driliaz Cosis |  |  |  |
| Mujor Minor |  | Dexcriptiog | Ampani |
| 230 | 10 | INTERAEDATE CASNG ATTACHMPNTS |  |
| 230 | 20 | Packersisl devesillugs | \$66,000 |
| 230 | 25 | PRODUCTION CASNG \& ATTACHMENTS | 51,165,590 |
| 230 | 35 | SUREACECASING ATTACHIMENTS | 5173,758 |
| 230 | 4. | WELLHEAD EqGIPMENT/CASING Bowl. | 570,000 |
| 230 | 40 | taxies | 500.689 |
|  |  | Total Tengible brilling Lams: |  |


| Bujor Minot Destriptig |  |  | A ${ }^{\text {angunt }}$ |
| :---: | :---: | :---: | :---: |
| 240 | 5 | ADMANISTRATIVEOVERHEAD | 58,200 |
| 240 | 10 | CASED HOIE LOGS \& SURVEYS | \$6,63, |
| 240 | 15 | CASNG CREW\& EQPT | 50 |
| 340 | 20 | coheo tumingrnebing unit | \$194,313 |
| 240 | 25 | COmmunications | 51.8\% |
| 240 | 30 | COMPANY DIRECT LABOR | \$0 |
| 240 | 35 | COMPLETHONWORKOVER RIG | 575,000 |
| 240 | 45 | CONTRACT LAROR/ROUSTABOITTS | \$23,697 |
| 240 | 50 | DAMAGLSRLCLAMATION | \$1,896 |
| 340 | 53 | DISPOSAL SOLIDS | \$2,944 |
| 240 | 60 | ELECTRICAL POWERIGENERATION | 50 |
| 240 | 62 | enginbiblia | 55,687 |
| 240 | 65 | Exvironmentalcteanup | 50 |
| 240 | \% | FISHING TOOLS ISERYICES | 50 |
| 240 | 7 | Flumbrhatlingidisposal | \$180,000 |
| 240 | 72 | FRAC WATEACOMPIETION FLULD | 5470.043 |
| 240 | J | FVEL, POMERDHESEL | 5550,000 |
| 240 | 8 | H1EALTH S SATETY | 54,700 |
| 240 | 55 | HOLSING AND SITPPORT SERVICES | \$14,000 |
| 240 | 9 | MATERIAI.SA SUPPLIES | 50 |
| 240 | 95 | miscellaneous | 5 |
| 248 | 109 | mLide Chimicals | \$10,000 |
| 240 | 110 | PEATACOSTS |  |
| 240 | 115 | PERFORATENGNITELINE SERVICR | 5265.403 |
| 740 | 320 | PIPE INSPECTION | 50 |
| 240 | 125 | ROAD, locations reparis | \$2,000 |
| 246 | 130 | Stimlhation | \$2,616.000 |
| 240 | 135 | Slastirface equipmental rental. | 537.015 |
| 240 | 1*9 | StPravision | 590,047 |
| 240 | 145 | SURFACE ESLISIP RENTAL | \$189,573 |
| 240 | 150 | TRANSPORTATIONITRUCKING | 52,844 |
| 340 | 155 | WATER TRANSFER | 556,872 |
| 140 | 160 | Weldimg Services | 50 |
| 300 | 165 | WELI, TESTINGFLOWBACK | \$165,000 |
| 240 | 148 | TAXES | 52659,199 <br> 5744 |
|  | 40 | CORTINGENCY COSTS St | 5244.726 |
|  |  | Tumal Intangitic Compliction Cossis | $35.100 \times 40$ |


| Major Minor Dearription |  |  | Amand |
| :---: | :---: | :---: | :---: |
| 245 | 5 | ARTEICALCLT | \$175.000 |
| 245 | 15 | FLOWLINES | 520,000 |
| 24. | 35 | FRac STRJig | 50 |
| 245 | 40 | PACKERS/SLEEVESPIUUS/GL MANDRELS | 50 |
| 245 | 45 | PRODICTIONLINER | \$0 |
| 245 | \$0 | PRODUICTION PROCESSING FACILITY | 30 |
| 245 | Ss | Prodiction tubing | \$150,000 |
| 245 | 60 | Rodsrumps | \$ 6 |
| 245 | 65 | SUBSURFACE EQUIPMENT | \$5,000 |
| 245 | 75 | HELLILEAD EQHIPMLiNT | \$125,000 |
| 245 | 70 | Taxes | 528,600 |
|  |  | Tand Tangitle Completion Coubs | 5345.500 |

Tangible Facilidy Casis

| Major Mlinor Deteriplion |  |  |
| :---: | :---: | :---: |
| 270 | 10 | FACLITY PIPECMLVESAITINGS |
| 270 | 15 | CONTANMEMT |
| 270 | 15 | DEHYDEATCON |
| 270 | 30 | PRIMARY POWER MATERIALS |
| 370 | 50 | FIOWLINES / PIPELINE / HOOKIJP |
| 270 | 60 | H25 TREATING EQUIPMINT |
| 270 | 65 | SEPARATION EQLITPMENT |
| 270 | 66 | ROADLOCATIOMFEVCINGREPAIRS |
| 270 | 75 | PREFA日RICATED SKIDS |
| 270 | 86 | FACLLITY SURFACE RQUIPMENT |
| 270 | 50 | H2SS SAFETY SYSTEM |
| 270 | 100 | COMIROL instrument METERS SCAD |
| 270 | 110 | TANKS \& WAl.KWAYS |
| 270 | 130 | MECHANICAL BATTERY BUILD |
| 270 | 137 | EIUCC Battery blald - |
| 210 | 134 | COATROIS AND SCADA BATIERY BuILD |
| 370 | 136 | Primary power binlo |
| 270 | 138 | FLOWLINE INSTALLATION |
| 270 | 140 | signage |
| 270 | 125 | TANES |
|  |  | Toinl Tangible Facifity Custs: |


| Misjor | Silipor | Descriplian | Ampuex |
| :---: | :---: | :---: | :---: |
| 265 | 5 | CONSILITMG | \$18,100 |
| 365 | 12 | COMPANY DIRECT LAEROR | 50 |
| 365 | 20 | DAMAGESROWPPIRMITS, ETC | 524,000 |
| 269 | 22 | PADMOAD CONSTRUCTION | \$50,000 |
| 265 | 25 | ENGINEERING / SCIENCE | 572,000 |
| 265 | 40 | HEAL THSAFETYFENVIRONMENTAL | 50 |
| 269 | 45 | contract labor \& Services | so |
| 265 | 60 | overijead | 53,000 |
| 235 | 80 | Strvey/Plats/ STAKINGS | \$1,500 |
| 365 | 85 | TRANSPORTATION / TRUCKING | 50 |
| 265 | ${ }^{3} 1$ | TAXES | 56,523 |
| 265 | 10 | CONTJNGTANCY COSTS $5 \%$ | 5,930 |
|  |  | Towal Inamgitie Farility Costs: | S111,008 |


| Tmat Drill | 54,627.000778 |
| :---: | :---: |
| Total Compietion. | 55,937,045 304 |
| Toui Fecility | \$1, $988,9 \mathrm{a} 78$ |
|  | 38,295,92104 |
|  | 52,288.185 21 |



ALI. PARTICIPANTS MLST CARRY THEIR OWN CONTROL OF WGLL INSURANCE AND ATTACH A CERTIFICATE OF INSLIRANCE TO THIS ELECTION OR INSURE WITH FME:

Case No. 23839 E/2W/2 Wolfcamp Case

## Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

Devon Energy Production Company, LP
Slash Exploration, LP
COG Operating LLC
Marathon Oil Permian LLC
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Charles D. Ray
SMAA Family, LP
Stillwater Investments
Tarpon Industries Corporation
Jon Brickey
MRC Permian Company
Milestone Oil, LLC
AHCCI, LLC, a New Mexico Limited Liability Company (ULM)
AHCFL, LLC, a New Mexico Limited Liability Company (ULM)
AHCJL, LLC, a New Mexico Limited Liability Company (ULM)
Baloney Feather, Ltd. (ULM)
David B. Deniger (ULM)
Derrill G. Elmore, Jr., Deceased - Jane W. Elmore, a widow (ULM)
Doris Forrester Garrett (ULM)
Eleanor Hampton Sherbert (ULM)
Elisabeth Sinak (ULM)
Elizabeth Reymond a/k/a Betsy Reymond (ULM)
Frances Dunaway McGregor (ULM)
Frederic D. Brownell (ULM)
Harry F. Bliss III (ULM)
Hollmig LLC (ULM)
Hope Hampton Benner (ULM)
Jack Gordon Hampton, II, as his sole and separate property and estate (ULM)
Larri Moore Trippet Hampton (ULM)
Marguerite Forrester Tigert (ULM)
Marla J. Orr (ULM)
Mary Anita Dunaway Crockett (ULM)
Mid Lavaca Energy Company (ULM)
MSH Family Real Estate Partnership II, LLC, a Delaware Limited Liability Company (ULM)
OGX Royalty Fund IV, LP (ULM)
Patricia Wallace (ULM)
Paul Davis, Ltd., a Texas Limited Partnership (ULM)
R.E. Hampton, Jr. (ULM)

Randolph D. McCall (ULM)
Richard D. Jones, Jr. (ULM)
Robert K. Landis III (ULM)
SDH 2009 Investments, LP, a Texas Limited Partnership (ULM)
SMP Sidecar Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)

SMP Titan Flex, LP, a Delaware Limited Partnership (ULM)
SMP Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
The Allar Company (ULM)
Tyson Properties, LLC, a Texas Limited Liability Company (ULM)
Wadi Petroleum, Inc. (ULM)
White Star Royalty Company (ULM)
William S. Deniger, Jr. (ULM)
Wilson W. Crook III (ULM)

## ORRI to Be Pooled

Slash Exploration LP
Marathon Oil Permian, LLC
Charles D. Ray
JS\&AL Family LP
Armstrong Energy Corporation
Williamson Oil and Gas, LLC
Stillwater Investments
Jon Brickey
Tarpon Industries Corporation
Louellen T. Mays
Collins \& Jones Investments
SMAA Family LP
Buckhorn Energy LLC
Shark Tooth Resources, Ltd.
White Star Royalty Company
Mongoose Minerals LLC
Oak Valley Mineral and Land, LP
Ross Duncan Properties LLC
Good News Minerals, LLC
John D. Savage
Crown Oil Partners, LP
Post Oak Crown IV-B, LLC
Post Oak Crown IV, LLC
Post Oak Mavros II, LLC
LMC Energy, LLC
H. Jason Wacker

David W. Cromwell
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham
JA Gill Family Limited Partnership
Blue Ridge Royalties, LLC
Chimney Rock Oil \& Gas, LLC
JKV Corporation
Rocking H. Holdings, Ltd.
The Taurus Corporation

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24110

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 323.51 -acre, more or less, Bone Spring horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 1, the $\mathrm{SE} / \mathrm{NE}$, and $\mathrm{E} / 2 \mathrm{SE}$ of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 1 , the SE/NE, and $\mathrm{E} / 2 \mathrm{SE}$ of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.51-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 304H and Cross State Com 504H 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. Franklin filed Case No. 23840 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
5. Franklin is filing this amended application to provide additional information about the existing spacing units that traverse portions of Section 1 and Section 36.
6. Franklin also is filing this amended application to request, to the extent necessary, approval of the overlapping spacing unit.
7. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
a. A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
b. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
c. A 160 -acre horizontal well spacing unit comprised of the N 2 S 2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
d. A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
e. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
f. A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
8. 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.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 January 4, 2024 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1 , the $\mathrm{SE} / \mathrm{NE}$, and $\mathrm{E} / 2 \mathrm{SE}$ of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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.

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 Franklin Mountain Energy 3, LLC

CASE NO. 24110: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.51 -acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 304H and Cross State Com $\mathbf{5 0 4 H}$ wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-02541110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-02540727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)

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.

District I
625 N. French Dr., Hotbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
$\frac{\text { District II }}{811 \text { First }}$
S. Firs artesia, NM 84210

Phone: (575) 748-1283 Fax: (575) 748-9720
$\frac{\text { District 以 }}{1000 \text { Rio Brazos Road, Aztce, NM } 87410}$ Phone: (505) 334-6178 Fax: (505) 334-6170 District IV
220 S. St. Francis Dr., Santa Fe, NM 87505 Fhone: (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

WELL LOCATION AND ACREAGE DEDICATION PLAT

${ }^{10}$ Surface Location

| $\begin{aligned} & \text { UL or lot na. } \\ & \mathrm{A} \end{aligned}$ | $\begin{gathered} \text { Section } \\ 36 \end{gathered}$ | $\begin{aligned} & \text { Township } \\ & 18 \mathrm{~S} \end{aligned}$ | $\begin{aligned} & \text { Renge } \\ & 34 E \end{aligned}$ | Lot Idn | $\begin{aligned} & \text { Fect from the } \\ & 934 \end{aligned}$ | North/South line NORTH | $\begin{aligned} & \text { Fcet from the } \\ & 974 \end{aligned}$ | East/West linc EAST | County <br> LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| "Bottom Hole Location If Different From Surface |  |  |  |  |  |  |  |  |  |
| $\begin{gathered} \text { UL or lot no. } \\ P \end{gathered}$ | $\begin{gathered} \text { Section } \\ 1 \end{gathered}$ | $\begin{gathered} \text { Township } \\ 19 \mathrm{~S} \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & 34 \mathrm{E} \end{aligned}$ | Lot Idn | Feet from the 130 | North/South line SOUTH | $\begin{aligned} & \text { Feet from the } \\ & 980 \end{aligned}$ | Eastwest line EAST | County <br> LEA |
| $\begin{gathered} 12 \text { Dedicated Acres } \\ 323.51 \\ \hline \end{gathered}$ | ${ }^{13}$ Joint or Infill |  | ${ }^{4}$ Consolidation Code |  | ${ }^{15}$ Order No. |  |  |  |  |

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.


State of New Mexico
Energy, Minerals \& Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ' API Number | $\begin{gathered} \text { 2 Pool Code } \\ 55610 \& 960 \end{gathered}$ | [55610] SCHARB; BONE SPRING, 960 | AIRSTRIP; BONESPRING |
| :---: | :---: | :---: | :---: |
| ${ }^{*}$ Property Code | $\begin{gathered} \text { sProperty Name } \\ \text { CROSS STATE COM } \end{gathered}$ |  | $\begin{aligned} & \text { 6 Well Number } \\ & 504 \mathrm{H} \end{aligned}$ |
| $\begin{gathered} \text { 7OGRID No. } \\ 331595 \end{gathered}$ | FRANKLIN MOUNTAIN ENERGY 3, LLC |  | $\begin{gathered} 9 \text { Elevation } \\ 3958.8^{\prime} \end{gathered}$ |

"Surface Location

| $\begin{gathered} \text { ULorlot no. } \\ \text { A } \end{gathered}$ | $\begin{gathered} \hline \text { Section } \\ 36 \end{gathered}$ | $\begin{gathered} \text { Township } \\ 18 \mathrm{~S} \end{gathered}$ | $\begin{aligned} & \hline \text { Rangc } \\ & 34 \mathrm{E} \end{aligned}$ | Lot Idn | $\begin{aligned} & \text { Fcet from the } \\ & 932 \end{aligned}$ | North/South Jine NORTH | $\begin{aligned} & \text { Fect from the } \\ & 944 \end{aligned}$ | East/West linc EAST | County LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| "Bottom Hole Location If Different From Surface |  |  |  |  |  |  |  |  |  |
| $\begin{gathered} \text { UL ar lot no. } \\ \mathrm{P} \end{gathered}$ | $\begin{gathered} \text { Section } \\ 1 \end{gathered}$ | $\begin{gathered} \text { Township } \\ 19 \mathrm{~S} \\ \hline \end{gathered}$ | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lot Idn | $\begin{gathered} \text { Feet from the } \\ 130 \end{gathered}$ | North/Sputh line SOUTH | $\begin{gathered} \text { Feet from the } \\ 360 \end{gathered}$ | East/West line EAST | County <br> LEA |
| $\begin{gathered} 12 \text { Dedicsted Acres } \\ 323.51 \end{gathered}$ | ${ }^{13}$ Joint or Infill |  | ${ }^{14}$ Consolidation Code |  | ${ }^{15}$ Order No. |  |  |  |  |

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.

Case No. 24110 Unit Summary


| Commited Working Interest |  |
| :--- | ---: |
| Franklin Mountain Energy 3, LLC | $41.339018 \%$ |
| Davis Partners, Ltd. | $0.867080 \%$ |
| REG XI Assets, LLC | $3.438515 \%$ |
| Mestengo Energy Company, LLC | $0.940782 \%$ |
| VPD New Mexico, LLC | $0.200910 \%$ |
|  |  |
| Commited Working Interest | $46.786305 \%$ |
| Uncommited Working Interest |  |
| Slash Exploration, LP | $11.267126 \%$ |
| COG Operating, LLC | $11.513685 \%$ |
| Marathon Oil Permian, LLC | $11.062168 \%$ |
| Buckhorn Energy, LLC | $1.254214 \%$ |
| Shark Tooth Resources, Ltd. | $0.418072 \%$ |
| Charles D. Ray | $0.376265 \%$ |
| SMAA Family, LP | $0.104519 \%$ |
| Stillwater Investments | $0.024387 \%$ |
| Tarpon Industries Corporation | $0.024387 \%$ |
| Jon Brickey | $0.024387 \%$ |
| Peregrine Production, LLC | $0.243866 \%$ |
| MRC Permian, LLC | $12.843273 \%$ |
| Unleased Mineral Owners (34) | $4.057345 \%$ |
|  | $100.000000 \%$ |
| Uncommited Working Interest | $5.213695 \%$ |
| Total: |  |
|  |  |
|  |  |

E2E2 of Sec 36-T18S-R34E \& Lot 1, SENE, E2SE of Sec 1-T19S-R34E, 323.51 Acres



July 14, 2023

AHCCI, LLC
6844 Rio Grande Boulevard NW
Albuquerque, NM 87107
Attn: Land Dept, Permian Basin

## RE: Well Proposals

Township 18 South, Range 34 East Section 36: E2E2
Township 19 South, Range 34 East
Section 1: Lot 1 (43.51), SENE, E2SE
Bone Spring Formation
Lea County, New Mexico
323.51 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 <br> Vertical <br> Depth | Measured Depth | SHL | BHL | Total AFE | Order |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cross <br> State <br> Com <br> 304H | 1BS | 9171 | 18,171 ${ }^{\prime}$ | $\begin{gathered} \hline \text { Sec 36- } \\ \text { T18S- } \\ \text { R34E } \\ 922 \text { FNL } \\ 978 \text { FEL } \end{gathered}$ | Sec 1- T19S- R34E 130 FSL 980 FEL | \$11,355,549.08 | N/A |
| Cross <br> State <br> Com <br> 504H | 2BS | 9549 | 19,549' | $\begin{gathered} \text { Sec 36- } \\ \text { T18S- } \\ \text { R34E } \\ 922 \text { FNL } \\ 953 \mathrm{FEL} \end{gathered}$ | $\begin{gathered} \hline \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ \text { 130 FSL } \\ 360 \mathrm{FEL} \\ \hline \end{gathered}$ | \$11,355,549.08 | 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
- $\quad \$ 9,000 / \$ 900$ 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 or lease at the following terms:

The foregoing 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@fmellc.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) 4147863.

Respectfully,
Franklin Mountain Energy 3, LLC


Don Johnson
Sr. Land Analyst

## Cross State Com 304H:

I/We hereby elect to participate in the Cross State Com 304H well.
I/We hereby elect NOT to participate in the Cross State Com 304H well.

## Cross State Com 504H:

___ I/We hereby elect to participate in the Cross State Com $\mathbf{5 0 4 H}$ well. I/We hereby elect NOT to participate in the Cross State Com $\mathbf{5 0 4 H}$ well.

Owner: AHCCI, LLC

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date:


| Iminatible Drilina Cosis |  |  |  |
| :---: | :---: | :---: | :---: |
| Mrier | Mipor | Detriplion |  |
| 225 | $s$ | ADMINSTEATIVE OVER HEAD | 34,000 |
| 225 | 19 | Casing crew a eort | 545,000 |
| 225 | 15 | cementing ntermediate casing | 510.000 |
| 225 | 16 | CEMENTING PRODUCTION CASING; | \$80,000 |
| 225 | 20 | cementing suface casing | \$36,000 |
| 225 | 25 | communcatioss | \$19,000 |
| 225 | 30 | COMPLETIOS FLUMS | 56,000 |
| 235 | 54 | COMSTRUCTIONAOCATIDNERSOAD | \$ 25.000 |
| 225 | 40 | CONTRACT LABOR | \$50,000 |
| 225 | 45 | darages | \$15,000 |
| 228 | so | daywork contract | \$520,000 |
| 225 | 55 | DRHLINO- DIRECTIONAL | \$200,000 |
| 215 | 60 | drilling - Footage | 590.060 |
| 225 | 65 | drillung bits | 590,000 |
| 225 | \% | Electrical powerigineration | 10 |
| 225 | 35 | Encmicering | 520,000 |
| 229 | \$0 | ENVIRONMENTAL SERVICES | 5200,000 |
| 225 | 84 | EOUIPMEMTT RENTAL, DOWNHOUE | \$40,008 |
| 225 | 85 | EQUPMENTRENTAL | 550.900 |
| 235 | 9 | FISHING TOOLS SERVICES | 30 |
| 225 | 95 | HEALTH * SAFETY | 57.000 |
| 225 | 100 | HDULSING ANO SUPPORT SERVICES | \$18,000 |
| 225 | 105 | InStrance | \$1,700 |
| 225 | 106 | NNSPECTIONS | 315,000 |
| 225 | 110 | LeGAL. TITLE SERVIEES | \$5,000 |
| 225 | 115 | materials \& Supples | \$5,000 |
| 235 | 120 | mISCELIANEOUS | \$5,000 |
| 23.5 | 125 | MOLSE/RATHOLECONDUCT PPPE | \$11,000 |
| 225 | 130 | MLD ${ }^{\text {chememicals }}$ | \$180,000 |
| 22.5 | 140 | OPENHOLE LOGGING | 50 |
| $\pm 2.5$ | 141 | CASED HOLE LOGGING | 50 |
| 235 | 145 | PERATIS. LICFENSES, ETC | 520,003 |
| 225 | 150 | POWER HUEI \& Water halling | \$160,000 |
| 225 | 155 | RIG MOVE \& RACKING COSTS | \$130,000 |
| 228 | 160 | RGG UP TEAR OUT \& STANORY | 50 |
| 225 | 163 | SITE RESTORATION | \$10,000 |
| 23s | 165 | StakIng \& Surveving | 56,000 |
| 225 | 179 | SUPER VISICN | 571,400 |
| 225 | 173 | SUPER VISION. GEOLOGICAL | \$39,000 |
| 220\% | 180 | transportattonftrleking | 520,000 |
| 235 | 178 | TAXES | \$125.131 |
| 225 | 15 | CONTINGENCY COSTS S\% | \$113,755 |
|  |  | Toual Intargible driling Cosar: | 52.51], 080 |
| Teajithe Prinlag Coans |  |  |  |
| Major Minor Dexrrijig |  |  | Amound |
| 230 | 10 | Intermedate casing atraciments | 5173,788 |
| 230 | 20 | PACKERSSLfETESTLUGS | 566,050 |
| $23 /$ | 25 | Production casing s attachaments | \$1,034.380 |
| 23 | 35 | Surface casing anttacimbints | \$169,740 |
| 230 | 45 | WELJHEAD EQLSPMENTCCASNG BOWL | 570.000 |
| 250 | 40 | taxes | 583.263 |
|  |  | Terut Tangithe Driting Costs: | 31, $3 \mathrm{M}, 1411$ |


