

Before the Oil Conservation Division Examiner Hearing May 16<sup>th</sup>, 2024

**Compulsory Pooling** 

Case No. 24472: Treble State Com 703H, Treble

State Com 803H

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

IN THE MATTER OF THE 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. 24472** 

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ALL INFORMATION IN THE APPLICATION MUST BE S	SUPPORTED BY SIGNED AFFIDAVITS
Case: 24472	APPLICANT'S RESPONSE
Date	May 16, 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, to the Extend Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Treble State Com
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:	Klein Ranch; Wolfcamp Pool, (Code 96989)
Well Location Setback Rules:	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 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.3
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: Treble State Com 703H	API No. Pending SHL: 740' FSL & 1729' FEL, (Unit O), Section 22, T19S, R35E BHL: 100' FSL & 2290' FEL, (Unit O) Section 34, T19S, R35E Completion Target: Wolfcamp A (Approx. 10,860' TVD) Orientation: North/South
Well #2: Treble State Com 803H	API No. Pending SHL: 840' FSL & 1669' FEL, (Unit O), Section 22, T19S, R35E BHL: 100' FSL & 1680' FEL, (Unit O) Section 34, T19S, R35E Completion Target: Wolcamp B (Approx. 11,392' TVD) Orientation: North/South
Horizontal Well First and Last Take Points Released to Imaging: 5/14/2024 3:02:08 PM	See Exhibit B.2

Completion Target (Formation, TVD and MD)	See Exhibit B.6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Pargraph 25
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
(including lease numbers and owners) of Tracts subject to notice	N/A
Pooled Parties (including ownership type)	Exhibit B.5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	N/A
loinder	
Sample Copy of Proposal Letter	Exhibit B.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	Exhibit B.6
Cost Estimate to Drill and Complete	Exhibit B.7
Cost Estimate to Equip Well	Exhibit B.7
Cost Estimate for Production Facilities	Exhibit B.7
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.11
Target Formation	Exhibit C.3 to C.6; C.7 to C.10
HSU Cross Section	Exhibit C.4; C.8
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B.2
	Exhibit B.3
Tracts  Summary of Interests   Unit Reconstrulation (Tracts)	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibit C.3; C.7
Cross Section Location Map (including wells)	Exhibit C.4; C.8

Cross Section (including Landing Zone)	Exhibit C.5; C.9
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information prov	vided 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. Bennett
Date:	5/13/2024

#### 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.

CA	CF	NO	. 244	72
			. 444	14

STATE OF COLORADO	)
	) ss
COUNTY OF DENVER	)

#### AFFIDAVIT OF DON JOHNSON

Don Johnson, being duly sworn, deposes and states as follows:

- 1. I am over the age of 18, I am a landman for Franklin Mountain Energy 3, LLC ("Franklin"), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.
- My area of responsibility at Franklin includes the area of Lea County in New Mexico.
- I am familiar with the application filed by Franklin in this case, which is attached as Exhibit B.1.
  - 4. I am familiar with the status of the lands that are subject to the application.
- 5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.



- 6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit.
- 7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.
- 8. In this case, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
- 9. This spacing unit will be dedicated to the **Treble State Com 703H**, and **Treble State Com 803H** wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34.
  - 10. Attached as **Exhibit B.2** are the proposed C-102s for the wells.
- 11. The C-102s identify the proposed surface hole locations and the bottom hole locations, and the first take points. The C-102s also identify the pools and pool codes.
  - 12. The well will develop the Klein Ranch; Wolfcamp Pool (Code 96989).
  - 13. The Klein Ranch; Wolfcamp pool is an oil pool with 40-acre building blocks.
  - 14. The pool is governed by the state-wide horizontal well rules.
  - 15. The producing areas for the wells are expected to be orthodox.
  - 16. There are no depth severances within the proposed spacing unit.

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17. This proposed horizontal spacing unit will partially overlap with a Wolfcamp

spacing unit dedicated to a 40-acre vertical spacing unit comprised of the SW/4 NE/4 (Unit G) of

Section 27, dedicated to North Fork Operating, LP's Toro 27 #005H well (API 30-025-35425).

18. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3

also includes the parties being pooled, the nature, and the percent of their interests.

19. I have conducted a diligent search of the public records in the county where the

wells are located, and conducted phone directory and computer searches to locate contact

information for parties entitled to notification, and mailed the working interest owners well

proposals, including the Authorizations for Expenditure.

20. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of

the uncommitted mineral interest owners in the proposed wells.

21. **Exhibit B.4** is a summary of my contacts with the working interest owners.

22. **Exhibit B.5** is a list of the parties being pooled for this case.

23. **Exhibit B.6** is a sample of the well proposal letter that was sent to all working

interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations

and approximate TVD/MD for the wells.

24. **Exhibit B.7** contains the Authorizations for Expenditure for the proposed wells.

The estimated cost of the wells set forth therein is fair and reasonable, and is comparable to the

costs of other wells of similar depths and length drilled in this area of New Mexico.

25. Franklin requests overhead and administrative rates of \$9,000 month for drilling

the wells and \$900 month for the producing wells. 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. Franklin

requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

- 26. Franklin requests the maximum cost plus 200% risk charge be assessed against nonconsenting working interest owners.
  - 27. Franklin requests that it be designated operator of the wells.
  - 28. The parties Franklin is seeking to pool were notified of this hearing.
- 29. Franklin seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.
- 30. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
- 31. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

Dated:	May	4	2024
Dated:	Iviay	0,	2024

State of Colorade

County of Denver

This record was acknowledged before me on Man

[Stamp]

LONI RAYANN BOGENSCHUTZ NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20204018559 COMMISSION EXPIRES MAY 27, 2024

Notary Public in and for the
State of Coordo
Commission Number: 2020401855 9

My Commission Expires

### 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. 24472

#### **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 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 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:

- Franklin has an interest in the subject lands and has a right to drill and operate wells thereon.
- 2. Franklin seeks to dedicate the spacing unit to the **Treble State Com 703H** and **Treble State Com 803H** wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. This proposed horizontal spacing unit will partially overlap with a Wolfcamp spacing unit dedicated to a 40-acre vertical spacing unit comprised of the SW/4 NE/4 (Unit G) of Section 27, dedicated to North Fork Operating, LP's Toro 27 #005H well (API 30-025-35425).



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 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 May 2, 2024 and after notice and hearing as required by law, the

Division enter its order:

Pooling all uncommitted interests in the Wolfcamp formation underlying a A.

horizontal spacing unit within the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35

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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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

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Deana M. Bennett
Yarithza Peña
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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

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Hobbs, New Mexico.

CASE NO. 24472: 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 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Treble State Com 703H and Treble State Com 803H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Wolfcamp spacing unit dedicated to a 40-acre vertical spacing unit comprised of the SW/4 NE/4 (Unit G) of Section 27, dedicated to North Fork Operating, LP's Toro 27 #005H well (API 30-025-35425). 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 18 miles southwest of

**EXHIBIT** 

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 Phone: (\*75) <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 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

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	WELL LOCATION AND	ACKEAGE DEDICATION LEAT			
<sup>1</sup> API Number	<sup>2</sup> Pool Code	3 Pool Name			
	FCAMP				
4 Property Code		erty Name STATE COM	6 Well Number 703H		
<sup>7</sup> OGRID No. 331595		rator Name VTAIN ENERGY 3, LLC	9 Elevation 3730.1'		

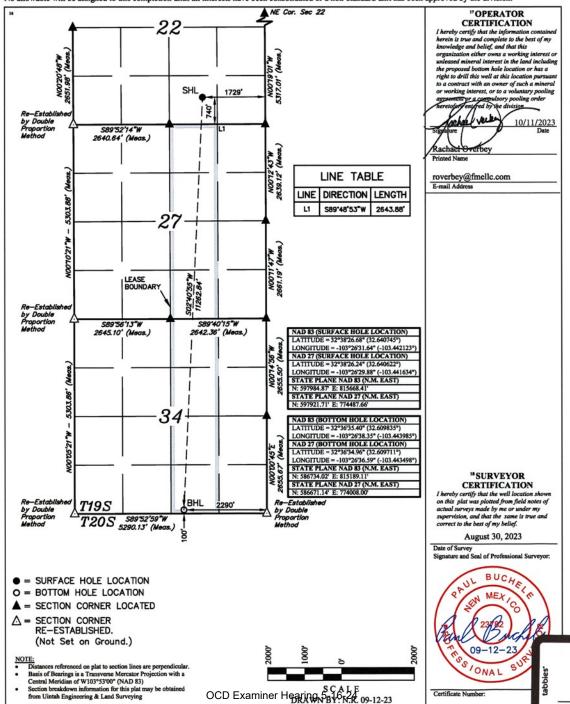
#### Surface Location

l	OL or lot no.	Section 22	19S	35E	Lot Idn	740	SOUTH	1729	EAST EAST	LEA
_										

#### "Bottom Hole Location If Different From Surface

UL or lot no.	Section 34	Township 19S	Range 35E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 2290	East/West line EAST	County LEA
12 Dedicated Acre 320	es L	Joint or Infill	14 Cons	olidation 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.



