



# FRANKLIN MOUNTAIN ENERGY

## Gold State Com

Franklin Mountain Energy  
2024-2025

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

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

**CASE NOS. 24356, 24358-24360**

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

**CASE NOS. 24314-24319**

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    - Exhibit B-18-c: Well Proposal Letter and AFEs
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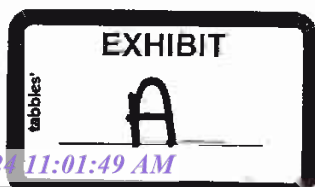
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# COMPULSORY POOLING APPLICATION CHECKLIST

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 24356</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	June 26, 2024
<b>Applicant</b>	Franklin Mountain Energy 3, LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Franklin Mountain Energy 3, LLC OGRID No. 331595
<b>Applicant's Counsel:</b>	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
<b>Case Title:</b>	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.
<b>Entries of Appearance/Intervenors:</b>	MRC Permian Company; Matador Production Company; Slash Exploration LP; Armstrong Energy Corporation; EOG Resources, Inc.
<b>Well Family</b>	Gold State Com
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Wolfcamp
<b>Pool Name and Pool Code (Only if NSP is requested):</b>	Airstrip, Wolfcamp Pool (Code 970); Airstrip, Wolfcamp, North Pool (Code 990)
<b>Well Location Setback Rules (Only if NSP is Requested):</b>	State-Wide Rules Apply
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	360-acres
<b>Building Blocks:</b>	40-acres
<b>Orientation:</b>	North/South
<b>Description: TRS/County</b>	E/2 E/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.
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?</b>	Yes.
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	N/A
<b>Proximity Tracts: If yes, description</b>	N/A
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	Exhibit B-15-b
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	Add wells as needed
<b>Well #1: Gold State Com 704H</b>	API No. 30-025-52402 SHL: 1090' FNL & 2505' FEL, (Unit B), Section 35, T18S, R34E FTP: 1220' FNL & 360' FEL, Section 35, T18S, R34E BHL: 130' FNL & 360' FEL, (Unit A) Section 23, T18S, R34E Completion Target: Wolfcamp A (Approx. 10,995' TVD) Orientation: North/South





Well #2: Gold State Con 804H	API No. 30-025-52405 SHL: 1131' FNL & 1005' FEL, (Unit A), Section 35, T18S, R34E FTP: 1220' FNL & 980' FEL, Section 35, T18S, R34E BHL: 130' FNL & 980' FEL, (Unit A) Section 23, T18S, R34E Completion Target: Wolfcamp B (Approx. 11,655' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit B-15-a
Completion Target (Formation, TVD and MD)	Exhibit B-15-c
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Paragraph 58
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B-15-b
Tract List (including lease numbers and owners)	Exhibit B-15-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B-15-d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B-15-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-15-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-14
Overhead Rates In Proposal Letter	Exhibit B-15-c
Cost Estimate to Drill and Complete	Exhibit B-15-c
Cost Estimate to Equip Well	Exhibit B-15-c
Cost Estimate for Production Facilities	Exhibit B-15-c
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Tab C
HSU Cross Section	Exhibits C-5-b; C-5-e
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
Released to Imaging: 6/21/2024 11:01:49 AM	Exhibit B-15-a

Tracts	Exhibit B-15-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-15-b
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibits C-5-a; C-5-d
Cross Section Location Map (including wells)	Exhibits C-5-b; C-5-e
Cross Section (including Landing Zone)	Exhibits C-5-b; C-5-e
<b>Additional Information</b>	
Special Provisions/Stipulations	None.
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Deana M. Bennett
<b>Date:</b>	6/19/2024

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 24358</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	June 26, 2024
<b>Applicant</b>	Franklin Mountain Energy 3, LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Franklin Mountain Energy 3, LLC OGRID No. 331595
<b>Applicant's Counsel:</b>	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
<b>Case Title:</b>	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.
<b>Entries of Appearance/Intervenors:</b>	MRC Permian Company; Matador Production Company; Slash Exploration LP; Armstrong Energy Corporation; EOG Resources, Inc.
<b>Well Family</b>	Gold State Com
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Wolfcamp
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Wolfcamp
<b>Pool Name and Pool Code (Only if NSP is requested):</b>	Airstrip, Wolfcamp Pool (Code 970); Airstrip, Wolfcamp, North Pool (Code 990)
<b>Well Location Setback Rules (Only if NSP is Requested):</b>	State-Wide Rules Apply
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	360-acres
<b>Building Blocks:</b>	40-acres
<b>Orientation:</b>	North/South
<b>Description: TRS/County</b>	W/2 E/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.
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?</b>	Yes.
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	N/A
<b>Proximity Tracts: If yes, description</b>	N/A
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	Exhibit B-16-b
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	Add wells as needed
<b>Well #1: Gold State Com 703H</b>	API No. 30-025-52401 SHL: 1089' FNL & 2535' FEL, (Unit B), Section 35, T18S, R34E FTP: 1220' FNL & 1780' FEL, Section 35, T18S, R34E BHL: 130' FNL & 1780' FEL, (Unit B) Section 23, T18S, R34E Completion Target: Wolfcamp A (Approx. 10,997' TVD) Orientation: North/South

Well #2: Gold State Con 803H	API No. 30-025-52403 SHL: 1092 FNL & 2415' FEL, (Unit B), Section 35, T18S, R34E FTP: 1220' FNL & 2155' FEL, Section 35, T18S, R34E BHL: 130' FNL & 2155' FEL, (Unit B) Section 23, T18S, R34E Completion Target: Wolfcamp B (Approx. 11,681' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit B-16-a
Completion Target (Formation, TVD and MD)	Exhibit B-16-c
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Paragraph 58
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B-16-b
Tract List (including lease numbers and owners)	Exhibit B-16-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B-16-d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B-16-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-16-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-14
Overhead Rates In Proposal Letter	Exhibit B-16-c
Cost Estimate to Drill and Complete	Exhibit B-16-c
Cost Estimate to Equip Well	Exhibit B-16-c
Cost Estimate for Production Facilities	Exhibit B-16-c
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Tab C
HSU Cross Section	Exhibits C-5-b; C-5-e
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
Released to Imaging: 6/21/2024 11:01:49 AM C-102	Exhibit B-16-a

Tracts	Exhibit B-16-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-16-b
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibits C-5-a; C-5-d
Cross Section Location Map (including wells)	Exhibits C-5-b; C-5-e
Cross Section (including Landing Zone)	Exhibits C-5-b; C-5-e
<b>Additional Information</b>	
Special Provisions/Stipulations	None.
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Deana M. Bennett
<b>Date:</b>	6/19/2024

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24359	APPLICANT'S RESPONSE
Date	June 26, 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 Extent Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company; Matador Production Company; Slash Exploration LP; Armstrong Energy Corporation; EOG Resources, Inc.
Well Family	Gold State Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	Airstrip, Wolfcamp Pool (Code 970); Airstrip, Wolfcamp, North Pool (Code 990)
Well Location Setback Rules (Only if NSP is Requested):	State-Wide Rules Apply
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	280-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	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.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
<b>Other Situations</b>	
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	Exhibit B-17-b
<b>Well(s)</b>	
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: Gold State Con 802H	API No. 30-025-52404 SHL: 1087' FNL & 1775' FWL, (Unit C), Section 35, T18S, R34E FTP: 1220' FNL & 1660' FWL, Section 35, T18S, R34E BHL: 130' FNL & 1660' FWL, (Unit B) Section 23, T18S, R34E Completion Target: Wolfcamp B (Approx. 11,713' TVD) Orientation: North/South

Horizontal Well First and Last Take Points	Exhibit B-17-a
Completion Target (Formation, TVD and MD)	Exhibit B-17-c
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Paragraph 58
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B-17-b
Tract List (including lease numbers and owners)	Exhibit B-17-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B-17-d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B-17-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-17-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-14
Overhead Rates In Proposal Letter	Exhibit B-17-c
Cost Estimate to Drill and Complete	Exhibit B-17-c
Cost Estimate to Equip Well	Exhibit B-17-c
Cost Estimate for Production Facilities	Exhibit B-17-c
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Tab C
HSU Cross Section	Exhibit C-5-e
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit B-17-a
Tracts	Exhibit B-17-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-17-b
General Location Map (including basin)	Exhibit C-1
Released to Jennings 6/21/2024 11:01:49 AM	Exhibit C-1



Structure Contour Map - Subsea Depth	Exhibit C-5-d
Cross Section Location Map (including wells)	Exhibit C-5-e
Cross Section (including Landing Zone)	Exhibit C-5-e
<b>Additional Information</b>	
Special Provisions/Stipulations	<b>None.</b>
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Deana M. Bennett
<b>Signed Name (Attorney or Party Representative):</b>	/s/ Deana M. Bennett
<b>Date:</b>	6/19/2024

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 24360</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	June 26, 2024
<b>Applicant</b>	Franklin Mountain Energy 3, LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Franklin Mountain Energy 3, LLC OGRID No. 331595
<b>Applicant's Counsel:</b>	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
<b>Case Title:</b>	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.
<b>Entries of Appearance/Intervenors:</b>	MRC Permian Company; Matador Production Company; Slash Exploration LP; Armstrong Energy Corporation; EOG Resources, Inc.
<b>Well Family</b>	Gold State Com
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Bone Spring
<b>Pool Name and Pool Code (Only if NSP is requested):</b>	Airstrip; Bone Spring Pool (Code 960)
<b>Well Location Setback Rules (Only if NSP is Requested):</b>	State-Wide Rules Apply
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	280-acres
<b>Building Blocks:</b>	40-acres
<b>Orientation:</b>	North/South
<b>Description: TRS/County</b>	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.
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?</b>	Yes.
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	N/A
<b>Proximity Tracts: If yes, description</b>	N/A
<b>Proximity Defining Well: if yes, description</b>	N/A
<b>Applicant's Ownership in Each Tract</b>	Exhibit B-18-b
<b>Well(s)</b>	
<b>Name &amp; API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)</b>	Add wells as needed
<b>Well #1: Gold State Com 502H</b>	API No. 30-025-52398 SHL: 1087' FNL & 1805' FWL, (Unit C), Section 35, T18S, R34E FTP: 1220' FNL & 2300' FWL, Section 35, T18S, R34E BHL: 2510' FSL & 2300' FWL, (Unit K) Section 23, T18S, R34E Completion Target: Second Bone Spring (Approx. 9,793' TVD) Orientation: North/South

Well #2: Gold State Con 602H	API No. 30-025-52399 SHL: 1087' FNL & 1745' FWL, (Unit C), Section 35, T18S, R34E FTP: 1220' FNL & 1660' FWL, Section 35, T18S, R34E BHL: 130' FNL & 1660' FWL, (Unit K) Section 23, T18S, R34E Completion Target: Third Bone Spring (Approx. 10,483' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit B-18-a
Completion Target (Formation, TVD and MD)	Exhibit B-18-c
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Paragraph 58
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit B-18-b
Tract List (including lease numbers and owners)	Exhibit B-18-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B-18-d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit B-18-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-18-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-14
Overhead Rates In Proposal Letter	Exhibit B-18-c
Cost Estimate to Drill and Complete	Exhibit B-18-c
Cost Estimate to Equip Well	Exhibit B-18-c
Cost Estimate for Production Facilities	Exhibit B-18-c
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Tab C-4
HSU Cross Section	Exhibits C-4-b; C-4-e
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
Released to Imaging: 6/21/2024 11:01:49 AM	Exhibit B-18-a

Tracts	Exhibit B-18-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-18-b
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibits C-4-a; C-4-d
Cross Section Location Map (including wells)	Exhibits C-4-b; C-4-e
Cross Section (including Landing Zone)	Exhibits C-4-b; C-4-e
<b>Additional Information</b>	
Special Provisions/Stipulations	<b>None.</b>
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Deana M. Bennett
<b>Date:</b>	6/19/2024

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

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

**CASE NOS. 24356, 24358-24360**

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

**CASE NOS. 24314-24319<sup>1</sup>**

STATE OF COLORADO            )  
  ) ss.  
COUNTY OF DENVER            )

Don Johnson, being duly sworn, deposes and states:

**BACKGROUND**

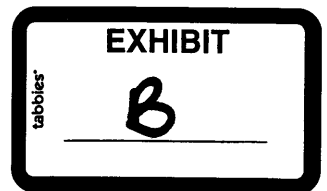
1. I am a Landman with Franklin Mountain Energy 3, LLC (“FME3”), over the age of 18, and have personal knowledge of the matters stated herein.

2. I have testified before the New Mexico Oil Conservation Division (the “Division”) and my credentials were accepted as a matter of record.

3. My work for FME3 includes the Delaware Basin and Lea County. I am involved in title, ownership, and leasing.

4. I am familiar with the applications FME3 filed in Case Nos. 24356, 24358-24360. I am also familiar with the applications filed by MRC Permian (“MRC”) in Case Numbers 24314-24319. I am familiar with the land matters involved in these cases.

<sup>1</sup> MRC Permian Company (“MRC”) has now withdrawn its objection to FME3’s Gold State Com cases and FME3 is presenting these cases as uncontested affidavit cases. MRC has not yet dismissed its competing cases in Case Nos. 24314-24319 and so FME3 is filing its exhibits in the MRC cases for completeness.



5. My testimony and exhibits addresses the information common to all cases and then addresses case specific information on a case-by-case basis.

**TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES**

6. These cases involve applications to develop Bone Spring and Wolfcamp horizontal spacing units. FME3's Gold State Com cases seek to pool uncommitted interests within the N/2N/2 of Section 35, Section 26, and portions of Section 23, Township 18 South, Range 34 East. MRC Permian Company had objected to FME3's Gold State Com cases, but has since withdrawn its objection to these cases moving forward by affidavit. FME 3 has proposed an additional 8 Gold State Com wells and has identified 8 additional Bone Spring wells for the Phase 2 Bone Spring Development.

7. FME3 is seeking orders from the Division for compulsory pooling of interest owners who have refused to voluntarily pool their interests for the proposed Bone Spring and Wolfcamp horizontal spacing units described in more detail below, and in the wells to be drilled in the horizontal spacing units. FME3 also is requesting that it be designated operator of the wells. FME3 requests, to the extent necessary, approval of overlapping spacing units.

8. FME3 has the highest working interest in the proposed units and has the highest working interest control in the proposed units. FME3's development plan will reduce surface facilities and surface impacts because FME3 will consolidate facilities with the Gold unit, which partially overlaps the Parallel units, in Section 35. FME3 is a prudent operator, with the ability to develop the surface and is planning on developing this acreage in the near term. FME3 has extensive experience in developing this area and in investing in the infrastructure required for water management and gas takeaway necessary to support the development.

9. **Exhibit B-1** is a map showing the general location and the spacing units at issue.