| Mujor Mimor Deseription |  |  |  |
| :---: | :---: | :---: | :---: |
| 230 | 10 | FACILITY PIPEVALVESITTINGS | \$180,000 |
| 270 | 15 | CONTAINAENT | 50 |
| 270 | 25 | DEHMORATHON | \$0 |
| 270 | 30 | prrmary power material.s | \$56,800 |
| 270 |  | FLOWLINES / PIPELINE / HOOXUP | 547,000 |
| 220 | 50 | HLS TREATING EQUIPMENT | 50 |
| 270 | 65 | SEPARATHON EQUIPMENT | \$125,000 |
| 270 | 66 | ROADLOCATIONFENCINGREPAIRS | 50 |
| 270 | ${ }^{3}$ | Pre-Fabricated skids | 50 |
| 270 | 呺 | Facturty Surface equipment | \$137,000 |
| 270 | 90 | H2S SAFETY SYSTEM | \$4,000 |
| 270 | 100 | CONTROL ; NSTRUMENT/METERS /SCADA | \$88,000 |
| 270 | 110 | TANKS WALKWAYS | 590,000 |
| 270 | 130 | MECHANICAL BATTKRY BUILD | 5154,000 |
| 270 | 132 | ESCC BATTERY Butld | 545,000 |
| 270 | 134 | CONTROIS AND SCADA GATTERY BUIID | \$5,000 |
| 270 | 13. | primary power buizd | 556.000 |
| 370 | 138 | flowline instaliation | 527,000 |
| 270 | 240 | stamagé | 5250 |
| 270 | 125 | TAXES ${ }^{\text {d }}$ | \$55,674 |
|  |  | Tual Tamgible Facilit Costs: | \$1,0.0.,92] |
| Tmat Drill |  |  | \$4,111,126.79 |
| Total Completion |  |  | 56,042.445.3 |
| Toxal Featios |  |  | S1, 198, 920, 73 |
| Tora DC Jmanmile: |  |  | 38, (10,8) $0^{(04}$ |
| Tonalderemme: |  |  | 52.145.74129 |



| W1 Owner |  |
| :---: | :---: |
| Aghrowsd By. | Date |
| Primed Nime. | Tile |



| Lutareible Drillinat Condx |  |  |  |
| :---: | :---: | :---: | :---: |
| Major Minar Demeription |  |  | Ampant |
| 235 | 3 | ADMINISTRATIVEOVERJEAD | \$4,000 |
| 225 | 10 | CASING CREW E EQPT | \$45,000 |
| 295 | 15 | ceminting intermedinte casing | \$510.000 |
| 235 | 16 | cementing production casing | \$80,000 |
| 325 | 20 | CEMENTING SUFACE CASING | \$36,000 |
| 225 | 25 | commlancations | \$19,000 |
| 225 | 30 | COMPLETION FLUIDS | 55,000 |
| 225 | 31 | cosstructionlocation \& ROAD | \$45,000 |
| 225 | 40 | COSTRACT LABOR | 550,000 |
| 225 | 45 | damages | 515,000 |
| 225 | 5 | DAYWORK CONTRACT | \$520.000 |
| 225 | 55 | DRIILING-DIRECTIONAL | \$200,000 |
| 235 | 68 | DRILLING FOOTAGE | 50,000 |
| 225 | 65 | DRILI.ING BTTS | 5\%,000 |
| 225 | \% | ELFCTUGCAL POWERGEMERATION | 50 |
| 225 | 75 | exgmierang | 570,000 |
| 225 | 80 | ENYIRONMEATAL SERVICES | 5200,000 |
| 225 | 54 | EQUPMENT RENTAL DOWNHIOLE | 540.000 |
| 225 | 5 | EQSIPMENT RENTAI. | 550,000 |
| 229 | 90 | FISHING TOOLSASER VICES | so |
| 225 | 95 | HEALTH \& SAFETY | 57,000 |
| 225 | 100 | HCUSTMC AND SUPPORT SERVICRS | 518,000 |
| 235 | 105 | imisurance | 51.760 |
| 223 | 106 | INSPECTIONS | \$15,000 |
| 225 | 110 | LeGAl, title Services | 56,000 |
| 225 | 115 | MATERIALSE Stiprlies | 55,000 |
| 225 | 120 | miscelaniovis | 53,000 |
| 225 | 125 | MOLSERATHOLETCONDUCT PPPF | 531000 |
| 225 | 130 | MUSD $\triangle$ CHERILCALS | StEe000 |
| 225 | 140 | OPEAHOTE LOGGNG | 50 |
| 235 | 161 | CASED HOLE LOGGNG | 50 |
| 225 | 145 | PERadTS, LICENSES, ETC | 520,000 |
| 235 | 150 | power fuel e water haliling | \$160,000 |
| 225 | 155 | RIG MOVE \& RACKing costs | \$130,000 |
| 235 | 160 | REG MP TEAR OUT \& Stanibiy | 50 |
| 275 | ${ }_{163} 6$ | SITERESTORATION | 510,000 |
| 235 | 165 | Staking Stirveying | 56,100 |
| 225 | 170 | SUPERYISEOS | 571,400 |
| 225 | 173 | SUPERVISton - geological | \$39,000 |
| 225 | 180 | transportationtrucenng | 520,000 |
| 245 | 178 | TAXES | 5125,331 |
| 225 | 35 | CONTINGENCY COSTS SE | \$113,755 |
|  |  | Tumbiditergible Mriling Costr: | 5, 517 , 6 6 |
| Tangible Dritliaz Coals |  |  |  |
| Mingr. Minor Dascriptor |  |  | Amount |
| 330 | 10 | INTEHMEDATE CASING ATTACHMENTS | \$173,268 |
| 330 | 20 | PaCkers/Sleevesplugs | 506.000 |
| 230 | 25 | Production caing \& ATTACHMEATS | \$1,034,380 |
| 230 | 35 | slirace casing a atyachments | \$169,740 |
| 230 | 45 | WELLHEAT EQUIPMENT,CASING BOWL | 570.000 |
| 230 | 40 | taxes | \$83263 |
|  |  | Tatat Tuagits Driltar Casts: | S1, ¢9\%17] |



| Targithe Completion Costi |  |  |  |
| :---: | :---: | :---: | :---: |
| Mujer minar |  |  |  |
| 245 | 5 | ARTTFICIA, LIFT | 5175,000 |
| 24 | 15 | FLOWLINES | \$20,000 |
| 245 | 25 | FRACSTRITG | \$0 |
| 248 | 40 | Parkerssleevesplugskil Mandorels | 50 |
| 245 | 45 | FRODLCTION LINER | 50 |
| 248 | 59 | PRODLCTION PAOCESSING FACIITTY | 50 |
| 245 | 55 | PRODLCTION TUBING | \$150,000 |
| 245 | 60 | RODSPTMMPS | 50 |
| 245 | 65 | SUBSLIRFACE EQLTPMENT | 550,000 |
| 245 | 75 | WELLHEAD EQUTPMENT | \$125,000 |
| 245 | 70 | TaxES | S28,600 |
|  |  | Tataf Tanraible Completion C'ask: | S511. 600 |


| Tamende Faciliny Costs |  |  |
| :---: | :---: | :---: |
| Mrior | Minar | Destrimian .-. |
| 270 | 10 | facility Pldevalvesfitings |
| $2 \%$ | 15 | CONTAENMENT |
| 20 | 23 | DEHYORATION |
| 270 | 30 | Priafart power matterlals |
| 270 | 50 | FI,OWLINES / PIPELINE: HDOKUP |
| 270 | 60 | h2S TREATING EQUPMENT |
| 270 | 65 | SEPARATION EQLIPMENT |
| 370 | 66 | ROADAOCATIONEENCINGREPNRS |
| 370 | 35 | PRE-FABRICATED SKIDS |
| 270 | ${ }_{6}$ | FACLIITY SURFACE EQUIPMENT |
| 270 | 90 | H2S SAFETY SYSTEM |
| 270 | 100 | CONTROL / RSTRLNENT / AETERS / SCADA |
| 270 | 110 | TANKS \& WALKWAYS |
| 270 | 139 | mechanical battery bulld |
| 270 | 132 | EIKCBATTERY BuILD |
| 270 | 13. | CONTROLS AND SCADA BATTERY BLILD |
| 270 | 136 | PRMARY POWER BUHLD |
| 270 | 138 | flowline instaliation |
| 370 | 140 | SIGNACE |
| 270 | 125 | TAXES |
|  |  | Tamel Trrative Facilits Casm: |

$\frac{189092}{510,6060}$

all participants must carry thear own control of well insurance and attach a certificate of msurance to this election or insure with fale

## Case No. $24110 \mathrm{E} / 2 \mathrm{E} / 2$ Bone Spring Case

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled
Slash Exploration LP
COG Operating LLC
Marathon Oil Permian LLC
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Charles D. Ray
SMAA Family, LP
Stillwater Investments
Tarpon Industries Corporation
Jon Brickey
MRC Permian Company
Peregrine Production, LLC
Milestone Oil, LLC
AHCCI, LLC, a New Mexico Limited Liability Company (ULM)
AHCFL, LLC, a New Mexico Limited Liability Company (ULM)
AHCJL, LLC, a New Mexico Limited Liability Company (ULM)
Baloney Feather, Ltd. (ULM)
David B. Deniger (ULM)
Derrill G. Elmore, Jr., Deceased - Jane W. Elmore, a widow (ULM)
Doris Forrester Garrett (ULM)
Eleanor Hampton Sherbert (ULM)
Elisabeth Sinak (ULM)
Elizabeth Reymond a/k/a Betsy Reymond (ULM)
Frances Dunaway McGregor (ULM)
Frederic D. Brownell (ULM)
Harry F. Bliss III (ULM)
Hollmig LLC (ULM)
Hope Hampton Benner (ULM)
Jack Gordon Hampton, II, as his sole and separate property and estate (ULM)
Larri Moore Trippet Hampton (ULM)
Marguerite Forrester Tigert (ULM)
Marla J. Orr (ULM)
Mary Anita Dunaway Crockett (ULM)
Mid Lavaca Energy Company (ULM)
MSH Family Real Estate Partnership II, LLC, a Delaware Limited Liability Company (ULM)
OGX Royalty Fund IV, LP (ULM)
Patricia Wallace (ULM)
Paul Davis, Ltd., a Texas Limited Partnership (ULM)
R.E. Hampton, Jr. (ULM)

Randolph D. McCall (ULM)
Richard D. Jones, Jr. (ULM)
Robert K. Landis III (ULM)
SDH 2009 Investments, LP, a Texas Limited Partnership (ULM)
SMP Sidecar Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)

EXHIBIT

SMP Titan Flex, LP, a Delaware Limited Partnership (ULM)<br>SMP Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)<br>The Allar Company (ULM)<br>Tyson Properties, LLC, a Texas Limited Liability Company (ULM)<br>Wadi Petroleum, Inc. (ULM)<br>White Star Royalty Company (ULM)<br>William S. Deniger, Jr. (ULM)<br>Wilson W. Crook III (ULM)<br>\section*{ORRI to Be Pooled}<br>Slash Exploration LP<br>Marathon Oil Permian, LLC<br>Charles D. Ray<br>JS\&AL Family LP<br>Armstrong Energy Corporation<br>Williamson Oil and Gas, LLC<br>Stillwater Investments<br>Jon Brickey<br>Tarpon Industries Corporation<br>Louellen T. Mays<br>Collins \& Jones Investments<br>SMAA Family LP<br>Buckhorn Energy LLC<br>Shark Tooth Resources, Ltd.<br>White Star Royalty Company

# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY 3, LLC FOR COMPULSORY POOLING<br>AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. $\qquad$ 24111

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 323.59 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.59-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 303H and Cross State Com 503H 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. Franklin filed Case No. 23836 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
5. Franklin is filing this amended application to provide additional information about the existing spacing units that traverse portions of Section 1 and Section 36.
6. Franklin also is filing this amended application to request, to the extent necessary, approval of the overlapping spacing unit.
7. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
a. A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
b. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
c. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
d. A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
e. A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
f. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
8. 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.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 Conseryation Division on January 4, 2024 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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<br>Earl E. DeBrine, Jr.<br>Deana M. Bennett<br>Yarithza Peña<br>Post Office Box 2168<br>500 Fourth Street NW, Suite 1000<br>Albuquerque, New Mexico 87103-2168<br>Telephone: 505.848.1800<br>edebrine@modrall.com<br>deana.bennett@modrall.com<br>Yarithza.pena@modrall.com<br>Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24111: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{3 0 3 H}$ and Cross State Com $\mathbf{5 0 3 H}$ wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-02541110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-02540727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)

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.

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State of New Mexico<br>Energy, Minerals \& Natural Resources Department OIL CONSERVATION DIVISION<br>1220 South St. Francis Dr.<br>Santa Fe, NM 87505 ugust 1, 2011 Revised August 1, 201 Submit one copy to appropriate District OfficeAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ${ }^{1}$ API Number | $\begin{aligned} & \text { 2 Pool Code } \\ & 55610 \& 960 \end{aligned}$ | [55610] SCHARB; | ONESPRING |
| :---: | :---: | :---: | :---: |
| ${ }^{4}$ Property Cade | $\begin{aligned} & \text { 3 Property Name } \\ & \text { CROSS STATE COM } \end{aligned}$ |  | $\begin{aligned} & 6 \text { Well Number } \\ & 303 \mathrm{H} \\ & \hline \end{aligned}$ |
| $\begin{gathered} 7 \text { OGRD No. } \\ 331595 \end{gathered}$ | 'Operator NmmeFRANKLIN MOUNTAIN ENERGY 3, LLC |  | $\begin{aligned} & \text { 'Klevation } \\ & 3961.7 \text { ' } \end{aligned}$ |

"Surface Location

| UL or lotno. B | $\begin{gathered} \text { Section } \\ 36 \end{gathered}$ | $\begin{gathered} \text { Township } \\ 18 \mathrm{~S} \end{gathered}$ | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lot Idn | $\begin{aligned} & \text { Feet from the } \\ & 1032 \end{aligned}$ | North/South line NORTH | $\begin{aligned} & \text { Feet from the } \\ & 2160 \end{aligned}$ | Ent/Weat line EAST | County LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

"Bottom Hole Location If Different From Surface

| $\begin{gathered} \text { UL or fot no. } \\ 0 \end{gathered}$ | Section 1 | Towarhip <br> 198 | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lot Ida | $\begin{gathered} \text { Feet from the } \\ 130 \end{gathered}$ | North/South line SOUTH | $\begin{aligned} & \text { Fext from the } \\ & 2305 \end{aligned}$ | Esat/Went Ine EAST | Comnty LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{gathered} 11 \text { Dedicated Acres } \\ 323.59 \\ \hline \end{gathered}$ |  | ${ }^{13}$ Joint or Infill | ${ }^{14}$ Consollidation Code |  | ${ }^{15}$ Order No . |  |  |  |  |

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.
${ }^{\text {a }}$ SURVEYOR certification
$\qquad$ on this plat was plotted from field nores of actual surveys made by me or under my supenision, and that the same is true and
correct to the best of my belleff
October 04, 2023

$\frac{\text { NOTE: }}{\text { Di }}$
Distances referenced on plat to
eection tines are perpenticular.
Basis of Bearings is a Transverse
Mencator Projection with a Central
Meridian of W103

- = SURFACE hole location

O = BOTTOM HOLE LOCATION
$\boldsymbol{A}=$ SECTION CORNER LOCATED


EXHIBIT
Certificate Number:

DistrictI
1625 N. French Dr., Hobbs, NM 88240
Phome: (575) 393-6161 Fax: (575) 393-0720
DistrictII 811 S. First St., Attesia, NM 88210 Phone: (575) 748-1283 fsx: (575) 748-9720 Phone: (575)
District III
1000 Rio Erazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 مistrict 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ${ }^{1}$ API Number | ${ }^{\text {P Pool Code }}$ | ${ }^{3}$ Pool Name |  |
| :---: | :---: | :---: | :---: |
|  | 55610 \& 960 | [55610] SCHARB; BONE SPRING [960 | AIRSTRIP; BONESPRING |
| ${ }^{4}$ Property Code | $\begin{aligned} & \text { 5 Property Name } \\ & \text { CROSS STATE COM } \end{aligned}$ |  | $\begin{gathered} \text { Well Number } \\ 503 \mathrm{H} \end{gathered}$ |
| $\begin{gathered} \hline \text { TOGRID No. } \\ 331595 \\ \hline \end{gathered}$ | FRANKI | ERGY 3, LLC | $\begin{gathered} \hline \text { ' Elevation } \\ 3961.8^{\prime} \end{gathered}$ |

${ }^{10}$ Surface Location

| UL or lot na. B | $\begin{gathered} \text { Section } \\ 36 \end{gathered}$ | $\begin{gathered} \text { Townaship } \\ 18 S \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & 34 \mathrm{E} \end{aligned}$ | Lot Idn | $\begin{aligned} & \text { Feet from the } \\ & 1032 \end{aligned}$ | North/Sonth line NORTH | $\begin{aligned} & \text { Feet from the } \\ & 2130 \end{aligned}$ | Enet/West line EAST | $\begin{aligned} & \text { County } \\ & \text { I } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ${ }^{\text {n }}$ Bottom Hole Location If Different From Surface |  |  |  |  |  |  |  |  |  |
| $\begin{gathered} \text { UL or lot no. } \\ 0 \end{gathered}$ | Sectian $1$ | $\begin{gathered} \text { Townahip } \\ 19 \mathrm{~S} \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & 34 \mathrm{E} \end{aligned}$ | Lot Idn | $\begin{aligned} & \text { Feet fram the } \\ & 130 \end{aligned}$ | North/South line SOUTH | $\begin{gathered} \hline \text { Feet from the } \\ 1680 \end{gathered}$ | East/West line EAST | Coanty <br> LEA |
| $\begin{aligned} & 12 \text { Dediented Acres } \\ & 323.59 \end{aligned}$ | ${ }^{13}$ Joint or Iofill |  | ${ }^{14}$ Consollidation Code |  | ${ }^{15}$ Order No. |  |  |  |  |

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.



Sent via USPS: 9400109205568755328005

July 14, 2023

AHCCI, LLC
6844 Rio Grande Boulevard NW
Albuquerque, NM 87107
Attn: Land Dept, Permian Basin

## RE: Well Proposals

Township 18 South, Range 34 East Section 36: W2E2
Township 19 South, Range 34 East
Section 1: Lot 2 (43.59), SWNE, W2SE
Bone Spring Formation
Lea County, New Mexico
323.59 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 <br> Formation | Total Vertical Depth | Measured Depth | SHL | BHL | Total AFE | Order |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cross <br> State <br> Com <br> 303H | 1BS | 9175 | 18,175' | $\begin{gathered} \hline \text { Sec 36- } \\ \text { T18S- } \\ \text { R34E } \\ 990 \text { FNL } \\ 2148 \mathrm{FEL} \end{gathered}$ | Sec 1- T19S- R34E 130 FSL 2305 FEL | \$11,355,549.08 | N/A |
| Cross <br> State <br> Com <br> 503 H | 2BS | 9532 | 19,532' | $\begin{gathered} \hline \text { Sec 36- } \\ \text { T18S- } \\ \text { R34E } \\ 990 \text { FNL } \\ 2123 \text { FEL } \end{gathered}$ | Sec l- T19S- R34E 130 FSL 1680 FEL | \$11,355,549.08 | 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
- $\quad \$ 9,000 / \$ 900$ 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 or lease at the following terms:

The foregoing 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@fmellc.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) 4147863.

Respectfully,

## Franklin Mountain Energy 3, LLC



Don Johnson
Sr. Land Analyst

## Cross State Com 303H:

$\qquad$ I/We hereby elect to participate in the Cross State Com 303H well. I/We hereby elect NOT to participate in the Cross State Com 303H well.

## Cross State Com 503H:

$\qquad$ I/We hereby elect to participate in the Cross State Com 503H well. I/We hereby elect NOT to participate in the Cross State Com 503H well.

Owner: AHCCI, LLC

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date:


Tanaide Farlidy Costs

| Major Misor Dracription |  |  |
| :---: | :---: | :---: |
| 270 | 10 | FACHITY flpevalvesfitiling |
| 270 | 15 | CONTAINMENT |
| 270 | 25 | OEHYDRATION |
| 270 | 10 | PRIMARY POWTER MATERIALS |
| 270 | 50 | FLOMLINES / PIPELDE/HOOKUP |
| 270 | 60 | h2S TREATRGG EQUPMERT |
| 270 | 65 | SEPaRATHN EqUIPMENT |
| 270 | $6{ }_{6}$ | ROADAOCATIONFENCINGREPAIRS |
| 270 | 75 | PREFFABRUCATED SKIDS |
| 270 | 86 | Facllity surance equipment |
| 270 | 90 | H2S SAFETY SYSTEM |
| 270 | 100 | CONTRCM. INSTRUMENT/METERS/SCADA |
| 270 | 110 | TANKS \& WAL,KWAYS |
| 270 | 130 | MECHANICAL BATTERY BUILD |
| 270 | 132 | EidC Battery bund |
| 270 | 134 | CONTROLS AND SCADA BaTTERY BUILD |
| 270 | 136 | PRIMARY POWER BUULD |
| 270 | 138 | FLOWLINE INSTALLATHON |
| 270 | 140 | SIGNAGE |
| 270 | 125 | TAXES ${ }_{\text {Teral Targible Farilit cans: }}$ |



| Mepor | Minor | Deseriptions | Amowat |
| :---: | :---: | :---: | :---: |
| 265 | 5 | CONSUTITM | 518,100 |
| 265 | 12 | COMPANY DIRECT LABOR | 50 |
| 765 | 20 | DAMAGESROWREREATTS, ETC | \$24,000 |
| 255 | 22 | Padiroad construction | \$50,000 |
| 265 | 25 | ENGINEERING / SCiblce | 523,000 |
| 385 | 4 | HEALTHSAFETY/ENYRONMENTAL | 50 |
| 265 | 45 | COATRACT LABOR \& SERVICES | \$0 |
| 265 | 60 | OVERHEAD | 53,000 |
| 265 | 80 | SURVEY / PLATS / STAKINGS | \$1,500 |
| 265 | 85 | TRANSPORTATLON/TRLCKING | 50 |
| 265 | 83 | TAXES | \$6,523 |
| 265 | 10 | CONTRNGENCY COSTS $5 \%$ | \$5,970 |
|  |  | Tefirl Jeamgide Farility Cosss: | 31ग,05] |


| Majer Minar Ulestripliva |  |  | Ampapa |
| :---: | :---: | :---: | :---: |
| 240 | 5 | ADMINISTRATIVE OVERHEAD | 38,200 |
| 240 | 10 | CASED HOLE LOGS \& SURVEYS | 56.615 |
| 240 | 15 | CASRMG CREW \& EQPT | 58 |
| 240 | 20 | COLLED TUBINGSAGBBING UNTT | 5194,313 |
| 240 | 25 | commlincations | \$1.996 |
| 140 | 30 | COMPANY DIRECT EAHOR | so |
| 240 | 35 | COMPLETIONWORKOVER RIG | \$75,000 |
| 240 | 45 | COntract labornoustabouts | \$23,697 |
| 340 | 50 | DAMAGES/RECLAMATION | \$1,896 |
| 240 | 55 | DISPOSAL SOLIDS | \$2,844 |
| 249 | 60 | ELECTRICAL POWERLGENERATLON | \$0 |
| 240 | 63 | engineernag | 55,687 |
| 249 | 65 | ENVIRONMENTALJCLEANUP | 50 |
| 340 | \% | FISHING TODLS I SERVICES | 50 |
| 240 | 31 | F.umbehtallingimsposal. | \$180,000 |
| 240 | 72 | FRAC WATERCCOMPLETION FLUD | 5470,000 |
| 240 | 75 | FMal, POWERDIESEL | \$550,000 |
| 240 | 80 | HEALTH \& SAFETY | 54,700 |
| 240 | 85 | housmg And stuport SERvicis | \$14,000 |
| 240 | 90 | MATTRIALS A SUPFLIES | 50 |
| 240 | 0.5 | miscellaneous | 50 |
| 2418 | 100 | MUD \& Chemicals | \$10,000 |
| 240 | 130 | PRATA COSTS | 50 |
| 240 | 115 | PERFORATINGMIRELINE SERVECE | 5265,403 |
| 240 | 120 | PIPE NSPECTION | 50 |
| 240 | 125 | ROAD, LOCATIONS REPAIRS | \$2,000 |
| 240 | 130 | STIMULATION | \$2,616,000 |
| 24. | 135 | SUBSURFACE EQUIPMENTAL, RENTAI. | \$37,915 |
| 240 | 140 | SUPERVISION | \$50,047 |
| 240 | 145 | SURFACE EQUIP RENTAL. | \$139,573 |
| 240 | 150 | tranisportationtrikikinco | 52,544 |
| 245 | 15. | Water transfer | \$56,822 |
| 240 | 160 | WELDING SERVICES | 50 |
| 340 | 165 | WELL TESTINGFLOWBACK | \$165,000 |
| 240 | 745 | TAXES | 5273.599 |
| 240 | 40 | CONTINGENCY COSTS 5\% | 5248.726 |
|  |  |  | 35.4\%, 510 |