OCD Examiner Hearing 5 CALE 09-12-23

Certificate Nu

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV

District 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

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

■ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

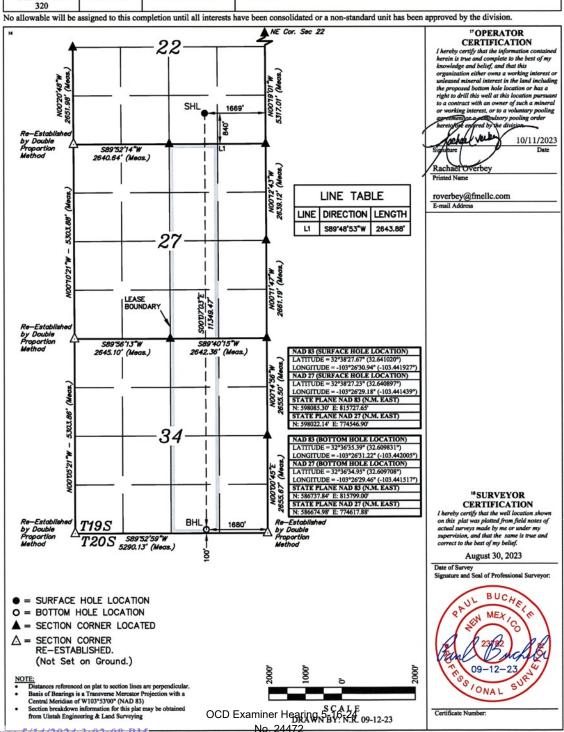
<sup>1</sup> API Number	<sup>2</sup> Pool Code 96989			
4 Property Code	5 Proper TREBLE S'	ty Name FATE COM	6 Well Number 803H	
7 OGRID No. 331595	Operate FRANKLIN MOUNT	<sup>9</sup> Elevation 3730.9'		

#### "Surface Location

UL or lot no. Section To	Township Range 19S 35E	Lot Idn	Feet from the 840	North/South line SOUTH	Feet from the 1669	East/West line EAST	County LEA
--------------------------	---------------------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

#### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section 34	Township 19S	Range 35E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 1680	East/West line EAST	County LEA
12 Dedicated Acre 320	13 ;	loint or Infill	14 Conse	olidation Code	15 Order No.				



### **Development Overview**

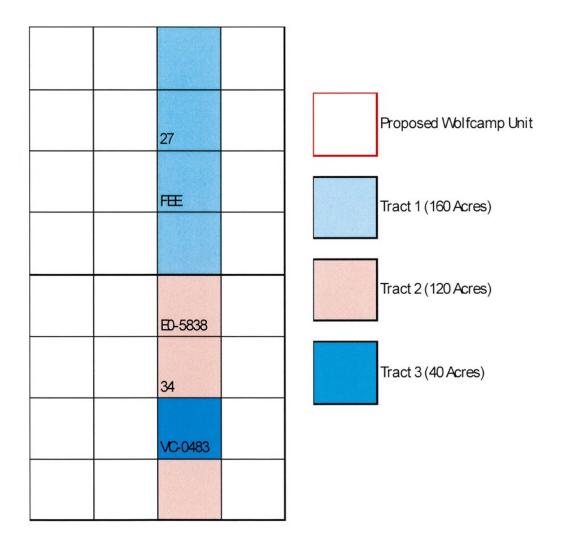
Case Nos. 24472



1 mile



## Lease Tract Map Case No. 24472 W2E2 of Section 27 & 34, T19S-R35E, 320.00 Acres Treble State Com 703H, Treble State Com 803H



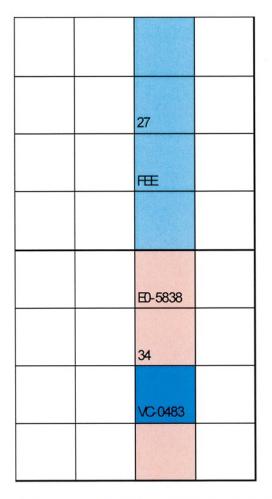


# Summary of Interests Case No. 24472 W2E2 of Section 27 & 34, T19S-R35E, 320.00 Acres Treble State Com 703H, Treble State Com 803H

Commited Working Interest				
Franklin Mountain Energy 3, LLC	84.062500%			
Uncommited Working	Intoract			
Uncommitted working				
WPX Energy Permian, LLC	7.500000%			
Northern Oil and Gas, Inc.	4.687500%			
Marathon Oil Permian, LLC	3.750000%			
Total:	100.000000%			



## Unit Recapitulation Case No. 24472 W2E2 of Section 27 & 34, T19S-R35E, 320.00 Acres Treble State Com 703H, Treble State Com 803H



Tract	Lease
1	FEE
2	ED-5838
3	VC-0483

Commited Working Int	erest
Franklin Mountain Energy 3, LLC	84.062500%
Uncommited Working In	terest
WPX Energy Permian, LLC	7.500000%
Northern Oil and Gas, Inc.	4.687500%
Marathon Oil Permian, LLC	3.750000%
Total:	100.000000%



## Summary of Contacts (W/2E/2: Case Nos. 24472)

- Franklin retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around February 8, 2024.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Franklin had multiple communications with the uncommitted owners, which I have outlined in the chart below.
- Franklin filed the application to force pool unleased mineral interest owners who had not entered in to an agreement.
- Franklin's counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.

Name	Ownership	Date	Proposal Letter	Follow Up
	Type	Proposal	Received	
		Letter Sent		
WPX Energy	WI	2/8/2024	2/14/2024	Email from Peggy Buller noting WPX
Permian, LLC				received the election, WPX has not
				asked for any additional information,
				JOA form, or returned election.
Northern Oil and	WI	2/8/2024	2/15/2024	Elected to Participate in Treble 703,
Gas, Inc.				Elected to Not Participate in Treble
- Cuo,				803
Marathon Oil	WI	2/8/2024	2/14/2024	No contact from Marathon
Permian, LLC				

EXHIBIT

B. 4

Name	Street	City	State	Zip	Ownership Type
Marathon Oil Permian, LLC	990 Town and Country Blvd	Houston	TX	77024	WI
WPX Energy Permian, LLC	333 W Sheridan Avenue	Oklahoma City	ОК	73102	WI
Northern Oil and Gas, Inc.	4350 Baker Road	Minnetonka	MN	55343	WI
Rutter & Wilbanks Corporation	301 SOUTH MAIN STREET	MIDLAND	TX	79701	ORRI
Victor J. Sirgo	3405 CHOATE PLACE	MIDLAND	TX	79707	ORRI
Chi Energy, Inc.	PO BOX 1799	MIDLAND	TX	79702	ORRI
Edna and Curtis Anderson Rev Trust Dtd	9314 CHERRY BROOK LANE	FRISCO	TX	75033	ORRI
8.31.21					
Charles Wiggins and Deborah Wiggins	PO BOX 10862	MIDLAND	TX	79702	ORRI
Enerlex, Inc.	18452 EAST 111TH STREET	<b>BROKEN ARROW</b>	ОК	74011	ORRI
Castle Royalties, LLC	15601 DALLAS PARKWAY	ADDISON	TX	75001	ORRI
	SUITE 900				
Stroube Energy Corporation	18208 Preston Rd, #D9249	Dallas	TX	75252	ORRI
J.D. Sutton, Inc.	HC 64 BOX 100	LOCO	ОК	73442	ORRI
Curtis Mewbourne, Trustee	PO BOX 7698	TYLER	TX	75711	ORRI
Prospector, LLC	PO BOX 429	ROSWELL	NM	88202	ORRI
Ridge Runner Resources Operating	4000 N. Big Spring Street, Ste	Midland	TX	79701	ORRI
	210				
Coert Holdings 1, LLC	20 HORSENECK LANE	GREENWICH	CT	06830	ORRI
Muirfield Resources Company	PO Box 3166	Tulsa	OK	74101	ORRI
Caprock Resources, LLC	PO Box 180573	Dallas	TX	75218	ORRI
Thunder Moon Resources, LLC	PO Box 670581	Dallas	TX	75367	ORRI
Petro Tiger I, Ltd	PO Box 3166	Tulsa	OK	74101	ORRI
State of New Mexico, by and through its	PO Box 1148	Santa Fe	NM	87540	RI
Commissioner of Public Lands					





Sent via USPS: 9405536105536322495047

February 8, 2024

Marathon Oil Permian, LLC 990 Town and County Blvd Houston, TX 77024 Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 19 South, Range 35 East

Section 27: W2E2 Section 34: W2E2

Lea County, New Mexico 320.00 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 Depth	Measured Depth	SHL	BHL	Total AFE	Order
Treble State Com 303H	1BS	9,392'	21,892'	Sec 22- T19S-R35E 830 FSL 1700 FEL	Sec 34- T19S-R35E 100 FSL 1680 FEL	\$11,183,950.44	N/A
Treble State Com 503H	2BS	10,049'	19,049'	Sec 22- T19S-R35E 730 FSL 1700 FEL	Sec 34- T19S-R35E 100 FSL 2080 FEL	\$11,183,950.44	N/A
Treble State Com 603H	3BS	10,364'	20,364'	Sec 22- T19S-R35E 730 FSL 1670 FEL	Sec 34- T19S-R35E 100 FSL 1680 FEL	\$11,797,546.84	N/A
Treble State Com 703H	WCA	10,860'	20,860'	Sec 22- T19S-R35E 730 FSL 1730 FEL	Sec 34- T19S-R35E 100 FSL 2290 FEL	\$11,797,546.84	N/A
Treble State Com 803H	WCB	11,392'	21,392'	Sec 22- T19S-R35E 830 FSL 1670 FEL	Sec 34- T19S-R35E 100 FSL 1680 FEL	\$12,164,281.44	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.