10. **Exhibits B-2 and B-3** provide an overview of working interest control within the Gold Development Area. It is my understanding that working interest control includes committed working interest owners, such as working interest owners that have executed a Joint Operating Agreement, or that support an operator.

11. FME3 and MRC are engaged in negotiations related to acreage within the Gold Development Area. Exhibit B-3 shows FME3's ownership before the trade and Exhibit B-4 shows FME3's interest post trade. Together, the Gold and Parallel Units cover approximately 1,730.36 acres. As the exhibit reflects, FME3 and MRC are in trade discussions. Assuming those discussions are concluded, of the 1,730.36 acre, FME3 will own approximately 1225.79 acres (56%) while MRC will own only 504.57 acres (23%).

12. Attached as **Exhibit B-4** is a map demonstrating that the Gold Units are part of FME3's comprehensive development plan for the area. The Gold Development Area, which is the subject of these cases, is outlined in red. As this exhibit shows, FME3's Gold wells in these cases are part of a comprehensive, holistic development in this area, which is efficient, thoughtful and reduces overall footprint, and reduces surface disturbance, while increasing efficiencies and decreasing costs. FME3 has orders for the W/2W/2 Gold wells and has drilled those wells. FME3 has approved orders for the Satellite Wolfcamp Units, and approved orders for the Cross Units. FME3 currently has 2 rigs active in the Satellite Unit.

13. **Exhibit B-5** shows the area of overlap between the Gold units and the Parallel units, in the N/2N/2 of Section 35. FME3's overlapping development plans are intentionally designed to maximize the efficient production of hydrocarbons, prevent waste, and protect correlative rights. The plan will allow oil and gas reserves located in the N/2N/2 of Section 35 to be developed, which would otherwise be unrecoverable due to drilling constraints and set-back requirements.



Additionally, co-developing the Gold and Parallel units will allow for consolidated well pads, facilities, and infrastructure, significantly minimizing surface disturbances and impacts to rangeland and habitat. FME3 has analyzed this concept internally, from both the drilling engineer perspective, reservoir engineer perspective, and economic perspective, and FME3's team has concluded that this layout will not result in waste or negatively impact correlative rights.

14. This exhibit also outlines the benefits of the overlapping drill pads and facilities approach, because it allows FME3 to integrate full development, which will reduce surface disturbance. Under FME3's development plan, the Gold development will share drill pads with the Parallel development. Under FME3's development plan, FME3 will be able to have a single CTB, which means less overall equipment and a reduction in overall surface footprint.

15. **Exhibit B-6** demonstrates that FME3's Gold/Parallel co-development plan will allow FME3 to decommission and reclaim one tank battery and consolidate production into a newer CTB and it will allow FME3 to have a single CTB, which has the benefit of creating a single point for third-party takeaway infrastructure.

16. FME3 understands the take-away constraints in this area and is taking steps to proactively address them.

17. **Exhibit B-7** provides an overview of the operational and logistical constraints in this area, as well as an overview of FME3's plans to address those constraints. **Exhibits B-8 to 11** provide greater detail on the constraints and FME3's proactive approach to resolve them.

18. **Exhibit B-8** discusses water takeaway constraints and steps FME3 is taking to address those constraints, including investing \$17.2 million of capital. FME3 is investing to expand the pipeline system to increase capacity, including 20 miles of pipeline infrastructure. FME3 is targeting in service Q2/Q3 2024.

19. **Exhibit B-9** discusses gas takeaway constraints and FME3's approach to address them. FME3 is investing \$19.8 million to address the gas takeaway constraints. FME3 is investing in gathering to gather gas to a single point, which has several benefits. It increases the appeal for third-party midstream operators and allows multiple third parties to connect, increasing flow assurance to prevent waste. FME3 is proposing to construct approximately 16 miles of pipeline infrastructure. FME3 already has or is securing the rights-of-way in place for those pipelines. Target in service is Q2/Q3 2024. FME3 also signed an acreage dedication with Northwind to facilitate Northwind's buildout to reach FME3's operated acreage.

20. **Exhibit B-10** demonstrates FME3's reliable oil pipeline solution. FME3 signed an acreage dedication with Plains to ensure oil pipeline takeaway would be in place day one for FME3's new development projects, including Parallel.

21. **Exhibit B-11** outlines FME3's recent activity in this area. FME3 has been active in the area and is committed to developing its acreage in this area. FME3 has turned on production 18 wells between October 2023 and June 2024.

22. FME3 has been diligently working to develop this area. **Exhibit B-12** identifies the timeline and future target dates.

23. Exhibit B-12 also identifies support FME3 has received for its development from Otter Creek, LLC which has signed an election to participate

24. **Exhibit B-13** provides further detail on FME3's overlapping development plans and how those plans maximize production. Included in Exhibit B-13 is a depiction based on FME3's Gold State Com 801H well, which is based on the as-drilled survey of that well, with the planned Parallel State Com 801H well. This depiction demonstrates the overlap as well as the relationship between the Gold State Com 801H first take point and the projected Parallel State

Com 801H first take point. The as drilled C-102 for the Gold State Com 801H well is attached as Exhibit B-13-a.

25. Prior to filing its applications, FME3 made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells. To locate interest owners, FME3 conducted a diligent search of the public records in the county where the wells will be located and conducted phone directory and computer searches to locate contact information for parties entitled to notification. I mailed all working interest owners well proposals and an Authorization for Expenditure, and a form of Operating Agreement upon request.

26. FME3 sent its well proposal letters to the working interest owners and unleased mineral interest owners in July 2023.

27. **Exhibit B-14** is a summary of FME3's communications with working interest owners and unleased mineral interest owners, including MRC.

28. FME3 negotiated with the uncommitted interest owners in good faith.

29. I now provide specific testimony and exhibits for each of the Gold cases.

**CASE NO. 24356 SPECIFIC TESTIMONY AND EXHIBITS**

30. Below is a brief description of the facts and exhibits for Case No. 24356.

31. In this case, FME3 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** to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24356 is attached as **Exhibit B-15**.

32. Attached as **Exhibit B-15-a** are the C-102s for the wells proposed in Case No. 24356. The wells will develop the Airstrip, Wolfcamp Pool (Pool Code 970) and the Airstrip, Wolfcamp, North Pool (Pool Code 990).<sup>2</sup> The producing area for the wells will be orthodox.

33. Attached as **Exhibit B-15-b** is a lease tract map for Case No. 24356. This map shows the ownership breakdown.

34. Attached as **Exhibit B-15-c** is an example proposal letter and the Authorizations for Expenditure (“AFEs”) for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

35. There are no depth severances within the proposed spacing unit.

36. **Exhibit B-15-d** is a list of the parties to be pooled in Case 24356.

#### **CASE NO. 24358 SPECIFIC TESTIMONY AND EXHIBITS**

37. Below is a brief description of the facts and exhibits for Case No. 24358.

38. In this case, FME3 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. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24358 is attached as **Exhibit B-16**.

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<sup>2</sup> For each well that has two pools, FME3 has provided three total C-102s—an overview C-102 that shows the entire unit and a C-102 for each pool.

39. Attached as **Exhibit B-16-a** are the C-102s for the wells proposed in Case No. 24358. The wells will develop the The wells will develop the Airstrip, Wolfcamp Pool (Pool Code 970) and the Airstrip, Wolfcamp, North Pool (Pool Code 990). The producing area for the wells will be orthodox.

40. Attached as **Exhibit B-16-b** is a lease tract map for Case No. 24358. This map shows the ownership breakdown.

41. Attached as **Exhibit B-16-c** is an example proposal letter and the Authorizations for Expenditure (“AFEs”) for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

42. There are no depth severances within the proposed spacing unit.

43. **Exhibit B-16-d** is a list of the parties to be pooled in Case 24358.

#### **CASE NO. 24359 SPECIFIC TESTIMONY AND EXHIBITS**

44. Below is a brief description of the facts and exhibits for Case No. 24359.

45. In this case, FME3 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 802H well**, to be horizontally drilled. FME3 requests to remove the proposed **Gold State Com 702H well** from this application. The producing area for the well is

expected to be orthodox. A copy of the application for Case No. 24359 is attached as **Exhibit B-17**.

46. Attached as **Exhibit B-17-a** is the C-102 for the well proposed in Case No. 24359. The well will develop the Airstrip, Wolfcamp Pool (Pool Code 970) and the Airstrip, Wolfcamp, North Pool (Pool Code 990). The producing area for the well will be orthodox.

47. Attached as **Exhibit B-17-b** is a lease tract map for Case No. 24359. This map shows the ownership breakdown.

48. Attached as **Exhibit B-17-c** is an example proposal letter and the Authorization for Expenditure (“AFE”) for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFE are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

49. There are no depth severances within the proposed spacing unit.

50. **Exhibit B-17-d** is a list of the parties to be pooled in Case 24359.

#### **CASE NO. 24360 SPECIFIC TESTIMONY AND EXHIBITS**

51. Below is a brief description of the facts and exhibits for Case No. 24360.

52. In this case, FME3 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. The

producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24360 is attached as **Exhibit B-18**.

53. Attached as **Exhibit B-18-a** are the C-102s for the wells proposed in Case No. 24360. The wells will develop the Airstrip; Bone Spring Pool (Pool Code 960). The producing area for the wells will be orthodox.

54. Attached as **Exhibit B-18-b** is a lease tract map for Case No. 24360. This map shows the ownership breakdown.

55. Attached as **Exhibit B-18-c** is an example proposal letter and the Authorizations for Expenditure (“AFEs”) for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

56. There are no depth severances within the proposed spacing unit.

57. **Exhibit B-18-d** is a list of the parties to be pooled in Case 24360.

#### **ADDITIONAL TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES**

58. FME3 requests overhead and administrative rates of \$9,000/month during drilling and \$900/month while producing. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico and consistent with the rates awarded by the Division in recent compulsory pooling orders. FME3 requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

59. FME3 requests the maximum cost plus 200% risk charge be assessed against non-consenting pooled working interest owners.



60. FME3 requests that it be designated operator of the wells.

61. FME3 requests that overriding royalty interest owners be pooled.

62. I provided Modrall with the names and addresses of uncommitted interest owners and overriding royalty interests owners of record in the Parallel units.

63. To the extent necessary, FME3 requests approval of overlapping spacing units.

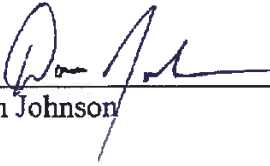
64. FME3 filed amended applications to provide additional information about overlapping spacing units. I searched publicly available information to identify any additional operators or working interest owners in any of the spacing units the Gold applications will overlap and provided that information to Modrall. To my knowledge, no operators or working interest owners in the existing wells have objected to FME3's applications.

65. Based upon my knowledge of the land matters involved in these cases, education and training, it is my expert opinion that FME3's development plan will protect correlative rights and prevent waste.

66. The attachments to my Affidavit were prepared by me or compiled from company business records.

*[Signature page follows]*

Dated: June 18, 2024

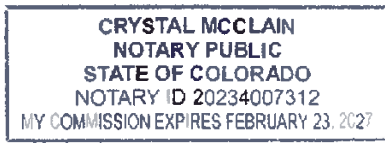
  
\_\_\_\_\_  
Don Johnson


State of Colorado

County of Denver

This record was acknowledged before me on June 18, 2024, by Don Johnson.

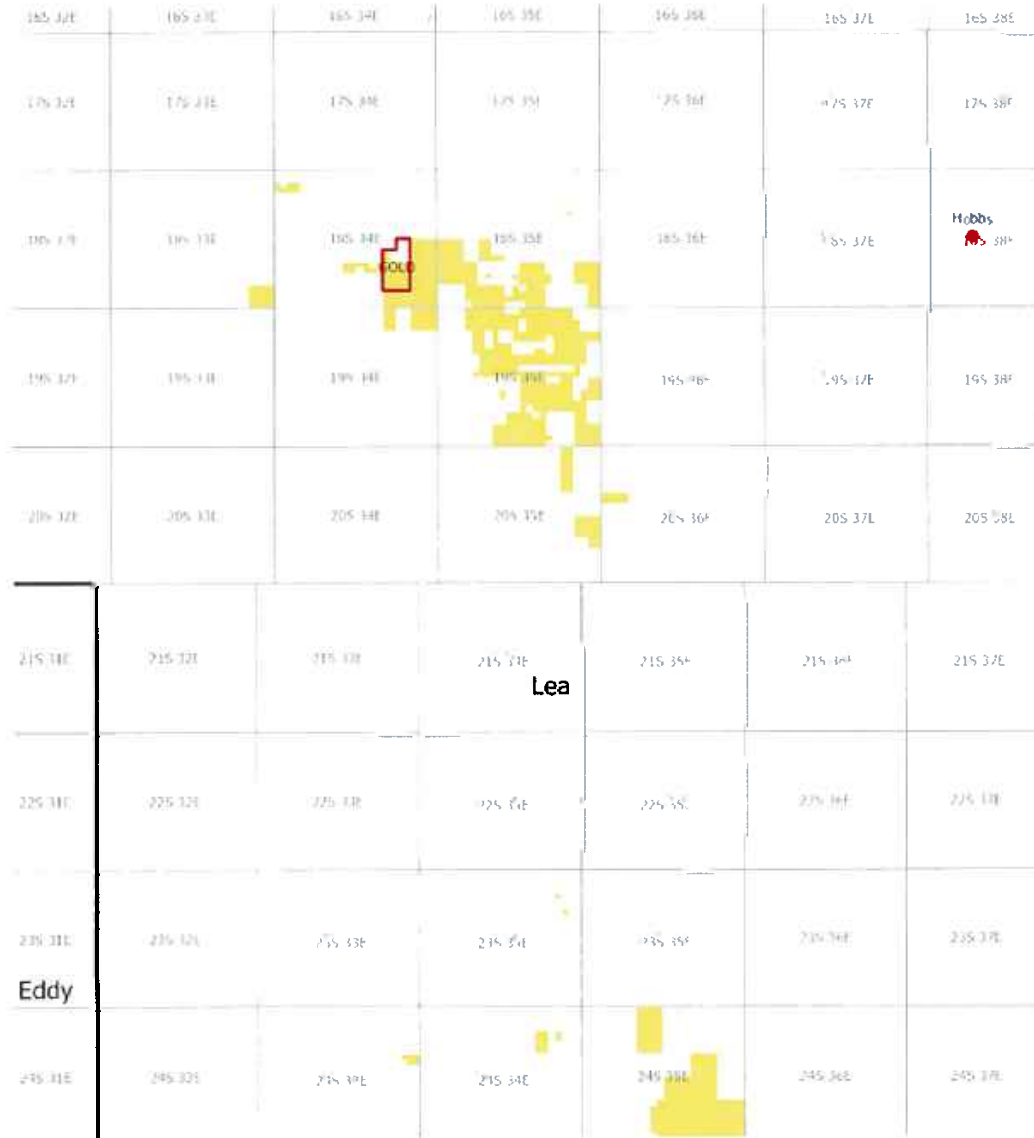
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Notary Public in and for the  
State of Colorado  
Commission Number: 20234007312