| Major Mispr Descrimion |  |  | Anosumi |
| :---: | :---: | :---: | :---: |
| 248 | 5 | ARTMCIAL, | \$175,000 |
| 245 | 15 | flowlines | 520,000 |
| 24.5 | 35 | fracstang | 50 |
| 245 | 40 | PACKERSSSLEEVESIPLUGS/GI. MANDRELS | 50 |
| 245 | 45 | PROLACTION LNER | 50 |
| 245 | 50 | PRODLCTION PROCESSING FACILITY | 50 |
| 245 | 55 | PRODUCTION TUBNG | 5150,000 |
| 245 | 60 | RODSTPUMPS | 50 |
| 245 | 65 | SUBSURFACE EqUIPMENT | 5150,000 |
| 245 | 75 | WELLHEAD EQMPMENT | \$125.000 |
| 245 | 70 | TAXES | \$28,600 |
|  |  | Toraj Tarsibite Conveletion Castrs | 5310.000 |





| Iatampible Drillina Costs |  |  |  |
| :---: | :---: | :---: | :---: |
| Alajor | Minor | Destripion | Antaypl |
| 225 | 5 | a dministrative overhead | \$4.000 |
| 225 | 10 | CASTNG CREW E EQPT | \$45,000 |
| 22.5 | 15 | GEMENTING INTERMEDIATE Casing | 540,000 |
| 225 | 16 | CEmemting production casivg | \$80,000 |
| 225 | 30 | cementing suface casing | \$36,000 |
| $\underline{25}$ | 25 | comannications | \$19,000 |
| 225 | 30 | Completion fluibs | 50,000 |
| 225 | 34 | CONSTRUCTIONLOCATHON \& ROAD | \$55,000 |
| 235 | 40 | contract labor | \$50,000 |
| 225 | 45 | damagis | \$15,000 |
| 235 | so | daywork contract | \$520,000 |
| 235 | 3 | DRILING - drectrowal | 5200.000 |
| 225 | 60 | DRILLNG - FOOTAGE | 500,000 |
| 225 | 65 | DRILILINGBITS | 390,000 |
| 225 | 70 | blectrical powerigeneration | 50 |
| 225 | 15 | Enginetrma | \$20,000 |
| 228 | \% | ENVIRONMEENTAL SERULCDS | \$200, 000 |
| 23.5 | ${ }^{*}$ | EQUPMENT RENTAL DOUSHIOLE | 540,000 |
| 235 | 85 | EquIpatent rental | \$50,000 |
| 225 | 90 | FISITNGG TOOLSSERVICES | 50 |
| 235 | 95 | HEALTH E SAFETY | \$7,000 |
| 23 | 109 | HOUSING AND SUPPORT SERVICES | 518.000 |
| 225 | 105 | insumance | 51,700 |
| 235 | 106 | WSPECTIONS | 585,00 |
| 22.5 | 110 | LEGAL TITE SERVICFS | \$6.000 |
| 235 | 115 | MATERUALS E STPPLIES | S5,000 |
| 225 | 120 | M1SCEEALATEOUS | 55,000 |
| 225 | 125 | MOUSERATHOLENCONDLCT PIPT | \$11,000 |
| 325 | 130 | mut en chemicais | 5180,000 |
| 235 | 130 | OPENHOUE LOGGING | 50 |
| 225 | 1*1 | CASED HOLE LOGGING | 50 |
| 225 | 145 | PERAITS.IICENSES, ETC | \$20,000 |
| 225 | 150 | POWER FLEL A Water liauling | S160,000 |
| 225 | 15s | RIGMOVE \& RACKRNG COSTS | \$130,000 |
| 225 | 160 | rig ef tear cinte standiy | 50 |
| 225 | 163 | STIE RESTORATION | \$10,000 |
| 225 | 156 | STAKNGE SLTYYEYDGG | 56,000 |
| 225 | 170 | SUPERVISHEX | \$71,400 |
| 223 | 175 | SUPERYISEON - GROLOGICAL | \$39,000 |
| 225 | 138 | TRANSPORTATONTRICKING | \$70,000 |
| 225 | 178 | taves | 5125, 311 |
| 22.5 | 35 | CONTINGENCY COSTS $5 \%$ | \$113.755 |
|  |  | Toud Imomgitie Driting Costs: | 52, 513,480 |
| Tauritu Dratine Costs |  |  |  |
| Major Miader Destription |  |  | Anpown |
| 230 | 10 | NTERMEDATE CASINGEATTACHMENTS | 5173,758 |
| 2310 | 20 | PaCKERSSLEEVTSPLLUGS | \$86,000 |
| 230 | 25 | PRODLCTION CASING ${ }^{\text {a }}$ ATTACIMEATS | 51,034,380 |
| 230 | 35 | surfactecasing a atrachments | \$162,740. |
| 236 | 45 | WELLIEAD EQLIPMENTGCASING BOWL | \$70,000 |
| 230 |  |  | 583.663 |
|  |  |  | [1,50), $1+1$ |


| Tannible Parbity Cosis |  |  |
| :---: | :---: | :---: |
| Msior Mfiner Destrixtion |  |  |
| 270 | 10 | FACILTY PIPENALVESTITINGS |
| 270 | 15 | contarment |
| 370 | 25 | dehydration |
| 270 | 30 | PRIMARY POHER MATERIALS |
| 270 | 50 | FLOWLINES IPPPELRE; HOORTY |
| 270 | 60 | H2S TREATING EQLIPMENT |
| 270 | 65 | SEPARATION EQUPMENT |
| 270 | 66 | ROADAOCATHONENCHGREPAIRS |
| 270 | 75 | PRE-FABRICATED SKIDS |
| 270 | 86 | FACLLTTY SURFACE EQUTPMENT |
| 370 | 90 | H2S SAFETY SYSTEM |
| 370 | 100 | CONTROL / INSTRUSIENI "METERS / SCADA |
| 270 | 110 | TANKS E WALKWAYS |
| 270 | 130 | MECHANICAL BATTERY BIMID |
| 270 | 132 | elkC battery bullo |
| 270 | 134 | CONTROLS AYD SCADA Battery blild |
| 270 | 136 | PRIMARY POWER REIILD |
| 270 | 138 | FLOWLINE INSTAILATION |
| 270 | 140 | Stgmate |
| 270 | 125 | TAXES |
|  |  | Tway Tampible Focility Cossx: |



| Majar | Minor | Deseripzios | Ampuni |
| :---: | :---: | :---: | :---: |
| 265 | ¢ | consulting | \$18,100 |
| 265 | 12 | COMPANY DIEECT LABOR | \$0 |
| 265 | 20 | DAMAGESMOWPERMITS. ETE | \$24,000 |
| 205 | 22 | PADROAD CONSTRUCTION | 550,000 |
| $2{ }^{265}$ | 25 | enginemang / Schince | S23,000 |
| 265 | 40 | healthenatetymenvironmental. | \$0 |
| 255 | 45 | Contract labord services | 50 |
| 265 | 60 | overhead | 33,000 |
| 265 | go | SURVEY/PLATS/STAKINGS | \$1,500 |
| 265 | 85 | TRANSPORTATION/TRUCKNKG | \$0 |
| 255 | 83 | taxes | 56.523 |
| 265 | 10 | CONTINGENCY COSTS 5\% | 55,930 |
|  |  | Tedel Intaryible Fatifoc Cosis: | 31ग.051 |



[^1]Case No. 24111 W/2E/2 Bone Spring Case
Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled
Slash Exploration LP
COG Operating LLC
Marathon Oil Permian LLC
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Charles D. Ray
SMAA Family, LP
Stillwater Investments
Tarpon Industries Corporation
Jon Brickey
MRC Permian Company
Peregrine Production, LLC
Milestone Oil, LLC
AHCCI, LLC, a New Mexico Limited Liability Company (ULM)
AHCFL, LLC, a New Mexico Limited Liability Company (ULM)
AHCJL, LLC, a New Mexico Limited Liability Company (ULM)
Baloney Feather, Ltd. (ULM)
David B. Deniger (ULM)
Derrill G. Elmore, Jr., Deceased - Jane W. Elmore, a widow (ULM)
Doris Forrester Garrett (ULM)
Eleanor Hampton Sherbert (ULM)
Elisabeth Sinak (ULM)
Elizabeth Reymond a/k/a Betsy Reymond (ULM)
Frances Dunaway McGregor (ULM)
Frederic D. Brownell (ULM)
Harry F. Bliss III (ULM)
Hollmig LLC (ULM)
Hope Hampton Benner (ULM)
Jack Gordon Hampton, II, as his sole and separate property and estate (ULM)
Larri Moore Trippet Hampton (ULM)
Marguerite Forrester Tigert (ULM)
Marla J. Orr (ULM)
Mary Anita Dunaway Crockett (ULM)
Mid Lavaca Energy Company (ULM)
MSH Family Real Estate Partnership II, LLC, a Delaware Limited Liability Company (ULM)
OGX Royalty Fund IV, LP (ULM)
Patricia Wallace (ULM)
Paul Davis, Ltd., a Texas Limited Partnership (ULM)
R.E. Hampton, Jr. (ULM)

Randolph D. McCall (ULM)
Richard D. Jones, Jr. (ULM)
Robert K. Landis III (ULM)
SDH 2009 Investments, LP, a Texas Limited Partnership (ULM)

[^2]
# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY 3, LLC FOR COMPULSORY POOLING<br>AND, TO THE EXTENT NECESSARY, APPROVAL OF AN<br>OVERLAPPING SPACING UNIT,<br>LEA COUNTY, NEW MEXICO

CASE NO. 24112

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 323.73 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 323.73-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 301H and Cross State Com 501H 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. Franklin filed Case No. 23837 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
5. Franklin is filing this amended application to provide additional information about the existing spacing units that traverse portions of Section 1 and Section 36.
6. Franklin also is filing this amended application to request, to the extent necessary, approval of the overlapping spacing unit.
7. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
a. A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
b. A 160 -acre horizontal well spacing unit comprised of the S 2 N 2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
c. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
d. A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com IH (API 30-02540640)
e. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
f. A 160 -acre horizontal well spacing unit comprised of the S 2 N 2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
g. A 200 -acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SWW4NW4 of Section 36 dedicate to Franklin Mountain's Tin Cup 36 State Com 1H (API 30-025-40422).
8. 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.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 January 4, 2024 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the $\mathrm{W} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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 Franklin Mountain Energy 3, LLC

CASE NO. 24112: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{3 0 1 H}$ and Cross State Com 501H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
- A 200-acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SWW4NW4 of Section 36 dedicate to Franklin Mountain's Tin Cup 36 State Com 1H (API 30-025-40422).

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.


State of New Mexico
Energy, Minerals \& Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ${ }^{1}$ API Namber | $\begin{aligned} & \quad{ }^{2 \text { PPool Code }} \\ & 55610 \& 960 \end{aligned}$ | [55610] SCHARB; | AIRSTRIP; BONESPRING |
| :---: | :---: | :---: | :---: |
| ${ }^{6}$ Property Code | $\begin{aligned} & \text { Property Name } \\ & \text { CROSS STATE COM } \end{aligned}$ |  | ${ }^{6}$ Well Number $301 H$ |
| $\begin{gathered} \hline \text { TOGRID Na. } \\ 331595 \\ \hline \end{gathered}$ | FRAN | Name <br> N ENERGY 3, LLC | $\begin{gathered} \hline \text { 'Elevation } \\ 3970.7 \end{gathered}$ |

*Surface Location

| $\begin{aligned} & \text { UL or lat no. } \\ & \mathrm{E} \end{aligned}$ | $\begin{gathered} \text { Section } \\ 36 \end{gathered}$ | $\begin{gathered} \text { Township } \\ 18 \mathrm{~S} \end{gathered}$ | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lot Idn | $\begin{gathered} \text { Feet from the } \\ 1350 \end{gathered}$ | North/Gouth line NORTH | $\begin{gathered} \text { Feet from the } \\ 320 \end{gathered}$ | End/Went line WEST | County LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| "Bottom Hole Location If Different From Surface |  |  |  |  |  |  |  |  |  |
| $\begin{gathered} \hline \text { UL or lot no. } \\ \mathrm{M} \\ \hline \end{gathered}$ | Section 1 | $\begin{aligned} & \text { Tawnship } \\ & 19 \mathrm{~S} \end{aligned}$ | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \\ \hline \end{gathered}$ | Lot Idn | $\begin{gathered} \text { Feet from the } \\ 130 \end{gathered}$ | North/South line SOUTH | $\begin{gathered} \text { Feet from the } \\ 360 \end{gathered}$ | East/West line WEST | $\begin{aligned} & \text { County } \\ & \text { LEA } \end{aligned}$ |
| $\begin{gathered} 12 \text { Dedicated Acres } \\ 323.73 \end{gathered}$ | ${ }^{13}$ Joint or Infill |  | ${ }^{14}$ Consolidation Code |  | ${ }^{15}$ Order Na |  |  |  |  |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit bas been approved by the division.



State of New Mexico
Energy, Minerals \& Natural Resources Department
OLL CONSERVATION DIVISION
Form C-102
Revised August 1,201 Submit one copy to appropriate District Office 1220 South St. Francis Dr. AMENDED REPORT Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

${ }^{10}$ Surface Location

| UL or lot no. E | $\begin{gathered} \text { Section } \\ 36 \end{gathered}$ | $\begin{gathered} \text { Townuhip } \\ 18 S \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & \text { 34E } \end{aligned}$ | Lot Ida | $\begin{aligned} & \text { Feet from the } \\ & 1350 \end{aligned}$ | North/Soath line NORTH | $\begin{aligned} & \text { Feet from the } \\ & 350 \end{aligned}$ | Ent/West line WEST | $\begin{aligned} & \hline \text { County } \\ & \text { LEA } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ${ }^{1}$ Bottom Hole Location If Different From Surface |  |  |  |  |  |  |  |  |  |
| UL or lot g . M | $\begin{gathered} \text { Section } \\ 1 \\ \hline \end{gathered}$ | $\begin{gathered} \text { Townghip } \\ 19 \mathrm{~S} \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & \text { 34E } \end{aligned}$ | Lot Idn | $\begin{aligned} & \text { Feet from the } \\ & 130 \end{aligned}$ | North/South Ine SOUTH | $\begin{gathered} \text { Feet from the } \\ 900 \end{gathered}$ | Eunt/West lite WEST | County <br> LEA |
| $\begin{gathered} 12 \text { Dedicuted Ac } \\ 323.73 \\ \hline \end{gathered}$ | [ ${ }^{13}$ Joint or Infill |  | ${ }^{4}$ Consolidation Code |  | ${ }^{13}$ Order No. |  |  |  |  |

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.


|  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |

W2W2 of Sec 36-T18S-R34E \& Lot 4, SWNW, W2SW of Sec 1-T19S-R34E, 323.73 Acres
 Cross State Com 301H
Cross State Com 501H


Sent via USPS: 9400109205568025064374

July 14, 2023

AHCCI, LLC
6844 Rio Grande Boulevard NW
Albuquerque, NM 87107
Attn: Land Dept, Permian Basin

## RE: Well Proposals

Township 18 South, Range 34 East Section 36: W2W2
Township 19 South, Range 34 East
Section 1: Lot 4 (43.73), SWNW, W2SW
Bone Spring Formation
Lea County, New Mexico
323.73 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 <br> Name | Target Formation | Total Vertical <br> Depth | Measured Depth | SHL | BHL | Total AFE | Order |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cross <br> State <br> Com <br> 301H | 1BS | 9172 | 18,172' | Sec 36- T18S- R34E 1375 FNL 312 FWL | Sec 1- T19S- R34E 130 FSL 360 FWL | \$11,355,549.08 | N/A |
| Cross <br> State <br> Com <br> 501H | 2BS | 9519 | 19,519 | $\begin{gathered} \text { Sec 36- } \\ \text { T18S- } \\ \text { R34E } \\ \text { 1375 FNL } \\ \text { 342 FWL } \end{gathered}$ | $\begin{gathered} \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ 130 \mathrm{FSL} \\ 900 \mathrm{FWL} \end{gathered}$ | \$11,355,549.08 | 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
- $\quad \$ 9,000 / \$ 900$ 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 or lease at the following terms:

The foregoing 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@fmellc.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) 4147863.

Respectfully,
Franklin Mountain Energy 3, LLC


Don Johnson
Sr. Land Analyst

## Cross State Com 301H:

I/We hereby elect to participate in the Cross State Com 301H well. I/We hereby elect NOT to participate in the Cross State Com 301H well.

## Cross State Com 501H:

I/We hereby elect to participate in the Cross State Com 501H well. I/We hereby elect NOT to participate in the Cross State Com 501H well.

## AHCCI, LLC

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date:


| Entsusthe Prilling Cosir |  |  |  |
| :---: | :---: | :---: | :---: |
| Mater Alifor Decripgip |  |  |  |
| 225 | 5 | ADAINTSTRATVEOVFRHEAD |  |
| 225 | 10 | CASANG CREW A EQPT | 545,000 |
| 225 | ! | CEMENTHWG INTERMEDIATE CASING | 540,000 |
| 235 | 16. | CEMENTING Promiketion casing | 530,000 |
| 725 | 20 | CEmentrig suface casing | \$76,000 |
| 225 | 25 | CDMMLRNICATIONS | 519,000 |
| 22.5 | 30 | COMPLETION FLIILS | 56,000 |
| 225 | 34 | CONSTRUCTIONLOCATHN \& ROAD | \$15.000 |
| 225 | 40 | CONTRACT LABOR | \$50,000 |
| 225 | 45 | DAMAAGES | S15,000 |
| 225 | 30 | DAYWONK CONTRACT | \$520,000 |
| 225 | 55 | DRILLING - DIRECTIONAL | \$200,000 |
| 229 | 64 | trilling - Footate | 590,000 |
| 225 | 65 | DFILLIME PITS | \$20,000 |
| 225 | 20 | Electrical powiriceneration | 50 |
| 229 | 25 | bagneeking | 520,000 |
| 225 | 80 | ENVIROMMENTAL, SERVECES | \$200,000 |
| 325 | $8^{3}$ | EQUITAENT RENTAL. DOWNHOLE | 5 40,000 |
| 225 | 85 | equipmient rental. | \$50.000 |
| 225 | 90 | FISHING TOOLS'SER VICES | s0 |
| 225 | 9 | HEALTH E SAFETY | 57,000 |
| 235 | W0 | HOUSNAG AND SLPPMPRT SERVICES | \$31,000 |
| 225 | 105 | InSURANCE | \$1,200 |
| 215 | 196 | NSELECTYONS | \$55,650 |
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| 225 | 125 | MOLSE/RATHOLECONDUGT PIPE | \$31,000 |
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| 翟 | 14.5 | PERMITS, LJCENSES, ETC | 520,000 |
| 225 | 150 | POWZR FUEL \& WATER HAULING | \$180,000 |
| 225 | 155 | RICIMOVE \& RACKING COSTS | 5110000. |
| 225 | 160 | RIG UP TEAR OLT E Standey | 禹 |
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| 265 | 5 | COESLITTING | 518,100 |
| 265 | 12 | COMPANY DJRECT LABOR | 50 |
| 265 | 20 | DAMAGESTROW/PERMITS, ETC | 524,000 |
| 265 | 22 | palvroad construction | 550,000 |
| 265 | 35 | ENGINEERTNG / SGIENCE | 522,000 |
| 265 | 40 | HEAITHSAFETY/ENVIRONMENTAL | 90 |
| 265 | 45 | CONTAACT LABDR 4 SERVICES | 50 |
| 265 | 60 | OVERLIEAD | 53,000 |
| 255 | 80 | SURVEY/PLATS ! STAKINGS | \$1,500 |
| 165 | 83 | TR-NSPDRTATHOV/TRUCRINO | \$0 |
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| 225 | 5 | ADMINISTRATIVE OVERHEAD | 54,000 |
| 225 | 10 | CASING CREW \& EQPT | 545,000 |
| 225 | 15 | CEmenting intermediate casing | \$+0,000 |
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| 22.5 | 25 | COmmunications | 512.000 |
| 225 | 30 | COMPLETION FLUDS | 56,000 |
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| 225 | 50 | DAYYORK CONTRACT | 5520,000 |
| 225 | 55 | DRIIIfN - Directional. | \$200,000 |
| 225 | 60 | DRLLLING - FOOTAGI; | 590,000 |
| 225 | ¢5 | DRILLNGG BTTS | 590,000 |
| 225 | 70 | ELECTRICAL POWERIGENERATION | 50 |
| 235 | 75 | engineering | 520,000 |
| 225 | 80 | ENVIRONAENTAL. SER VICTES | \$200,000 |
| 235 | 84 | EQUPATATM RENTAL DOWNIOLE: | \$40,000 |
| 225 | 85 | EQUPPMENT RENTAL | 550,000 |
| 225 | 90 | FISHIMG TROLSTEEVICES | so |
| 225 | 95 | HEALTII \& SAFETY | \$7,000 |
| 225 | 100 | HOUSTNG AND SUPPORT SERVICLIS | 518,000 |
| 125 | 105 | instrance | \$1,700 |
| 223 | 106 | ASPECTIONS | \$15,000 |
| 325 | 110 | LEGAL. TTTLE SGRVICES | \$8,000 |
| 228 | 115 | MATERIALS \& SUPPIIIES | \$5.000 |
| 225 | 120 | MISCELANEDUS | \$5,600 |
| 225 | 125 | MOUSERATHOLECONDUCT PrPE. | 331,000 |
| 225 | 130 | MUDECHEMICALS | 5180,000 |
| 225 | 140 | OPENFOLE 1.0 OGING | s0 |
| 325 | 141 | CASED Hole logging | 50 |
| 225 | 145 | PERMITS, LICENSES, ETC" | 520,000 |
| 225 | 150 | power fiel e water halling | \$160,000 |
| 225 | 155 | Rag move a racking cosis | 5130,000 |
| 225 | 360 | RGG lf tear out estanilay | 50 |
| 225 | 163 | SITE RESTORATION | \$10,000 |
| 225 | 165 | staking a strveying | 56,000 |
| 223 | 170 | SUPERVISION | \$71,400 |
| 223 | 175 | SLPEERISION - GECLOGICAL | 539,000 |
| 225 | $3{ }^{\text {d }} 0$ | transportationitrucking | \$20, 000 |
| 225 | 176 | TAXES | 5125.131 |
| 225 | 35 | CONTINGENCY COSTS $5 \%$ Towal Insangille Driding Coxss. | \$113,755 |
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| Tangible Dristue Costs |  |  |  |
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| 23.1 | 10 | INTERMGDATECASAGE ATIACHMENTS | 5173, 788 |
| 230 | 20 | packerseleeves/plugs | 586,000 |
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| 235 | 44 | TAXES | 533,263 |
|  |  | Totel Tamgible Doritive Ciostr | H3 ${ }^{\text {™ }}$ |



all particlpants must carry their own control of well msurance and attach a certificate of insurance to this election or insure with fme

## Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

COG Operating LLC
Marathon Oil Permian LLC
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Charles D. Ray
SMAA Family, LP
Stillwater Investments
Tarpon Industries Corporation
Jon Brickey
Peregrine Production, LLC
MRC Permian Company
Milestone Oil, LLC
AHCCI, LLC, a New Mexico Limited Liability Company (ULM)
AHCFL, LLC, a New Mexico Limited Liability Company (ULM)
AHCJL, LLC, a New Mexico Limited Liability Company (ULM)
Baloney Feather, Ltd. (ULM)
David B. Deniger (ULM)
Derrill G. Elmore, Jr., Deceased - Jane W. Elmore, a widow (ULM)
Doris Forrester Garrett (ULM)
Eleanor Hampton Sherbert (ULM)
Elisabeth Sinak (ULM)
Elizabeth Reymond a/k/a Betsy Reymond (ULM)
Frances Dunaway McGregor (ULM)
Frederic D. Brownell (ULM)
Harry F. Bliss III (ULM)
Hollmig LLC (ULM)
Hope Hampton Benner (ULM)
Jack Gordon Hampton, II, as his sole and separate property and estate (ULM)
Larri Moore Trippet Hampton (ULM)
Marguerite Forrester Tigert (ULM)
Marla J. Orr (ULM)
Mary Anita Dunaway Crockett (ULM)
Mid Lavaca Energy Company (ULM)
MSH Family Real Estate Partnership II, LLC, a Delaware Limited Liability Company (ULM)
OGX Royalty Fund IV, LP (ULM)
Patricia Wallace (ULM)
Paul Davis, Ltd., a Texas Limited Partnership (ULM)
R.E. Hampton, Jr. (ULM)