44 Cook Street | Suite 1000 | Denver, CO 80206



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
- \$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 Jon Rutledge at <u>jrutledge@fmellc.com</u> 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 (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC

Huttedge

Jon Rutledge Landman



Treble State Com 303H:
I/We hereby elect to participate in the <b>Treble State Com 303H</b> well.  I/We hereby elect <b>NOT</b> to participate in the <b>Treble State Com 303H</b> well.
Treble State Com 503H:
I/We hereby elect to participate in the <b>Treble State Com 503H</b> well.  I/We hereby elect <b>NOT</b> to participate in the <b>Treble State Com 503H</b> well.
Treble State Com 603H:
I/We hereby elect to participate in the <b>Treble State Com 603H</b> well.  I/We hereby elect <b>NOT</b> to participate in the <b>Treble State Com 603H</b> well.
Treble State Com 703H:
I/We hereby elect to participate in the <b>Treble State Com 703H</b> well.  I/We hereby elect <b>NOT</b> to participate in the <b>Treble State Com 703H</b> well.
Treble State Com 803H:
I/We hereby elect to participate in the <b>Treble State Com 803H</b> well. I/We hereby elect <b>NOT</b> to participate in the <b>Treble State Com 803H</b> well.
Owner: Marathon Oil Permian, LLC
By:
Printed Name:
Title:
Date:



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868 franklinmountainenergy.com

Purpose:		TVD 10,860', MD 20,860'.		AFE#:		DCE230314	
		Lateral Man Dallillan Contr				Intangible Completion Costs	
Major	Minor	Intangible Drilling Costs Description	Amount	Major	Minor	Description Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,000	240	5	ADMINISTRATIVE OVERHEAD	\$10,300
225 225	10	CASING CREW & EQPT CEMENTING INTERMEDIATE CASING	\$80,000 \$50,000	240	10	CASED HOLE LOGS & SURVEYS CASING CREW & EOPT	\$7,500 \$0
225	16	CEMENTING INTERMEDIATE CASING	\$150,000	240	20	COILED TUBING/SNUBBING UNIT	\$276,500
225	20	CEMENTING SUFACE CASING	\$50,000	240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	\$2,500 \$0
225	25	COMMUNICATIONS COMMUNICATION EL LIDS	\$40,000 \$6,000	240	35	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG	\$32,500
225 225	30 34	COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$25,000
225	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$500
225	45	DAMAGES	\$15,000 \$762,300	240 240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER\GENERATION	\$10,000 \$0
225	50 55	DAYWORK CONTRACT DRILLING - DIRECTIONAL	\$320,000	240	62	ENGINEERING	\$3,600
225	60	DRILLING - FOOTAGE	\$120,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65 70	DRILLING BITS ELECTRICAL POWER\GENERATION	\$140,000 \$0	240 240	70 71	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	\$0 \$110,000
225	75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$544,000
225	80	ENVIRONMENTAL SERVICES	\$250,000	240	75	FUEL, POWER/DIESEL	\$574,000 \$6,100
225	84	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$60,000 \$50,000	240 240	80 85	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$9,500
225	85 90	FISHING TOOLS/SERVICES	\$0,000	240	90	MATERIALS & SUPPLIES	\$500
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$45,000	240 240	100	MUD & CHEMICALS P&A/TA COSTS	\$1,400 \$0
225 225	105 106	INSURANCE INSPECTIONS	\$1,700 \$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$262,000
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225	115	MATERIALS & SUPPLIES	\$5,000 \$5,000	240 240	125	ROAD, LOCATIONS REPAIRS STIMULATION	\$11,000 \$2,859,000
225 225	120	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$31,000
225	130	MUD & CHEMICALS	\$320,000	240	140	SUPERVISION	\$96,500
225	140	OPENHOLE LOGGING	50	240	145	SURFACE EQUIP RENTAL	\$186,500 \$1,000
225 225	141	CASED HOLE LOGGING PERMITS, LICENSES, ETC	\$0 \$20,000	240 240	150 155	TRANSPORTATION/TRUCKING WATER TRANSFER	\$106,000
225	150	POWER FUEL & WATER HAULING	\$200,000	240	160	WELDING SERVICES	\$0
225	155	RIG MOVE & RACKING COSTS	\$91,500	240	165	WELL TESTING/FLOWBACK	\$93,600
225 225	160	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$0 \$10,000	240 240	148	TAXES CONTINGENCY COSTS 5%	\$0 \$315,630
225	165	STAKING & SURVEYING	\$6,000	240	-10	Total Intangible Completion Costs:	\$5,576,130
225	170	SUPERVISION	\$85,000				
225	175	SUPERVISION - GEOLOGICAL	\$39,000 \$39,000	Maior	Minor	Tangible Completion Costs  Description	Amount
225	180	TRANSPORTATION/TRUCKING TAXES	\$164,874	Major 245	5	ARTIFICIAL LIFT	\$200,000
225	35	CONTINGENCY COSTS 5%	\$149,885	245	15	FLOWLINES	\$0
		Total Intangible Drilling Costs:	\$3,453,259	245 245	25 40	FRAC STRING PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0 \$40,000
		Tangible Drilling Costs		245	45	PRODUCTION LINER	\$0
Major	Minor		Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$90,000
230 230	20	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$790,399	245 245	60	RODS/PUMPS SUBSURFACE EQUIPMENT	\$60,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$142,700
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000 \$69,844	245	70	TAXES Total Tangible Completion Costs:	\$29,299 \$561,999
230	40	TAXES Total Tangible Drilling Costs:	\$1,339,741		_	Total Tangiote Completion Costs.	4001,555
				-		Intangible Facility Costs	Amount
Major	Minor	Tangible Facility Costs  Description	Amount	Major 265	Minor 5	Description  CONSULTING	\$9,500
270	10	FACILITY PIPE/VALVES/FITTINGS	\$147,000	265	12	COMPANY DIRECT LABOR	\$0
270	15	CONTAINMENT	\$0 \$0	265 265	20 22	DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$12,700 \$30,000
270 270	25	DEHYDRATION PRIMARY POWER MATERIALS	\$14,400	265	25	ENGINEERING / SCIENCE	\$13,900
270	50	FLOWLINES / PIPELINE / HOOKUP	\$76,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$5,000
270	60	H2S TREATING EQUIPMENT	\$0	265	45	CONTRACT LABOR & SERVICES	\$0 \$3,000
270	65	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$94,800	265 265	60 80	OVERHEAD SURVEY / PLATS / STAKINGS	\$800
270 270	66 75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$75,400	265	83	TAXES	\$4,120
270	90	H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$4,000 \$57,000	265	10	CONTINGENCY COSTS 5%  Total Intangible Facility Costs:	\$3,745 \$82,765
270 270	110	TANKS & WALKWAYS	\$47,600	_		1000 10	
270	130	MECHANICAL BATTERY BUILD	\$117,800			Office Use Only:	
270	132	EI&C BATTERY BUILD	\$47,000				
270 270	134	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$2,600 \$15,100	1			
270	138	FLOWLINE INSTALLATION	\$43,500				
270	140	SIGNAGE	\$600				
270	125	TAXES Total Tangible Facility Costs:	\$40,854 \$783,654				
		Toma Emgine Entity Cons.					
Total Dr	91-		\$4,792,999.84				
Total Co		ng:	\$6,138,128.50	1			
Total Fac	cility:		\$866,418.50	1			
Total DC			\$9,029,388.50 \$1,901,739.84	1			
TOTAL DA	ranga	ore.	01,001,0000	1			
Protol AC	e.		\$11,797,546.84				
Total AF							
	THIS A	AUTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES. BILLING	WILL REF	LECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS.
Operator		Franklin Mountain Energy 3, LLC					
		(1)					1,72,700
Approve	d By:	Craig R. Walters		Date:			1/23/2024
		Craig R. Walters Chief Executive Officer					
WI Own	er:						
				Deter			
Approve	d By:			Date:			
Printed N	Name:			Title:			

OCD Examiner Hearing 5-16-24

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3

No. 24472 24 EXHIBIT

**B.7** 



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868 franklinmountainenergy.com

