

DOCKET: OIL CONSERVATION DIVISION HEARINGS - Wednesday, June 26, 2024

**8:30 a.m. – Pecos Hall, 1220 South St. Francis, Santa Fe, New Mexico 87505
and via MS Teams Virtual Meeting (login information below)**

Virtual Attendance:

Click [here](#) to join the meeting.

Dial in by phone:

(505) 312-4308

Conference ID: 819 577 103 #

If you choose to attend remotely, please mute yourself upon entry.

Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

Presenting parties are required to submit a pre-hearing statement no later than the Thursday before the hearing. The pre-hearing statement shall include: 1) a list of disputed facts and issues; 2) identification of witnesses and their qualifications; and 3) all exhibits and written testimony a party intends to enter into evidence at the hearing and a full narrative for each.

NOTICE: The hearing examiner may call the following cases in any order at their discretion.

	Case Number	Description
1.	<p>24314 [CONTESTED HEARING]</p>	<p>Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2SW4 of Section 23 and the E2W2 of Section 26, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Jack Hammack State Com 112H well, to be horizontally drilled from a surface location in the NW4 of Section 35, with a first take point in the SE4SW4 (Unit N) of Section 26 and a last take point in the NE4SW4 (Unit K) of Section 23. This 240-acre horizontal well spacing unit will overlap an existing 160-acre horizontal well spacing unit comprised of the S2N2 of Section 26 dedicated to the Magpie State 1H (API: 30-025-40426) well operated by Franklin Mountain Energy 3, LLC and producing from the Airstrip: Bone Spring Pool (960). Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.</p>
2.	<p>24315 [CONTESTED HEARING]</p>	<p>Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2E2 of Sections 23 and 26, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Jack Hammack State Com 113H well, to be horizontally drilled from a surface location in the SE4 of Section 26, with a first</p>

		<p>take point in the SW4SE4 (Unit O) of Section 26 and a last take point in the NW4NE4 (Unit B) of Section 23. This 320-acre horizontal well spacing unit will overlap the following existing spacing units assigned to the Airstrip: Bone Spring Pool (960):</p> <ul style="list-style-type: none"> • 160-acre horizontal well spacing unit comprised of the S2N2 of Section 26 dedicated to the Magpie State 1H (API: 30-025-40426) well operated by Franklin Mountain Energy 3, LLC, and • 160-acre horizontal well spacing unit comprised of the W2E2 of Section 23 dedicated to the Kingfisher State Com 2H (API: 30-025-41836) well operated by COG Operating LLC. <p>Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.</p>
3.	<p>24316</p> <p>[CONTESTED HEARING]</p>	<p>Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2E2 of Sections 23 and 26, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Jack Hammack State Com 114H well, to be horizontally drilled from a surface location in the SE4 of Section 26, with a first take point in the SE4SE4 (Unit P) of Section 26 and a last take point in the NE4NE4 (Unit A) of Section 23. This 320-acre horizontal well spacing unit will overlap the following existing spacing units assigned to the Airstrip: Bone Spring Pool (960):</p> <ul style="list-style-type: none"> • 160-acre horizontal well spacing unit comprised of the S2N2 of Section 26 dedicated to the Magpie State 1H (API: 30-025-40426) well operated by Franklin Mountain Energy 3, LLC, and • 160-acre horizontal well spacing unit comprised of the E2E2 of Section 23 dedicated to the Kingfisher State Com 1H (30-025-41835) and the Kingfisher State Com 5H (30-025-42472) wells operated by COG Operating LLC. <p>Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.</p>
4.	<p>24317</p> <p>[CONTESTED HEARING]</p>	<p>Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 240-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2SW4 of Section 23 and the E2W2 of Section 26, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Jack Hammack State Com 242H well, to be horizontally drilled from a surface location in the NW4 of Section 35, with a first take point in the SE4SW4 (Unit N) of Section 26 and a last take point in the NW4SW4 (Unit K) of Section 23. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.</p>
5.	<p>24318</p> <p>[CONTESTED HEARING]</p>	<p>Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W2E2 of Sections 23 and 26, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.</p>