My Commission Expires: 2/23/27

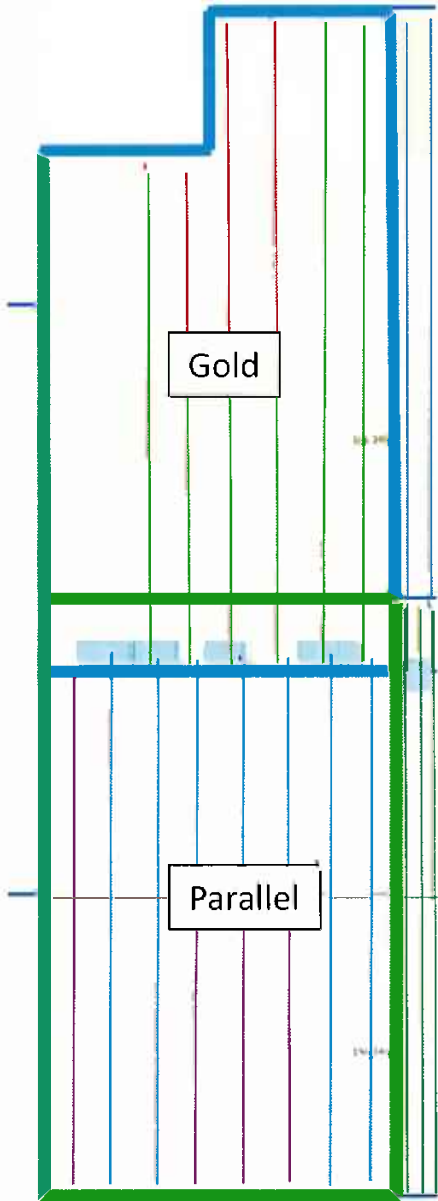
# Location Map – Lea County, NM



 Gold Development Area  
T18S-R34E  
 Section 23: SW, E2  
 Section 26: ALL  
 Section 35: N2N2  
 Containing 1,294.48



# Ownership Comparison in Gold and Parallel Units Pre-Trade



## Pre-Trade Ownership in Gold and Parallel Unit

	Parallel	Gold	Net Acres	% of Units
Franklin Mountain Energy 3, LLC	809.43	194.36	1003.79	46%
MRC Permian Company	282.57	444	726.57	33%

## Pre-Trade Ownership in Gold Unit

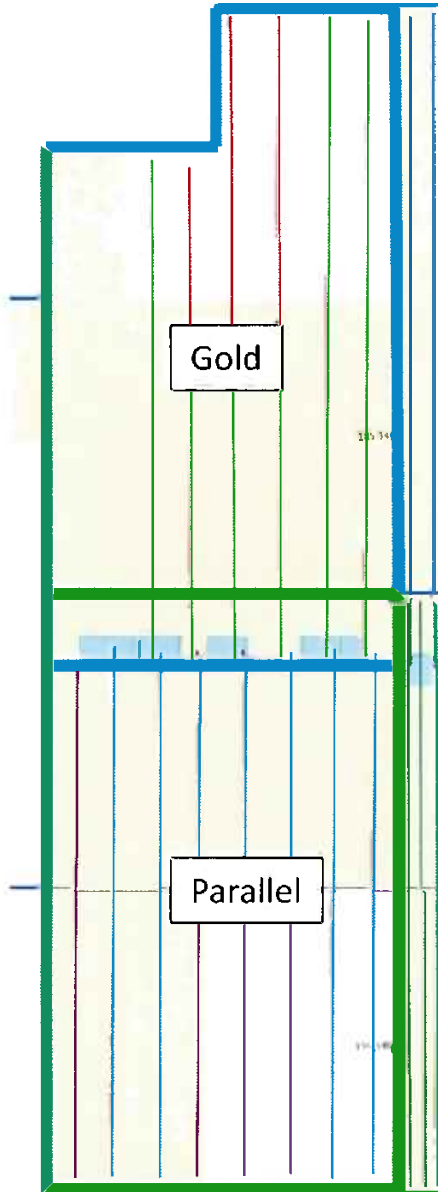
	% of Gold Unit
Franklin Mountain Energy 3, LLC	15.01%
MRC Permian Company	34.30%

## Pre-Trade Ownership in Parallel Unit

	% of Parallel Unit
Franklin Mountain Energy 3, LLC	62.46%
MRC Permian Company	21.81%



# Ownership Comparison in Gold and Parallel Units Post-Trade



## Post-Trade Ownership in Gold and Parallel Unit\*

	Parallel	Gold	Net Acres	% of Units
Franklin Mountain Energy 3, LLC	809.43 Acres	416.36 Acres	1225.79 Acres	56%
MRC Permian Company	282.57 Acres	222 Acres	504.57 Acres	23%

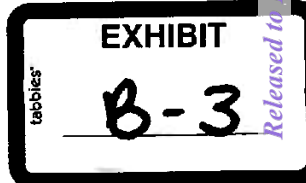
## Post-Trade Ownership in Gold Unit

	% of Gold Unit
Franklin Mountain Energy 3, LLC	32.53%
MRC Permian Company	17.34%

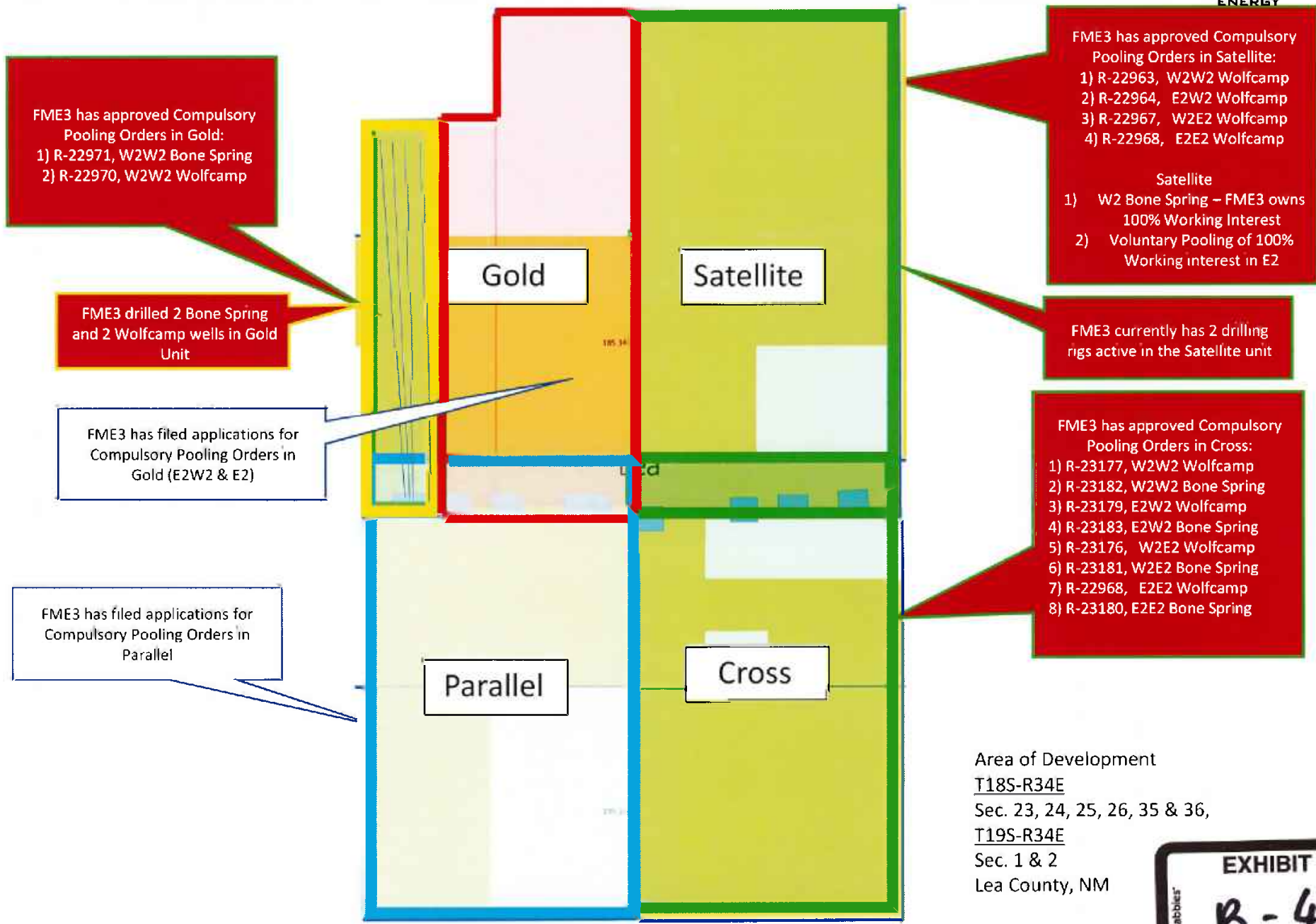
## Post-Trade Ownership in Parallel Unit

	% of Parallel Unit
Franklin Mountain Energy 3, LLC	62.46%
MRC Permian Company	21.81%

\*Ownership interests based on agreed upon trade between FME3 and MRC, negotiating trade documents



# FME3's Development Plans in and around Gold Development Area



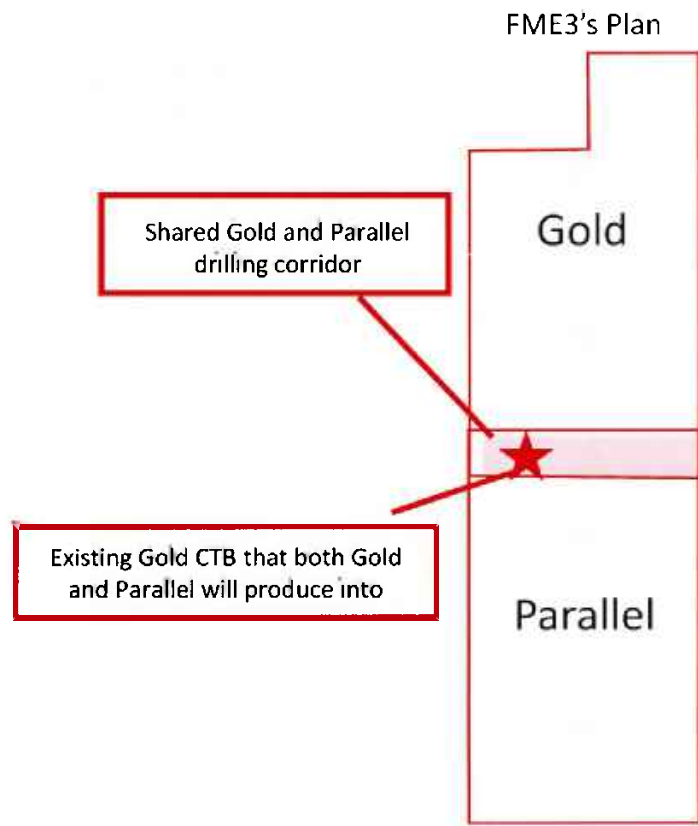
Area of Development  
 T18S-R34E  
 Sec. 23, 24, 25, 26, 35 & 36,  
 T19S-R34E  
 Sec. 1 & 2  
 Lea County, NM





## FME3's Development Plan Minimizes Surface Disturbances

- FME3's plan reduces waste as the Gold development will fully leverage the existing Gold CTB
- FME3's plan reduces waste as the Gold development will share drill pads with the Parallel development
  - Gold and Parallel wells are drilled from the same pads

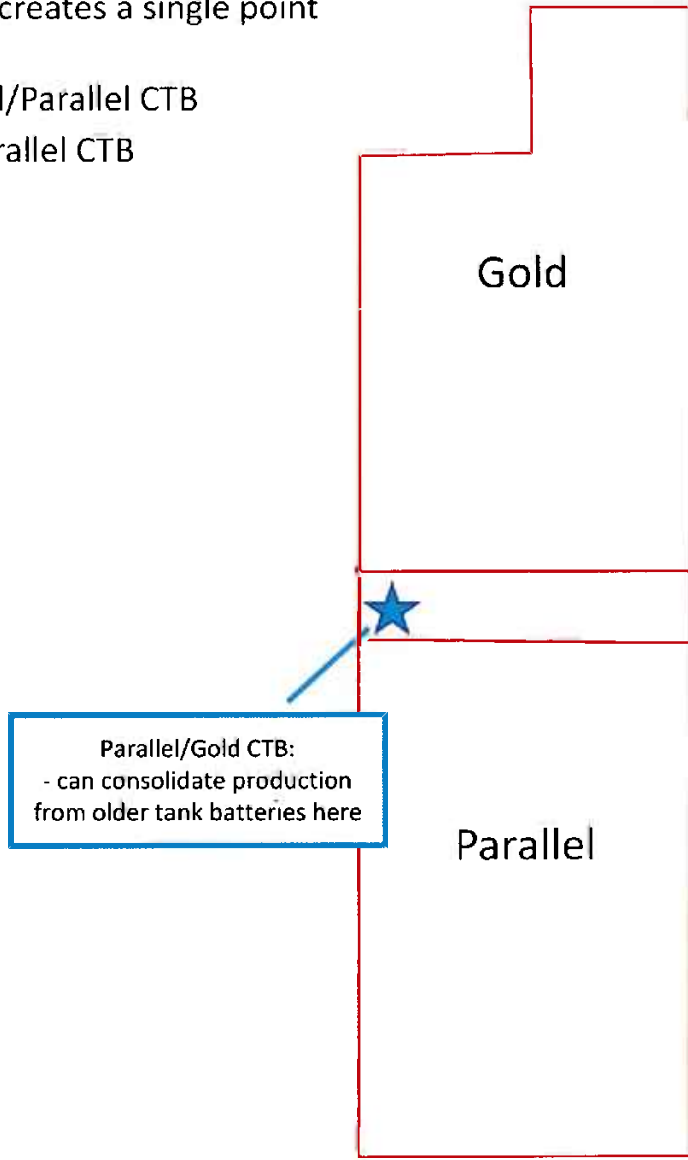




# FME3's Development Plan Helps Third Parties Prevent Waste



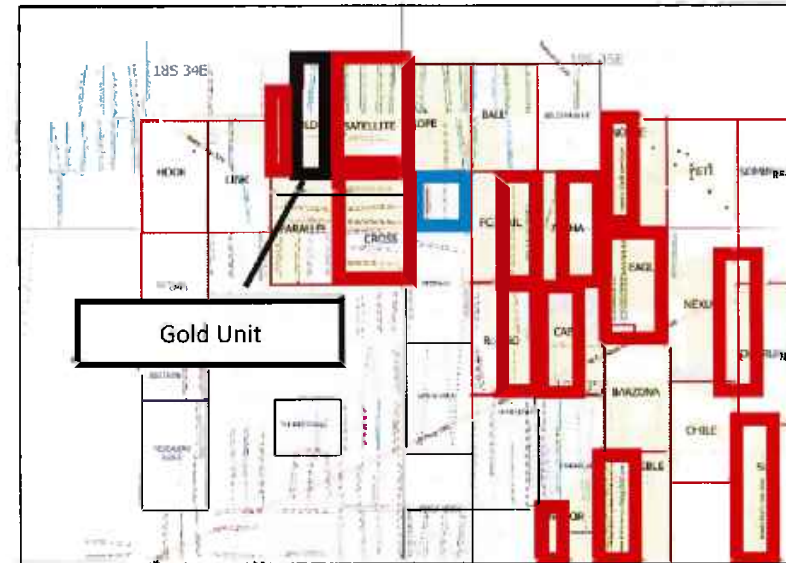
- Consolidation of Parallel production into the Gold CTB creates a single point for 3<sup>rd</sup> Party connections
  - Plains (oil takeaway) is already connected to the Gold/Parallel CTB
  - Water takeaway is already connected to the Gold/Parallel CTB