Operator	:	Franklin Mountain Energy 3, LLC		Date Pr	epared:	1/23/2024	
Purpose:		Drill and complete a 10,000' WCB well. TVD 11,392', MD 21,392'.		AFE#:		DCE230316	
		TVD 11,392, MD 21,392:					
		Intangible Drilling Costs				Intangible Completion Costs	
Major	Minor	Description	Amount	Major		Description	Amount \$10,300
225 225	5	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$4,000 \$80,000	240 240	5	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$7,500
225	15	CEMENTING INTERMEDIATE CASING	\$50,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	\$150,000 \$50,000	240 240	20 25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$276,500 \$2,500
225	20	CEMENTING SUFACE CASING COMMUNICATIONS	\$40,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$32,500 \$25,000
225	34 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$45,000 \$50,000	240 240	45 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$500
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$10,000
225	50	DAYWORK CONTRACT	\$907,500 \$320,000	240 240	60 62	ELECTRICAL POWER\GENERATION ENGINEERING	\$3,600
225	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$120,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS	\$140,000	240	70	FISHING TOOLS / SERVICES	\$0 \$110,000
225 225	70 75	ELECTRICAL POWER\GENERATION ENGINEERING	\$0 \$20,000	240 240	71 72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$544,000
225	80	ENVIRONMENTAL SERVICES	\$250,000	240	75	FUEL, POWER/DIESEL	\$595,500
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000 \$50,000	240 240	80 85	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$6,100 \$9,500
225	85 90	EQUIPMENT RENTAL FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$500
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$0 \$1,400
225	100	HOUSING AND SUPPORT SERVICES	\$45,000 \$1,700	240 240	100	MUD & CHEMICALS P&A/TA COSTS	\$1,400
225	105	INSURANCE INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$262,000
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$11,000
225	115	MATERIALS & SUPPLIES	\$5,000 \$5,000	240 240	125	ROAD, LOCATIONS REPAIRS STIMULATION	\$11,000 \$3,022,000
225	120	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$31,000
225	130	MUD & CHEMICALS	\$320,000	240	140	SUPERVISION SUPERVISION	\$96,500 \$186,500
225 225	140	OPENHOLE LOGGING CASED HOLE LOGGING	\$0 \$0	240 240	145	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	\$1,000
225	141	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$106,000
225	150	POWER FUEL & WATER HAULING	\$200,000	240	160	WELDING SERVICES	\$93,600
225 225	155	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$91,500	240 240	165 148	WELL TESTING/FLOWBACK TAXES	\$93,600
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$326,700
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$5,771,700
225 225	170	SUPERVISION SUPERVISION - GEOLOGICAL	\$85,000 \$39,000			<b>Tangible Completion Costs</b>	
225	180	TRANSPORTATION/TRUCKING	\$39,000	Major	Mino	Description	Amount
225	178	TAXES	\$164,874	245 245	5	ARTIFICIAL LIFT FLOWLINES	\$200,000
225	35	CONTINGENCY COSTS 5%  Total Intangible Drilling Costs:	\$149,885 \$3,598,459	245	25	FRAC STRING	\$0
				245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$40,000
		Tangible Drilling Costs		245	45	PRODUCTION LINER PRODUCTION PROCESSING FACILITY	\$0
Major 230	Minor 10	Description INTERMEDIATE CASING & ATTACHMENTS	Amount \$173,548	245 245	55	PRODUCTION TUBING	\$90,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	SC
230	25	PRODUCTION CASING & ATTACHMENTS	\$811,202	245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$60,000 \$142,700
230 230	35 45	SURFACE CASING & ATTACHMENTS WELLHEAD EQUIPMENT/CASING BOWL	\$173,758 \$70,000	245 245	70	TAXES	\$29,299
230	40	TAXES	\$71,198		- 000	Total Tangible Completion Costs:	\$561,999
		Total Tangible Drilling Costs:	\$1,365,706			Intangible Facility Costs	
		Tangible Facility Costs		Major		r Description	Amount \$9,500
Major 270	Minor 10	FACILITY PIPE/VALVES/FITTINGS	Amount \$147,000	265 265	5 12	CONSULTING COMPANY DIRECT LABOR	Si
270	15	CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$12,700
270	25	DEHYDRATION	\$0 \$14,400	265 265	22 25	PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$30,000 \$13,900
270 270	30 50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$76,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$5,000
270	60	H2S TREATING EQUIPMENT	\$0	265	45	CONTRACT LABOR & SERVICES	S
270	65	SEPARATION EQUIPMENT	\$94,800	265	60	OVERHEAD SURVEY / PLATS / STAKINGS	\$3,000
270	66	ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$0	265 265	80 85	TRANSPORTATION / TRUCKING	\$
270 270	75 86	FACILITY SURFACE EQUIPMENT	\$75,400	265	83	TAXES	\$4,12
270	90	H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%  Total Intangible Facility Costs:	\$3,74: \$82,76:
270 270	110	CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$57,000 \$47,600			Total Intangine Facility Costs:	302,70
270	130	MECHANICAL BATTERY BUILD	\$117,800			Office Use Only:	
270	132	EI&C BATTERY BUILD	\$47,000				
270 270	134	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$2,600 \$15,100				
270	138	FLOWLINE INSTALLATION	\$43,500				
270	140	SIGNAGE	\$600				
270	125	TAXES Total Tangible Facility Costs:	\$40,854 \$783,654				
Total Di	rill:		\$4,964,164.44				
Total Co	ompletio	on:	\$6,333,698.50				
Total Fa		rible:	\$866,418.50 \$9,370,158.50				
Total D			\$1,927,704.44				
Total A	FE:		\$12,164,281.44				
	THIS	AUTHORITY FOR EXPENDITURE IS BASED ON COST I	ESTIMATES BILLING	WILL RE	FLECT	YOUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS.
		_					
Operato	r:	Franklin Mountain Energy S. LLC					
Approve	ed By:	Color		Date:			1/23/2024
200000000000000000000000000000000000000		Craig R. Walters	_			CALLET (550 1100 19.65 CALLET CO. 100 100 100 100 100 100 100 100 100 10	
		Chief Executive Officer					
WI Own	ner:						
Approv	ed By:			Date:			
Printed.	Mana			Title:			
Printed	vame:			i itie.			

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3

#### 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 I	NO. 2	4472
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EXHIBIT

STATE OF COLORADO	)
	) ss
COUNTY OF DENVER	)

#### AFFIDAVIT OF BEN KESSEL

Ben Kessel, being duly sworn, deposes and states as follows:

- 1. I am over the age of 18, I am a geologist for Franklin Mountain Energy 3, LLC ("Franklin"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
- My area of responsibility at Franklin includes the area of Lea County in New Mexico.
  - 3. I am familiar with the application filed by Franklin in this case.
- 4. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
  - 5. **Exhibit C.2** is a wellbore schematic showing Franklin's development plan.
- 6. **Exhibit C.3** through **Exhibit C.6** are the geology study I prepared for the Treble State Com 703H well, which will target the Wolfcamp A.
- 7. **Exhibit C.3** is a structure map of the Wolfcamp A formation. The proposed spacing unit is identified by a green box. The Treble State Com 703H well proposed in this case is

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Page 29 of 67

identified by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit

shows that the structure dips gently to the southwest.

8. **Exhibit C.4** is a cross-section reference map that identifies four wells in the vicinity

of the proposed Treble State Com 703H well, shown by a line of cross-section running from A

to A'.

9. **Exhibit C.5** is a stratigraphic cross-section, and the well logs shown 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 well falls within the wells I used for the cross-section.

10. **Exhibit C.6** an Isochore map of the Wolfcamp A formation. The gross interval

thickness increases slightly to the southwest.

11. **Exhibit C.7** through **Exhibit C.10** are the geology study I prepared for the Treble

State Com 803H well, which will target the Wolfcamp B.

12. **Exhibit C.7** is a structure map of the Wolfcamp B formation. The proposed spacing

unit is identified by a blue box. The Treble State Com 803H well proposed in this case is identified

by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows

that the structure dips gently to the southwest.

13. **Exhibit C.8** is a cross-section reference map that identifies four wells in the vicinity

of the proposed Treble State Com 803H well, shown by a line of cross-section running from A

to A'.

14. **Exhibit C.9** is a stratigraphic cross-section, and the well logs shown 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 well falls within the wells I used for the cross-section.

- 15. **Exhibit C.10** is an Isochore map of the Wolfcamp B formation. The gross interval thickness increases slightly to the southwest.
  - 16. I conclude from the geology studies referenced above that:
    - a. The horizontal spacing unit is justified from a geologic standpoint.
    - b. There are no structural impediments or faulting that will interfere with horizontal development.
    - Each quarter-quarter section in the proposed unit will contribute more or less equally to production.
- 17. **Exhibit C.11** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.
- 18. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to  $S_{Hmax}$ , optimal for inducted fracture propagation. This is because the  $S_{Hmax}$  is at approximately 255 degrees ENE in this area of Lea County.
- 19. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.
- 20. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

Dated: May 1, 2024	
Ben Kessel	
State of Colorado	\
County of Derver	
This record was acknowledged before me on May 9	, _2024, by

[Stamp]