Randolph D. McCall (ULM)
Richard D. Jones, Jr. (ULM)
Robert K. Landis III (ULM)
SDH 2009 Investments, LP, a Texas Limited Partnership (ULM)
SMP Sidecar Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
SMP Titan Flex, LP, a Delaware Limited Partnership (ULM)
SMP Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
The Allar Company (ULM)
Tyson Properties, LLC, a Texas Limited Liability Company (ULM)
Wadi Petroleum, Inc. (ULM)
White Star Royalty Company (ULM)
William S. Deniger, Jr. (ULM)
Wilson W. Crook III (ULM)

## ORRI to Be Pooled

Slash Exploration LP
Marathon Oil Permian, LLC
Charles D. Ray
JS\&AL Family LP
Armstrong Energy Corporation
Williamson Oil and Gas, LLC
Stillwater Investments
Jon Brickey
Tarpon Industries Corporation
Louellen T. Mays
Collins \& Jones Investments
SMAA Family LP
Buckhorn Energy LLC
Shark Tooth Resources, Ltd.
White Star Royalty Company

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

APPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24115

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 323.65 -acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the E/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 323.65-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 302H and Cross State Com 502H 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. Franklin filed Case No. 23834 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
5. Franklin is filing this amended application to provide additional information about the existing spacing units that traverse portions of Section 1 and Section 36.
6. Franklin also is filing this amended application to request, to the extent necessary, approval of the overlapping spacing unit.
7. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
a. A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
b. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
c. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
d. A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
e. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
f. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
8. 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.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 January 4, 2024 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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,<br>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 Franklin Mountain Energy 3, LLC

CASE NO. 24115 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{3 0 2 H}$ and Cross State Com $\mathbf{5 0 2 H}$ wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-02541110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-02540727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)

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.

| District I |
| :---: |
| 1625 N. French Dr., Hobbs, NM 88240 |
| Pbone: (575) 393-6161 Fax: (575) 393-0720 |
| Distict L |
| B11 S. First St, Artesia, NM 88 |
| Phone: (575) 748-1283 Fax: (575) 748-9720 |
| District III |
| 1000 Rio Brazos Road, Artes, NM 87410 |
| Phone: (50.5) 334-6178 Fax: ( 505 ) $334-6170$District IV |
|  |  |
|  |
| Phone: (505) 476-3460 Fax: (505) 476-3462 |

State of New Mexico
Energy, Minerals \& Natural Resources Department
OLL CONSERVATION DIVISION
1220 South St. Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1 API Number | $\begin{gathered} \quad{ }^{2} \text { Pool Code } \\ 55610 \& 960 \end{gathered}$ | [55610] SCHARB; BONE SPRING, $\stackrel{\text { 3 }}{ }$ Pool ${ }^{\text {Name }}$ [960] AIRSTRIP; BONESPRING |  |
| :---: | :---: | :---: | :---: |
| ${ }^{4}$ Property Code | $\begin{gathered} \text { 5Property Namse } \\ \text { CROSS STATE COM } \\ \hline \end{gathered}$ |  | $\begin{aligned} & \text { Well Number } \\ & 302 \mathrm{H} \\ & \hline \end{aligned}$ |
| $\begin{gathered} \hline \text { OGRID No. } \\ 331595 \\ \hline \end{gathered}$ | FRANK | N ENERGY 3, LLC | $\begin{gathered} \hline \text { Elevnation } \\ 3965.5^{\prime} \end{gathered}$ |



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.


| cil |  |
| :---: | :---: |
| 1625 N. French Dr., Hobbs, NM 88240 |  |
| Phone: (575) 393-6161 Fax: (575) 393-0720 |  |
| Districh M |  |
| 811 S. Fiirst St, Atesia, NM 882 |  |
| Phone: (575) 748-1283 Fax: (57 |  |
| District III |  |
| 1000 Rio Br | Hrszos Road, Axtec, NM 87410 |
| Phone: (505) 3346178 Far: (505) 334-6170 |  |
| Districi IV |  |
| 1220 S. St. Francis Dr, Santa Fe, NM 87505 Pbone: (505) 476-3460 Fax: (505) 476-3462 |  |
|  |  |

Form C-102

1625 N. French Dr., Hobbs, NM 88240
Distric1 1
Phone: (575) 748-1283 Fax: (575) 748-9720 District II
Phone: (505) 334-6178 Far: (505) 334-6170
Districi IV
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico<br>Energy, Minerals \& Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.<br>Santa Fe, NM 87505

one copy to appropriate

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ${ }^{1}$ APY | $\begin{aligned} & \quad{ }^{\text {2Pool Code }} \\ & 55610 \& 960 \end{aligned}$ |  |  |
| :---: | :---: | :---: | :---: |
| ${ }^{4}$ Property Code | 5 Property Name CROSS STATE COM |  | $\begin{gathered} \text { 6 Well Number } \\ 502 \mathrm{H} \\ \hline \end{gathered}$ |
| COGRID No. 331595 | ${ }^{5}$ Operatar Name <br> FRANKLIN MOUNTAIN ENERGY 3, LLC |  | $\begin{gathered} \hline \text { ' Rlevation } \\ 3965.7^{\prime} \\ \hline \end{gathered}$ |

-Surface Location

| $\begin{gathered} \text { UL or lot no. } \\ \mathrm{C} \end{gathered}$ | $\begin{gathered} \hline \text { Section } \\ 36 \\ \hline \end{gathered}$ | $\begin{gathered} \text { Townuhip } \\ 18 \mathrm{~S} \end{gathered}$ | $\begin{aligned} & \text { Range } \\ & 34 \mathrm{E} \end{aligned}$ | Lot Idn | $\begin{aligned} & \text { Feet from the } \\ & 1097 \end{aligned}$ | Narth/Sorth tine NORTH | $\begin{aligned} & \text { Feet from the } \\ & 2202 \end{aligned}$ | East/Went line WEST | Connty LEA |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ${ }^{\text {a }}$ Bottom Hole Location If Different From Surface |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { UL or lot no. } \\ & \mathrm{N} \end{aligned}$ | $\begin{gathered} \text { Secthom } \\ 1 \end{gathered}$ | $\begin{gathered} \text { Townalp } \\ 19 \mathrm{~S} \end{gathered}$ | $\begin{gathered} \text { Range } \\ 34 \mathrm{E} \end{gathered}$ | Lotidn | $\begin{aligned} & \text { Feet from the } \\ & 130 \end{aligned}$ | $\begin{aligned} & \text { Narth/Sondh line } \\ & \text { SOUTH } \end{aligned}$ | $\begin{aligned} & \text { Feet from the } \\ & 2300 \\ & \hline \end{aligned}$ | $\begin{gathered} \text { East/Went line } \\ \text { WEST } \\ \hline \end{gathered}$ | County LEA |
| $\begin{gathered} \text { in Dedicated Acres } \\ 323.65 \end{gathered}$ | ${ }^{13}$ Joint or Infill |  | ${ }^{14}$ Consotidation Code |  | ${ }^{15}$ Order No. |  |  |  |  |





Sent via USPS: 9400109205568755329309

July 14, 2023

Erin Custer Dougher
PO Box 830308
Dallas, TX 75283Attn: Land Dept, Permian Basin

## RE: Well Proposals

Township 18 South, Range 34 East Section 36: E2W2
Township 19 South, Range 34 East
Section 1: Lot 3 (43.65), SENW, E2SW
Bone Spring Formation
Lea County, New Mexico
323.65 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 <br> Depth | Measured Depth | SHL | BHL | Total AFE | Order |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cross <br> State <br> Com <br> 302H | 1BS | 9165 | 18,165' | $\begin{gathered} \text { Sec 36- } \\ \text { T18SS- } \\ \text { R34E } \\ 990 \mathrm{FNL} \\ 2182 \\ \text { FWL } \end{gathered}$ | $\begin{gathered} \text { Sec 1- } \\ \text { T19S- } \\ \text { R34E } \\ \text { 130 FSL } \\ 1660 \\ \text { FWL } \end{gathered}$ | \$11,355,549.08 | N/A |
| Cross <br> State <br> Com <br> 502H | 2BS | 9535 | 19,535' | $\begin{gathered} \text { Sec 36- } \\ \text { T18SS- } \\ \text { R34E } \\ 990 \mathrm{FNL} \\ 2207 \\ \text { FWL } \end{gathered}$ | Sec 1- T19S- R34E 130 FSL 2300 FWL | \$11,355,549.08 | 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
- $\quad \$ 9,000 / \$ 900$ 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 or lease at the following terms:

The foregoing 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@fmellc.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) 4147863.

Respectfully,

## Franklin Mountain Energy 3, LLC



Don Johnson
Sr. Land Analyst

## Cross State Com 302H:

I/We hereby elect to participate in the Cross State Com 302H well. I/We hereby elect NOT to participate in the Cross State Com 302H well.

## Cross State Com 502H:

$\qquad$ I/We hereby elect to participate in the Cross State Com $\mathbf{5 0 2 H}$ well. I/We hereby elect NOT to participate in the Cross State Com 502H well.

Owner: Erin Custer Dougher

By: $\qquad$
Printed Name: $\qquad$
Title: $\qquad$
Date:


| Inumesbie Briliag Costr |  |  |  |
| :---: | :---: | :---: | :---: |
| Major Mipor Desmiption |  |  | Amount |
| 225 | 5 | ADMINISTRATIM OVERHEAD | \$4,000 |
| 223 | 10 | CASING CREW \& EQPT | 545,000 |
| 225 | 15 | CEMENTING INTERMEDIATE CASING | \$40,000 |
| 23. | 16 | CEMENTING PRODUCTLONTCASTNG | \$40,000 |
| 229 | 20 | CEMENTING SUFACE CASNG | \$35,000 |
| 225 | 25 | COMmuNications | 519,000 |
| 235 | 30 | COMPLETION FLUIDS | \$6,000 |
| 225 | 34 | CONSTRUCTIONLDCATKON \& ROAD | \$45,000 |
| 235 | 40 | contract labor | 550,000 |
| 225 | 45 | Damages | 515.000 |
| 225 | 50 | daywork contract | \$520,000 |
| $\underline{315}$ | 55 | DRILLNG - DIRECTIONA | \$ $\$ 100,000$ |
| 225 | ${ }^{0}$ | DRULING - FOOTAGE | 590,050 |
| 225 | 6 | DRILEMGIBITS | 59,000 |
| 225 | 70 | ELECTRICAL POWERGENERATHON | 50 |
| 235 | 33 | engineering | 520,000 |
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| 225 | 8. | equitagent rental dowhihle | \$ 40,000 |
| 225 | 85 | Equipment rental. | 550,000 |
| 225 | 90 | FISHING TOOLS'SERVICES | 50 |
| 225 | 95 | HEALTH A SAFETY | 57,000 |
| 225 | 100 | HOLSING AND SUPYORT SERVGCRS | 518.040 |
| 235 | 105 | Insurance | 51.700 |
| 225 | 106 | InSPECTIONS | \$15,000 |
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| 23 | 13. | Matekals e SLPPLIES | 53.000 |
| 229 | 120 | miscellaneols | \$5,000 |
| 225 | 125 | MOLSERATHOLECOMDUCT PPE | \$31,006 |
| 235 | 139 | MLD 3 CHEMECALS | \$180,000 |
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| 225 | 145 | PERAITS, LICENSES, ETC | S20,000 |
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| 225 | 155 | RLG Move 2 RACKIRG COSTS | \$130,000 |
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| $2{ }^{235}$ | 163 | STTE RESTORATION | \$10,000 |
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| 270 | 25 | DEHYDRAmON | \$0 |
| 270 | 30 | PRLMARY POWER MATERIALS | \$56,000 |
| 270 | 50 | Flowlines : PIPLINE/HOOKUP | 547.000 |
| 270 | 60 | H2S TREATING EQUIPMENT | 50 |
| 270 | 65 | SEPARATION EQUIPMENT | \$125,000 |
| 270 | 68 | ROADILOCATION/FENCINGREPAIRS | 50 |
| 270 | 75 | PRE-FAGRICATED SKIDS | 50 |
| 270 | 86 | FACEITY SURLACE EQUIPMEAT | \$137,000 |
| 270 | sa | I2S SAFETY SYSTEM | 54,000 |
| 270 | 104 | COATROS/INSTRUMENT / METERS / SCAIDA | \$86,000 |
| 270 | 110 | TANKS ${ }^{\text {P }}$ WALKWAYS | 590,000 |
| 270 | 136 | MECHANCAL BATTERY BLHLD | \$154.000 |
| 270 | 132 | Elac BATTERY ButL | \$45,000 |
| 270 | 134 | COATROIS AND SCADA battery buled | 55,000 |
| 270 | 136 | Primary power buld | 556.000 |
| 270 | 138 | FLOMLINE INSTALLATION | 587,000 |
| 270 | 140 | SIGMage | \$250 |
| 270 | 12.5 | TAXES | 555.674 |
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| 205 | 5 | Constuting | 518,100 |
| 265 | 12 | COMPANY DPRECT LABOR | 50 |
| 265 | 20 | DAMAGESTROW/PERMTIS. ETC | \$24.000 |
| 255 | 22 | padmoad construction | \$559,000 |
| 265 | 25 | EnGINTLERLNG / SCIEACE | 521,000 |
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| 265 | 45 | CONTFACT LABOR A SERVICES | 50 |
| 265 | 6 | OVERLEAD | \$3,000 |
| 265 | 80 | SUR UEV $/$ Plats / STAKIKGS | 51.500 |
| 265 | 85 | TRANSPORTATHON/TRUCKING | 50 |
| 265 | 83 | TAXES | 56.523 |
| 265 | 10 | CONTINGENCY COSTS 5\% | \$5,910 |
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## EXHIBIT



ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL, OF WEL INSLIRANCE AND ATTACI A CERTIFICATE OF INSURANCE TO THIS GLECTION OR INSURE WITH FME

Case No. 24115 E/2W/2 Bone Spring Case

## Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

Slash Exploration, LP<br>COG Operating LLC<br>Marathon Oil Permian LLC<br>Buckhorn Energy, LLC<br>Sharktooth Resources, Ltd.<br>Charles D. Ray<br>SMAA Family, LP<br>Stillwater Investments<br>Tarpon Industries Corporation<br>Jon Brickey<br>Peregrine Production, LLC<br>MRC Permian Company<br>Milestone Oil, LLC<br>AHCCI, LLC, a New Mexico Limited Liability Company (ULM)<br>AHCFL, LLC, a New Mexico Limited Liability Company (ULM)<br>AHCJL, LLC, a New Mexico Limited Liability Company (ULM)<br>Baloney Feather, Ltd. (ULM)<br>David B. Deniger (ULM)<br>Derrill G. Elmore, Jr., Deceased - Jane W. Elmore, a widow (ULM)<br>Doris Forrester Garrett (ULM)<br>Eleanor Hampton Sherbert (ULM)<br>Elisabeth Sinak (ULM)<br>Elizabeth Reymond a/k/a Betsy Reymond (ULM)<br>Frances Dunaway McGregor (ULM)<br>Frederic D. Brownell (ULM)<br>Harry F. Bliss III (ULM)<br>Hollmig LLC (ULM)<br>Hope Hampton Benner (ULM)<br>Jack Gordon Hampton, II, as his sole and separate property and estate (ULM)<br>Larri Moore Trippet Hampton (ULM)<br>Marguerite Forrester Tigert (ULM)<br>Marla J. Orr (ULM)<br>Mary Anita Dunaway Crockett (ULM)<br>Mid Lavaca Energy Company (ULM)<br>MSH Family Real Estate Partnership II, LLC, a Delaware Limited Liability Company (ULM)<br>OGX Royalty Fund IV, LP (ULM)<br>Patricia Wallace (ULM)<br>Paul Davis, Ltd., a Texas Limited Partnership (ULM)<br>R.E. Hampton, Jr. (ULM)<br>Randolph D. McCall (ULM)<br>Richard D. Jones, Jr. (ULM)<br>Robert K. Landis III (ULM)<br>SDH 2009 Investments, LP, a Texas Limited Partnership (ULM)



SMP Sidecar Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
SMP Titan Flex, LP, a Delaware Limited Partnership (ULM)
SMP Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
Southard Properties, Ltd. (ULM)
The Allar Company (ULM)
Tyson Properties, LLC, a Texas Limited Liability Company (ULM)
Wadi Petroleum, Inc. (ULM)
White Star Royalty Company (ULM)
William S. Deniger, Jr. (ULM)
Wilson W. Crook III (ULM)
ORRI to Be Pooled
Slash Exploration LP
Marathon Oil Permian, LLC
Charles D. Ray
JS\&AL Family LP
Armstrong Energy Corporation
Williamson Oil and Gas, LLC
Stillwater Investments
Jon Brickey
Tarpon Industries Corporation
Louellen T. Mays
Collins \& Jones Investments
SMAA Family LP
Buckhorn Energy LLC
Shark Tooth Resources, Ltd.
White Star Royalty Company


Geology

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

APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24110-24112, 24115

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

CASE NOS. 23833, 23835, 23838, 23839

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 23961-23964

## APPLICATIONS OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24142-24145

STATE OF COLORADO )
COUNTY OF DENVER )

## AFFIDAVIT OF BEN KESSEL

Ben Kessel, being duly sworn, deposes and states:

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.
2. I have testified before the New Mexico Oil Conservation Division (the "Division") and my credentials were accepted as a matter of record.
3. My work for FME3 includes the Permian Basin and Lea County.
4. I am familiar with the applications FME3 filed in Case Nos. 23833, 23835, 23838, 23839, 24110-24112, and 24115.
5. I conducted a geological study of the Bone Spring and Wolfcamp formations underlying FME3's Cross State Com Development Area ("Cross Development Area").
6. Exhibits C-1 is a locator map, which identifies the general location of the Cross Development Area within the Permian Basin. Exhibit C-2 is an excerpt from Snee \& Zoback, 2018, identifying the horizontal stress orientation in this area. The preferred well orientation in this area is North South due to the S $\mathrm{Hmax}_{\text {max }}$ direction.

## BONE SPRING GEOLOGY STUDY-CASES 24110-24112, 24115

7. The exhibits behind Tab C-3 are the geology study I prepared for the Bone Spring formation. In case numbers $24110,24111,24112$, and 24115, FME3 proposes to drill a total of 8 wells-four First Bone wells and four Second Bone Spring wells. I have prepared two separate sets of slides for each target formation.
8. Exhibit C-3-A is the First Bone Spring Sand Structure map. The Cross Development Area is identified by the green box and the approximate location of the First Bone Spring wells are identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the structure dips gently to the South. This map also identifies the six wells I used for the cross-section, running from $A$ to $A^{\prime}$.
9. Exhibit C-3-B is a stratigraphic cross section and cross-section well locator map. The inset map on this exhibit also identifies the wells I used for the cross-section. In my opinion, the well logs on the cross-section give a representative sample of the First Bone Spring Sand formation in the area. The target zone is identified by a bracket and the words "Producing

Interval." I have also identified approximately where the Cross First Bone Spring wells fall within the wells I used for the cross-section. Based on the cross section, I conclude that the First Bone Spring is present and porous in the Cross Development Area.
10. Exhibit C-3-C is a First Bone Spring Sand Isopach, which shows that the gross reservoir thins slightly to the north and to the southeast.
11. Exhibit C-3-D is the Second Bone Spring Sand structure map. The Cross Development Area is identified by the green box and the approximate location of the Second Bone Spring wells are identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips gently to the South. This map also identifies the six wells I used for the cross-section, running from $A$ to $A$ '.
12. Exhibit C-3-E is a stratigraphic cross section and cross-section well locator map. The inset map on this exhibit also identifies the wells I used for the cross-section. In my opinion, the well logs on the cross-section give a representative sample of the Second Bone Spring Sand formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed Cross Second Bone Spring wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Second Bone Spring Sand is present and porous in the Cross Development Area.
13. Exhibit C-3-F is a Second Bone Spring Sand Isopach, which shows that the reservoir thins slightly to the South.
14. I conclude from the Bone Spring geology study that:
a. The horizontal spacing units are 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 units will contribute more or less equally to production.

## WOLFCAMP GEOLOGY STUDY-CASES 23833, 23835, 23838, AND 23839

15. The exhibits behind Tab C-4 are the geology study I prepared for the Wolfcamp formation. In case numbers $23833,23835,23838$, and 23839, FME 3 is proposing a total of 8 wells—four Wolfcamp A wells and four Wolfcamp B wells. I have prepared two separate sets of slides for each target formation.
16. Exhibit C-4-A is the Wolfcamp A Structure map. The Cross Development Area is identified by the blue box and the approximate location of the Wolfcamp A wells are identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips gently to the South. This map also identifies the four wells I used for the cross-section, running from $B$ to $B^{\prime}$.
17. Exhibit C-4-B is a stratigraphic cross section and cross-section well locator map. The inset map on this exhibit also identifies the wells I used for the cross-section. In my opinion, the well logs on the cross-section give a representative sample of the Wolfcamp A formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed Cross Wolfcamp A wells falls within the wells I used for the crosssection. Based on the cross section, I conclude that the Wolfcamp A is present and porous in the Cross Development Area.
18. Exhibit C-4-C is a Wolfcamp A Isopach, which shows that the reservoir thins to the South.
19. Exhibit C-4-D is the Wolfcamp B Structure map. The Cross Development Area is identified by the blue box and the approximate location of the Wolfcamp B wells are identified by
a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips to the South. This map also identifies the four wells I used for the crosssection, running from $B$ to $B^{\prime}$.
20. Exhibit C-4-E is a stratigraphic cross section and cross-section well locator map. The inset map on this exhibit also identifies the wells I used for the cross-section. In my opinion, the well logs on the cross-section give a representative sample of the Wolfcamp B formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed Cross Wolfcamp B wells falls within the wells I used for the crosssection. Based on the cross section, I conclude that the Wolfcamp B is present and porous in the Cross Development Area.
21. Exhibit C-4-F is a Wolfcamp B Isopach, which shows that the reservoir thins slightly to the Southeast.
22. I conclude from the Wolfcamp geology study that:
a. The horizontal spacing units are 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 units will contribute more or less equally to production.
23. In my opinion, FME3's Cross State Development plan prevents waste and protects correlative rights.
24. The attachments to my affidavit were prepared by me or compiled under my direction or supervision.

Dated: February 1, 2024


State of Colorado
County of DONaL


My Commission Expires: $\qquad$



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/MobilePagedArtic le.action?articleld=1331603\#articleld1331603


-First Bone Spring structure dips gently to the south

- Gross reservoir thins slightly to the north

First Bone Spring Sand Isopach





.52l9qE


## C.4.A <br> s9998



Wolfcamp A Structure
(20)

## Wolfcamp A Cross Section






Page 204 of 391

## 5

59999
Wolfcamp B Cross Section
FRANKLIN MUUNTAIN




# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC<br>FOR COMPULSORY POOLING AND, TO THE EXTENT<br>NECESSARY, APPROVAL OF AN OVERLAPPING SPACING<br>UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24110-24112, 24115

## APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC <br> FOR COMPULSORY POOLING AND NOTICE OF <br> OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 23833, 23835, 23838, 23839

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 23961-23964

## APPLICATIONS OF MRC PERMIAN COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24142-24145

STATE OF COLORADO )
COUNTY OF DENVER )

## AFFIDAVIT OF CORY MCCOY

Cory McCoy being duly sworn, deposes and states:

1. I am over the age of 18, I am a Reservoir Engineer for Franklin Mountain Energy

3, LLC ("FME3"), and have personal knowledge of the matters stated herein.
2. I have not previously testified before the Oil Conservation Division ("Division").
3. I received a Petroleum Engineering Degree from the University of Kansas in 2016.
4. Since receiving my degree, I have worked exclusively in the Delaware Basin for Jagged Peak, Parsley, Pioneer, and Franklin Mountain Energy. Throughout my career, I have held positions as drilling, production, and reservoir engineer. At Franklin Mountain Energy, I have been a reservoir and production engineer for the last 2.5 years.
5. My resume summarizing my educational and work experience is attached to this affidavit as Exhibit D-1.
6. My work for FME3 includes the Permian Basin and Lea County.
7. I am familiar with the applications FME3 filed in Case Nos. 23833, 23835, 23838, 23839, 24110-24112, and 24115. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 23961-23964, and 24142.
8. The primary takeaways from my testimony are as follows:

- FME3 will be able to consolidate surface facilities because of the Satellite/Cross development plans.
- FME3 is planning an offset, also referred to as a wine-rack, development pattern, whereas MRC is proposing a stacked development pattern. Based on my analysis, a wine-rack pattern outperforms a stacked development.
- FME3's AFEs are based on current activity in the same area and are lower than MRCs. FME3 has excellent capital efficiency, and recent projects have had actuals come in lower than AFE.