# FME3 Is Addressing Gas and Water Takeaway Constraints



- FME3 is investing significant capital into gas and water infrastructure to ensure pipeline solutions are in place
  - 2024 approved budget of \$37mm
  - FME3’s consolidated position supports FME3’s significant investment in infrastructure
  
- Existing infrastructure is not sized to support an 8-well horizontal project and additional 8-wells in phase 2
  - Investments in pipelines are necessary
  
- 3<sup>rd</sup> party gas and water midstream companies are reluctant to spend the necessary capital
  - Operators need to be willing to help with the solution to foster development and prevent waste



= Matador Operated Project

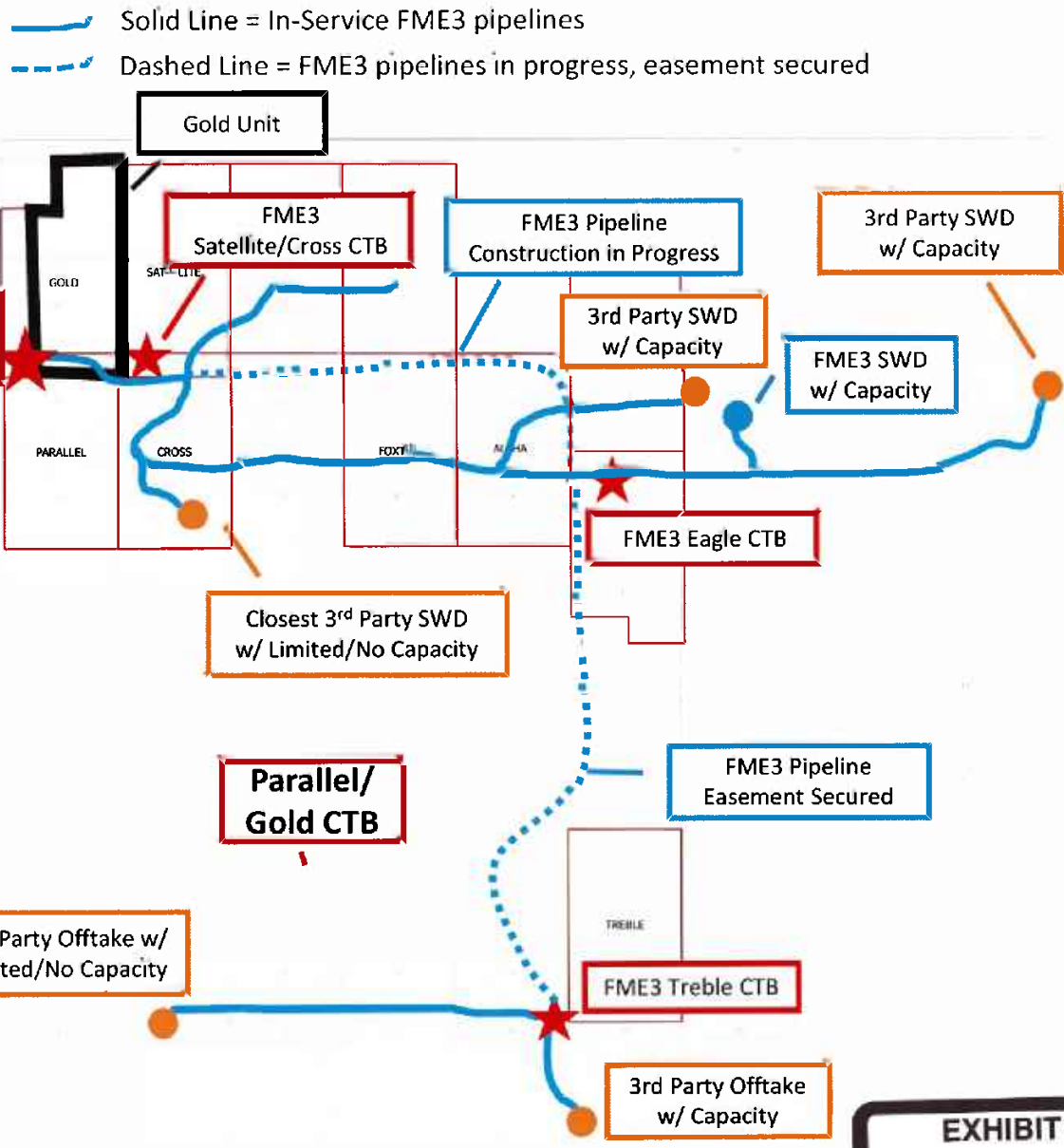
= FME3 Operated Projects





# FME3 Is Investing \$17.2mm of Capital to Solve Water Takeaway Constraints

- Adequate water takeaway does not exist to support an 8-well horizontal project and additional 8-wells in phase 2
  - Closest 3<sup>rd</sup> Party SWD to project has limited to no capacity
  - FME3's recent projects at Eagle, Treble and Gold have pushed 3<sup>rd</sup> party capacities
- FME3 has existing company owned capacity and is investing to expand capacity
  - 2024 approved budget of \$17.2mm
  - ~20 miles of pipeline infrastructure
  - Target in service Q3 2024
  - Gold/Parallel CTB is already tied into the water system, ongoing investment is required to increase takeaway
- FME3 disposal access will include:
  - FME3 owned SWD
  - Firm takeaway contracts
  - Interruptible takeaway contracts

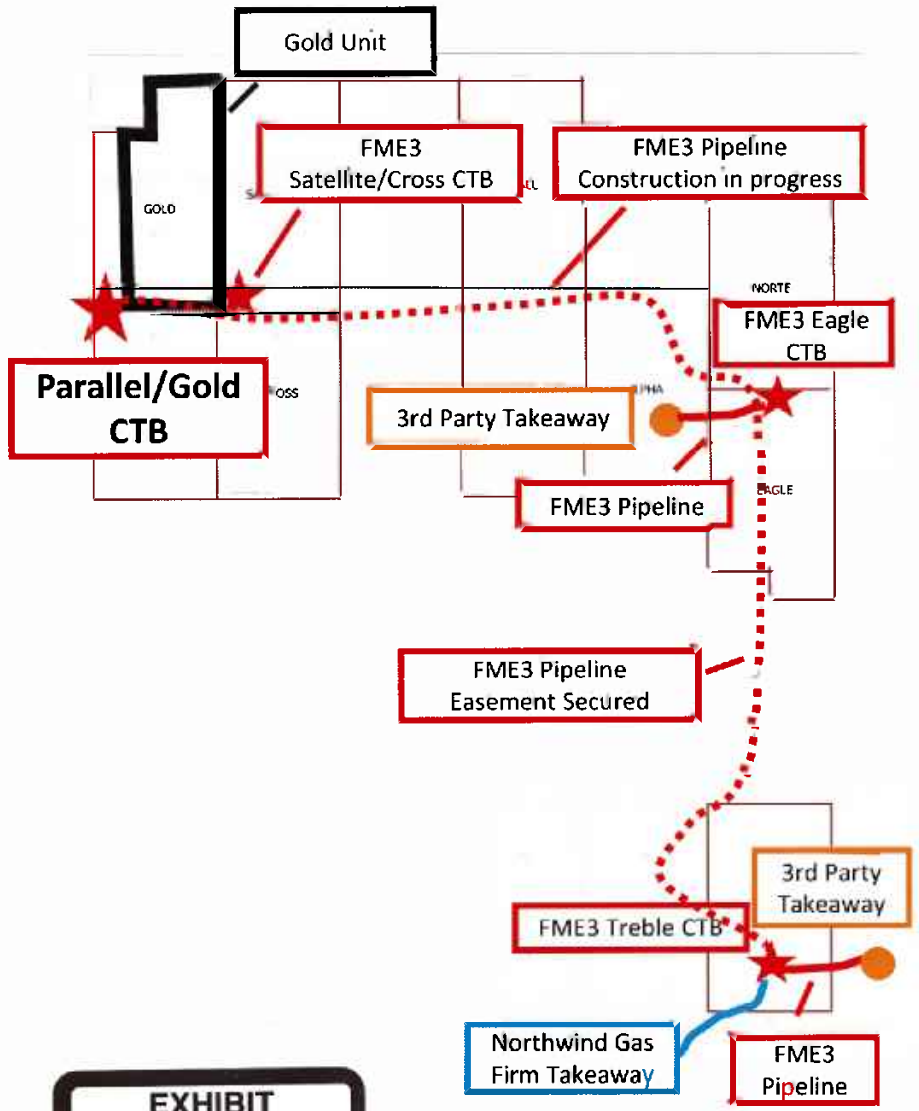




# FME3 Is Investing \$19.8mm of Capital to Solve Gas Takeaway Constraints

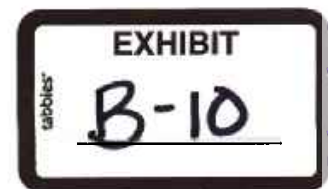
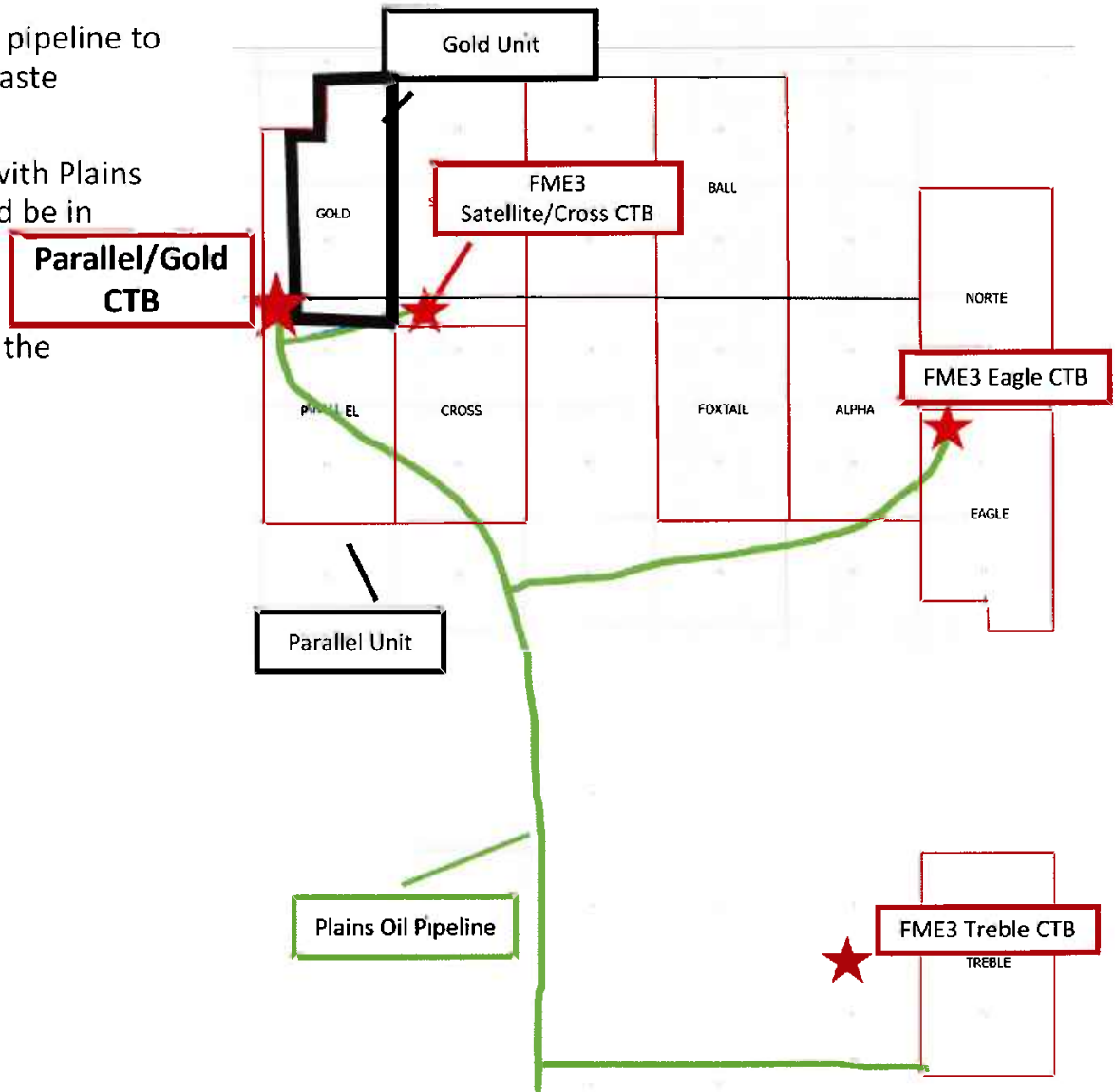
- Adequate gas takeaway does not exist to support an 8-well horizontal project and additional 8-wells in phase 2
  - FME3’s recent projects at Eagle, Treble and Gold have maxed out 3<sup>rd</sup> party capacities
  - Existing capacity is for sweet gas (no hydrogen sulfide, h2s)
    - Shallower 1BS/2BS zones expected to have h2s
- FME3 is investing in gathering gas to a single point
  - Increases appeal for 3<sup>rd</sup> party midstream companies
  - Allows multiple 3<sup>rd</sup> parties to connect, increasing flow assurance to prevent waste
  - 2024 approved budget of \$19.8mm
    - ~16 miles of pipeline infrastructure
    - Target in service Q2/Q3 2024
    - Initial investments into treating for sweet offloads
- 3<sup>rd</sup> Party Investment is required – Northwind is a new build
  - FME3 is anchor customer for this area
  - Northwind’s initial build stopped ~8 miles to South
  - FME3 signed an acreage dedication to facilitate build
  - Northwind will gather h2s gas
- FME3 gas takeaway will include:
  - Firm Northwind offload with 100% capacity for FME3 forecasted volumes
  - Interruptible offloads
  - Potential for other options for flow assurance