'Ser lesse

CRYSTAL MCCLAIN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20234007312 MY COMMISSION EXPIRES FEBRUARY 23, 2027

Notary Public in and for the State of Colored

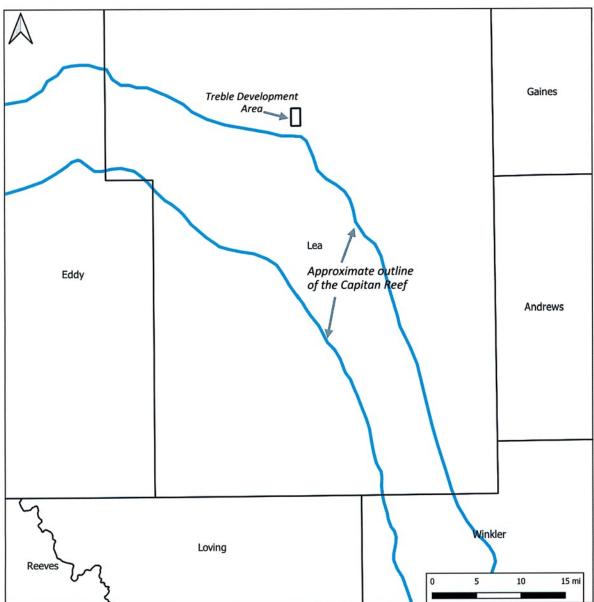
Commission Number: 20234007312

My Commission Expires:\_

#### **Treble Development**



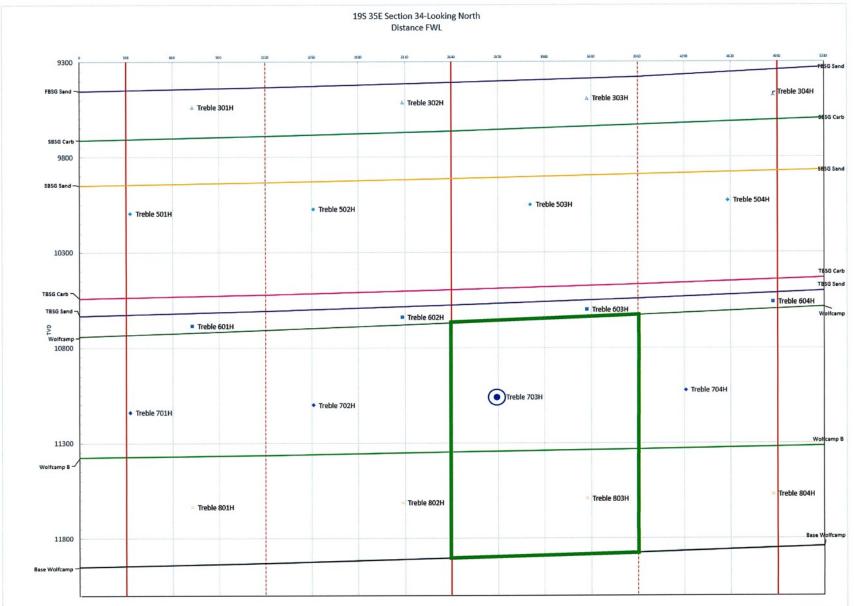
#### **Locator Map**



- Black box shows the location of the Treble development area
- Planned wells are located outside of the eastern edge of the Capitan Reef

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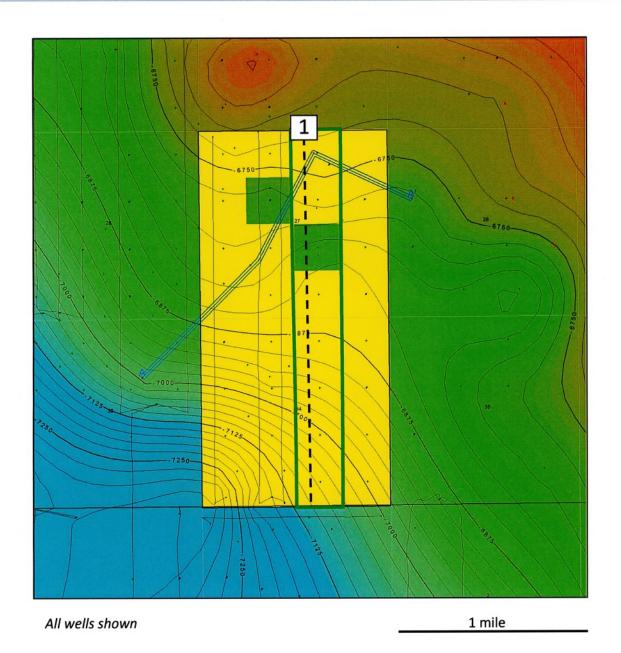
Proposed Laterals
 Examiner Hearing 5-16-24

**Wolfcamp Spacing Unit** 

EXHIBIT C.2 2

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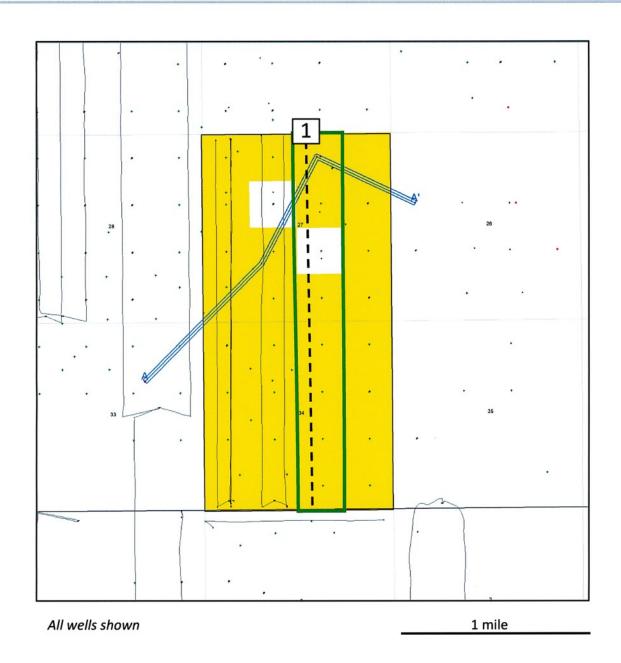
Franklin Mountain Acreage Wolfcamp **Spacing Unit Proposed Horizontal Location** 1 Treble State Com 703H

**EXHIBIT** 

OCD Examiner Hearing 5-16-24 No. 24472 33

# Cross Section Reference Map



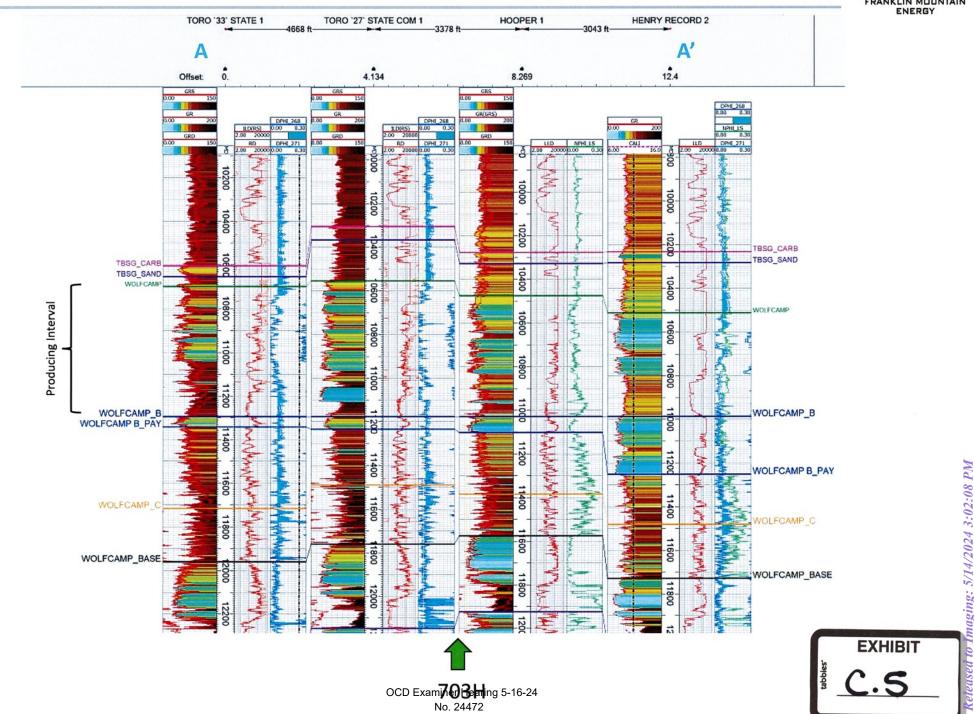


Franklin Mountain Acreage Wolfcamp **Spacing Unit Proposed Horizontal Location** 1 Treble State Com 703H

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### **Wolfcamp Cross Section**

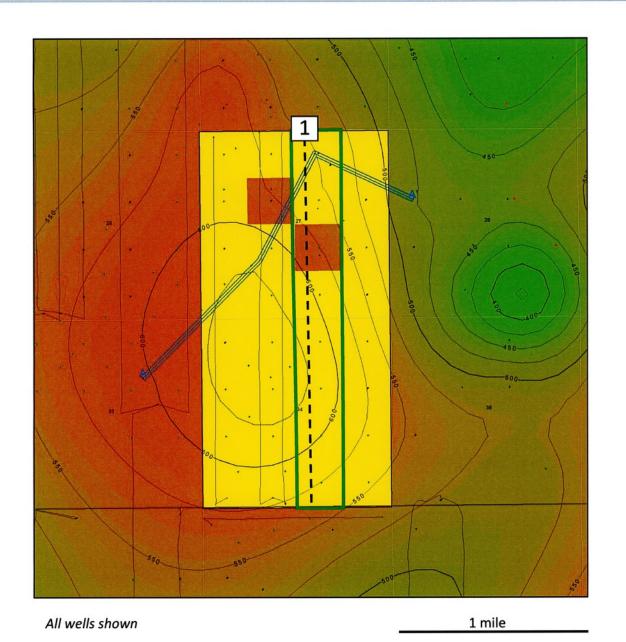




35

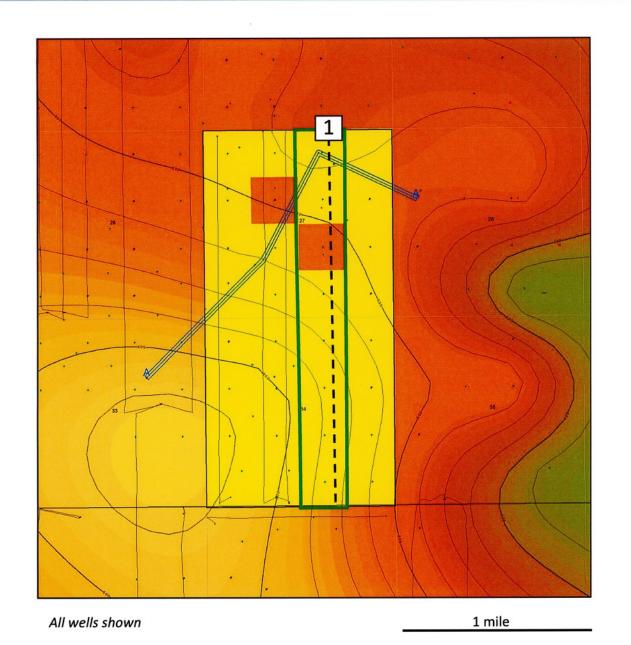
# Wolfcamp A Isochore Map

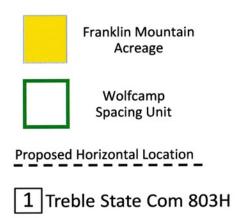




Franklin Mountain Acreage Wolfcamp Spacing Unit **Proposed Horizontal Location** 1 Treble State Com 703H