		Said unit will be initially dedicated to the proposed Jack Hammack State Com 243H well, to be horizontally drilled from a surface location in the SE4 of Section 26, with a first take point in the SW4SE4 (Unit O) of Section 26 and a last take point in the NW4NE4 (Unit B) of Section 23. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.
6.	24319 [CONTESTED HEARING]	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2E2 of Sections 23 and 26, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Jack Hammack State Com 244H well, to be horizontally drilled from a surface location in the SE4 of Section 26, with a first take point in the SE4SE4 (Unit P) of Section 26 and a last take point in the NE4NE4 (Unit A) of Section 23. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.
7.	24327 [CONTESTED HEARING]	Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 284.13-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2SW4 and SW4NW4 of Section 35, Township 18 South, Range 34 East; and Lot 4, SW4NW4 and W2SW4 (W2W2 equivalent) of irregular Section 2, Township 19 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Mark McKinley State Com 111H and Mark McKinley State Com 121H wells to be horizontally drilled from a surface location in the NW4 of Section 35, with first take points in the SW4NW4 (Unit E) of Section 35 and last take points in the SW4SW4 (Unit M) of Section 2. This proposed horizontal well spacing unit will overlap the following existing spacing units producing from the Bone Spring formation: <ul style="list-style-type: none"> • A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 35 currently dedicated to the Butter Cup 35 State Com 1H (30-025-40634) operated by Franklin Mountain Energy 3, LLC; • A 160-acre horizontal well spacing unit comprised of N2S2 of Section 35 currently dedicated to the Butter Cup 35 State Com 2H (30-025-40642) operated by Franklin Mountain Energy 3, LLC; • A 200-acre horizontal well spacing unit comprised of S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36, currently dedicated to the Tin Cup 36 State Com 2H (30-025-40422) operated by Franklin Mountain Energy 3, LLC; and • A 164.13-acre horizontal well spacing unit comprised of Lot 4, SW4NW4 and W2SW4 (W2W2 equivalent) of irregular Section 2, currently dedicated to the Playa 2 State 2H (30-025-40549) operated by Franklin Mountain Energy 3, LLC. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 24 miles west of Hobbs, New Mexico.

8.	24328 [CONTESTED HEARING]	<p>Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 324.02-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2W2 of Section 35, Township 18 South, Range 34 East; and Lot 3, SE4NW4 and E2SW4 (E2W2 equivalent) of irregular Section 2, Township 19 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Mark McKinley State Com 112H and Mark McKinley State Com 122H wells to be horizontally drilled from a surface location in the NW4 of Section 35, with first take points in the NE4NW4 (Unit C) of Section 35 and last take points in the SE4SW4 (Unit N) of Section 2. This proposed horizontal well spacing unit will overlap the following existing spacing units producing from the Bone Spring formation:</p> <ul style="list-style-type: none"> • A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 35 currently dedicated to the Butter Cup 35 State Com 1H (30-025-40634) operated by Franklin Mountain Energy 3, LLC; • A 160-acre horizontal well spacing unit comprised of N2S2 of Section 35 currently dedicated to the Butter Cup 35 State Com 2H (30-025-40642) operated by Franklin Mountain Energy 3, LLC; • A 200-acre horizontal well spacing unit comprised of S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36, currently dedicated to the Tin Cup 36 State Com 2H (30-025-40422) operated by Franklin Mountain Energy 3, LLC; and • A 164.02-acre horizontal well spacing unit comprised of Lot 3, SE4NW4 and E2SW4 (E2W2 equivalent) of irregular Section 2, currently dedicated to the Playa 2 State 1H (30-025-40405) operated by Franklin Mountain Energy 3, LLC. <p>Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 24 miles west of Hobbs, New Mexico.</p>
9.	24329 [CONTESTED HEARING]	<p>Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 323.92-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W2E2 of Section 35, Township 18 South, Range 34 East; and Lot 2, SW4NW4 and W2SE4 (W2E2 equivalent) of irregular Section 2, Township 19 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Mark McKinley State Com 113H and Mark McKinley State Com 123H wells to be horizontally drilled from a surface location in the SE4 of Section 26, with first take points in the NW4NE4 (Unit B) of Section 35 and last take points in the SW4SE4 (Unit O) of Section 2. This proposed horizontal well spacing unit will overlap the following existing spacing units producing from the Bone Spring formation:</p> <ul style="list-style-type: none"> • A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 35 currently dedicated to the Butter Cup 35 State Com 1H (30-025-40634) operated by Franklin Mountain Energy 3, LLC; • A 160-acre horizontal well spacing unit comprised of N2S2 of Section 35 currently dedicated to the Butter Cup 35 State Com 2H (30-025-40642) operated by Franklin Mountain Energy 3, LLC; • A 200-acre horizontal well spacing unit comprised of S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36, currently dedicated to the Tin Cup 36 State Com 2H (30-025-40422) operated by Franklin Mountain Energy 3, LLC; and