— Solid Line = In-Service FME3 pipelines  
 - - - Dashed Line = FME3 pipelines in progress, easement secured



# FME3 Has a Reliable Oil Pipeline Solution in Place

- FME3 strives to get all production on pipeline to reduce truck traffic and associated waste
- FME3 signed an acreage dedication with Plains to ensure oil pipeline takeaway would be in place day 1 for new developments
- Plains oil pipeline is already tied into the Gold/Parallel CTB





# FME3 Is All Systems Go



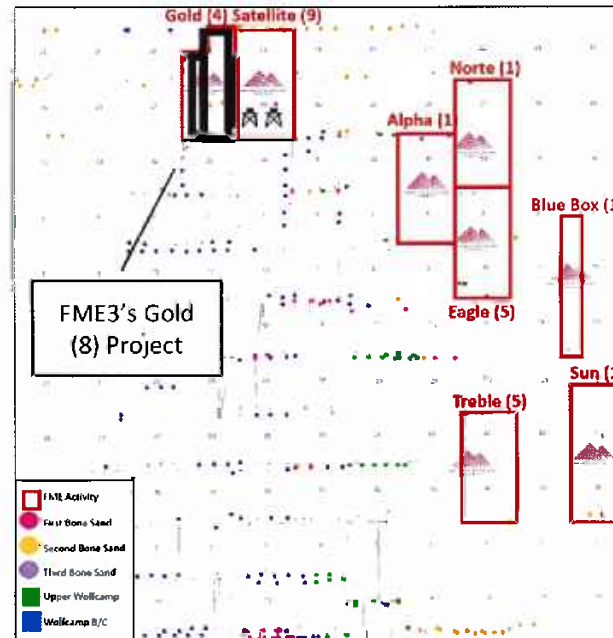
- FME3 is very active in the 6-mile radius of Gold Development area
  - **FME3 has turned on production 18 wells between October 2023 and June 2024**
  - FME3 has 2 drilling rigs on the Satellite (9) well project as of June 2024
- In 18 months, FME3 was able to obtain 130 permits.



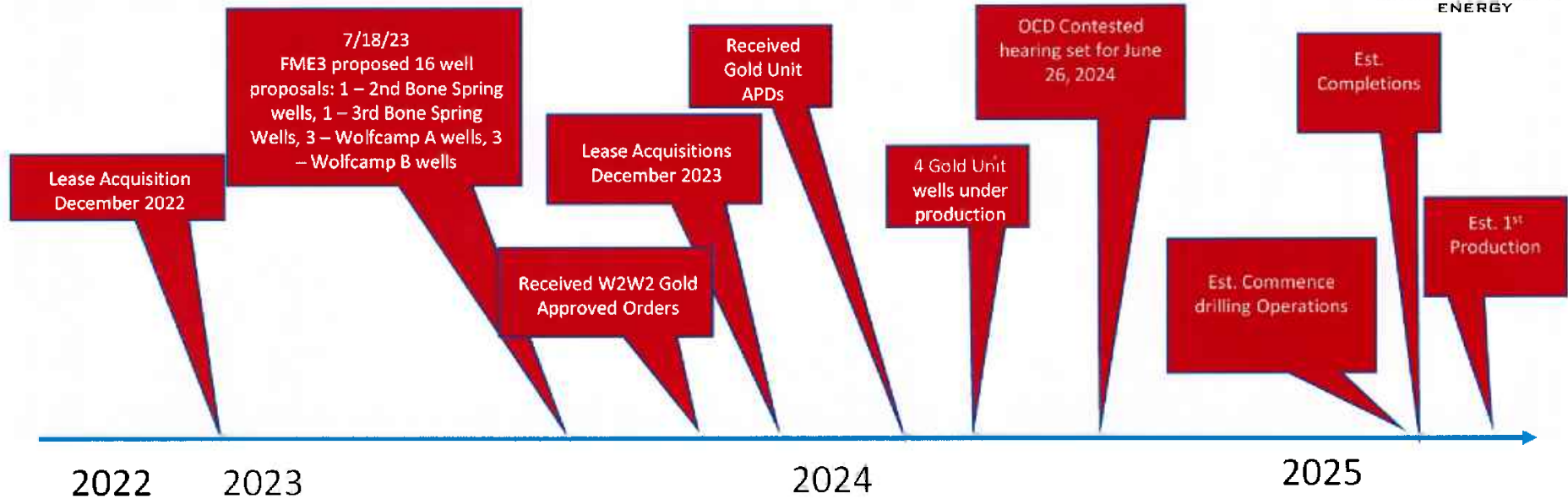
## Operator Active Permits

### 6-mile Radius

<b>FME3</b>	<b>130</b>
Avant	29
Mewbourne	28
Lario	17
Earthstone	16
Cimarex	11
XTO	8
Pride	7
Marshall & Winston	5
3R Operating	4
<b>Matador</b>	<b>0</b>



# FME3's Timeline of Gold Development



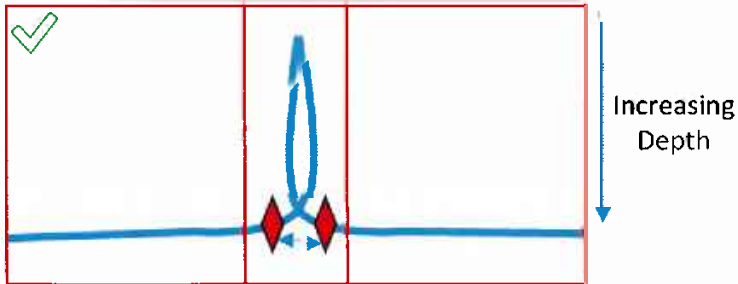
- FME3's timeline from lease acquisitions, to initiated development plans, to commencing drilling operations, to 1<sup>st</sup> production in the Gold State Unit is estimated at ~26 months
- December 2022: Closes on its initial transactions in Northern Lea County, establishing its position in the Gold Development Area
- July 2023: FME3 sends out 8 well proposals
- November 2023: FME3 Receives approved orders R-22970 and R-22971
- December 2023: FME3 closes an additional lease acquisition in Gold
- December 2023: FME3 and MRC Trade talks, on-going
- January-February 2024: FME3 received approved Gold unit APDs
- February-March 2024: FME3 starts producing 4 wells in the Gold Unit
- April 2024: FME3 and MRC have verbally agreed to a trade, negotiating trade documents, whereby MRC supports FME3 as operator
- 2025: FME3 estimates to commence drilling operations
- FME3 received support from 3<sup>rd</sup> Parties:
  - Received Elections to Participate from Otter Creek, LLC



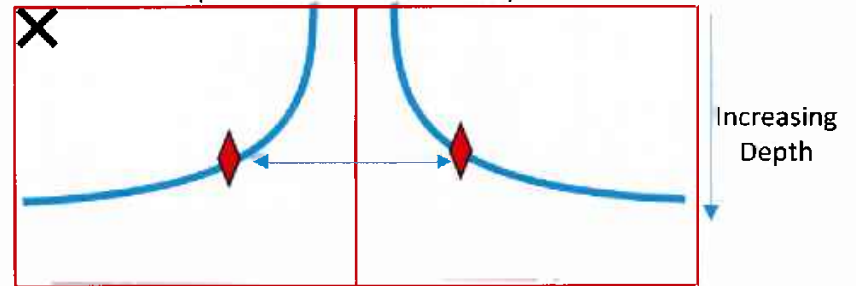


# Overlapping Spacing Units Maximize Producing Reservoir

### Overlapping Spacing Unit – Heel to Heel (Cross Sectional View)

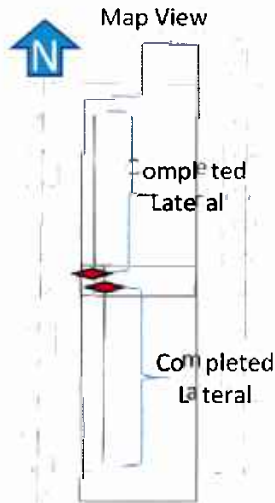


### Standard Spacing Unit – Heel to Heel (Cross Sectional View)

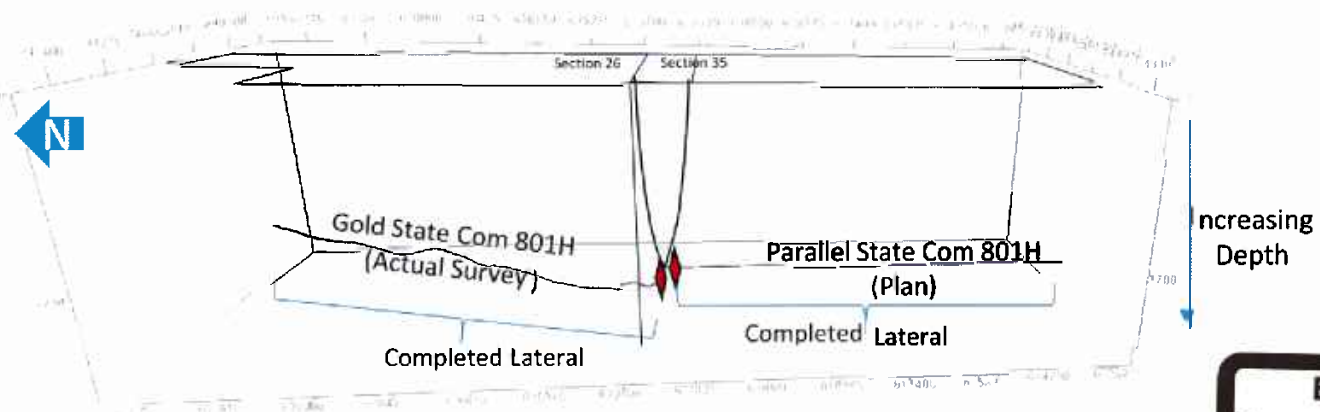


Spacing Unit    First Take Point    Wellbore

- Overlapping spacing units maximize hydraulically stimulated reservoir and adds additional resource captured.
- Increased revenues = Increased royalties payable to royalty owners including the State Land Office
  - No additional capex required to access the additional reserves
    - Increased well economics
    - Reduces economic waste



### Overlapping Spacing-Actual Cross Section Example (Gold/Satellite)





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State of New Mexico
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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
[X] AMENDED REPORT
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 4 columns: API Number, Pool Code, Pool Name, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Table with 9 columns: LL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Table with 9 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County. Includes fields for Dedicated Acres, Joint or Infill, Consolidation Code, 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.

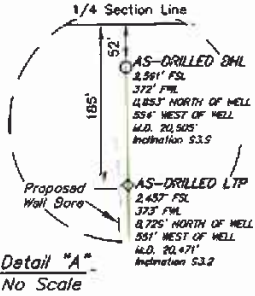
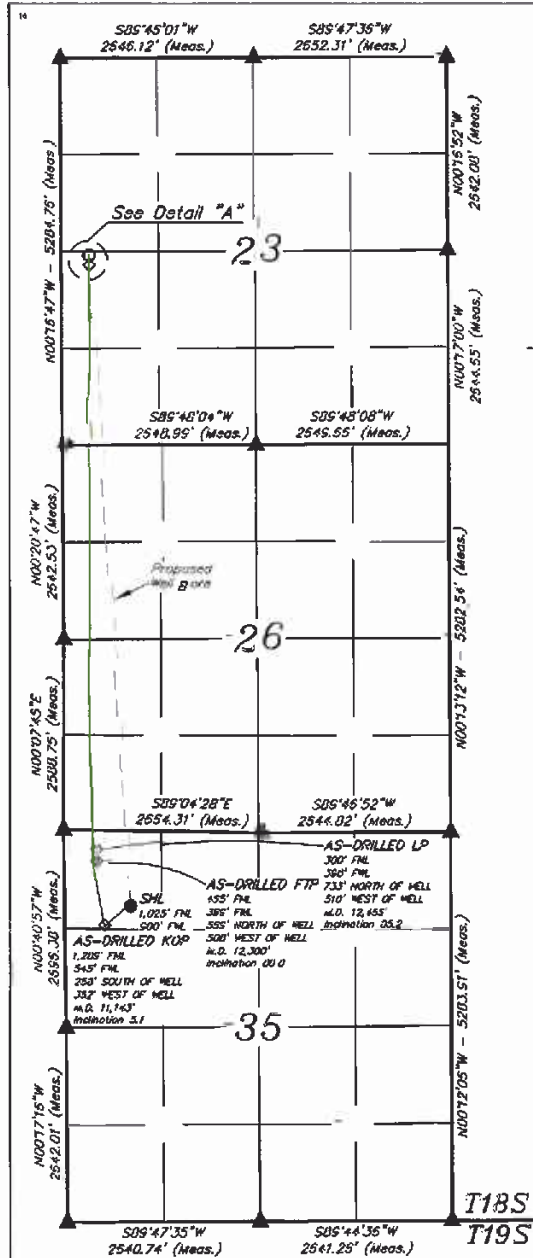
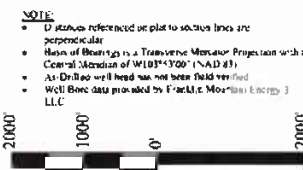


Table with 2 columns: SECTION, DISTANCE. Rows for SECTION 35, SECTION 26, SECTION 23, TOTAL.



OPERATOR CERTIFICATION form with signature of Rachael Overbey, dated 2/15/2024.

SURVEYOR CERTIFICATION form with signature of Paul Buchele, dated April 27, 2023.

SCALE
DRAWN BY: C.S.C. 02-07-24

Table of coordinates for various well locations, including NAD 83 and NAD 27 coordinates for SHL, LTP, and BHL points.