> Released to Imaging: 5/14/2024 3:02:08 PM EXHIBIT C.

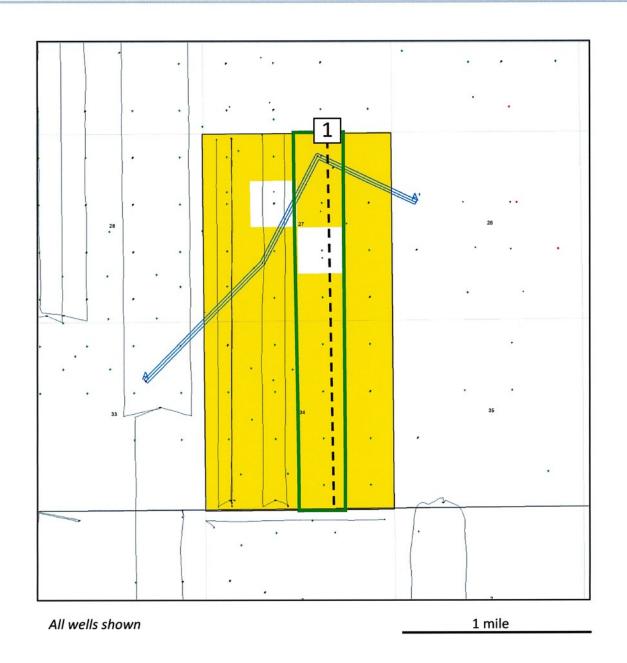






# Cross Section Reference Map





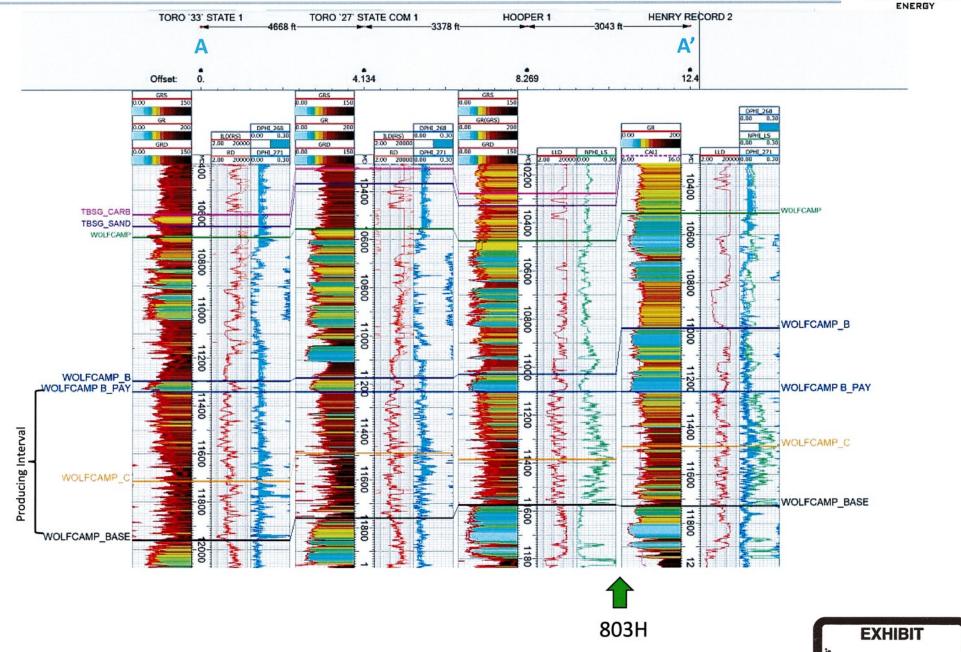
Franklin Mountain Acreage Wolfcamp **Spacing Unit Proposed Horizontal Location** 1 Treble State Com 803H

**EXHIBIT** 

OCD Examiner Hearing 5-16-24 No. 24472 38

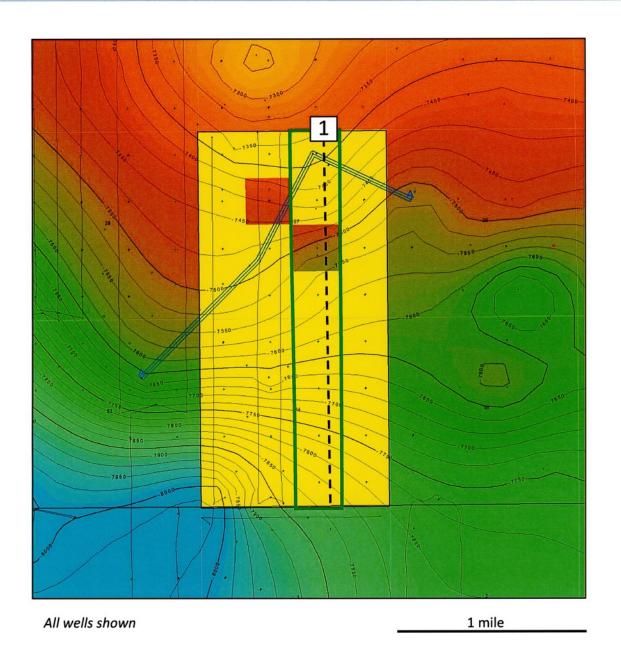
## **Wolfcamp B Cross Section**





# Wolfcamp B Isochore Map





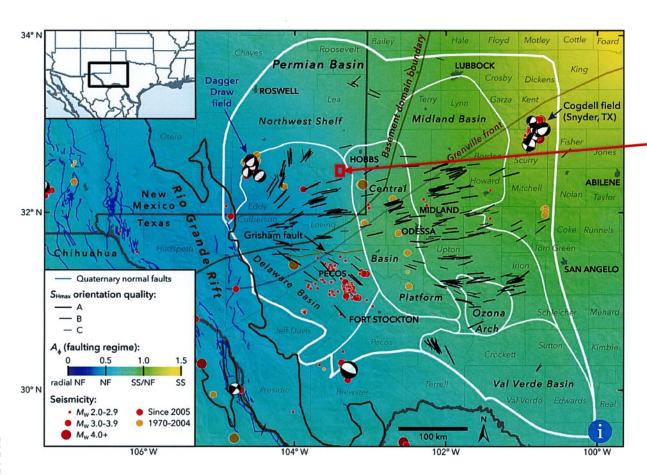
Franklin Mountain Acreage Wolfcamp **Spacing Unit Proposed Horizontal Location** 1 Treble State Com 803H

> ging: 5/14/2024 3:02:08 PM **EXHIBIT**

OCD Examiner Hearing 5-16-24 No. 24472 40

**Regional Stress** 

## FRANKLIN MOUNTAIN



- Red box shows the approximate location of the Treble development
- Reported local S<sub>Hmax</sub> (Snee and Zoback, 2018) direction is ENE, around 255°
- The Treble State Com wells are planned to drill N-S, nearly orthogonal to S<sub>hmax</sub>, optimal for induced fracture propagation

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/MobilePagedArticle.action?articleId=1331603#articleId1331603



#### 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. 24471, 24472

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

CASE NO. 24473, 24474

#### 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:

- The above-referenced Applications were provided under notice letter, dated April 22,
   and attached hereto, as Exhibit D.1.
- Exhibit D.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on April 22, 2024.
- 3) Exhibit D.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 D.4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the May 16, 2024 hearing was published on April 25, 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: May 9, 2024



Deena 4. Bennett

Deana M. Bennett



April 22, 2024

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

**CASE NO. 24471** 

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

**CASE NO. 24472** 

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

**CASE NO. 24473** 

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

**CASE NO. 24474** 

EXHIBIT

#### 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. 24471, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the **Treble State Com 303H**, **Treble State Com 503H**, and **Treble State Com 603H** 

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com

OCD Examiner Hearing 5-16-24 No. 24472

#### Page 2

wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with the following existing spacing units:

- A Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NW/4 SE/4 (Unit J) of Section 27, dedicated to Mewbourne Oil Co's Sparrow 27 #002H well (API 30-025-39131); and
- A Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NW/4 NE/4 (Unit B) of Section 27, dedicated to Mewbourne Oil Co's Sparrow 27 #003H well (API 30-025-25180).