		<ul style="list-style-type: none"> • A 163.92-acre horizontal well spacing unit comprised of Lot 2, SW4NE4 and W2SE4 (W2E2 equivalent) of irregular Section 2, currently dedicated to the King Cobra 2 State 2H (30-025-41060) operated by COG Operating LLC. <p>Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 24 miles west of Hobbs, New Mexico.</p>
10.	24330 [CONTESTED HEARING]	<p>Application of MRC Permian Company for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 323.81-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the E2E2 of Section 35, Township 18 South, Range 34 East; and Lot 1, SE4NE4 and E2SE4 (E2E2 equivalent) of irregular Section 2, Township 19 South, Range 34 East and, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this horizontal well spacing unit. Said unit will be initially dedicated to the proposed Mark McKinley State Com 114H and Mark McKinley State Com 124H wells to be horizontally drilled from a surface location in the SE4 of Section 26, with first take points in the NE4NE4 (Unit A) of Section 35 and last take points in the SE4SE4 (Unit P) of Section 2. This proposed horizontal well spacing unit will overlap the following existing spacing units producing from the Bone Spring formation:</p> <ul style="list-style-type: none"> • A 160-acre horizontal well spacing unit comprised of the S2S2 of Section 35 currently dedicated to the Butter Cup 35 State Com 1H (30-025-40634) operated by Franklin Mountain Energy 3, LLC; • A 160-acre horizontal well spacing unit comprised of N2S2 of Section 35 currently dedicated to the Butter Cup 35 State Com 2H (30-025-40642) operated by Franklin Mountain Energy 3, LLC; • A 200-acre horizontal well spacing unit comprised of S2N2 of Section 35 and the SW4NW4 (Unit E) of Section 36, currently dedicated to the Tin Cup 36 State Com 2H (30-025-40422) operated by Franklin Mountain Energy 3, LLC; and • A 163.81-acre horizontal well spacing unit comprised of Lot 1, SENE and E2SE4 (E2E2 equivalent) of irregular Section 2, currently dedicated to the King Cobra 2 State 1H (30-025-40388) operated by COG Operating LLC. <p>Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for risk involved in drilling said wells. The subject area is located approximately 24 miles west of Hobbs, New Mexico.</p>
11.	24331 [CONTESTED HEARING]	<p>Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 284.13-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W2SW4 and SW4NW4 of Section 35, Township 18 South, Range 34 East; and Lot 4, SW4NW4 and W2SW4 (W2W2 equivalent) of irregular Section 2, Township 19 South, Range 34 East and, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Mark McKinley State Com 241H well to be horizontally drilled from a surface location in the NW4 of Section 35, with a first take point in the SW4NW4 (Unit E) of Section 35 and last take points in the SW4SW4 (Unit M) of Section 2. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.</p>