- = SURFACE HOLE LOCATION
◇ = AS-DRILLED KICK OFF POINT/TAKE POINT
○ = AS-DRILLED BOTTOM HOLE LOCATION
△ = SECTION CORNER LOCATED
— = AS-DRILLED WELLBORE
= DRILLING SPACING UNIT





## Summary of Communication

Date	Owner	Exchange
	MRC Permian Company	Currently in negotiations
7/21/2023	EG3 Development, LLC	Received email on 7/21/2023, sent JOA 8/18/2023
7/21/2023	Allar Development, LLC	Received email on 7/21/2023, sent JOA 8/18/2023
5/24/2023	Marathon Oil Permian, LLC	Gold Unit emails started on 5/24/2023-8/24/2023, MRO and FME reached a deal
8/4/2023	TH McElvain Oil & Gas, LLLP	Received email requesting info 8/4/2023, replied 8/7/23, Interest sold to Franklin Mountain Energy 3, LLC
7/25/2023	COG Operating, LLC	Received email requesting Info 7/25/2023
7/25/2023	Concho Oil & Gas, LLC	Received email requesting Info 7/25/2023
9/25/2023	Slash Exploration LP	Received email on 9.25.2023 requesting WI information
8/4/2023	Otter Creek, LLC	Received Elections to Participate 8/4/2023



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 OVERLAPPING SPACING UNIT,  
LEA COUNTY, NEW MEXICO

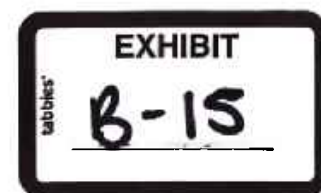
CASE NO. 24356

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the 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 to form a standard 360-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Gold State Com 704H and Gold State Com 804H wells** to a depth sufficient to test the Wolfcamp formation and the producing area for the wells is expected to be orthodox. The Gold State Com 704H well will be horizontally drilled from a

<sup>1</sup> This application amends the application in Case 23841.



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.

4. Franklin filed Case No. 23841 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would “partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E.” Application Case No. 23841, ¶ 4.

5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 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 (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.

6. 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.

7. 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.

8. Case No. 23841 is currently set for contested hearing on April 9, 2024.

9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2E/2 of 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;

B. Approving, to the extent necessary, the proposed overlapping spacing unit;

C. Designating Franklin as operator of this unit and the wells to be drilled thereon;

D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)  
*Attorneys for Applicant*

**CASE NO. 24356** : 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.



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Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-52402		2 Pool Code 990 & 970		3 Pool Name [990] AIRSTRIP; WOLFCAMP, NORTH [970] AIRSTRIP; WOLFCAMP	
4 Property Code 334169		5 Property Name GOLD STATE COM		6 Well Number 704H	
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		9 Elevation 3982.2'	

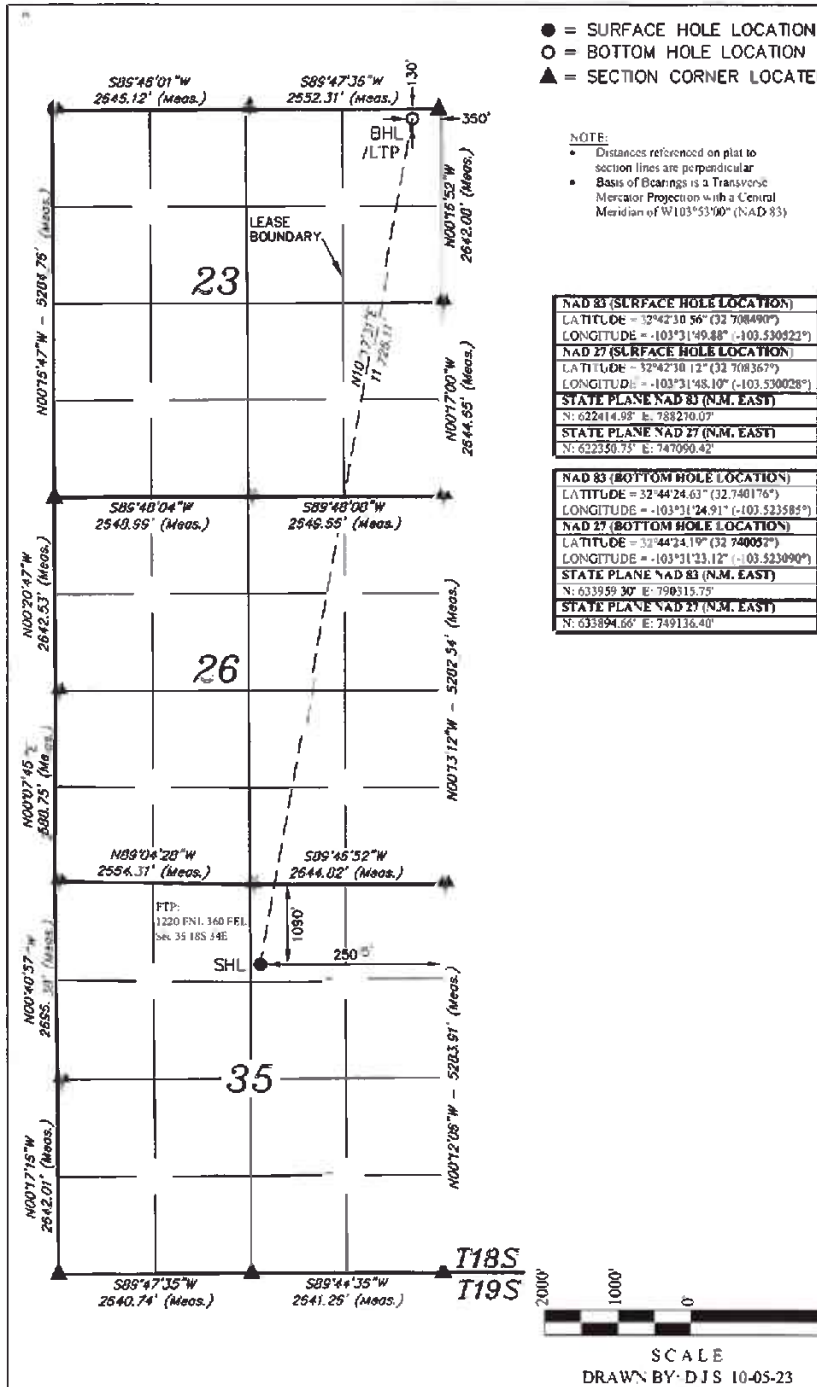
10 Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1090	NORTH	2505	EAST	LEA

11 Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	18S	34E		130	NORTH	360	EAST	LEA
12 Dedicated Acres 360		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



**16 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Rachael Overbey* Date: 10/10/2023

Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmlc.com

<b>NAD 83 (SURFACE HOLE LOCATION)</b>	
LATITUDE = 32°42'30.56" (32.708490°)	
LONGITUDE = -103°31'49.88" (-103.530922°)	
<b>NAD 27 (SURFACE HOLE LOCATION)</b>	
LATITUDE = 32°42'30.12" (32.708367°)	
LONGITUDE = -103°31'48.10" (-103.530028°)	
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	
N: 622414.98° E: 788270.07°	
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	
N: 622350.75° E: 747090.42°	
<b>NAD 83 (BOTTOM HOLE LOCATION)</b>	
LATITUDE = 32°44'24.63" (32.740176°)	
LONGITUDE = -103°31'24.91" (-103.523584°)	
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>	
LATITUDE = 32°44'24.19" (32.740057°)	
LONGITUDE = -103°31'23.12" (-103.523890°)	
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	
N: 633959.30° E: 790315.75°	
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	
N: 633894.66° E: 749136.40°	

**17 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: September 29, 2023  
Signature and Seal of Professional Surveyor:



EXHIBIT  
B-15-a

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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

1 API Number 30-025-52402		2 Pool Code 990		3 Pool Name AIRSTRIP; WOLFCAMP, NORTH	
4 Property Code 334169		5 Property Name GOLD STATE COM		6 Well Number 704H	
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, I.L.C.		9 Elevation 3982.2'	

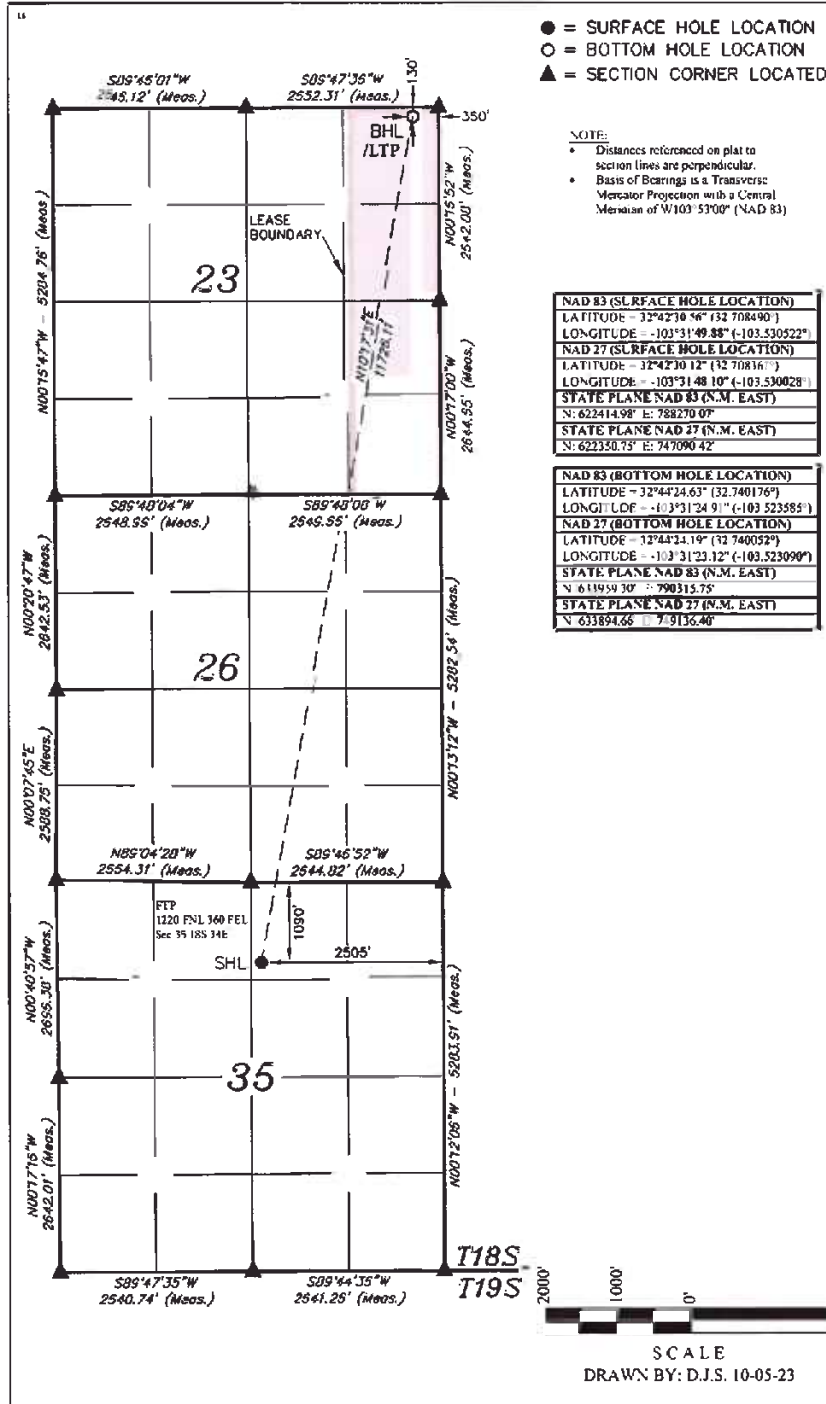
"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1090	NORTH	2505	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	18S	34E		130	NORTH	360	EAST	LEA
12 Dedicated Acres 160		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



"OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or an undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral, or working interest or to a voluntary pooling agreement or a compulsory pooling order hereinafter approved by the division.

Signature: *Rachael Overbey* Date: 10/10/2023  
Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmlc.com

"SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date of Survey: September 29, 2023  
Signature and Seal of Professional Surveyor:





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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-52402	<sup>2</sup> Pool Code 970	<sup>3</sup> Pool Name AIRSTRIP;WOLFCAMP
<sup>4</sup> Property Code 334169	<sup>5</sup> Property Name GOLD STATE COM	
<sup>6</sup> GCRIO No. 331595	<sup>7</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	
		<sup>8</sup> Well Number 704H
		<sup>9</sup> Elevation 3982.2'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1090	NORTH	2505	EAST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	18S	34E		130	NORTH	360	EAST	LEA

<sup>12</sup> Dedicated Acres 200	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

● = SURFACE HOLE LOCATION  
○ = BOTTOM HOLE LOCATION  
▲ = SECTION CORNER LOCATED

**NOTE:**

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 32°42'30.56" (32.708490°)	
LONGITUDE = -103°21'49.88" (-103.330522°)	
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 32°42'30.12" (32.708367°)	
LONGITUDE = 103°21'48.10" (-103.330028°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 622414.98' E: 788270.0'	
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**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land containing the proposed bottom hole location or has the right to drill this well at this location. I am not a contractor with an owner, and I am not a contractor with a working interest, or a contractor with a pooling interest, or a contractor with a pooling interest, or a contractor with a pooling interest.