9. Simply put, there are number of reasons why MRC's development plan could result in waste and impair correlative rights.
10. My testimony demonstrates from a reservoir engineering perspective why FME3's proposed development plan is more efficient and effective than MRC's plan and will result in the protection of correlative rights and the prevention of waste.
11. First, FME3's development plan allows FME3 to consolidate facilities with the Satellite unit.
12. I, in conjunction with our drilling team, undertook an analysis of how to maximize production while also minimizing surface disturbance and we developed a shared pad scenario that we are deploying with the Satellite/Cross units. The plan will allow oil and gas reserves located in the N/2 of Section 36 that could otherwise be unrecoverable due to drilling constraints and setback requirements to be developed. Additionally, the proposed development will allow for consolidated well pads, facilities, and infrastructure, significantly minimizing surface disturbances and impacts to rangeland and habitat. FME3 has analyzed this concept internally, from both the drilling engineer perspective and reservoir engineer perspective, and FME3 has concluded that this layout will not result in waste or negatively impact correlative rights.
13. I undertook a study of MRC's Airstrip development, located in Section 31, for purposes of my testimony. Attached as Exhibit D-2 is a locator map showing the location of MRC's Airstrip wells in relation to the Cross Development Area. Included in Exhibit D-2 is a gun barrel diagram showing MRC's Airstrip wells and an overview of the Airstrip development. The gun barrel is significant for my testimony because MRC utilized stacked development, which lead to underperformance, and which MRC is proposing for its Mongoose wells.
14. Exhibit D-3 provides the list of the MRC's Airstrip wells along with their API number which were used in the comparison of MRC's Airstrip development in comparison to the Cross Development Area discussed below.
15. Exhibit D-4 compares FME3's and MRC's development plans. Proprietary micro seismic studies show spacing above and below target window is critical to avoid existing depletion in the third bone springs, which impacts well productivity. FME3's development plan has taken
consideration of this effect and has properly spaced wells to minimize this phenomenon. Additionally, FME3's wine rack development allows more growth and access to stimulated rock volume. Due to the fact FME3 is active in the area, we have experience with offset well monitoring during active completions and understand how fractures grow in all directions, with significant frac growth vertically.
16. Conversely, MRC's development plan is for all wells fully stacked across the section. In my opinion, based on my analysis, this could lead to adverse frac interaction resulting in less reservoir accessed. As I noted in this slide, the fully stacked wells in the Matador Airstrip underperformed.
17. Exhibit D-5 demonstrates that MRC's stacked wells are underperforming, which is predictive of how MRC's Mongoose wells will perform. The Airstrip 134H, a third bone spring well, is directly below the Airstrip 124 H , a lower second bone spring well. The vertical separation between these two wells is roughly $\sim 330^{\circ}$ TVD. Of the four third bone spring wells in the section, the 134 H is the worst performer with a EUR of $53 \mathrm{BO} / \mathrm{ft}$. The average EUR across the third bone spring wells is $86 \mathrm{BO} / \mathrm{ft}$. And by removing the 134 H from the average, it increases to $95 \mathrm{BO} / \mathrm{ft}$. In my opinion, the poor performance of the 134 H is due to the direct stacking and tight vertical separation of the 134 H and 124 H . Furthermore, on the west side of the section, the Airstrip development has a wine rack well placement between the third bone spring and the Wolfcamp A. The 201 H a WCA, straddles the 131 H and 132 H . The 201 H was brought online January 2017 and the 131 H and 132 H were brought online in October 2018. The performance of the 131 H and 132 H was much better, most likely due to the wine rack layout.
18. Exhibit D-6 compares FME3's estimated costs against MRC's. FME3's AFE costs are lower than MRC's. In my opinion, FME3's AFE costs are both lower and more accurate to
the area due FME3s activity level in the basin. FME continues to push performance with drilling and completions. This has allowed FME3 to continue to refine AFE proposals. FME's last 6 well development project had an AFE total budget of $\$ 69 \mathrm{MM}$ and to date FME's cost are $\$ 5 \mathrm{MM}$ under budget, with all drilling, completing and equipping operations completed. FME3 is a prudent operator that is disciplined and efficient with capital expenditures.
19. To conclude, in my opinion, FME3 is able to prudently operate the property, and FME3's plan will prevent waste, because FME3's development plan has more optimal spacing, i.e., wine racked, and FME3 will be targeting reserves that could otherwise be stranded by its overlapping development plan strategy.
20. The exhibits to my affidavit were prepared by me or under my direction.
[Signature page follows]

Dated: February 1, 2024


State of Colorado
County of $\qquad$
This record was acknowledged before me on February 1, 2024, by Cory McCoy. [Stamp]


My Commission Expires: $\qquad$

## Cory McCoy

1164 S. Acoma St. Apt 298 Denver CO 80210
417-300-0381; cory.mccoy.92@gmail.com

## Education

University of Kansas

- Bachelor of Science in Petroleum Engineering with Minor in Business
- University of Texas Data Bootcamp
- Programing language in VBA, Python, SQL Databases

May 2016
April 2021 - September 2021

## Work Experience

Franklin Mountain Energy
Engineer

Aug 2021 - Present

- Total gross oil production increased from 500 BOPD to over 50,000 BOPD with well count from $5-130$ wells
- Managed production engineering operations and surveillance for 130 wells in Lea County, NM
- Supported business development and M\&A with Type Curve analysis for different formations in Lea County
- Supported budgeting and forecasting for $\$ 600 \mathrm{MM}$ of oil and gas development


## Pioneer Natural Recourse

Surface Development Engineer
January 2021 - Aug 2021

- Designed and modeled well pads, facility pads, and roads for CAPEX projects utilizing modeling in Civil3D
- Provided schedule management and engineering support to field team during construction operations
- Worked with field personnel to track construction durations and contractor score card to obtain a target achievement
- Lead continuous improvement efforts on pad size reduction and waste management strategy to minimize footprint

Parsley Energy
Drilling Performance Engineer II- Midland Basin
January 2020- January 2021

- Member of team which decreased Avg. Spud - RR 18 days (2019) to 15 days with an average QoQ of $-6 \% \$ / \mathrm{MD}$
- Supported field operations in writing procedures and training field personnel
- Acted as relief for Real Time Operating Center and Well Site Manager
- Responsible for spud rig program
- Continued implementation of field rollout of H\&P Flex-apps: DAS, Motive, MSE drilling
- Cost benefit analysis for CNG dual fuel rollout. Targeted and achieved $40 \%$ displacement rate
- Experience in Openwells, Spotfire, OpenInvoice, Corva, Pason, ERA, PowerBI

Jagged Peak Energy
Drilling Engineer II - Delaware Basin
April 2019- January 2020

- Member of team which decreased Avg. Spud - RR 30.6 days to 22.7 days with a $9.3 \%$ reduction in daily spread cost
- Performed cost analysis on solids control \& mud programs for $63 / 4$ " lateral
- Implemented new pad design with closed loop drilling in order to decrease cost and environmental foot print
- Engineer and DSM of spud rig
- Worked closely with performance engineers to standardize drilling program and increase drilling efficiency for WC-A, WC-B and 3rd Bone Springs
- Implemented field rollout of H\&P Flex-apps: DAS, Motive, MSE drilling, \& DOC
- Experience in WellEZ, Wellview, Spotfire, OpenInvoice, Corva, Pason, K\&M Technology, ERA

Production Engineer - Delaware Basin
September 2017-April 2019

- Total gross oil production increased from 25,000 BOPD to over 40,000 BOPD with well count from $70-130$ wells
- Managed production operations and surveillance for 130 wells in Southern Delaware Basin
- Engineer of four WOR with operations in SWD completion, tieback installs, and AL installs/pulls
- Experienced in AL designs and on-site optimization for Rod lift, GL, ESP, HPGL
- Designed and implemented first 5.5 " injection string SWD completion
- Designed (downhole \& surface) and implemented first High-Pressure Gas Lift
- Increased ESP run-life by $20 \%$ by leading teardowns and performing root-cause analysis


## Devon Energy Corporation

Reservoir Engineer Intern
May- August 2015

Drilling Engineer Intern
Production Engineer Intern

Airstrip Development Design Layout Underperforming

- Airstrip development is direct east offset of Cross development
- 8-well full development
Matador's Airstrip wells are directly offset to the east of Cross


| Formation | Airstrip <br> Producing <br> Wells BO/ft | Airstrip <br> Well <br> Count | Cross Well <br> Count | Mongoose <br> Well <br> Count |
| :--- | :---: | :--- | :---: | :---: |
| 3BS $\bigcirc$ | 86 | 4 | 0 | 0 |
| 1BS $\bigcirc$ | 69 | 2 | 4 | $*$ |
| Lower 2BS | 53 | 1 | 4 | 4 |
| WCA | 47 | 1 | 4 | 4 |
| WCB | - | - | 4 | 4 |
| Average | 73 |  |  |  |

## * Mongoose 1BS proposals received $1 / 16 / 24$

- Average 73 BO/ft EUR for project - Recent 2500 \#/ft completion
- Turned on production 2018/2019
- 1-mile laterals - Recent 2500 \#/ft completion
- Average 73 BO/ft



| Well | API | Current Operator | Formatio n | LL | \#/ft | Fluid/ft | TOP |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| AIRSTRIP 31 1835 RN STATE COM 111H | 3002545025 | MRC | 1BSS | 4,663 | 2,744 | 43 | Oct-18 |
| $\begin{aligned} & \text { AIRSTRIP } 31 \\ & 1835 \text { RN } \\ & \text { STATE COM } \\ & 114 \mathrm{H} \\ & \hline \end{aligned}$ | 3002545436 | MRC | 1BSS | 4,643 | 2,593 | 52 | Apr-19 |
| $\begin{aligned} & \text { AIRSTRIP } 31 \\ & 1835 \text { RN } \\ & \text { STATE COM } \\ & 124 \mathrm{H} \\ & \hline \end{aligned}$ | 3002545437 | MRC | Lower 2BS | 5,051 | 2,600 | 52 | Apr-19 |
| AIRSTRIP 31 1835 RN STATE COM 134H | 3002545438 | MRC | 3BSS | 4,662 | 2,573 | 51 | Apr-19 |
| AIRSTRIP 31 <br> 1835 RN <br> STATE COM <br> 133H | 3002544323 | MRC | 3BSS | 4,388 | 2,384 | 35 | Mar-18 |
| AIRSTRIP 31 <br> 1835 RN <br> STATE COM <br> 132H | 3002543816 | MRC | 3BSS | 4,360 | 2,838 | 39 | Aug-17 |
| AIRSTRIP 31 <br> 1835 RN <br> STATE COM <br> 131H | 3002544509 | MRC | 3BSS | 4,955 | 2,377 | 35 | Oct-18 |
| $\begin{aligned} & \text { AIRSTRIP } 31 \\ & 1835 \text { RN } \\ & \text { STATE COM } \\ & \text { 201H } \end{aligned}$ | 3002543395 | MRC | WCA | 4,110 | 3,357 | 81 | Jan-17 |



FME3's Budget is Lower and FME3's Actuals are Coming in Under Budgets

 AFEs across the 16 well development

- Matador's AFE Budget = \$200 MM
- FME3's AFE Budget $=\$ 185 \mathrm{MM}$
- Over the last 4 months, FME3 has fully executed a 6 well development in this area, and on an aggregate is $\$ 5 \mathrm{MM}$ under AFE.


## FME3 AFE Budget = \$69 MM

- FME3 Actuals = \$64 MM


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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY3, LLC FOR COMPULSORY POOLING, AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO<br>\section*{APPLICATION OF FRANKLIN MOUNTAIN ENERGY3, LLC FOR COMPULSORY POOLING, AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO}

CASE NO. 23833

CASE NO. 23838

## 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 September 15, 2023, and additional names under notice letter dated January 19, 2024, which are attached hereto, as Exhibit E-1.
2) Exhibit E-2 are the mailing lists, which show the notice letters were delivered to the USPS for mailing on September 15, 2023, and notice letters for additional names were delivered to the USPS for mailing on January 19, 2024.
3) Exhibit E-3 is the certified mailing tracking information, which is automatically complied 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 E-4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the October 5, 2023 hearing was published on September 20, 2023. An Affidavit of Publication from the Hobbs News-Sun with additional names, confirming the notice of the February 8, 2024 hearing was published on January 24, 2024.

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: January 31, 2024


Deana M. Bennett

Modrall Sperling

Deana M. Bennett

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

## Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23833

## APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23838

## 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. 23833, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 703H and Cross State Com $\mathbf{8 0 3 H}$ 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.

Modrall Sperling Roehl Harris \& SIsk P.A.

## 500 Fourth Street NW

 Sulte 1000 Albuquerque, New Mexico 87102Page 2

In Case No. 23838, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.51-acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 704 H and Cross State Com $\mathbf{8 0 4 H}$ 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.

The hearing will be conducted remotely on October 5, 2023 beginning at $8: 15 \mathrm{a} . \mathrm{m}$. 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 to the application. 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 AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23833

## 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 323.59 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 $\mathrm{W} / 2 \mathrm{E} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.59-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com $\mathbf{7 0 3 H}$ and Cross State Com $\mathbf{8 0 3 H}$ wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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. 23833 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 703H and Cross State Com $\mathbf{8 0 3 H}$ 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.

# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23838

## 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 323.51 -acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1 (the equivalent of the E/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.51-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 704H and Cross State Com 804H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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
edebrine@modrall.com
deana.bennett@modrall.com
Attorneys for Applicant

CASE NO. 23838 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.51-acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{7 0 4 H}$ and Cross State Com $\mathbf{8 0 4 H}$ 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.

## VIA CERTIFIED MAIL <br> RETURN RECEIPT REQUESTED

## Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23833

## APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23838
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. 23833, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 703 H and Cross State Com $\mathbf{8 0 3 H}$ 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.

Modrall Sperling
Roehl Harris \& Sisk P.A.
500 Fourth Street NW

Page 2

In Case No. 23838, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.51-acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{7 0 4 H}$ and Cross State Com $\mathbf{8 0 4 H}$ 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.

The hearing will commence on February 8, 2024 beginning at 8:15 a.m. and will continue as necessary through completion. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, $1^{\text {st }}$ Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

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 to the application. 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


#### Abstract

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


CASE NO. 23833

## 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 323.59 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.59 -acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 703H and Cross State Com 803H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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,<br>MODRALL, SPERLING, ROEHL, HARRIS \& SISK, P.A.<br>By:/s/ Deana M. Bennett<br>Earl E. DeBrine, Jr.<br>Deana M. Bennett<br>Post Office Box 2168<br>500 Fourth Street NW, Suite 1000<br>Albuquerque, New Mexico 87103-2168<br>Telephone: 505.848.1800<br>Attorneys for Applicant

CASE NO. 23833 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 703H and Cross State Com 803 H 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.

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING<br>AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23838


#### Abstract

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 323.51 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the $\mathrm{SE} / \mathrm{NE}$, and $\mathrm{E} / 2 \mathrm{SE}$ of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.51-acre, more or less, Wolfcamp horizontal spacing unit.


3. Franklin plans to drill the Cross State Com 704H and Cross State Com 804H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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 $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1 (the equivalent of the E/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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,<br>MODRALL, SPERLING, ROEHL, HARRIS<br>\& SISK, P.A.<br>By:/s/ Deana M. Bennett<br>Earl E. DeBrine, Jr.<br>Deana M. Bennett<br>Post Office Box 2168<br>500 Fourth Street NW, Suite 1000<br>Albuquerque, New Mexico 87103-2168<br>Telephone: 505.848.1800<br>edebrine@modrall.com<br>deana.bennett@modrall.com<br>Attorneys for Applicant

CASE NO. 23838 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.51-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{7 0 4 H}$ and Cross State Com $\mathbf{8 0 4 H}$ 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.

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| 1 | 9314869904300112183442 | Devon Energy Production Company LP 333 West Sheridan Oklahoma City OK 73102 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38 <br> Notice |
| 2 | 9314869904300112183459 | Buckhorn Energy, LLC 505 N. Big Spring Street Midland TX 79701 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38 <br> Notice |
| 3 | 9314869904300112183466 | Charles D. Ray PO Box 51608 Midland TX 79710 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 4 | 9314869904300112183473 | COG Operating LLC 600 W. Illinois Avenue Midland TX 79701 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 5 | 9314869904300112183480 | David B. Deniger 6432 Walnut Hill Lane Dallas TX 75230 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 6 | 9314869904300112183497 | Derrill G. Elmore, Jr., Deceased Jane W. Elmore, a widow 5455 La Sierra Drive, Unit 511 Dallas TX 75231 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 7 | 9314869904300112183503 | Elizabeth Reymond a/k/a Betsy Reymond 1200 Barton Hills Drive, Unit 357 Austin TX 78704 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 8 | 9314869904300112183510 | Frederic D. Brownell 11703 Neering Drive Dallas TX 75218 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 9 | 9314869904300112183527 | Jon Brickey 4821 Rangewood Court Midland TX 79707 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 10 | 9314869904300112183534 | JS\&AL Family Limited Partnership 303 Veterans Airpark Lane, Suite 1100 Midland TX 79705 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 11 | 9314869904300112183541 | Louellen T. Mays 3108 Preston Drive Midland TX 79707 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38 <br> Notice |
| 12 | 9314869904300112183558 | Marathon Oil Permian LLC 990 Town and Country Boulevard Houston TX 77024 | \$1.59 | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 13 | 9314869904300112183565 | Mid Lavaca Energy Company PO Box 202650 Austin TX 78720 | $\$ 1.59$ | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 14 | 9314869904300112183572 | MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas TX 75240 | $\$ 1.59$ | \$4.35 | \$2.20 | \$0.00 | 10154.23833\&38. <br> Notice |
| 15 | 9314869904300112183589 | Nuevo Seis, Limited Partnership 300 W. 2nd Street <br> Roswell NM 88201 | $\$ 1.59$ | \$4.35 | \$2.20 | EXH | 10154.23833\&38 Notice |




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Karlene Schuman
Modrall Sperling Roehl Harris \& Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102


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## Reference Contents


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PS Form 3877
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JKV Corporation
8601 WEST CRPSS DROVE \#F5-208 Armstrong Energy Corporation
PO BOX 1973
ROSWELL NM 88202

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Affidavit of Publicat
STATE OF NEWMMEXICO
COUNTY OF LEA

1. Daniel Russell, Publisher of the Hok News-Sun, a newspaper pubished al
Hobbs, New Mexico sole the clipping attached hereto was publ in the regular and entire issue of said
newspaper, and not a supplement the for a period of 1 issue(s).

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\begin{aligned}
& \text { Beginning with the issue dated } \\
& \text { September } 20,2023 \\
& \text { and ending with the issue date } \\
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## Affidavit of Publication

STATE OF NEW MEXICO<br>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 thereof for a period of 1 issue(s).

Beginning with the issue dated January 24, 2024
and ending with the issue dated January 24, 2024.

Publisher

Sworn and subscribed to before me this 24th day of January 2024.


Business Manager
My commission expires
January 29, 2027
Seal)
STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION \# 1087526
COMMISSION EXPIRES $01 / 29 / 2027$

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 publication has been made.

LEGAL NOTICE
CASE NO. 23833; Notlow to all aftected parties, as well as helis and devisees of: AHCCI, LLC, Moxleq Limited Lablify Companyi AHCFL, LLC, a Now Moxico Limitod Liability Company, A LLC, a Now Mexico Limited Liabilty Company; Ealoney Feather, Ltd; Ben S. Cason and C. Cason, hubband and wite; Carol Anne Krydor alde Carol. Anne Crdok Kryder; Dorla For Garrett; Eleanor Hampton Sherbert; Ellaabeth Slnak; Frances Dunnway MoGrogor; Gilt Hendix, II; Harry F. 日iles ilf Hoilmig LLC; Hope Hampton Benner; Jack Gordon Hamptom, II
 Ine; A.E. Hempton, Jrif Red Blrd Ventures, ine, ATexal Corporitlon; Richard D, Jones Jr.;
 SMP sidecar TItan Mineral Holdinge, LP, a Defaware Limited Parthorghipi SMP Tlan Flex Dolaware Limitad Partnerthlp; SMP Titan Mineral Holdinga, LP, a Delaware Limifed Partner Southard Propertlet, Lte. a Texas Limited Partnorehip; The Allar Company; Tho Davi Compiny LLC, a Now Moxico Limitod Liability Company; Jyoon Propertiea, LLC, a Toxas Li Llability Company; Virgll Randolph Hondrix; Wadl Pofroloum, Inc., a Toxas Corparallon; White Royalty Company VPD Now Moxloo, LLC; OSD Energy Resolirces, LLC; Cavaliy Enargy Par
 Application of Frankilin Mountain Energy 3, LLC tor compulsory pooling and notlce of ovarian unt, Lea County, New Maxico. The State of Now Mexico through to OH Conservation Dlvision h glyes notice that the Division will conduct a publlo hearing at $8: 15$ a.m, commeincing Fobruary 8,202 will continue as neosessary to consider this application. The hearing whim be conducted in a hytrid fas both in person at the Enargy, Minerale, Natural Cesouices Depanment Vendell Chino Buliting a Hall, 1220 South St, Francls Drive, 1 st Floor, Santa Fe, NM 87505 and Vla the WebEx Vinual me
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CASE NO. 24110: Notloe to all affoctod parties, at well as helrs and devisees of: AMCCI, LLC, a Moxloo Limitod Llabilly Company AHCFL, LLC, a Now Moxico Limited Llability company, AH LLC, a Now Moxlco Limitad Liabllty Comprany; Enioney Feathor, Ltd; Een S. Cason and Car Casoin, hugband and wite; Buckhorn Enerty, LLC, a Toxes LImited Litility Company; Carol A Kryder ahe Carol Anne Crook Kryder; Chargos D. Aay; COQ Oparating LLC, a Dalaware LLC; D B. Dinager Derrill G. Elmore, Jr., Deceased; Dorf Forrestor Garrett, Elanor Hampton Sher Eligabeth SInak; Ellzabath Roymond a/kh Betsy Reymiond; Franco OUMaway MoGregor; Frec D. Brownoll; Glibert C. Hendix, III; Harty F. Blas ilf; Hollmlg LLC; Hops Hampton Eonner; Gordon Hampton, il as his sole and septrate property and eotita, Jon Bnokey; Josephine Forre Janzeokj JS\&AL Family Limited Partnerghip, a Texd Linited Partherthlp; Juanita Phi Schlogel; Larry Moore Trippet Hampton; Linda Laselter Hil and Willam J. HII, Jr, as co-fruetee the Hill Family Trust, croated under the Lat Will and Togtament of Willumi J. Hill dated Februa Company; Marguprite Forrestor Tjocrt; Mary Anita Dunaway Crocket Mary Lynn Or Smith Marline Dunaway Claunch; MId Lavaca Energy Company MRC Permian Company, a Te Corporation; M8H Family Real Eatato Partnorehip II, LLC, I Delaware Limitea Lablity Coimp Nugvo Solo, LImited Parnerthip; ocx Royatty Fuńd $V$, LP; Patricla Wollace Pablity covis, Lt Toxee Llimited Partnarhipi Pecos Band Royatiles, Inc. Pagasue Posources LLC; Pares Preducton, LLC; R.E Hampton, Jr; Randolgh D. Mecal; Alchard D. Jonieg, Jr; Robort B. Bru as his. cole and soparate property; Robert K. Landie If; Ruth Dunaway Sherewood; SDH 2 Investments, LP, a Toxas LImited Parthership; Sharktooth Resouroue, Ltd, a Toxas Lim Partnerahlp; Slain Exploratlon LP; BMAA Famly, LP, a Tox LImited Parinarship; SMP SId Tian Mineral Holdinga, LP, a Delaware Limited Partnershipi SMP Thtan Fiok, LP, a Delawaro Lim Partnershlp; 9idP Titan Mineral Holdings, LP, a Delaware Cimited Partnerehlp; Southard Proper


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

APPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY3, LLC FOR COMPULSORY POOLING, AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23835

## 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 September 15,2023, and additional names under notice letter dated January 19, 2024, which are attached hereto, as Exhibit E-1.
2) Exhibit E-2 are the mailing lists, which show the notice letters were delivered to the USPS for mailing on September 15, 2023, and notice letters for additional names were delivered to the USPS for mailing on January 19, 2024.
3) Exhibit E-3 is the certified mailing tracking information, which is automatically complied 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 E-4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the October 5, 2023 hearing was published on September 20, 2023. An Affidavit of Publication from the Hobbs News-Sun with additional names, confirming the notice of the February 8, 2024 hearing was published on January 24, 2024.
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: January 31, 2024


Deana M. Bennett

ModrallSperling
LA W Y ERS

September 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 AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23835

## TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy 3") has filed the enclosed application.

In Case No. 23835, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{W} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 701 H and Cross State Com $\mathbf{8 0 1 H}$ 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.