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 18 miles southwest of Hobbs, New Mexico.

In Case No. 24472, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Treble State Com 703H and Treble State Com 803H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Wolfcamp spacing unit dedicated to a 40-acre vertical spacing unit comprised of the SW/4 NE/4 (Unit G) of Section 27, dedicated to North Fork Operating, LP's Toro 27 #005H well (API 30-025-35425). 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 18 miles southwest of Hobbs, New Mexico.

In Case No. 24473, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Treble State Com 304H**, **Treble State Com 504H**, and **Treble State Com 604H** wells to

Page 3

be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 34. The producing area for the wells is expected to be orthodox. 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 18 miles southwest of Hobbs, New Mexico.

In Case No. 24474, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Treble State Com 704H** and **Treble State Com 804H** wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 34. The producing area for the wells is expected to be orthodox. 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 18 miles southwest of Hobbs, New Mexico.

The hearing is set for May 16, 2024 beginning at 8:15 a.m. 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, 1st 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, 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.

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Sincerely,

Deana M. Bennett

Attorney for Applicant

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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. 24471

#### **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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 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:

- Franklin has an interest in the subject lands and has a right to drill and operate wells thereon.
- 2. Franklin seeks to dedicate the spacing unit to the **Treble State Com 303H**, **Treble State Com 503H**, and **Treble State Com 603H** wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. This proposed horizontal spacing unit will partially overlap with the following existing spacing units:

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a. A Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NW/4 SE/4 (Unit J) of Section 27, dedicated to Mewbourne

Oil Co's Sparrow 27 #002H well (API 30-025-39131); and

b. A Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NW/4 NE/4 (Unit B) of Section 27, dedicated to Mewbourne

Oil Co's Sparrow 27 #003H well (API 30-025-25180).

5. Franklin sought, but has been unable to obtain, a voluntary agreement from all

interest owners in the Bone Spring formation underlying the proposed spacing unit to participate

in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed

unit 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 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 the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35

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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- 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. 24471: 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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Treble State Com 303H, Treble State Com 503H, and Treble State Com 603H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with the following existing spacing units:

- A Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NW/4 SE/4 (Unit J) of Section 27, dedicated to Mewbourne Oil Co's Sparrow 27 #002H well (API 30-025-39131); and
- A Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NW/4 NE/4 (Unit B) of Section 27, dedicated to Mewbourne Oil Co's Sparrow 27 #003H well (API 30-025-25180).

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 18 miles southwest of Hobbs, New Mexico.

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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. 24472

#### **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 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 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 wells thereon.
- 2. Franklin seeks to dedicate the spacing unit to the **Treble State Com 703H** and **Treble State Com 803H** wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. This proposed horizontal spacing unit will partially overlap with a Wolfcamp spacing unit dedicated to a 40-acre vertical spacing unit comprised of the SW/4 NE/4 (Unit G) of Section 27, dedicated to North Fork Operating, LP's Toro 27 #005H well (API 30-025-35425).

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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 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 May 2, 2024 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/2 E/2 of Sections 27 and 34, Township 19 South, Range 35

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

2

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deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24472: 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 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Treble State Com 703H and Treble State Com 803H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 34. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Wolfcamp spacing unit dedicated to a 40-acre vertical spacing unit comprised of the SW/4 NE/4 (Unit G) of Section 27, dedicated to North Fork Operating, LP's Toro 27 #005H well (API 30-025-35425). 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 18 miles southwest 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, LEA COUNTY, NEW MEXICO.

CASE NO. 24473

#### <u>APPLICATION</u>

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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

- Franklin has an interest in the subject lands and has a right to drill and operate wells thereon.
- 2. Franklin seeks to dedicate the spacing unit to the **Treble State Com 304H**, **Treble State Com 504H**, and **Treble State Com 604H** wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 34.
  - 3. The producing area for the wells 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 wells or to otherwise commit their interests to the wells.
- 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.

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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 the E/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
  - B. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr. Deana M. Bennett

Yarithza Peña

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24473: 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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Treble State Com 304H, Treble State Com 504H, and Treble State Com 604H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 34. The producing area for the wells is expected to be orthodox. 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 18 miles southwest 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, LEA COUNTY, NEW MEXICO.

CASE NO. 24474

#### **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 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

- Franklin has an interest in the subject lands and has a right to drill and operate wells thereon.
- 2. Franklin seeks to dedicate the spacing unit to the **Treble State Com 704H** and **Treble State Com 804H** wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 34.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. 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.
- 5. 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.

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Received by OCD: 4/2/2024 6:09:00 PM

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 Wolfcamp formation underlying a horizontal spacing unit within the E/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
  - B. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
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Attorneys for Franklin Mountain Energy 3, LLC

case No. 24474: 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 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Treble State Com 704H and Treble State Com 804H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 34. The producing area for the wells is expected to be orthodox. 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 18 miles southwest of Hobbs, New Mexico.

#### **PS Form 3877**

### Type of Mailing: CERTIFIED MAIL 04/22/2024

arlene Schuman Iodrall Sperling Roehl Harris & Sisk P.A. 100 Fourth Street, Suite 1000 Ibuquerque NM 87102		PS Form 3877  Type of Mailing: CERTIFIED 1 04/22/2024				Firm Mailing Book ID: 264821		
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents	
1	9314 8699 0430 0120 2393 46	Marathon Oil Permian, LLC 990 Town and Country Blvd. Houston TX 77024	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice	
2	9314 8699 0430 0120 2393 53	WPX Energy Permian, LLC 333 W Sheridan Avenue Oklahoma City OK 73102	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
3	9314 8699 0430 0120 2393 60	Mewbourne Development Corporation 500 West Texas, Suite 1020 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
4	9314 8699 0430 0120 2393 77	Mewbourne Oil Company 500 West Texas, Suite 1020 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
5	9314 8699 0430 0120 2393 84	Alpha Energy Partners, LLC P.O. Box 10701 Midland TX 78702	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
6	9314 8699 0430 0120 2393 91	Northern Oil and Gas, Inc. 4350 Baker Road Minnetonka MN 55343	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
7	9314 8699 0430 0120 2394 07	Rutter & Wilbanks Corporation	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
8	9314 8699 0430 0120 2394 14	MIDLAND TX 79701 Victor J. Sirgo 3405 CHOATE PLACE MIDLAND TX 79707	E. Na. \$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
9	9314 8699 0430 0120 2394 21	Chi Energy, Inc. PO BOX 1799 MIDLAND TX 79702  APR 22 2	1024 1024	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
10	9314 8699 0430 0120 2394 38	Edna and Curtis Anderson Rev Trust Dtd 8.31.21 9314 CHERRY BROOK LANE	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
11	9314 8699 0430 0120 2394 45	Charles Wiggins and Deborah Wiggins OFFICE USP PO BOX 10862 MIDLAND TX 79702	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
12	9314 8699 0430 0120 2394 52		\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
13	9314 8699 0430 0120 2394 69	Castle Royalties, LLC 15601 DALLAS PARKWAY SUITE 900 ADDISON TX 75001	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Trebl Notice	
14	9314 8699 0430 0120 2394 76	Stroube Energy Corporation 18208 Preston Rd, #D9249 Dallas TX 75252	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice	
15	9314 8699 0430 0120 2394 83	J.D. Sutton, Inc. HC 64 BOX 100 LOCO OK 73442	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble	

OCD Examiner Hearing 5-16-24 No. 24472

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#### PS Form 3877

### Type of Mailing: CERTIFIED MAIL 04/22/2024

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102  Line USPS Article Number  16 9314 8699 0430 0120 2394 90  17 9314 8699 0430 0120 2395 06  18 9314 8699 0430 0120 2395 13		ling Roehl Harris & Sisk P.A. treet, Suite 1000	PS Form 3877  Type of Mailing: CERTIFIED MAIL 04/22/2024					Firm Mailing Book ID: 264821    Reference   Contents     \$0.00		
e: 5/	Line	USPS Article Number	Name, Street, City, State, Zip			Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
4/2024	16	9314 8699 0430 0120 2394 90	Curtis Mewbourne, Trustee PO BOX 7698 TYLER TX 75711			\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
13:02:	17	9314 8699 0430 0120 2395 06	Prospector, LLC PO BOX 429 ROSWELL NM 88202			\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
08 PM	18	9314 8699 0430 0120 2395 13	Ridge Runner Resources Operating 4000 N. Big Spring Street, Ste 210 Midland TX 79701	2		\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
	19	9314 8699 0430 0120 2395 20	Coert Holdings 1, LLC 20 HORSENECK LANE GREENWICH CT 06830			\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
	20	9314 8699 0430 0120 2395 37	Muirfield Resources Company PO Box 3166 Tulsa OK 74101			\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
	21	9314 8699 0430 0120 2395 44	Caprock Resources, LLC PO Box 180573 Dallas TX 75218	13	JOUEROL	JE,\$N,87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
	22	9314 8699 0430 0120 2395 51	Thunder Moon Resources, LLC PO Box 670581 Dallas TX 75367	/	/ APR 22	\$1.07	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
	23	9314 8699 0430 0120 2395 68	Petro Tiger I, Ltd PO Box 3166 Tulsa OK 74101	( )	AIN ZZ	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
	24	9314 8699 0430 0120 2395 75	State of New Mexico, by and throu Commissioner of Public Lands PO Box 1148 Santa Fe NM 87540	igh its	MAIN OFFIC	\$1.83 CEUS13	\$4.40	\$2.32	\$0.00	10154.0001Treble Notice
					Totals:	\$44.88	\$105.60	\$55.68	\$0.00	
22							Grand	Total:	\$206.16	