Signature: *Rachael Overbey* Date: 10/10/2023

Printed Name: Rachael Overbey

E-mail Address: roverbey@fmllc.com

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: September 29, 2023

Signature and Seal of Professional Surveyor:

Certificate Number:

SCALE  
DRAWN BY: D.J.S 10-05-23

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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 30-025-52405	<sup>2</sup> Pool Code 990 & 970	<sup>3</sup> Pool Name [990] AIRSTRIP, WOLFCAMP, NORTH, [970] AIRSTRIP, WOLFCAMP
<sup>4</sup> Property Code 334169	<sup>5</sup> Property Name GOLD STATE COM	
<sup>6</sup> OCRID No. 331595	<sup>7</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	
		<sup>8</sup> Well Number 804H
		<sup>9</sup> Elevation 3976.5'

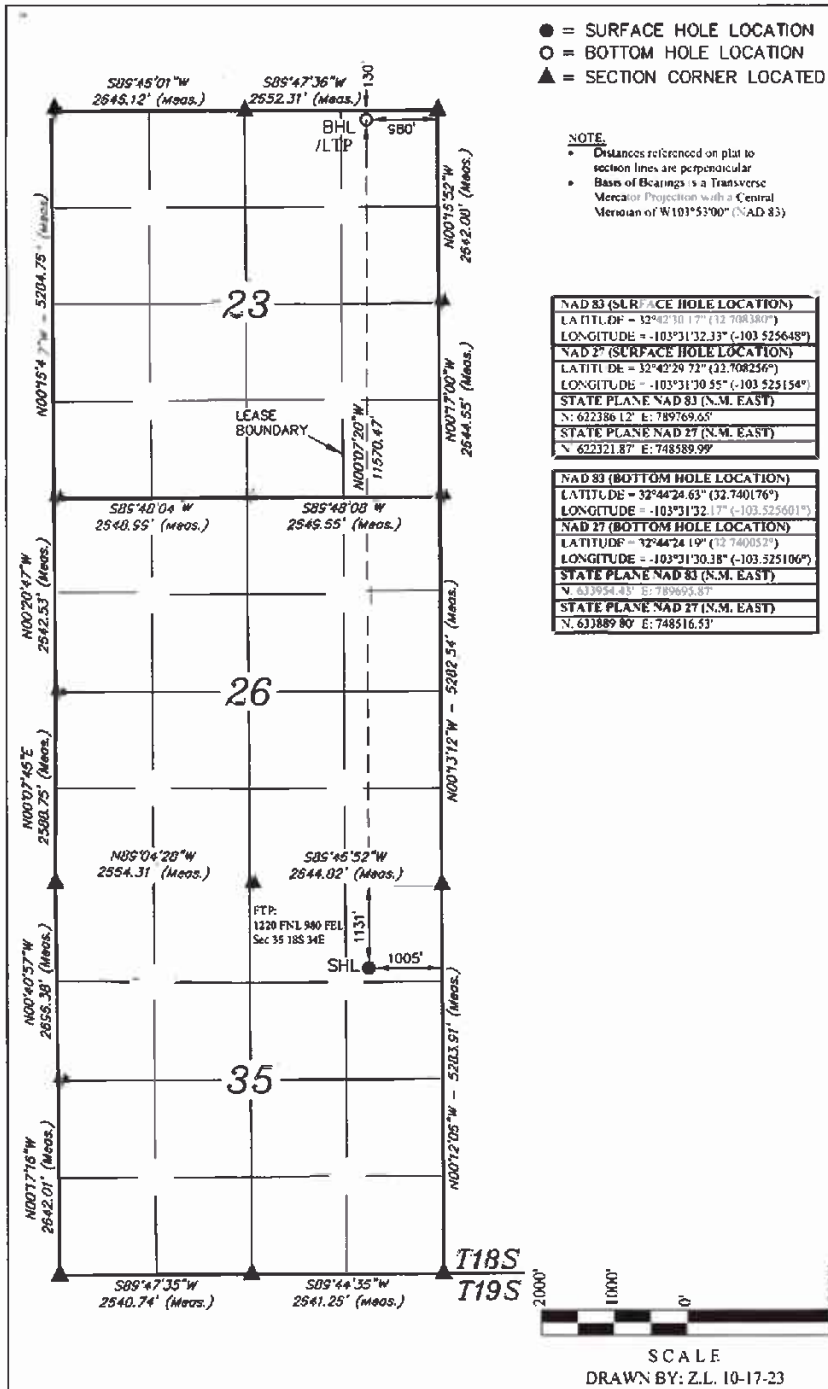
"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	18S	34E		1131	NORTH	1005	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	18S	34E		130	NORTH	980	EAST	LEA
<sup>10</sup> Dedicated Acres 360		<sup>11</sup> Joint or Infill		<sup>12</sup> Consolidation Code		<sup>13</sup> 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.



**"OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order hereinafter referred to by the division.

Signature: *Rachael Overbey* 11/30/2023  
Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmclic.com

**"SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

September 29, 2023  
Date of Survey  
Signature and Seal of Professional Surveyor



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, Artesia, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-52405	<sup>2</sup> Pool Code 990	<sup>3</sup> Pool Name AIRSTRIP, WOLFCAMP, NORTH
<sup>4</sup> Property Code 334169	<sup>3</sup> Property Name GOLD STATE COM	
<sup>5</sup> OGRID No. 331595	<sup>6</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	<sup>7</sup> Well Number 804H <sup>8</sup> Elevation 3976.5'

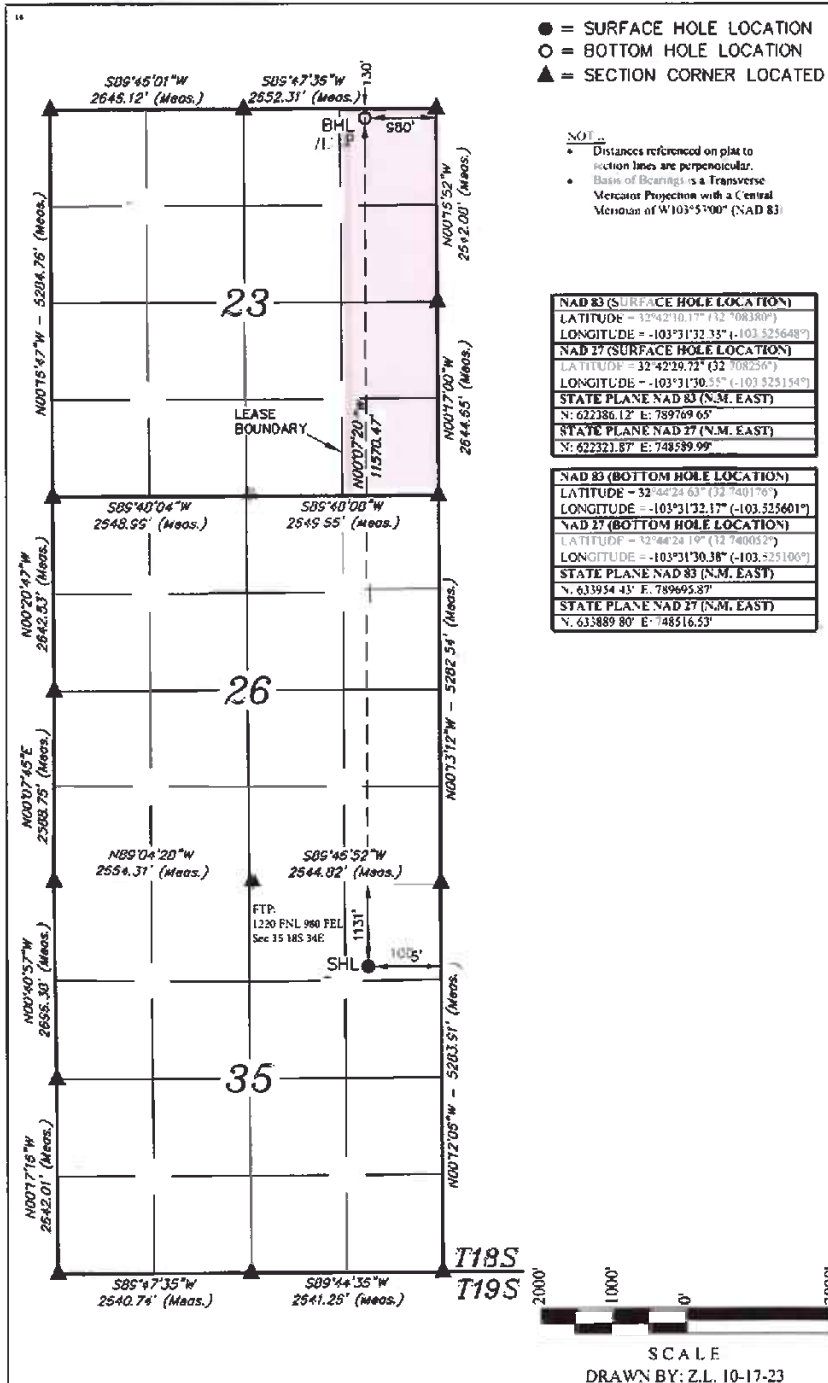
"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	18S	34E		1131'	NORTH	1005'	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	18S	34E		130'	NORTH	980'	EAST	LEA
<sup>11</sup> Dedicated Acres 160		<sup>12</sup> Joint or Infill		<sup>13</sup> Consolidation Code		<sup>14</sup> 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.



"OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land on which the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or in a voluntary pooling agreement or a compulsory pooling order hereby approved by the division.

Signature: *Rachael Overbey* Date: 11/30/2023

Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmllc.com

"SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: September 29, 2023  
Signature and Seal of Professional Surveyor



**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 391-6161 Fax: (575) 391-0720

**District II**  
611 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**  
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**  
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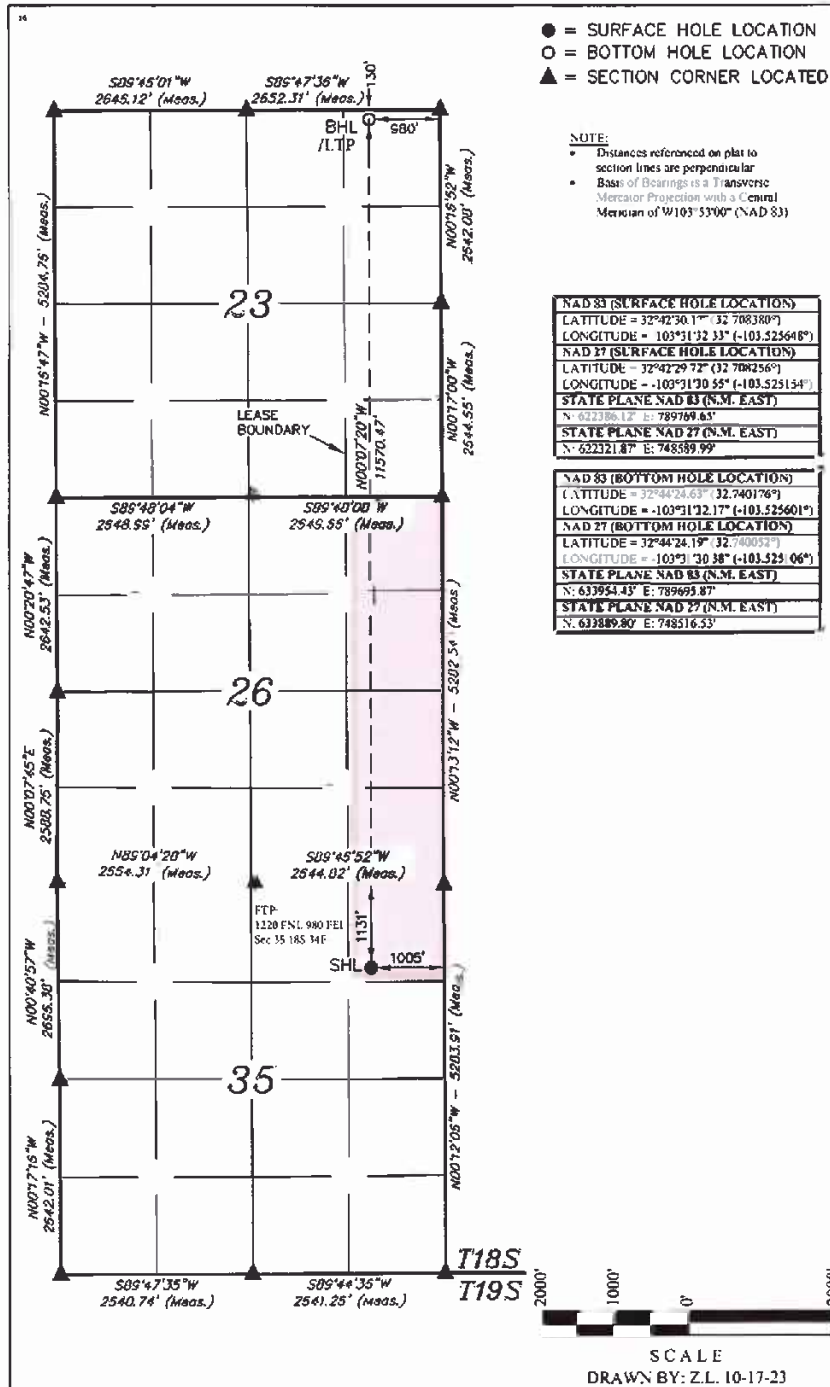
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-025-52405		2 Pool Code 970		3 Pool Name AIRSTRIP;WOLFCAMP	
4 Property Code 334169		5 Property Name GOLD STATE COM		6 Well Number 804H	
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		9 Elevation 3976.5'	

10 Surface Location									
UL or lot no. A	Section 35	Township 18S	Range 34E	Lot Idn	Feet from the 1131	North/South line NORTH	Feet from the 1005	East/West line EAST	County LEA

11 Bottom Hole Location If Different From Surface									
UL or lot no. A	Section 23	Township 18S	Range 34E	Lot Idn	Feet from the 130	North/South line NORTH	Feet from the 980	East/West line EAST	County LEA
12 Dedicated Acres 200		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



**16 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral, or working interest, or to a voluntary pooling agreement or a compulsory pooling order hereinafter referred to as the "system".

*Rachael Overbey* 11/30/2023  
Signature Date

Rachael Overbey  
Printed Name  
roverbey@fmlc.com  
E-mail Address

**17 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

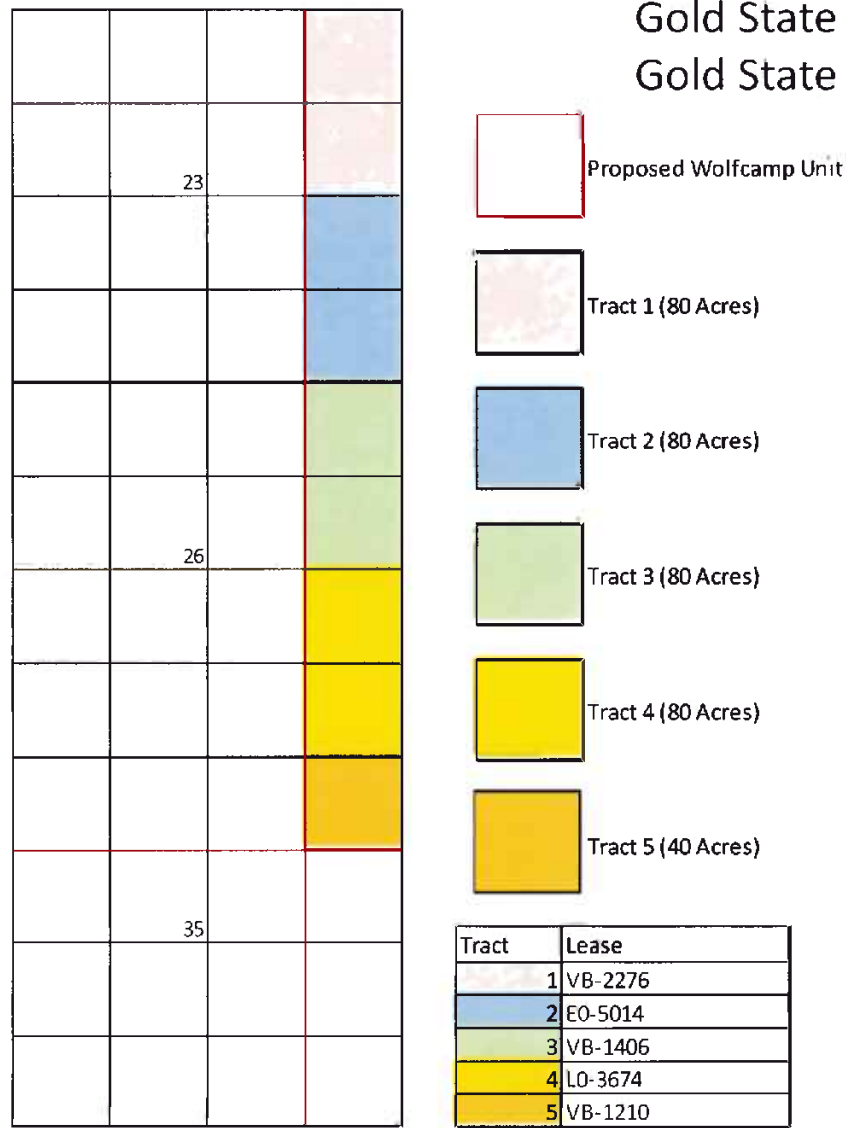
September 29, 2023  
Date of Survey  
Signature and Seal of Professional Surveyor