The hearing will be conducted remotely on October 5, 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.

Page 2

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, 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 <br> ENERGY 3, LLC FOR COMPULSORY POOLING <br> AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE No. 23835


#### Abstract

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 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.73-acre, more or less, Wolfcamp horizontal spacing unit.


3. Franklin plans to drill the Cross State Com 701H and Cross State Com 801H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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 Section 36, Township 18 South, Range 34 East, and Lot 4 , the $\mathrm{SW} / \mathrm{NW}$, and W/2SW of Section 1 (the equivalent of the $\mathrm{W} / 2 \mathrm{~W} / 2$ of Section 1 ), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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. 23835 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 701H and Cross 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.

Modrall Sperling

## VIA CERTIFIED MAIL <br> RETURN RECEIPT REQUESTED

## Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO <br> CASE NO. 23835

## APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23839

## 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. 23835, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{7 0 1 H}$ and Cross State Com $\mathbf{8 0 1 H}$ 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.

## Modrall Sperling

 Roehl Harris \& Sisk P.APage 2

In Case No. 23839, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 702H and Cross State Com $\mathbf{8 0 2 H}$ 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.

The hearing will commence on February 8, 2024 beginning at 8:15 a.m. and will continue as necessary through completion. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, $1^{\text {st }}$ Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, 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 AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23835


#### Abstract

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 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.73-acre, more or less, Wolfcamp horizontal spacing unit.


3. Franklin plans to drill the Cross State Com 701H and Cross State Com 801H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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. 23835 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.73-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 701H and Cross 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.

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

# APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO 

CASE NO. 23839

## 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 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 323.65-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 702H and Cross State Com 802H wells 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.
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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 Wolfcamp formation underlying a horizontal spacing unit within the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
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F. 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,<br>MODRALL, SPERLING, ROEHL, HARRIS \& SISK, P.A.<br>By:/s/ Deana M. Bennett<br>Earl E. DeBrine, Jr.<br>Deana M. Bennett<br>Post Office Box 2168<br>500 Fourth Street NW, Suite 1000<br>Albuquerque, New Mexico 87103-2168<br>Telephone: 505.848.1800<br>edebrine@modrall.com<br>deana.bennett@modrall.com<br>Attorneys for Applicant

CASE NO. 23839 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 702 H and Cross State Com $\mathbf{8 0 2 H}$ 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.
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Type of Mailing: CERTIFIED MAIL

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| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
| 1 | 9314869904300116297183 | AHCCI, LLC 6844 Rio Grande Boulevard NW Albuquerque TX 77024 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 2 | 9314869904300116297190 | AHCFL, LLC 5111 Eakes Road, NW Albuquerque TX 77024 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 3 | 9314869904300116297206 | AHCJL, LLC 1009 Camino Del Rio NW Albuquerque TX 77024 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 4 | 9314869904300116297213 | Baloney Feather, Ltd. 8933 E. FM 40 <br> Lubbock TX 79403 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 5 | 9314869904300116297220 | Ben S. Cason and Carolyn Cason, husband and wife 4201 Oak Park Court Fort Worth TX 76109 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 6 | 9314869904300116297237 | Carol Anne Kryder a/k/a Carol Anne Crook Kryder 5927 Hillcrest Avenue Dailas TX 75205 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 7 | 9314869904300116297244 | Eleanor Hampton Sherbert 5200 Madowcreek Drive, Apt. 1065 Dallas TX 75248 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 8 | 9314869904300116297251 | Elisabeth Sinak 3024 Hanover Street Dallas TX 75225 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 9 | 9314869904300116297268 | Gilbert G. Hendrix, III 5080 Newport Avenue San Diego CA. 92107 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 10 | 9314869904300116297275 | Harry F. Bliss III PO Box 746 Abernathy TX 79311 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 11 | 9314869904300116297282 | Hollmig LLC 2511 Stutz Place Midland TX 79705 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 12 | 9314869904300116297299 | Hope Hampton Benner 5960 Mendocino Drive, Apt. B Dallas TX 75248 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 13 | 9314869904300116297305 | Jack Gordon Hampton, II 300 Foxwood Trail <br> Marble Falls TX 78654 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 14 | 9314869904300116297312 | Larri Moore Trippet Hampton 9 Parkway Place Houston TX 77040 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 15 | 9314869904300116297329 | Marguerite Forrester Tigert 1321 Kathryn Street Hurst TX 76053 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |

Karkene Schuman
Modrall Sperling Roebl Harris \& Sisk P.A.
500 Fourth Street, Suite 1000
Alhuquerque NM 87102
Type of Mailing: CERTIFIED MAIL
Firm Mailing Book ID: 259146

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
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| 16 | 9314869904300116297336 | Mary Anita Dunaway Crockett 15800 Dallas Street Brighton CO 80602 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 17 | 9314869904300116297343 | MSH Family Real Estate Partnership II, LLC 1900 Saint James Place, Suite 300 Houston TX 77056 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 18 | 9314869904300116297350 | OGX Royalty Fund IV, LP 400 N. Marienfeld, Suite 200 Midland TX 79701 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 19 | 9314869904300116297367 | Pecos Bend Royalties, Inc. 415 W. Wall Street, Suite 2207 Midland TX 79701 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & \text { 10154.23835,839. } \\ & \text { Notice } \end{aligned}$ |
| 20 | 9314869904300116297374 | R.E. Hampton, Jr. 900 Mazourka Drive Arlington TX 76001 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & \text { 10154.23835,839. } \\ & \text { Noticc } \end{aligned}$ |
| 21 | 9314869904300116297381 | Red Bird Ventures, Inc., a Texas Corporation 13231 Champion Forest Drive, Suite 401 Houston TX 77069 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 22 | 9314869904300116297398 | Richard D. Jones, Jr. 200 N. Gaines Road Cedar Creek TX 78612 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 23 | 9314869904300116297404 | Robert K. Landis III 1833236 Avenue West, Unit B12 Lynnwood WA 98037 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $10154.23835,839 .$ <br> Notice |
| 24 | 9314869904300116297411 | SDH 2009 Lnvestments, LP 2906 University Boulevard Dallas TX 75205 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154,23835,839. <br> Notice |
| 25 | 9314869904300116297428 | SMP Sidecar Titan Mineral Holdings, LP c/o Capital Services, Inc. 108 Lakeland Avenue | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 26 | 9314869904300116297435 | SMP Titan' 'Flêx,' LP, a Delaware Limited Partnership 4143 Maple Avenuc, Suite 500 Dallas TX 75219 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154,23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 27 | 9314869904300116297442 | SMP Titan Mineral Holdings, LP 4143 Maple Avenue, Suite 500 Dallas TX 75219 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & \text { 10154.23835,839. } \\ & \text { Notice } \end{aligned}$ |
| 28 | 9314869904300116297459 | Southard Properties, Ltd. 1101 Scott Street, Suite 17 Wichita Falls TX 76301 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 29 | 9314869904300116297466 | The Allar Company PO Box 1567 Graham TX 76450 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $10154.23835,839 .$ <br> Notice |
| 30 | 9314869904300116297473 | The David Oil Company, LLC PO Box 676370 Rancho Santa Fe CA 92067 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 . \\ & \text { Notice } \end{aligned}$ |





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Louellen T．Mays
Milestone Oil，LLC
Mestengo Energy Company
REG XI Assets，LLC
Cavalry Energy Partners，LLC
DSD Energy Resources，LLC
VPD New Mexico，LLC
White Star Royalty Company
Wadi Petroleum，Inc．，a Texas Corporation
Virgil Randolph Hendrix
Tyson Properties，LLC
The David Oil Company，LLC
The Allar Company
Southard Properties，Ltd．
SMP Titan Mineral Holdings，LP
SMP Titan Flex，LP，a Delaware Limited Partnership
SMP Sidecar Titan Mineral Holdings，LP
SDH 2009 Investments，LP
Robert K．Landis III
Richard D．Jones，Jr．
Red Bird Ventures，Inc．，a Texas Corporation
R．E．Hampton，Jr．
Pecos Bend Royalties，Inc．
OGX Royalty Fund IV，LP
MSH Family Real Estate Partnership II，LLC
Mary Anita Dunaway Crockett
Marguerite Forrester Tigert
Larri Moore Trippet Hampton
Jack Gordon Hampton，II
Hope Hampton Benner
Hollmig LLC
Harry F．Bliss III
Gilbert G．Hendrix，III
Elisabeth Sinak
Eleanor Hampton Sherbert
Carol Anne Kryder a／k／a Carol Anne Crook Kryder
Ben S．Cason and Carolyn Cason，husband and wife
Baloney Feather，Ltd．
AHCJL，LLC
AHCFL，LLC
AHCCI，LLC




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## Affidavit of Publicat

## STATE OF NEW MEXICO COUNTY OF LEA

, Daniel Russell, Publisher of the Hok Hobbs, New Mexico, solemnly swear Hobbs, New Mexico, solernily swear in the regular and entire issue of said newspaper, and not a sup
for a period of 1 issue(s).

Beginning with the issue dated


## ending with the issue

## 

Sworn and subscribed to before me t
20th day of September 2023 .

## Si

Business Manager
My commission exp




## 5

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## 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 thereof for a period of 1 issue(s).Beginning with the issue dated January 24, 2024
and ending with the issue dated January 24. 2024.


Sworn and subscribed to before me this 24th day of January 2024


Business Manager
My commission expires
January 29, 2027

| (Seal) |
| :---: |
| STATE OF NEW MEXICO |
| NOTARY PUBLIC |
| GUSSIE RUTH BLACK |
| COMMISSION \# 1087526 |
| COMMISSION EXPIRES 01/29/2027 |

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 publication has been made.

LEGAL NOTICE
January 24,2024
CASE NO, 23833: Noteo to all affected parties, as well as heirs and deviseas of AHCCI, LLC, Moxleo Limited Lability Company; AHCFL, LLC, a New Mexico Limited Llablity Company, A LLC, a New Mexico Limited Liability Company; Baloney Feather, Ltd.; Ben S. Csaoon and C Cason, husband and wife; Carol Anne Kryder a/da Carol Anne Crook Kryder; Dorla For Garrott; Eleanor Hampton Sharbert; Elleabeth Sinak; Frances Dunaway hoGregor; Gifit Hendix, lif; Harry F. 日lies Hi Hollmig LLG; Hope Hampton Eenner; Jack Gordon Hampton, If

 K. Landis II; Auth Dunalyey Sherowoodi SDH 2009 Invoptments, LP, Toxat Limited Partins SMP Sidecar Titan Minetal Holdidge, LP, a Dalaware Limited Partnarshlp; SMP Titan Flex, Dolaware Limitad Paitnerthlp; 8ip Than Mineral Holdinge, LP, a Delaware Limited Partne Southlrd Propertion Ltd, a Texay Limited Partnerghip; The Aller Company; Tho Dav Company, LLC, a Now Mexico Limitod Liability Company; Tyson Propertlag, LLC, a Toves Li, Lisbilty Company; VIrgll Rendolph Hendific Wadl Petroleum, Inc., a Toxae Corporation; White Royaity Company; VPD Now Moxico, LLC; DSD Energy Rosources, LLC; Cavalry Energy Part LLC; REC XI Aesta, LLC; Mastengo Enargy Company; Mieatone Oil, LíG; Louallen T. Mays Appileation of Franitin Mountain Energy S, LLC for compulsory pooling and hotice of overlap unlt, Lea County, Naw Maxico. The State of New Mexico through tis Of Conservation Division $h$ glvas notica that the Dhlsion wili conduct a pubile hearing at $8: 15$ a.m. commeiting February 8,202 will conthue as necessary to consider this appllcatlon. the haring wili be conducted in a hyprid fas
 Hall, 1220 South St. Francls Drive, 19t Floor, Santa Fo, NM-87505 and vala the WabEx vitual me plattorm. To participate in the eloctronic hearing, see the instructione poeted on the dockat for the he

 E/2SW of Sactlon 1 , Township 18 South, Pange 34 East, N.M.PM, Lea County, New Mexico. gpacing inft will be dedicated to the Cross Stata com yoath and Crose state com 802H wells. horizontally drlled. Tha producing airia for the wells the expectad to be orthodox. The spacing unit prop in this application will partlailly overlap a apacing unil in Section 36, Townstip 18 South Range 34 N.M.P.M. Lea County, Naw. Mexico. Also to be considered will be the cost of drilling and completing wells, the allopation of these cosis as well as the actual opefathin costa and oharges for superv dealgnation of Franklin Mountain Energy S. LLC as operator' of the wells, and a $200 \%$ charge for
Involved in driling seid wills. Involved in drifing asio wells.

CASE NO. 24110: Notioe to all affoctiod gartea, as well ae helre and deviseas of: AHCCI, LLC, a Moxico Limited Liablity Company; AHCFL, LLC, a Now Moxlco Limited Liablity Company, AH LLC, a Now Moxlco Limitad Liabifity Company, Baloney Feather, Lid.;Ben S. Cacon and Car Cason, husband and wter Euekhorn Enerey, LLC a Texas. Limited Liabilly Company; Carol Krydor a/ka Carol Anne Crook Kryder; Chardaa D. Ray; Coc operating LLC, a Delaware LLC; D B. Dinareri Derrili G. Elmore, Jr., Deopaed; Dorte Fornester Garrett; Etanor Hampton Shar Ellasbeth Sinak; Ellzabeth Reymond ante Botey Reymond; Frances Dunaway Mcaregor; Frec D. Brownell; Gilbett G. Handix, Ill; Harry F. Blea ilf; Hollmlg LIG; Hope Hampton Eennar; Gordon Hampton, il as hla solo and separate property and ofth, Jon 日nckey Josophine Forre Janveak; JS\&AL Family Limited Partharship, a foxat Lififiad Partnarihp; Juanlta Phil
 the Hill Family Trust, croated under the Luet WIH and Testament of Whlitam J. Hill dated Fabrua
 Company; Marguertte Forrester Tigert, Mary Antta Dunaway crockety fary Lynin Orr Smith Maurino Dunaway Claunch; Mid Levaca Energy Company; MRC Permlan Company, a Te Corporation; MSH Family Real Estato Parinership II, LLC, a belawiro Limitad Labilly Comp Nuevo Sels, Limited Partnershlp; Ocx Royalty Fund IV, LP, Patricfí Wellede; Paul Davit, Lt Toxas Limited Partnership; Pecos Eand Royattos, ino. Pagasus Resources, LLC; Pareg Production, LLC; R.E. Hampton, Jr; Randolph O. Mocali hichard D. Johes, Jr,; Robet B. Brt as hite cole and separate property; Robert K. Landle:M; Ruth Dumaway Sherewood; SOH 2 Invastments, LP; a Texas Limited Parthership; Sharktooth Rosquircee, Ltd, a Toxas LIm Parthershlp; 8lach Exploration LP; BMAA Famly, LP, a Toxas Lmitad Parinarihip; 8MP Sid Tltan Mineral Holdinge, LP, a Delaware Limitud Partnerahip; SMP Thtan Fiox, LP, Dolaware Lilm Partherehip; sifP Titan Mineral Holdings, LP, a Delaware Limited, 8 artnership; southard Proper




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CASE NO. 23B3g: Notice to all affected parlies, Bs well es helre and deviseez of: AHCC, LLC, a New
 Hendil, ; Harry F. Bliss ili; Hollmig LLL; Hope Hamplon Ben ner; Jack Gordon Hampton, il as hia






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 This epplication will partialiy overlap spacing unit in Section 36 , Townothip 18 South. Sang 34 East


CASE NO, 24110: Noilce to all atticted parties, as welf as helrs and devisoes of: AHCCI, LLC, a Nam Mexlco Lmited Lability Company, AHCFL, LLE, , New Mextco Lmiled Llablility Company, AHCJL




 Corporation; MSH Family Real Estate Parineritl III LLC, AD Delaware Umlied Labilly Company;



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|  Llabilty Company; Tyson Properiles, LLC, ETexas Limited Lability Company; Yirill Randojph LImfted Lability Company, Wilison W, Crook lili. VPD New Mexico, LLC; DSD Energy Pesources, LLCi Cavary Energy Partiera, LLC; REG XV AEsets, LLC; Maztengo Energy Company; Milestane Enterpises; Lodge Exploration Company, LLC, Armsirong Energy Corporation of tha Appilicallon <br>  that the Division will conducg public hearing a18:15 a.m, commencing February 8 , 2024 and wilt continue parson at the Eneryy, Minerals, Nalura! Rescources Deparlment, Wendell Chino Building, Pecos Hall, 1220 participate in the elactronic hearing, aee the instruclions posted on the dockel tor the hearing dela <br>  El2se of Section 1. Township 19 Sounh, Range 34 East, N.M.P.M.M. Las County, New Maxico. This spacing application will pariafify ovarlap a spacipg unit in Secilion 36, Township 18 Sounh, Range 34 Ecsi, N.M.P.PM. allocation of these costs as well as the acluel operaling cosls and charges lor supervision, cest nation of <br>  |  |  |  |
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CASE NO, 24111: Noilce to all affected parlies, as well os helrs and devisees of: AHCCI, LLC, a New LCC a Now Mexloo Limhed Lability Company; Batoney Feather, Liti. Ben S. Cason and Carolyn

 property and estaie; Jon Brickey, Josephine Forrester Janzeck; Juanita Phillips Schlagel; Larry





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 ellis, the allocatlon ol these cosis as well as tho actual oparaling cosis and charges tor suparvision, designation of Franklin Mounlain Energy 3 , LLC as operator of ithe walls, and a $220 \%$ charge lar risk
involved in drilling said wells. Saidid erea is localed approximataly 24 milos west of Hobbs, New Mexico.










 The Allar Company; The David Oil Company, LLC; New Mexlco Umited Lablity Company; TVeo

 Lotillien T. Mays; Whimemon On \& Gas, LLC; New Mexico Siate Land Offlce; David J. Sorenson Energy Corporatian of the Application of Frankilin Wountain Enargy 3, LLC for rompulsory poding Consorvalion Division hateby pives nolice thal the Division will conduct a public ebaging al fils a.m.
 The WebEx virual meeting plation, To participati in the ellectronic hearing, see the instrurtions posigd on
 4. The SWNW, and W/2SW of Secion 1 (the equvelent of the W/2 Wi/ of Seation n) Township 18 South
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 uncomimited mineral Inioreste within a 323,65 -bcre, mare or less, Bone Spring harizonial spacing unit





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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY3, LLC FOR COMPULSORY POOLING, AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23839

## 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 September 15,2023 , and additional names under notice letter dated January 19, 2024, which are attached hereto, as Exhibit E-1.
2) Exhibit E-2 are the mailing lists, which show the notice letters were delivered to the USPS for mailing on September 15, 2023, and notice letters for additional names were delivered to the USPS for mailing on January 19, 2024.
3) Exhibit E-3 is the certified mailing tracking information, which is automatically complied 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 3-4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the October 5, 2023 hearing was published on September 20, 2023. An Affidavit of Publication from the Hobbs News-Sun with additional names, confirming the notice of the February 8, 2024 hearing was published on January 24, 2024.
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: January 31, 2024


Deana M. Bennett

Modrall Sperling

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

## Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23839

## TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy 3") has filed the enclosed application.

In Case No. 23839, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 702 H and Cross State Com $\mathbf{8 0 2 H}$ 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.

The hearing will be conducted remotely on October 5, 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.

Page 2

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, 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 <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

# APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO 

CASE NO. 23839


#### Abstract

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 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the E/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 323.65-acre, more or less, Wolfcamp horizontal spacing unit.


3. Franklin plans to drill the Cross State Com 702H and Cross State Com 802H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the E/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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
edebrine@modrall.com
deana.bennett@modrall.com
Attorneys for Applicant

CASE NO. 23839 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{7 0 2 H}$ and Cross State Com $\mathbf{8 0 2 H}$ 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.

Modrall Sperling

## VIA CERTIFIED MAIL

 RETURN RECEIPT REQUESTED
## Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23835

## APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 23839

## 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. 23835, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 701 H and Cross State Com $\mathbf{8 0 1 H}$ 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.

Page 2

In Case No. 23839, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 702 H and Cross State Com $\mathbf{8 0 2 H}$ 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.

The hearing will commence on February 8, 2024 beginning at 8:15 a.m. and will continue as necessary through completion. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, $1^{\text {st }}$ Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, 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 <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

# APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING <br> AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO 

## CASE NO. 23835

## 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 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.73-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 701H and Cross State Com 801H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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 Section 36, Township 18 South, Range 34 East, and Lot 4 , the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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. 23835 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 701 H and Cross State Com $\mathbf{8 0 1 H}$ 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.