List Number of Pieces	<b>Total Number of Pieces</b>	Postmaster:	Dated:
Listed by Sender	Received at Post Office	Name of receiving employee	

Received by OCD: 5/14/2024 2:40:28 PM

#### Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 264821 Generated: 5/13/2024 9:46:15 AM

THE RESERVE AND ADDRESS OF THE PARTY.				POR CONTRACTOR OF THE PARTY AND ADDRESS.						
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300120239575	2024-04-22 10:47 AM	10154.0001Treble	State of New Mexico, by and through its	Commissioner of Public Lands	Santa Fe	NM	87540	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-24 7:44 AM
9314869904300120239568	2024-04-22 10:47 AM	10154.0001Treble	Petro Tiger I, Ltd		Tulsa	OK	74101	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 9:12 AM
9314869904300120239551	2024-04-22 10:47 AM	10154.0001Treble	Thunder Moon Resources, LLC		Dallas	TX	75367	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 6:39 PM
9314869904300120239544	2024-04-22 10:47 AM	10154.0001Treble	Caprock Resources, LLC		Dallas	TX	75218	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-27 10:00 AM
9314869904300120239537	2024-04-22 10:47 AM	10154.0001Treble	Muirfield Resources Company		Tulsa	ОК	74101	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 9:12 AM
9314869904300120239520	2024-04-22 10:47 AM	10154.0001Treble	Coert Holdings 1, LLC		GREENWICH	CT	06830	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 12:49 PM
9314869904300120239513	2024-04-22 10:47 AM	10154.0001Treble	Ridge Runner Resources Operating		Midland	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300120239506	2024-04-22 10:47 AM	10154.0001Treble	Prospector, LLC		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 11:24 AM
9314869904300120239490	2024-04-22 10:47 AM	10154.0001Treble	Curtis Mewbourne, Trustee		TYLER	TX	75711	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 12:48 PM
9314869904300120239483	2024-04-22 10:47 AM	10154.0001Treble	J.D. Sutton, Inc.		LOCO	OK	73442	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 9:25 AM
9314869904300120239476	2024-04-22 10:47 AM	10154.0001Treble	Stroube Energy Corporation		Dallas	TX	75252	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 2:10 PM
9314869904300120239469	2024-04-22 10:47 AM	10154.0001Treble	Castle Royalties, LLC		ADDISON	TX	75001	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 9:41 AM
9314869904300120239452	2024-04-22 10:47 AM	10154.0001Treble	Enerlex, Inc.		Broken Arrow	OK	74011	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300120239445	2024-04-22 10:47 AM	10154.0001Treble	Charles Wiggins and Deborah Wiggins		MIDLAND	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 9:53 AM
9314869904300120239438	2024-04-22 10:47 AM	10154.0001Treble	Edna and Curtis Anderson Rev Trust Dtd 8.31.21		FRISCO	TX	75033	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300120239421	2024-04-22 10:47 AM	10154.0001Treble	Chi Energy, Inc.		MIDLAND	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 10:14 AM
9314869904300120239414	2024-04-22 10:47 AM	10154.0001Treble	Victor J. Sirgo		MIDLAND	TX	79707	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300120239407	2024-04-22 10:47 AM	10154.0001Treble	Rutter & Wilbanks Corporation		MIDLAND	TX	79701	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300120239391	2024-04-22 10:47 AM	10154.0001Treble	Northern Oil and Gas, Inc.		Minnetonka	MN	55343	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300120239384	2024-04-22 10:47 AM	10154.0001Treble	Alpha Energy Partners, LLC		Midland	TX	78702	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 1:03 PM
9314869904300120239377	2024-04-22 10:47 AM	10154.0001Treble	Mewbourne Oil Company		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 1:48 PM
9314869904300120239360	2024-04-22 10:47 AM	10154.0001Treble	Mewbourne Development Corporation		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 1:48 PM
9314869904300120239353	2024-04-22 10:47 AM	10154.0001Treble	WPX Energy Permian, LLC		Oklahoma City	ОК	73102	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 7:02 AM
9314869904300120239346	2024-04-22 10:47 AM	10154.0001Treble	Marathon Oil Permian, LLC		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 11:45 AM



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#### Affidavit of Publicatio

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 tha the clipping attached hereto was publish in the regular and entire issue of said newspaper, and not a supplement there for a period of 1 issue(s).

> Beginning with the issue dated April 25, 2024 and ending with the issue dated April 25, 2024.

Sworn and subscribed to before me this 25th day of April 2024.

Mussell

My commission expires

CASE NO. 24471: Notice to all affected parties, as well as heirs and devisees of: Marathon Oil Permian, LLC; Prospector, LLC; WPX Energy Permian, LLC; Mewbourne Development Corporation; Mewbourne Oil Company; Alpha Energy Partners, LLC; Northern Oil and Gas, Inc.; Rutter & Wilbanks Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Charles Wiggins and Deborah Wiggins; Enerlex, Inc.; Castle Royalties, LLC; Stroube Energy Corporation; JD. Sutton, Inc.; Curtis Mewbourne, Trustee; Ridge Runner Resources Operating; Coert Holdings 1, LLC; Muirfield Resources Company; Caprock Resources, LLC; Thunder Moon Resources, LLC; Petro Tiger I, Ltd.; State of New Mexico, by and through its Commissioner of Public Lands of the 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. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on May 16, 2024 to consider this application. 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, 1st 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.emrnd.mm.gov/ocd/hearing-info/. Applicant seeks an order from the Division pooling/all uncommitted mineral interests within a 320-acre, more or less. Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 19 South, Range 35 East, NM.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Treble State Com 303H, Treble State Com 503H, and Treble State Com 609H wells to be horizontally drilled from a surface

LEGAL NOTICE April 25, 2024

- A Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NW/4 SE/4 (Unit J) of Section 27, dedicated to Mewbourne Oil Co's Sparrow 27 #002H well (API 30-025-39131); and
- A Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NW/4 NE/4 (Unit B) of Section 27, dedicated to Mewbourne Oil Co's Sparrow 27 #003H well (API 30-025-25180).

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 18 miles southwest of Hobbs, New Mexico.

case No. 24472: Notice to all affected parties, as well as heirs and devisees of: Marathon Oil Permian, LLC: Prospector, LLC; WPX Energy Permian, LLC; Mewbourne Development Corporation; Mewbourne Oil Company; Alpha Energy Partners, LLC; Northern Oil and Gas, Inc.; Rutter & Wilbanks Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Currlis Anderson Rev Trust dtd 8-31-21; Charles Wiggins and Deborah Wiggins; Enerlex, Inc.; Castle Royalties, LLC; Stroube Energy Corporation; J.D. Sutton, Inc.; Curtls Mewbourne, Trustee; Ridge Runner Resources Operating; Coert Holdings 1, LLC; Mulrfield Resources Company; Caprock Resources Operating; Coert Holdings 1, LLC; Mulrfield Resources Company; Caprock Resources, LLC; Thunder Moon Resources, LLC; Petro Tiger I, Ltd.; State of New Mexico, by and through its Commissioner of Public Lands of the 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. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on May 16, 2024 to consider this application. 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, 1st 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/. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit. This spacing unit will be dedicated to the Treble State Com 703H and Treble State Com 803H wells to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 27 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 27. dedicated to North Fork

Mexico.

CASE NO. 24473: Notice to all affected parties, as well as heirs and devisees of: Marathon Oil Permian, LLC; Prospector, LLC; WPX Energy Permian, LLC; Mewbourne Development Corporation; Mewbourne Oil Company; Alpha Energy Permian, LLC; Mewbourne Development Corporation; Mewbourne Oil Company; Alpha Energy Permian, LLC; Mewbourne Development Corporation; Mewbourne Oil Company; Alpha Energy Permian, LLC; Mewbourne Development Corporation; Mewbourne Oil Company; Alpha Energy Permian, LLC; Mewbourne Division and Gas, Inc.; Rutter & Wilbanks; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna

CASE NO. 24474: Notice to all affected parties, as well as heirs and devisees of: Marathon Oil Permian, LLC; Prospector, LLC; WPX Energy Permian, LLC; Mewbourne Development Corporation; Mewbourne Oil Company; Alpha Energy Partners, LLC; Northern Oil and Gas, Inc.; Rutter & Wilbanks. Corporation; Victor J. Sirgo; Chi Energy, Inc.; Edna and Curtis Anderson Rev Trust dtd 8-31-21; Charles Wiggins and Deborah Wiggins; Enerlex, Inc.; Castle Royalties, LLC; Stroube Energy Corporation; J.D. Sutton, Inc.; Curtis Mewbourne, Trustee; Ridge Runner Resources Operating; Coert Holdings 1, LLC; Mulrfield Resources Company; Caprock Resources, LLC; Thunder Moon Resources, LLC; Petro Tiger I, Ltd.; State of New Mexico, by and through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will 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, 1st 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.emrd.mm.gov/cod/hearing-info/. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 34. The producing area for the wells is expected to be orthodox. 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 18