12.	24332 [CONTESTED HEARING]	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 324.02-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2W2 of Section 35, Township 18 South, Range 34 East; and Lot 3, SE4NW4 and E2SW4 (E2W2 equivalent) of irregular Section 2, Township 19 South, Range 34 East and, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Mark McKinley State Com 242H well to be horizontally drilled from a surface location in the NW4 of Section 35, with a first take point in the NE4NW4 (Unit C) of Section 35 and a last take point in the SE4SW4 (Unit N) of Section 2. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.
13.	24333 [CONTESTED HEARING]	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 323.92-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the W2E2 of Section 35, Township 18 South, Range 34 East; and Lot 2, SW4NE4 and W2SE4 (W2E2 equivalent) of irregular Section 2, Township 19 South, Range 34 East and, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Mark McKinley State Com 243H well to be horizontally drilled from a surface location in the SE4 of Section 26, with a first take point in the NW4NE4 (Unit B) of Section 35 and a last take point in the SW4SE4 (Unit O) of Section 2. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.
14.	24334 [CONTESTED HEARING]	Application of MRC Permian Company for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 323.81-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of the E2E2 of Section 35, Township 18 South, Range 34 East; and Lot 1, SE4NE4 and E2SE4 (E2E2 equivalent) of irregular Section 2, Township 19 South, Range 34 East and, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Mark McKinley State Com 244H well to be horizontally drilled from a surface location in the SE4 of Section 26, with a first take point in the NE4NE4 (Unit A) of Section 35 and a last take point in the SE4SE4 (Unit P) of Section 2. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling said well. The subject area is located approximately 24 miles west of Hobbs, New Mexico.
15.	24356 [CONTESTED HEARING]	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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 704H and Gold State Com 804H wells. The Gold State Com 704H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23, and the Gold State Com 804H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23. The producing area for the wells is expected to be orthodox.

		Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The horizontal spacing unit proposed in this application will partially overlap a proposed 33.81-acre more or less Wolfcamp spacing unit comprised of the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 704 and 804H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
16.	24358 [CONTESTED HEARING]	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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 703H and Gold State Com 803H wells, to be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole locations in the NW/4NE/4 (Unit B) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 703H and Parallel State Com 803H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
17.	24359 [CONTESTED HEARING]	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 280-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 702H and Gold State Com 802H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 702H and Parallel State Com 802H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

18.	24360 [CONTESTED HEARING]	<p>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.</p> <p>Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 502H and Gold State Com 602H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 302H and Parallel State Com 502H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.</p>
19.	24348 [CONTESTED HEARING]	<p>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.</p> <p>Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 704H and Parallel State Com 804H wells, to be horizontally drilled. The Parallel State Com 704H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 704 and 804H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.</p>
20.	24350 [CONTESTED HEARING]	<p>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.</p> <p>Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 303H and Parallel State Com 503H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent</p>

		necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-0257-41060). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
21.	24351 [CONTESTED HEARING]	Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 304H and Parallel State Com 504H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-0257-40388). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
22.	24352 [CONTESTED HEARING]	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 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 702H and Parallel State Com 802H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Wolfcamp spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 702 and 802H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC

		as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
23.	24353 [CONTESTED HEARING]	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 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 701H and Parallel State Com 801H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
24.	24354 [CONTESTED HEARING]	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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 301H and Parallel State Com 501H wells, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
25.	24355	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

	<p>[CONTESTED HEARING]</p>	<p>a 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 302H and Parallel State Com 502H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin’s proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain’s Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain’s Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain’s Playa 2 State #001H (API 30-0257-40405). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.</p>
<p>26.</p>	<p>24362</p> <p>[CONTESTED HEARING]</p>	<p>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.</p> <p>Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 703H and Parallel State Com 803H wells, to be horizontally drilled and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico dedicated to Franklin’s proposed Gold State Com 703H and Gold State Com 803H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.</p>