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

# APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO 

CASE NO. 23839

## 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 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also hereby provides notice that 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. 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 323.65-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 702H and Cross State Com 802H wells 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 also hereby provides notice that 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.
5. 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.
6. 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 October 5, 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the E/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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
edebrine@modrall.com
deana.bennett@modrall.com
Attorneys for Applicant

CASE NO. 23839 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 702 H and Cross State Com $\mathbf{8 0 2 H}$ 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.





| Karlene S <br> Modrall S 500 Fourt Albuquer | ng Roehl Harris \& Sisk P.A. eet, Suite 1000 <br> NM 87102 | Type of Mailing: 01/19 | 77 <br> IFIED MA |  |  | Firm | ook ID: 259146 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
| 1 | 9314869904300116297183 | AHCCI, LLC 6844 Rio Grande Boulevard NW Albuquerque TX 77024 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 2 | 9314869904300116297190 | AHCFL, LLC <br> 5111 Eakes Road, NW <br> Albuquerque TX 77024 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 3 | 9314869904300116297206 | AHCJL, LLC <br> 1009 Camino Del Rio NW Albuquerque TX 77024 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 4 | 9314869904300116297213 | Baloney Feather, Ltd. 8933 E. FM 40 Lubbock TX 79403 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 5 | 9314869904300116297220 | Ben S. Cason and Carolyn Cason, husband and wife 4201 Oak Park Court Fort Worth TX 76109 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 6 | 9314869904300116297237 | Carol Anne Kryder a/k/a Carol Anne Crook Kryder 5927 Hillcrest Avenue Dallas TX 75205 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 7 | 9314869904300116297244 | Eleanor Hampton Sherbert 5200 Madowcreek Drive, Apt. 1065 Dallas TX 75248 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 8 | 9314869904300116297251 | Elisabeth Sinak 3024 Hanover Street Dallas TX 75225 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 9 | 9314869904300116297268 | Gilbert G. Hendrix, III 5080 Newport Avenue San Diego CA 92107 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 10 | 9314869904300116297275 | Harry F. Bliss III PO Box 746 Abernathy TX 79311 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 11 | 9314869904300116297282 | Hollmig LLC 2511 Stutz Place Midland TX 79705 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 12 | 9314869904300116297299 | Hope Hampton Benner 5960 Mendocino Drive, Apt. B Dallas TX 75248 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 13 | 9314869904300116297305 | Jack Gordon Hampton, II 300 Foxwood Trail Marble Falls TX 78654 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 14 | 9314869904300116297312 | Larri Moore Trippet Hampton 9 Parkway Place Houston TX 77040 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 15 | 9314869904300116297329 | Margueritc Forrester Tigert 1321 Kathryn Street Hurst TX 76053 | \$1.83 | \$4.35 | \$2.20 | \$0.60 | 10154.23835,839. <br> Notice |


| Karlene S Modrall S 500 Fourt Albuquer | man <br> ing Roehl Harris \& Sisk P.A. <br> reet, Suite 1000 <br> NM 87102 | Type of Mailing: C 01/19 |  |  |  |  |  |
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| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
| 16 | 9314869904300116297336 | Mary Anita Dunaway Crockett 15800 Dallas Street Brighton CO 80602 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 17 | 9314869904300116297343 | MSH Family Real Estate Partnership II, LLC 1900 Saint James Place, Suite 300 Houston TX 77056 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 18 | 9314869904300116297350 | OGX Royalty Fund IV, LP 400 N. Marienfeld, Suite 200 Midland TX 79701 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 19 | 9314869904300116297367 | Pecos Bend Royalties, Inc. 415 W. Wall Street, Suite 2207 Midland TX 79701 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & \text { 10154.23835,839. } \\ & \text { Notice } \end{aligned}$ |
| 20 | 9314869904300116297374 | R.E. Hampton, Jr. 900 Mazourka Drive Arlington TX 76001 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154,23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 21 | 9314869904300116297381 | Red Bird Ventures, Inc., a Texas Corporation 13231 Champion Forest Drive, Suite 401 Houston TX 77069 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 22 | 9314869904300116297398 | Richard D. Jones, Jr. 200 N. Gaines Road Cedar Creek TX 78612 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 23 | 9314869904300116297404 | Robert K. Landis III 1833236 Avenue West, Unit B12 Lynnwood WA 98037 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 24 | 9314869904300116297411 | SDH 2009 Investments, LP 2906 University Boulevard Dallas TX 75205 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 25 | 9314869904300116297428 | SMP Sidecar Titan Mineral Holdings, LP c/o Capital Services, Inc. <br> 108 Lakeland Avenue | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 26 | 9314869904300116297435 | SMP Titän "Flêx,' LP, a Delaware Limited Partnership 4143 Maple Avenuc, Suite 500 Dallas TX 75219 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 27 | 9314869904300116297442 | SMP Titan Mineral Holdings, LP 4143 Maple Avenue, Suite 500 Dallas TX 75219 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 28 | 9314869904300116297459 | Southard Properties, Ltd. 1101 Scott Street, Suite 17 Wichita Falls TX 76301 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 29 | 9314869904300116297466 | The Allar Company PO Box 1567 Graham TX 76450 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |
| 30 | 9314869904300116297473 | The David Oil Company, LLC PO Box 676370 Rancho Santa Fe CA 92067 | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. Notice |


| Karlene Schuman <br> Modrall Sperling Roehl Harris \& Sisk P.A. <br> 500 Fourth Street, Suite 1000 <br> Albuquerque NM 87102 |  | $\begin{gathered} \text { PS Form } 3877 \\ \text { Type of Mailing: CERTIFIED MAIL } \\ 0119 / 2024 \end{gathered}$ |  |  |  |  | Firm Mailing Book ID: 259146 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Line | USPS Article Number | Name, Street, City, State, Zip |  | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
| 31 | 9314869904300116297480 | Tyson Properties, LLC PO Box 3786 Midland TX 79702 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 32 | 9314869904300116297497 | Virgil Rando!ph Hendrix 5080 Newport Averue San Diego CA 92107 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 33 | 9314869904300116297503 | Wadi Petroleum, Inc., a Texas Corporation 13231 Champion Forest Drive, Suite 401 Houston TX 77069 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 34 | 9314869904300116297510 | White Star Royalty Company PO Box 51108 Midland TX 79710 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 35 | 9314869904300116297527 | VPD New Mexico, LLC PO Box 471157 <br> Fort Worth TX 76107 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 36 | 9314869904300116297534 | DSD Energy Resources, LLC <br> 1150 N. Kimball Ave. Suite 100 Southlake TX 76092 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & \text { 10154.23835,839. } \\ & \text { Notice } \end{aligned}$ |
| 37 | 9314869904300116297541 | Cavalry Energy Partners, LLC 1208 W. Wall St Midland TX 79701 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & \text { 10154.23835,839. } \\ & \text { Notice } \end{aligned}$ |
| 38 | 9314869904300116297558 | REG XI Assets, LLC 1200 Smith St Ste 1950 Houston TX 77002 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & \text { 10154.23835,839. } \\ & \text { Notice } \end{aligned}$ |
| 39 | 9314869904300116297565 | Mestengo Energy Company 12581 Daniel's Gate Dr Castle Pines CO 80108 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | 10154.23835,839. <br> Notice |
| 40 | 9314869904300116297572 | Milestone Oil, LLC <br> PO Box 52650 <br> Tulsa OK 74152 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 . \\ & \text { Notice } \end{aligned}$ |
| 41 | 9314869904300116297589 | Louellen T. Mays 3108 Preston Drive Midland TX 79707 |  | \$1.83 | \$4.35 | \$2.20 | \$0.00 | $\begin{aligned} & 10154.23835,839 \text {. } \\ & \text { Notice } \end{aligned}$ |
|  |  |  | Totals: | \$75.03 | \$178.35 | \$90.20 | \$0.00 |  |
|  |  |  |  |  | Grand Total: |  | \$343.58 |  |



H．Ja son Wacker
LMC Energy，LLC
Cost Oak Mavros II，LLC
Colins \＆Jones nvestments，LLC
Post Oak Crown IV，LC
Post Oak Crown IV．B，LLC

John D．Savage
Chimney Rock Oil \＆Gas，LLC Armstrong Energy Corporation
JKV Corporation
 A Gill Family Limited Partnership Penroc Oil Corporation
Brazos Limited Partnership Brazos Limited Partnership
Rocking H．Holdings，Ltd
Ross Duncan Properties Ross Duncan Properties LLC
Oak Valley Mineral and Land，LP
Mongoose Minerals LLC
 Davis Partners


 Stillwater Investments
SMMA Family，LP
 Sharktooth Resources，Ltd．
Randolph D．McCall
 Nuevo Seis，Limited Partnership
MRC Permian Company MRC Permian Company
Marathon Oil Permian LLC
Louellen T．Mays
JS\＆AL Family Limited Partnership



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## STATE OF NEW MEXICO

I, Daniel Russell, Publisher of the Hok Hobbs, New Mexico, solemnly swear the clipping attached hereto was publ in the regular and entire issue of said
newspaper, and not a supplement the for a period of 1 issue(s).

Beginning with the issue dated
September 20,2023
and ending with the issue date
September 20,2023
Sworn and subscribed to before me:
20 th day of September 2023 .

My commission exp
My commission expires
January. 29,2 2.27.
(Seal) STATE OF NEW MEXIC
OVIG H1ny ヨissns
JI7gnd AVVION COMMISSION EXPIRES 01.

This newspaper is duly qualified to $p$ legal notices or advertisements with
meaning of Section 3, Chapter 167 , 1937 and payment of fees for said









## 

My commission expires


$$
\begin{aligned}
& \text { This newspaper is duty qualifled to p } p \text { in } \\
& \text { legal notices or advertisements withi1 } \\
& \text { meaning of Section } 3 \text {. Chapter } 1677, \\
& 1937 \text { and payment of fees for said pi } \\
& \text { has been made. }
\end{aligned}
$$

# Affidavit of Publication 

STATE OF NEW MEXICO COUNTY OF LEA


#### Abstract

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 thereof for a period of 1 issues).


Beginning with the issue dated January 24, 2024
and ending with the issue dated January 24, 2024.


Sworn and subscribed to before me this 24th day of January 2024.


Business Manager

My commission expires
January 29, 2027

(Seal) | STATE OF NEW MEXICO |
| :---: |
| NOTARY PUBLIC |
| SUSIE RUTH BLACK |
| COMMISSION \# 1087526 |
| COMMISSION EXPIRES $01 / 29 / 2027$ |

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 publication has been made.

## LEGAL NOTICE <br> January 24, 2024

CASE NO. 238s3; Notice to all affected parties, as well as heirs and devises of: AHCCI, LLC, Mexico Limited Lability Company; AMCFL, LC, a New Mexico Limited Liability Company, A LLC, a New Mexico Limited Liability Company; Baloney Feather, Ltd.; Ben s. Mason and C Carson, husband and wife; Carol Anne Kryder a/kis Carol. Anne Crook Kryder; Doris For Garrett; Eleanor Hampton herbert; Ellabbeth Sink; Frances Dunaway MoGragor; Glib Hendrix, III; Harry F, Ells li Hollmig LL; Hope Hampton Banner; Jack Gordon Hampton, II
 Inc; FiE, Hampton, Sri; Red Bird Ventures; Inc, a Trexae Corporation; Richard D. Jones, Jr.; if K. Landes Il; Auth Dunapoy Sherowood; SDH 2009 Investments, LP; I Texas Limited Sarthe SMP Sidecar Titan Mineral Holdings, LP, a Delaware LImited Partharahler SMP TItan Flex, Delaware Limited Perthorthip; SMP T tan Mineral Holdings, LP, a Delaware Limited Partner Southard Properties, Ltd, Texas Limited Partnerablp; The Alar Company; The Dave Comping, LLC, a Now Mexico Limited Lability Company yon Proparlian, LLC, a Texas Lit Lability Company; Virgil Randolph Hendrix Wad l Petroleum, Inc., a Poxes Corporation; White Royalty Company; VPO No y Motto, LLC; DBD Energy Resources, LLC; Cavalry Energy Part LLC; REG XIAeste, LLC; Meittingo Energy Company, MHeatone Oil, LLC; Lousier T. Ways Appileation of Franithn Mountain Energy 3, LLC for compulsory pooling and notice of overlap unit. Lea County, Now Mexico. The State of New Mexico through to : Oi Conservation Division $h$ gives notice that the Division will conduct a public hearing at 8:15 ami cominending February 8,202 will continue as necessary to oonalder this application, The hearing will be conducted in a hybrid fag both in r person at the Energy, Minerals, Natural Resources Depadment, Wendell Chino Bulling, P Hall, 1220 South St, Francis Drive, 1 st Floor, Santa Fo. NM 87505 and via the WebEx virtual ma platform. To participate in the electronic hearing, see the Instructions posted on the docket for the he date: hitpa:ilunti, emprdinmocev/acd/hearino-iniol. Applicant seeks an order from the Division poolif uncommitted mineral Interests within a 323,65 -acre, more or less, Wolfoamp horizontal spacing comprising the E/EW/2 of Section 38 , Township 18 South, Range 34 East, and Lot 3, the SEANW E/2 SW of Section 1, Township 19 South, Range 34 East, N.M.P, M, Lea County, New Mexico. spacing unit will be dedicated to the Cross State Com 702 AH and Cross Slate Com 802 H wells, horizontally drilled. The producing area tor the wells is expected to be orthodox. The spacing unit prop in this applicaildh will partially overlap a pacing unit in Section 36, Township 18 South Range 34 N.M.P.M. Lea County, New. Mexico. Also to be considered will be the coot of drilling and completing wells, the allocation of these costs as well as the actual operating costa and charges for super designation of Franklin Mountain Energy S, LLC as operator of the wells, and a $200 \%$ charge for
Involved in drilling said wells.

CASE NO. 24110 : Notions to all affected parties, as well as helms and devisees of: AHCCI, LLC, a Mexico Limited Liability Company; AHCFL, LLC, a New Mexico Limited LIability Company, AH LLC, Now Mexico Limited Liability Company; Baloney Feather, Led; Ben S. Canon and Car Cation, husband and wite; Buelhorn Entry, LLC, a Texas Limited Llabilly Company; Carol Kryder alta Carol Arne Crook Kryder; Charles D. Ray; COG Operating LLC, a Delaware LLC; D B. Dinayer; Derrill G. Elmore, Jr., Decseaedi; Doris Forrestor Garrett; Eleanor Hampton Sher Elisabeth BInal Elrabeth Roymond sha Bot ty Raymond; Frances Dunaway MoGregor; Fred D. Brownsll; alibied G. Hendrix, if; Hairy F, B lies ill; Hollmig LLC; Hope Hampton Bonner; Gordon Hampton, II as hie sole and eaparate property and estate; Jon Bnokey Josephine Forme
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CASE NO. 2412: Nothc to all aftectod parlies, as well as heri and devseos of: AHCCl, LLC, a New















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# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING,<br>AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 24110

## 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 January 19, 2024, and attached hereto, as Exhibit E-1.
2) Exhibit E-2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on January 19, 2024.
3) Exhibit E-3 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 E-4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the February 8, 2024 hearing was published on January 24, 2024.
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: January 31, 2024


Deana M. Bennett

ModrallSperling

VIA CERTIFIED MAIL RETURN RECEIPT REOUESTED

## Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24110

## TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy") has filed the enclosed amended application.

In Case No. 24110, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.51 -acre, more or less, Bone Spring horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{3 0 4 H}$ and Cross State Com 504 H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 3002541110)
- A 160 -acre horizontal well spacing unit comprised of the S 2 N 2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-02540727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)

Modrall Sperling Roehl Harris \& Sisk P.A.

Page 2

- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)
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.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, ${ }^{\text {st }}$ Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. The hearing will commence on February 8, 2024 beginning at 8:15 a.m. and will continue as necessary through completion. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

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 DIVISIONAPPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN<br>OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24110


#### Abstract

APPLICATION Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 323.51 -acre, more or less, Bone Spring horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 1 , the $\mathrm{SE} / \mathrm{NE}$, and $\mathrm{E} / 2 \mathrm{SE}$ of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.51-acre, more or less, Bone Spring horizontal spacing unit.


3. Franklin plans to drill the Cross State Com 304H and Cross State Com 504H 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. Franklin filed Case No. 23840 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
5. Franklin is filing this amended application to provide additional information about the existing spacing units that traverse portions of Section 1 and Section 36.
6. Franklin also is filing this amended application to request, to the extent necessary, approval of the overlapping spacing unit.
7. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
a. A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
b. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
c. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
d. A 160 -acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
e. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
f. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
8. 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.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 January 4, 2024 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1 , the $\mathrm{SE} / \mathrm{NE}$, and $\mathrm{E} / 2 \mathrm{SE}$ of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{E} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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 Franklin Mountain Energy 3, LLC

CASE NO. 24110 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a $323.51-\mathrm{acre}$, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 304H and Cross State Com 504H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-02541110)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-02540727)
- A 160 -acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)

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.







Recipient:
Armstrong Energy Corporation
PO Box 1973
Roswell, NM 88202

Sender:
Karlene Schuman
Modrall Sperling Roehl Harris \& Sisk P.A.
PO Box 2168
Albuquerque, NM 87103
Transaction created by: Karlenes
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Firm Mailing Book ID: 259150
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## Transaction History

## Event Description

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## 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 thereof for a period of 1 issues).

Beginning with the issue dated January 24, 2024
and ending with the issue dated January 24, 2024.


Publisher

Sworn and subscribed to before me this 24th day of January 2024.


Business Manager
My commission expires
January 29, 2027
(Seal) STATE OF NEW MEXICO

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 publication has been made.

CASE NO, 23633: Notlos to all affected parties, as well as heirs and devisees of: AHCCI, LLC, Mexico Limited LIability Company; AHCFL, LLC, a Nav Mexico Limited Liability Company, A LLC, a Now Mexico Limited Liability Company i Baloney Feather, Ltd, Ben 8 , Cation and c Canon, husband and wife; Carol Anne Kryder ankara Carol. Anne Crook Kryder; Dorle For Garrett Eleanor Hampton herbert; Elisabeth SInai; Frances Dunaway McGragor; Gill Hendrix, II; Harry F. Bile If Hollmig LLE; Hope Hampton Jenner; Jack Gordon Hampton, it
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## STATE OF NEW MEXICO

## ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY 3, LLC FOR COMPULSORY POOLING, AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 24111

## 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 January 19, 2024, and attached hereto, as Exhibit E-1.
2) Exhibit E-2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on January 19, 2024.
3) Exhibit E-3 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 E-4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the February 8, 2024 hearing was published on January 24, 2024.
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: January 31, 2024


Deana M. Bennett

## Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24111

## TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy") has filed the enclosed amended application.

In Case No. 24111, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{3 0 3 H}$ and Cross State Com 503 H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-02541110)
- A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-02540727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)


Deana M. Bennett 505.848.1834 dmb@modrall.com

Page 2

- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)
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.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, $1^{\text {st }}$ Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. The hearing will commence on February 8, 2024 beginning at $8: 15 \mathrm{a} . \mathrm{m}$. and will continue as necessary through completion. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

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 AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24111

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 323.59 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 $\mathrm{W} / 2 \mathrm{E} / 2$ of Section 36 , Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, to form a standard 323.59-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 303H and Cross State Com 503H 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. Franklin filed Case No. 23836 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
5. Franklin is filing this amended application to provide additional information about the existing spacing units that traverse portions of Section 1 and Section 36.
6. Franklin also is filing this amended application to request, to the extent necessary, approval of the overlapping spacing unit.
7. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
a. A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
b. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
c. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
d. A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
e. A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
f. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
8. 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.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 January 4, 2024 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/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2 , the SW/NE, and W/2SE of Section 1 (the equivalent of the W/2E/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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 Franklin Mountain Energy 3, LLC

CASE NO. 24111: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.59 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 36, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 303H and Cross State Com 503H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

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- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
- A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)

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.















 2024-01-24 12:19 PM


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Recipient:
Armstrong Energy Corporation
PO Box 1973
Roswell. NM 88202

## Sender:

Karlene Schuman
Modrall Sperling Roehl Harris \& Sisk P.A.
PO Box 2168
Albuquerque, NM 87103
Transaction created by: Karlenes
User ID: 20660
Firm Mailing Book ID: 259150
Batch ID:

| Date Created: | $01 / 19 / 2024$ 11:05 AM |
| :--- | :--- |
| Date Mailed: | $01 / 19 / 2024$ |
| Date Mail Delivered: | $01 / 24 / 2024$ 10:15 AM |
| USPS Article Number: | 9314869904300116301927 |
| Return Receipt Article Number: | Not Applicable |
| Service Options: | Return Receipt - Electronic |
|  | Certified Mail |
| Mail Service: | Certified |
| Reference \#: | 10154.0001 all Cross State cases |
| Postage: | $\$ 2.07$ |
| Certified Mail Fees: | $\$ 6.55$ |
| Status: | Delivered |
| Custom Field 1: | 10154.0001 all Cross State cases |

## Transaction History

## Event Description

Mailbook Generated USPS® Certified Mail USPS® Certified Mail USPS $\Leftrightarrow$ Certified Mail USPS(3) Certified Mail USPS(3) Certified Mail USPS® Certified Mail USPS© Certified Mail USPS® Certified Mail USPSO Certified Mail

## Event Date

01-19-2024 11:06 AM 01-19-2024 02:39 PM 01-19-2024 07:24 PM 01-19-2024 08:39 PM 01-19-2024 09:31 PM 01-20-2024 01:17 PM 01-23-2024 07:28 AM 01-23-2024 09:01 AM 01-23-2024 09:03 AM 01-24-2024 10:15 AM

## Details

[WALZ] - Firm Mailing Book 259150 generated by Karlenes
[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at ALBUQUERQUE,NM
[USPS] - ORIGIN ACCEPTANCE at ALBUQUERQUE,NM
[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
[USPS] - ARRIVAL AT UNIT at ROSWELL,NM
[USPS] - ARRIVAL AT UNIT at ROSWELL,NM
[USPS] - AVAILABLE FOR PICKUP at ROSWELL,NM
[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT PO at ROSWELL,NM

## Affidavit of Publication

STATE OF NEW MEXICO<br>COUNTY OF LEA

1. 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 thereof for a period of 1 issue(s).

Beginning with the issue dated January 24, 2024
and ending with the issue dated January 24, 2024.


Publisher
Sworn and subscribed to before me this 24th day of January 2024.


Business Manager

My commission expires
January 29, 2027
(Seal)
STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION \# 1087526
COMMISSION EXPIRES 01/29/2027
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 publication has been made.

## LEGAL NOTICE <br> January 24, 2024

CASE NO, 2383s: Notlos to all affected parties, as wall as halis and dovisues of: AHCCI, LLC, Maxico Limited Llabilty Company AHCFL, LLC, a Naw Mexico Limited LIability Compainy, A LLC, a Naw Maxico Limited Llabifty Company; Baloney Feather, Ltd, Ban S. Cabon and C. Cason, husband and wife; Carol Anne Kryder ajtua Carol Ahne Crook Kryderi Dorfa. For Garrett; Eleanor Hanpton sherbert; Ellaabeth Sinak; Frances Dunaway MoGragor; Gilt Henditx, Lil; Harry F, Ellos ild; Hollmig Lic; Hope Hampton Benner; Jack Gordon Hampton, II
 Inc; A.E. Hampion, Jri; Red Blid Ventures; Ine, a Yoxes Corporation; Rlahard D. Janea, di. A K. Landis III; Futh Dunwey Sherewood; BDH 200 g Investmonte, LP; Toxas Limited Partie SMP SIdecar Titan Minira, Holdinge, LP, \& Oeleware Limited Partnarshlip SMP Titan Flex, Dolaware Limited Partnerihip; SMP Tith Mineral Holding LP , a Delawhere Limitod Partme Southard Propertles, Ltd. A Toxes Limliod Partnerehlp; The Allar Company; The Dave Company, LLC, a Now Mexico Limitod Liability Company Tyson Properiles, Lic, a Texas Li Linbility Companyi VIrgll Randolph Hendrix Wad Potroloum, Inc, a Toxas Corporatlon, Whits Royalty Company VPD Now Moxioo, LLC; DSD Energy Rasources, LLC; Cavaly Energy Per LLC; FEC XIAastat, LLC; Mestengo Energy Company, Mllastone Oil, LLC; Louallen T, Ways Appilcation of Frankifin Mountain Energy 3, LLC for compulsony pooling and notice of overlap
unf, Lie County, Now Mexico. The State of Now Mexico through te Ofl Confervation Dlvision he gives notice that the Division will conduct a pubic hearing at 8:15 a.m, cormimeting February 8, 202 Will contriue as necessaty to consider this application, the haaring will be conductod in a hybrid fas both the parson at the Eroroy, Minarals, Natural Hesourcos Deparment, Wendell Chino Bultring fas Hall, 1220 South St. Francis Drive, 161 Floor, Santa Fe, NM 87805 and Vla the WebEx virtual me platform. To partcipats in the elactronic hearing, soe the lhistructions posted of the dockot for the he date: hitpsi/hwiwe emprdinmoviocdhoauno-nfol. Appilcart seeks an order from the Division poolit uncommitted mineral inleraste within a 323.652 acre, more or less Woltoamp horizontal spacing oompristing the EfrW/2 of Section 38, Townshlp 18 South, Range 34 East, and Lot 3 , the SENW E/2SW of Sectlon 1, Township 19 South, Mange 34 East, N.M, P.M, Lea County, New Moxtco: spacing unit will be dedicated to the Cross State Com 702 A H and Cross Slate Com B02H wells, horizontally drilled. The produing erea for the wells is expected to be orthodox. The spacing unit prop In. this application will partlally overlap a apacing unit th Sectlon 36 , Township 18 South Range 34 N.M.P.M. Lea County, Now. Mexloo. Also to be ponsiderad will be the cost ot difiling and completirn Wells, the allogation of these coste as wall as the actuel operating costs and charges for supery designation of Frankin Mountain Energys, LLC as operator'of the weils, and a $200 \%$ charge for involved In drilling eaild wells.
CASE NO. 24110: Notlee to oll atreated parties, ae well as heire ard devisees ot: AMCCI, LLC, a Mexleo Limitod Llabilty Company; AHCFL, LLC, a Now Moxtco Limited Llaplity Company, AH LLC, Now Moxico Limited Liability Company, Ealonyy Feathar, Lid; Ben S. Cason and Car Cason, hugband and wito, Buokhorn Energy, LLC, a Toxas Limited Llability Company; Carol A Kryder afla Carol Anne Crook Kryder; Charea D. Ray; COG Operating LLC, a Delaware LLC; D B. Dinager, Derril G. Elmore, Jr. Doceased; Dorte Forroptor Garrett, Eleanor Hampton Sher Ellsabeth 8Inak; Ellzaboth Roymond a/k/a Botey Roynond; Frances Dunaway MoGrogor; Fred D. Brownell; Gibert G. Hendrx, Hi; Harry F, Bhas ilf; Hollmlg LLC; Hope Hempton Eennor; Gordon Hampton, II as hle sole and saparnte property and estate; Jon Enapeyg Josaphine Forre Janzerkj JSaAL Family Liflted Partnorghip, a Toxes Limileo Pertnothtip; Juanite Phil Schiegol; Larrl Moore Trippen Hamptan; Linda Lasaltor HII and Willam J. HIII, dra a a co-trustee the Hil Family Trust, created undor the Laet Wilu and Tostament of Willam J. Hill dated Februa 2000; Logan Knappi Louillen T. Maye, Marathon Oll Pormin LLC B Dolaware LImitod Llab Company, Marguerte Fortester Tigert, Mary Anlta Dunawey Crooketi, Mary Lynn Orr Smith Maurine Dunaway Claunch; Mid Lavaca Ensrgy Company; MRC Permlan Company a Te Carporation; M8H Famlly Real Eetate Partiorahip II, LLC, D Delawire Llmiteo Lability Comp Nuevo Sels, Limitad Partnerthip; OCx Raylty Fund $V$ V, LP; Patricia Wallece, Paul Davit, Lt Texae Limited Partnertilipi Pocos Bend Royaftlos, ino, Pegasus Rasources, LLC; Pareg Production, LLC; R.E. Hampton, Jr, Randolgh D. Mochal Richard D, Jonot, Jf, Aobent B, Bri as hle cole and separate proparty; Robert K, Landif ill; Ruth Dunaway Sherewood; SDH 2 Investmente, LP, Texas Limitiod Parthershlp; Sharktopth fesourcee, Lot, a Toxas Lim Parthershlp; Slach Exploratlon LP; SMAA Femily, LP, a Toka Limited Partharigipi SMP Sid Titan Mliveral Holdinge, LP, a Delaware Limited Parthership; SMP Ttan Max, LP, Dolaware Lim Partnership; \&MP Titan mineral Hoidings, LP, a Delaware Limited, Partherthipi Southard Proper




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DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS \&
P. O. BOX 2168

ALBUQUERQUE, NM 87103-2168








































































































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# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING, AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 24112

## 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 January 19, 2024, and attached hereto, as Exhibit E-1.
2) Exhibit E-2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on January 19, 2024.
3) Exhibit E-3 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.
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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: January 31, 2024


[^6]
# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED 

# Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO 

CASE NO. 24112

## TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy") has filed the enclosed amended application.

In Case No. 24112, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com 301 H and Cross State Com 501 H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

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- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
- A 200-acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SWW4NW4 of Section 36 dedicate to Franklin Mountain's Tin Cup 36 State Com 1H (API 30-025-40422).
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.

