

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

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

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 439.38-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the spacing unit to the **Nexus Fed Com 504H** well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 14.
3. The producing area for the well is expected to be orthodox.
4. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 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 Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

B. Designating Franklin as operator of this unit and the well to be drilled thereon;

C. Authorizing Franklin to recover its costs of drilling, equipping and completing the well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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CASE NO. _____: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 439.38-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 504H** well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.