The hearing will commence on February 8, 2024 beginning at 8:15 a.m. and will continue as necessary through completion. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, ${ }^{\text {st }}$ Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, 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.


# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING<br>AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24112

## APPLICATION

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d. A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
e. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
f. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
g. A 200 -acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SWW4NW4 of Section 36 dedicate to Franklin Mountain's Tin Cup 36 State Com 1H (API 30-025-40422).
8. 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.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 January 4, 2024 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 Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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 Franklin Mountain Energy 3, LLC

CASE NO. 24112: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.73 -acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 1 (the equivalent of the W/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{3 0 1 H}$ and Cross State Com $\mathbf{5 0 1 H}$ wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
- A 160 -acre horizontal well spacing unit comprised of the S 2 N 2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
- A 200-acre horizontal well spacing unit comprised of the S2N2 of Section 35 and the SWW4NW4 of Section 36 dedicate to Franklin Mountain's Tin Cup 36 State Com 1H (API 30-025-40422).

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.








## Transaction Details

| Recipient: | Date Created: | $01 / 19 / 2024$ 11:05 AM |
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| Armstrong Energy Corporation | Date Mailed: | $01 / 19 / 2024$ |
| PO Box 1973 | Date Mail Delivered: | $01 / 24 / 2024$ 10:15 AM |
| Roswell, NM 88202 | USPS Article Number: | 9314869904300116301927 |
| Sender: | Return Receipt Article Number: | Not Applicable |
| Karlene Schuman | Service Options: | Return Receipt - Electronic |
| Modrall Sperling Roehl Harris \& Sisk P.A. |  | Certified Mail |
| PO Box 2168 | Mail Service: | Certified |
| Albuquerque, NM 87103 | Reference \#: | 10154.0001 all Cross State cases |
| Transaction created by: Karlenes | Postage: | $\$ 2.07$ |
| User ID: | Certified Mail Fees: | $\$ 6.55$ |
| Firm Mailing Book ID: | 20660 | Status: |
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|  |  | 10154.0001 all Cross State cases |

## Transaction History

## Event Description <br> Mailbook Generated USPSB Certified Mail USPS(8) Certified Mail USPS® Certified Mail USPSO Certified Mail USPS® Certified Mail USPS@ Certified Mail USPS앙 Certified Mail USPS® Certified Mail USPS@ Certified Mail

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## Details

[WALZ] - Firm Mailing Book 259150 generated by Karlenes
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[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
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## Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA


#### Abstract

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 thereof for a period of 1 issues).


Beginning with the issue dated January 24, 2024 and ending with the issue dated January 24, 2024.

## Publisher <br> Publisher

Sworn and subscribed to before me this 24th day of January 2024.


Business Manager

My commission expires
January 29, 2027

(Seal) | STATE OF NEW MEXICO |
| :---: |
| NOTARY PUBLIC |
| GUSSIE RUTH BLACK |
| COMMISSION \# 1087526 |
| COMMISSION EXPIRES 01/29/2027 |

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 publication has been made.

## LEGAL NOTICE <br> January 24, 2024

CASE NO, 23833: Notice to all affected parties, as well as helps and devises of: AHCCI, LLC, Moxica Limited Liability Company; AHCFL, LLC, a New Mexico Limited Liability Company, A LLC, a Now Mexico Limited LIability Company; Baloney Feather, Lodi Ben 8. Mason and C Cason, husband and wite; Carol Anne Kryder alta Carol. Anne Crook Kryder; Dorla For Garrett; Eleanor Hampton Sharbert; Elisabeth Slmak; Frahoos Dunaway MoGragor; Clit Henditx, Ill; Harry F. Bites ill Holmmlg LLC, Hope Hampton Benneri Jack Got don Hampton, II

 K. Lands II; Auth Dunhwey Sherewood 8 DH 2009 Investments, LP, Texas Limited Parties SMP Sidecar Titan Mineral Holdinge, LP, a Delaware Limited Parthership;'SMP Titan Flex, Delaware Limited Partnership; SMP Than Mineral Holdings, LP, a Delaware Limited Partner Southard Propartlos, Ltd, a Texas: Limited Partnership; The Altar Company; The Dave Company, LLC, a Now Mexico Limited Liability Company; Ty eon Properlea, LLC, a Texas Lt Liability Company; VIrgil Randolph Hendfici Wadi Petroleum, Incus a Toxaa Corporation, White Royalty Company: VPD Now Moxleo, LLG; OSD Energy Resources, LLC; Cavalry Energy Par
 Application of Franklin Mountain Energy S, LLC for compulsion pooling and notice of overlap un, Lea County, Now Mexico. The State of Now Mexico through t oil Conservation Division h glues notice that this Dwlision will conduct a publle hearing ass 8:15 aim, commencing February 8,202 Will conithue as necessary to consider this applloation, The hiedilig will be conducted in a hybrid fag both In-parson at the Energy, Minerals, Natural Resources Department, Wendell Chino Bulling, P Hall, 1220 South St. Francis Drive, 1 E Floor, Santa Fe, NM 87805 and via the WebEx virtual me platform. To. participate in the electronic hearing, see the instructions posted on the docket for the he dato: hitpailhwwe, amprdinmicov/oci/headnolatol. Applicant seeks an order from the Division poofit uncommitted miner Interests within a 323 : 85 -acre, more or less, Wolfoamo horizontal spacing comprising the E/EW/2 of Section 38, Township 18 South, Range 34 East, and Lot 3, the SENW E/2 SW af Section 1, Townahip 19 South, Range 34. East, N.M.P, M, Les County, New Mexico. spacing unit will be dedicated to the Cross State Com 702 H and Cross state Com 802 H wells. horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit prop In this appllcittoh will partially overliap:a pacha unit in Section 36, Township 18 South, Range 34 N.M.P.M. Lea County, Now, Mexico. Also to be considered will be the cost ofidililing and completing wells, the allocation of these costs as well as the actual operating coste and charges for superv doalgnation of Franklin Mountain Energy S, LLC as operator of the Wells. and a $200 \%$ charge for Involved in drilling said wells.

CASE NO. 24110: Notloe to all affected parties, as well as helve end devisees 0; AHCCI, LLC, a Mexico Limited Liability Company; AMCFL, LLC, a Now Mexico Limited L- Lability Company, AH LLC, a Now Mexico LImited LIability Company, Baloney Feather, Ludic Ben S. Cion and' Car Cation, husband and who; Buaithorn Energy, LLC, a Texas LImited Liability Company; Carol Kryder at ka Carol Ane Crook Kryder; Charles D. Hay; COQ Operating LLC, a Delaware LLC; D B. Dinegarf Derrill G. Elmore, Jr., Deceased; Doris Forrester Garrett, Elam manor Hampton Sher Elisabeth Sirakj Ellzabuth Raymond aka Bothy Raymond; Frances Duntway MoGregor; Free D. Brownol; Gibitt G. Hendrix, Ill; Harry F, Bias ill; Hollmlg LLC; Hope Hampton Bonner; Gordon Hampton, II as hie sole and separate property and entity Jon Eitokey; Josephine For re Janzeak; JsaAt Family Linked Partnership, a Texas Limited Partnership Juanita Phil Sohlogalj Lari Moore Trippol Hampton; Linda Lacottor HIII and Will am J, Hill, Jr, as co-truatec the Hill Family Trust, created under the Last Will and Testament of Willuma, Hill dated Fabrua 2000; Logan Knapp Louellon T. Maya; Marathon OH Permian LLC a Delaware Limited Lat Company, Marguerite Formatter Tigers, Mary Anita Dunaway Crocket, Mary Lynn Orr Smut Maurine Dunaway Claunch; Mid Lavaca Energy Company, MRC Permian Company, Te Corporation; M8H Family Real Estate Partnership II, LLC a Delaware Limited Lability Comp Nuevo Sole, Limited Partnership; OCX Royalty Fund IV, LP; Patricia Wallace, Paul Davis, Lt Texas Limited Partnership Pecos Bend Royaltob, ina, Pogague Resources, LLC; Pared Production, LLC; R.E. Hampton, Jr; Randolph D. Mccall; Richard D. Jones, JF; Robert B. Brut as hie cole and separate property; Robert K, Landes Mi f Ruth ounaway Sherewood; EDH 2 Investments, LP, a Texas LImited Partnership; Sharktooth Resources, Ltd., a Texas Lm Paithorship; Slain Exploration LP; BMAA Family, LP, a Texas Limited Partnership; SMP Sid Titan Mineral Holding, LP, a Delaware Limited Paitherohlp; SMP Than Flex LP, a Delaware Limn Partnership; SMP Titan Mineral Holdings, LP, a Delaware LImited:?artnership; southard Proper
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING, AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 24115

## 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 January 19, 2024, and attached hereto, as Exhibit E-1.
2) Exhibit E-2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on January 19, 2024.
3) Exhibit E-3 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 E-4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the February 8, 2024 hearing was published on January 24, 2024.
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: January 31, 2024


Deana M. Bennett

January 19, 2024
VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

## Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24115

## TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy") has filed the enclosed amended application.

In Case No. 24115, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Bone Spring horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{3 0 2 H}$ and Cross State Com 502 H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-02541110)
- A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
- A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-02540727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-025-40640)

Modrall Sperling Roehl Harris \& Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

Page 2

- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-025-40641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-025-42367)
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.

The hearing will commence on February 8, 2024 beginning at 8:15 a.m. and will continue as necessary through completion. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, ${ }^{\text {st }}$ Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, 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.


Deana M. Bennett
Attorney for Applicant

# STATE OF NEW MEXICO <br> ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 

APPLICATION OF FRANKLIN MOUNTAIN<br>ENERGY 3, LLC FOR COMPULSORY POOLING<br>AND, TO THE EXTENT NECESSARY, APPROVAL OF AN<br>OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24115

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 323.65 -acre, more or less, Bone Spring horizontal spacing unit comprising the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the E/2W/2 of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 323.65-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the Cross State Com 302H and Cross State Com 502H 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. Franklin filed Case No. 23834 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
5. Franklin is filing this amended application to provide additional information about the existing spacing units that traverse portions of Section 1 and Section 36.
6. Franklin also is filing this amended application to request, to the extent necessary, approval of the overlapping spacing unit.
7. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
a. A 174-acre horizontal well spacing unit comprised of the N2N2 of Section 1 dedicated to COG's Wild Cobra 1 State 1H (API 30-025-41110)
b. A 160 -acre horizontal well spacing unit comprised of the S 2 N 2 of Section 1 COG's Wild Cobra 1 State 2H (API 30-025-40404)
c. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-025-40727)
d. A 160 -acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
e. A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
f. A 160 -acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)
8. 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.
9. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 January 4, 2024 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 Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1 (the equivalent of the $\mathrm{E} / 2 \mathrm{~W} / 2$ of Section 1), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
B. Approving, to the extent necessary, the proposed overlapping spacing unit;
C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
F. 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,<br>MODRALL, SPERLING, ROEHL, HARRIS<br>\& SISK, P.A.

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.<br>Deana M. Bennett<br>Yarithza Peña<br>Post Office Box 2168<br>500 Fourth Street NW, Suite 1000<br>Albuquerque, New Mexico 87103-2168<br>Telephone: 505.848.1800<br>edebrine@modrall.com<br>deana.bennett@modrall.com<br>Yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24115 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.65 -acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 36, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2/SW of Section 1, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Cross State Com $\mathbf{3 0 2 H}$ and Cross State Com $\mathbf{5 0 2 H}$ wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit will partially overlap the following existing Bone Spring spacing units:

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- A 160-acre horizontal well spacing unit comprised of the N2S2 of Section 1 dedicated to Matador's Mongoose Fee 1H (API 30-02540727)
- A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 1H (API 30-02540640)
- A 160 -acre horizontal well spacing unit comprised of the N2S2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 2H (API 30-02540641)
- A 160-acre horizontal well spacing unit comprised of the S2N2 of Section 36 dedicated to Franklin Mountain's Butter Cup 36 State Com 3H (API 30-02542367)

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.



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Reference
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Recipient:
Armstrong Energy Corporation
PO Box 1973
Roswell, NM 88202
Sender:
Karlene Schuman
Modrall Sperling RoehI Harris \& Sisk P.A.
PO Box 2168
Albuquerque, NM 87103
Transaction created by: Karlenes
User ID: 20660
Firm Mailing Book ID: 259150
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| Date Created: | $01 / 19 / 2024$ 11:05 AM |
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| Return Receipt Article Number: | Not Applicable |
| Service Options: | Return Receipt - Electronic |
|  | Certified Mail |
| Mail Service: | Certified |
| Reference \#: | 10154.0001 all Cross State cases |
| Postage: | $\$ 2.07$ |
| Certified Mail Fees: | $\$ 6.55$ |
| Status: | Delivered |
| Custom Field 1: | 10154.0001 all Cross State cases |

## Transaction History

Event Description<br>Mailbook Generated USPSB Certified Mail USPS® Certified Mail USPS® Certified Mail USPS® Certified Mail USPS © Certified Mail USPSe Certified Mail USPS(B) Certified Mail USPSa Certified Mail USPSe Certified Mail

## Event Date

01-19-2024 11:06 AM 01-19-2024 02:39 PM 01-19-2024 07:24 PM 01-19-2024 08:39 PM 01-19-2024 09:31 PM 01-20-2024 01:17 PM 01-23-2024 07:28 AM 01-23-2024 09:01 AM 01-23-2024 09:03 AM 01-24-2024 10:15 AM

## Details

[WALZ] - Firm Mailing Book 259150 generated by Karlenes
[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at ALBUQUERQUE,NM
[USPS] - ORIGIN ACCEPTANCE at ALBUQUERQUE,NM
[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
[USPS] - ARRIVAL AT UNIT at ROSWELL,NM
[USPS] - ARRIVAL AT UNIT at ROSWELL.NM
[USPS] - AVAILABLE FOR PICKUP at ROSWELL,NM
[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT PO at ROSWELL,NM

# Affidavit of Publication 

LEGAL NOTICE January 24, 2024

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 thereof for a period of 1 issue(s)

Beginning with the issue dated January 24, 2024
and ending with the issue dated January 24, 2024.

Sworn and subscribed to before me this 24th day of January 2024.


Business Manager

My commission expires
January 29, 2027

> Seal) STATE OF NEW MEXICO
> NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION \# 1087526 COMMISSION EXPIRES $01 / 29 / 2027$

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 publication has been made.

CASE NO. 2383s; Nottce to all affected parties, as well as heirs and devisees of: AHCCI, LLC, Moxico Limited Llabillty Company; AHCFL, LLC, a New Mexico Limited Liability Company, A LiC, a New Mexico Limited Liablity Company; Baloney Feether, Lid; Ben S. Cason and C\& Cason, husband and wife; Carol Anne Kryder a/k/a Carol Anne Crook Kryder; Dorls For Garrett; Eleanor Hampton Sherbert; Ellabbeth Slnak; Francoo Dunaway MoGregar; Glib Hendrix, II; Harry F. Bligs II; Hollmig LLC; Hope Hampton Benner; Jack Gordon Hampton, II Inc.; R.E. Hampton Ir.; Red Bird Ventures ino, Uax Rayaty Pand IV, Lf; Pecos Eoñ Roya K. Landls Ill; Ruth Dunaway Sherewood; SDH, a Texas Corporation; Richard D. Jones, Mr;; R K. Landis ill; Ruth Dunaway Sherewood; SDH 2009 Inveatments, LP, a Texas Limited Partnen SMP Sidecar Titan Mineral Holdings, LP, a Dalaware Limited Partnership; SMP Titan Flex, Delaware Limited Partnerahlp; SMP Fitan Mineral Holdings, LP, a Delaware Limited Partner Southard Properties, Ltd., Texas Limited Partnerehle; The Allar Company; The Davi Company, LLC, a Now Mexico Limited Liabilly Company; Yyson Propertles, LLC, a Texas Li Llability Company; Virgil Fandolph Hendrix; Wadl Petroleum, Inc., a Texas Corporation; Whitc Poyalty Company; VPS Now Moxlco, LLC; DSD Energy Rosources, LLC; Cavalry Energy Part LLC; REG XI Assets, LLC; Mastenyo Energy Company, Milestono Oll, LLC; Lovellen T, Mays a Application of Franklin Mounfain Energy S, LLC for compulsory pooling and notice of overlap unt, Lea County, Now Mexico. The State of New Mexlco through its Oll Conservation Division he gives notice that the Dlvision will conduct a pubilc hearing at 8:15 a.m. commencing February 8, 202 will continue as necossary to consider this application. The hearing will be conducted in a hybrid fas both int person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, $P$ Hall, 1220 South St. Frandels Drive, 1 st Floor, Santa Fe, NM 87505 and via the WebEx virtual me plattorm. To participate in the elactronic hearing, see the instructlons posted on the docket for the he date: hatpsi/hwuw, amnid.nm.goviocdihearingulifo: Applicant seeks an order from the Division poolit uncommitted minerel interests within a 323.65 -acre, more or less, Wolloamp horizontal spacinc comprising the E/2W/2 of Section 38, Township 18 South, Range 34 East, and Lot 3, the SEINW E/2ISW of Section 1 . Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. spacing unit will be dedicated to the Cross State Com 702 H and Cross State Com 802 H wells. horizontally driled. The producing area for the wells is expected to be orthodox. The spacing unit prop in this application will partially overlap a spacing unlt in Saction 36, Township 18 South, Aange 34 N.M.P.M. Lea County, Now Moxico. Also to be considered will be the cost of drilling and complating wells, the allocation of these costa as well as the zotual operating costs and oharges for superv designation of Franklin Mountaln Energy S, LLC as operator of the wells, and a $200 \%$ eharge for involved in driling said wells.

CASE NO. 24110: Notice to all affected parties, as well as heirs and devieees of: AHCCI, LLC, a Mexloo Limited Liabllity Companyi AHCFL, LLC, a Now Mexteo Limited Liability Company, AH LLC, a Now Moxico Limlted Llability Company; Baloney Feather, Ltd; Ban S. Cason and Car Cazon, husband and wife; Buokhorn Energy, LLC, a Toxas Limited Llablity Company; Carol Kryder alka Carol Anne Crook Kryder; Charles D, Ray; COc Operating LLC, a Delaware LLC; D B. Dineger; Derrill G. Elmore, Jr., Deceased; Dorfs Forrester Garretti Eleanor Hampton Sher Elisaboth Sinaky Ellzaboth Reymond alk/a Eatsy Roymond, Frances Dunaway McGregor; Frac D. Erownell; Glbert G. Hendrix, Ill; Harry F. Bliss ili; Hollmig LLC; Hopa Hampton Eenner; Gordon Hampton, II as his sole and separate property and estate; Jon Entckey; Josephine Forrs Janzeck; JS\&AL Family Limited Partnership, a Texas LImlted Partnership; Juanlta Phil Sohlegell Larri Moore Trippet Hampton; Linda Lasattor Hill and Wiliam J. Hill, Jr, as co-trustee the Hill Family Trust, created under the Last Will and Testament of Willtem J. Hill dated Februal 2000; Logan Knapp; Louellen T. Mays; Marathon Oll Permian LLc a Delaware LImited Llab Company; Marguertie Forrentor Tigert; Mary Anita Dunaway Crockat; Mary Lynn Orr Smith Maurino Dunaway Claunch; Mid Lavaca Energy Company; MRC Permian Company, a Te Corporation; MSH Family Real Estate Partnership II, LLC, a Delaware LImited Lablity Comp Nuevo Sols, Limited Partnership; OCX Royalty Fund IV, LP; Patricla Wallace, Paul Davis, Li Taxas Limifed Partnership; Pecos Bend Hoyaltles, Inc. Pagasus Resources, LLC; Poreg Produetion, LLCi R.E. Mampton, Jr.; Fandolph D. McCall; Richard D. Janes, Jr.; Robort B. Bri as his sole and soparate property; Robert K. Landla il; Ruth Dunaway Sherewood; SOH Inveatments, LP, a Toxas Limited Partnership; Sharktooth Resources, Ltd., a Texas Lim Partnershlp; Slash Exploration LP; SMAA Famlly, LP, a Texas Limited Partnership; SMP Side Titan Mineral Holdinga, LP, a Detaware Limited Partnerbhip; SMP Titan Flex, LP, a Delaware Lim Partnarship; SMP Titan Minaral Holdings, LP, a Delawere Limited Partnerthip; southard Proper

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 parson at the Energy, Mingals, Natura Resourcas Department, Wendall chino Euididn, Peces Hall, 1220











 Mompany; Marguerit Forrester Tiger; Nary Anlia Dunaway Crockett Mary Lym on Smitherg

































































[^0]:    ${ }^{1}$ Revised as of February 14, 2024. Revisions are limited to: (1) adding Table of Contents; (2) revising Lease Tract maps to reflect changes to committed and uncommitted working interest owners; (3) revising pooled party lists; and (4) organization/labelling. Revised exhibits are denoted in the Table of Contents by italics.

[^1]:    ALL PAR'TLCIPAMTS MLST CARRY THEIR OWN CONTROH, OF WELI, INSLRANCE AND ATY'ACH A CERTHFICATE OF INSURANCE TO THE GEECTION OR INSURE WITI FMEI

[^2]:    SMP Sidecar Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
    SMP Titan Flex, LP, a Delaware Limited Partnership (ULM)
    SMP Titan Mineral Holdings, LP, a Delaware Limited Partnership (ULM)
    The Allar Company (ULM)
    Tyson Properties, LLC, a Texas Limited Liability Company (ULM)
    Wadi Petroleum, Inc. (ULM)
    White Star Royalty Company (ULM)
    William S. Deniger, Jr. (ULM)
    Wilson W. Crook III (ULM)

    ## ORRI to Be Pooled

    Slash Exploration LP
    Marathon Oil Permian, LLC
    Charles D. Ray
    JS\&AL Family LP
    Armstrong Energy Corporation
    Williamson Oil and Gas, LLC
    Stillwater Investments
    Jon Brickey
    Tarpon Industries Corporation
    Louellen T. Mays
    Collins \& Jones Investments
    SMAA Family LP
    Buckhorn Energy LLC
    Shark Tooth Resources, Ltd.
    White Star Royalty Company

[^3]:    ## My commission expires

    January 29.2n27. $\frac{\text { STATE OF NEW MEXIC }}{}$
    NOTARY OBLIC
    NOTA GUSSIE RUTH BLAC
    COMMISSION \# 10B75
    COMMISSION EXPIRES O1 Chis newspaper is duly qualified to $p$ legal notices or advertisements with meaning of Section 3, Chapter 167 ,
    1937 and payment of fees for said p. has been made.

[^4]:    Karlene Schuman
    Karlene Schuman
    Modrall Sperling Roehl Harris \& Sisk P.A.
    500 Fourth Street, Suite 1000

[^5]:    Name
    
    
    
    
     9314869904300112174488 9314869904300112174471
    
     9314869904300112174433 9314869904300112174426 9314869904300112174419
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[^6]:    Deana M. Bennett