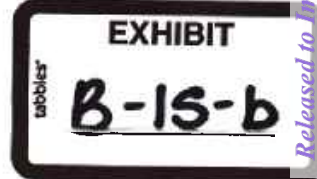
# Case No. 24356 Unit Summary



Case No. 24356  
 E2E2 of Sec 23, E2E2 of Sec 26, & NENE of Sec 35-T18S-R34E, 360.00 Acres  
 Gold State Com 704H  
 Gold State Com 804H



Committed Working Interest	
Franklin Mountain Energy 3, LLC	28.1022%
Uncommitted Working Interest	
MRC Permian Company	45.5556%
Marathon Oil Permian LLC	17.7777%
Allar Development, LLC	4.1667%
Slash Exploration Limited Partnership	3.0089%
EG3 Development, LLC	1.3889%
Total:	100.0000%







Sent via USPS: 9400109205568758357828

July 18, 2023

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

RE: **Well Proposals**  
 Township 18 South, Range 34 East:  
 Section 23: E2E2, Section 26: E2E2, & Section 35: NENE  
 Lea County, New Mexico  
 360.00 acres, more or less

Dear Working Interest Owner:

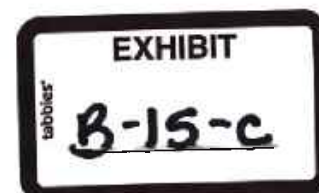
Franklin Mountain Energy 3, LLC ("FME3"), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Gold State Com 704H	WCA	10995	20,995'	Sec 35-T18S-R34E 1062 FNL 2510 FEL	Sec 23-T18S-R34E 130 FNL 360 FEL	\$11,650,592.43	N/A
Gold State Com 804H	WCB	11655	21,655'	Sec 35-T18S-R34E 1062 FNL 1008 FEL	Sec 23-T18S-R34E 130 FNL 980 FEL	\$11,783,083.07	N/A

FME3 reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.

FME3 is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator





Should you be interested in participating under an Operating Agreement, with your working interest, FME3 will send you our proposed form.

Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate, FME3 proposes a term assignment or lease at the following terms:

-----  
 -----

The foregoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME3 is under no obligation to negotiate, lease or purchase your interest.

Please return your signed documents to Don Johnson at [djohnson@fmelle.com](mailto:djohnson@fmelle.com) or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (720) 414-7863.

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson  
 Sr. Land Analyst



**Gold State Com 704H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 704H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 704H** well.

**Gold State Com 804H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 804H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 804H** well.

Owner: Marathon Oil Permian, LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





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

FRANKLIN MOUNTAIN ENERGY
AUTHORITY FOR EXPENDITURE

Well Name: Gold State Com 704H
Location: SHL Sec 33-T18S-R34E 1062 FNL 2510 FEL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' WCA well
TVD 10,995', MD 20,995'

Well #: 704H
County/State: Lea Co., NM
Date Prepared: 6/21/2023
AFE #: DCE230625

Table with columns: Major, Minor, Description, Amount. Title: Intangible Drilling Costs. Rows include Administrative Overhead, Casing Crew & Eqpt, Cementing Intermediate Casing, etc.

Table with columns: Major, Minor, Description, Amount. Title: Intangible Completion Costs. Rows include Administrative Overhead, Cased Hole Logs & Surveys, Casing Crew & Eqpt, etc.

Table with columns: Major, Minor, Description, Amount. Title: Tangible Drilling Costs. Rows include Intermediate Casing & Attachments, Packers/Sleeves/Plugs, Production Casing & Attachments, etc.

Table with columns: Major, Minor, Description, Amount. Title: Tangible Completion Costs. Rows include Artificial Lift, Flowlines, Frac String, Packers/Sleeves/Plugs/Gl Mandrels, etc.

Table with columns: Major, Minor, Description, Amount. Title: Tangible Facility Costs. Rows include Facility Pipe/Valves/Fittings, Containment, Dehydration, Primary Power Materials, etc.

Table with columns: Major, Minor, Description, Amount. Title: Intangible Facility Costs. Rows include Consulting, Company Direct Labor, Damages/Road/Permits, etc.

Summary table with columns: Description, Amount. Rows: Total Drill, Total Completion, Total Facility, Total DC Intangible, Total DC Tangible.

Total AFE: \$11,650,592.43

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTINATE SHARE OF THE ACTUAL INVOICE COSTS

Operator: Franklin Mountain Energy 3, LLC
Approved By: Craig Walker, Chief Executive Officer

Date: 6/21/2023

WI Owner:
Approved By:
Printed Name:

Date:
Title:

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



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

FRANKLIN MOUNTAIN ENERGY  
AUTHORITY FOR EXPENDITURE

Well Name: Gold State Com 304H Well #: 804H  
Location: SHL Sec 35-T185-R34E 1062 FNL 1008 FEL County/State: Lea Co., NM  
Operator: Franklin Mountain Energy 3, LLC Date Prepared: 6/21/2023  
Purpose: Drill and complete a 10,000' WCB well AFE #: DCI230628  
TYD 11,655', MD 21,655'

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$5,200
225	10	CASING CREW & EQPT	\$55,000
225	15	CEMENTING INTERMEDIATE CASING	\$40,000
225	16	CEMENTING PRODUCTION CASING	\$85,000
225	20	CEMENTING SURFACE CASING	\$36,000
225	25	COMMUNICATIONS	\$22,000
225	30	COMPLETION FLUIDS	\$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000
225	40	CONTRACT LABOR	\$60,000
225	45	DAMAGES	\$15,000
225	50	DAYWORK CONTRACT	\$650,000
225	55	DRILLING - DIRECTIONAL	\$130,000
225	60	DRILLING - FOOTAGE	\$90,000
225	65	DRILLING BITS	\$110,000
225	70	ELECTRICAL POWER/GENERATION	\$0
225	75	ENGINEERING	\$25,200
225	80	ENVIRONMENTAL SERVICES	\$230,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000
225	85	EQUIPMENT RENTAL	\$60,000
225	90	FISHING TOOLS/SERVICES	\$0
225	95	HEALTH & SAFETY	\$11,000
225	100	HOUSING AND SUPPORT SERVICES	\$21,000
225	105	INSURANCE	\$2,200
225	106	INSPECTIONS	\$20,000
225	110	LEGAL, TITLE SERVICES	\$6,000
225	115	MATERIALS & SUPPLIES	\$5,000
225	120	MISCELLANEOUS	\$5,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000
225	130	MUD & CHEMICALS	\$200,000
225	140	OPENHOLE LOGGING	\$0
225	141	CASED HOLE LOGGING	\$0
225	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$180,000
225	155	RIG MOVE & RACKING COSTS	\$130,000
225	160	RIG UP TEAR OUT & STANDBY	\$0
225	163	SITE RESTORATION	\$0
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$88,200
225	175	SUPERVISION - GEOLOGICAL	\$48,300
225	180	TRANSPORTATION/TRUCKING	\$25,000
225	178	TAXES	\$143,721
225	35	CONTINGENCY COSTS 5%	\$130,655
Total Intangible Drilling Costs:			\$2,887,476

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	\$8,200
240	10	CASED HOLE LOGS & SURVEYS	\$6,615
240	15	CASING CREW & EQPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$194,313
240	25	COMMUNICATIONS	\$1,896
240	30	COMPANY DIRECT LABOR	\$0
240	35	COMPLETION/WORKOVER RIG	\$75,000
240	40	CONTRACT LABOR/ROUSTABOUTS	\$23,697
240	45	DAMAGES/RECLAMATION	\$1,896
240	50	DISPOSAL SOLIDS	\$2,844
240	60	ELECTRICAL POWER/GENERATION	\$0
240	65	ENGINEERING	\$5,887
240	70	ENVIRONMENTAL/CLEANUP	\$0
240	75	FISHING TOOLS / SERVICES	\$0
240	80	FLUIDS/HAULING/DISPOSAL	\$180,000
240	85	FRAC WATER/COMPLETION FLUID	\$470,000
240	90	FUEL, POWER/DIESEL	\$550,000
240	95	HEALTH & SAFETY	\$4,700
240	100	HOUSING AND SUPPORT SERVICES	\$14,000
240	105	MATERIALS & SUPPLIES	\$0
240	110	MISCELLANEOUS	\$0
240	115	MUD & CHEMICALS	\$10,000
240	120	P&ATA COSTS	\$0
240	125	PERFORATING/WIRELINE SERVICE	\$265,403
240	130	PIPE INSPECTION	\$0
240	135	ROAD, LOCATIONS REPAIRS	\$2,000
240	140	STIMULATION	\$2,616,000
240	145	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
240	150	SUPERVISION	\$90,847
240	155	SURFACE EQUIP RENTAL	\$189,573
240	160	TRANSPORTATION/TRUCKING	\$2,844
240	165	WATER TRANSFER	\$56,872
240	170	WELDING SERVICES	\$0
240	175	WELL TESTING/FLOWBACK	\$165,000
240	180	TAXES	\$269,199
240	40	CONTINGENCY COSTS 5%	\$244,726
Total Intangible Completion Costs:			\$5,408,440

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,548
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,165,590
230	35	SURFACE CASING & ATTACHMENTS	\$173,758
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$90,689
Total Tangible Drilling Costs:			\$1,739,585

Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$175,000
245	15	FLOWLINES	\$20,000
245	25	FILAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$150,000
245	60	ROD/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$50,000
245	75	WELLHEAD EQUIPMENT	\$125,000
245	70	TAXES	\$28,600
Total Tangible Completion Costs:			\$518,000

Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0
270	30	PRIMARY POWER MATERIALS	\$56,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000
270	60	H2S TREATING EQUIPMENT	\$0
270	65	SEPARATION EQUIPMENT	\$125,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0
270	75	PRE-FABRICATED SKIDS	\$0
270	85	FACILITY SURFACE EQUIPMENT	\$137,000
270	90	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000
270	110	TANKS & WALKWAYS	\$90,000
270	130	MECHANICAL BATTERY BUILD	\$154,000
270	132	E&C BATTERY BUILD	\$45,000
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000
270	136	PRIMARY POWER BUILD	\$56,000
270	138	FLOWLINE INSTALLATION	\$27,000
270	140	SIGNAGE	\$250
270	125	TAXES	\$55,674
Total Tangible Facility Costs:			1,067,923

Major	Minor	Description	Amount
265	5	CONSULTING	\$18,100
265	2	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
265	22	PAD/ROAD CONSTRUCTION	\$50,000
265	25	ENGINEERING / SCIENCE	\$22,000
265	40	HEALTH & SAFETY/ENVIRONMENTAL	\$0
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$1,000
265	80	SURVEY / PLATS / STAKINGS	\$1,500
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$6,523
265	0	CONTINGENCY COSTS 5%	\$1,000
Total Intangible Facility Costs:			\$5,123

Total Drill	\$4,627,060.78
Total Completion	\$5,957,043.34
Total Facility	\$1,198,976.75
Total DC Intangible	\$8,295,921.04
Total DC Tangible	\$2,288,185.28

Office Use Only:

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS

Operator: Franklin Mountain Energy 3, LLC  
Approved By: Craig Walters  
Chief Executive Officer

Date: 6/21/2023

Well Owner: \_\_\_\_\_  
Approved By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_  
Title: \_\_\_\_\_

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

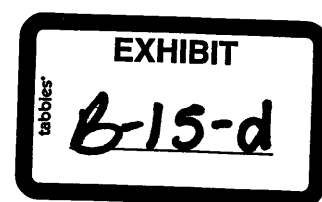
Gold E2E2- Wolfcamp

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

MRC Permian Company  
Marathon Oil Permian, LLC  
EG3 Development, LLC  
Allar Development, LLC  
Slash Exploration LP

**ORRI to Be Pooled**

Good News Minerals, LLC  
Post Oak Crown IV, LLC  
Post Oak Mavros II, LLC  
Sortida Resources, LLC  
Oak Valley Mineral and Land, LP  
Crown Oil Partners, LP  
Collins & Jones Investments, LLC  
MCT Energy Ltd.  
H. Jason Wacker  
David W. Cromwell  
SHG Energy, LLC  
Sitka Consulting, LLC  
Ridge Runner Holdings, LLC  
John Lawrence Thoma, Trustee of the Cornerstone Family Trust  
CrownRock Minerals, L.P.  
The Allar Company  
EG3, Inc.  
GMT New Mexico Royalty Company LLC  
Franklin Mountain Royalty Investments 3, LLC  
Armstrong Energy Corporation  
Blue Ridge Royalties, LLC  
Chimney Rock Oil & Gas, LLC



**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**

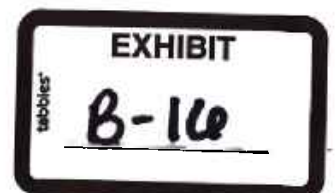
**CASE NO. 24358**

**APPLICATION**

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico to form a standard 360-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Gold State Com 703H and Gold State Com 803H wells** to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole

<sup>1</sup> This application amends the application filed in Case No. 23842.



locations in the NW/4NE/4 (Unit B) of Section 23, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23842 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would “partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E.” Application Case No. 23842, ¶ 4.

5. Franklin is filing this amended application, to the extent necessary, to provide notice that 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.

6. 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.

7. 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.

8. Case No. 23842 is currently set for contested hearing on April 9, 2024.

9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico;

B. Approving, to the extent necessary, the proposed overlapping spacing unit;

C. Designating Franklin as operator of this unit and the wells to be drilled thereon;

D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.  
Deana M. Bennett  
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500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)  
*Attorneys for Applicant*

**CASE NO. 24358 : 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.



District I  
1625 N French Dr., Hobos, 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  
1220 S. St. Francis Dr., Santa Fe, NM 87508  
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 30-023-52401	<sup>2</sup> Pool Code 990 & 970	<sup>3</sup> Pool Name [990] AIRSTRIP; WOLFCAMP, NORTH, [970] AIRSTRIP; WOLFCAMP
<sup>4</sup> Property Code 334169	<sup>5</sup> Property Name GOLD STATE COM	
<sup>6</sup> OGRID No. 331595	<sup>7</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	<sup>8</sup> Well Number 70311 <sup>9</sup> Elevation 3982.6'

<sup>10</sup> Surface Location

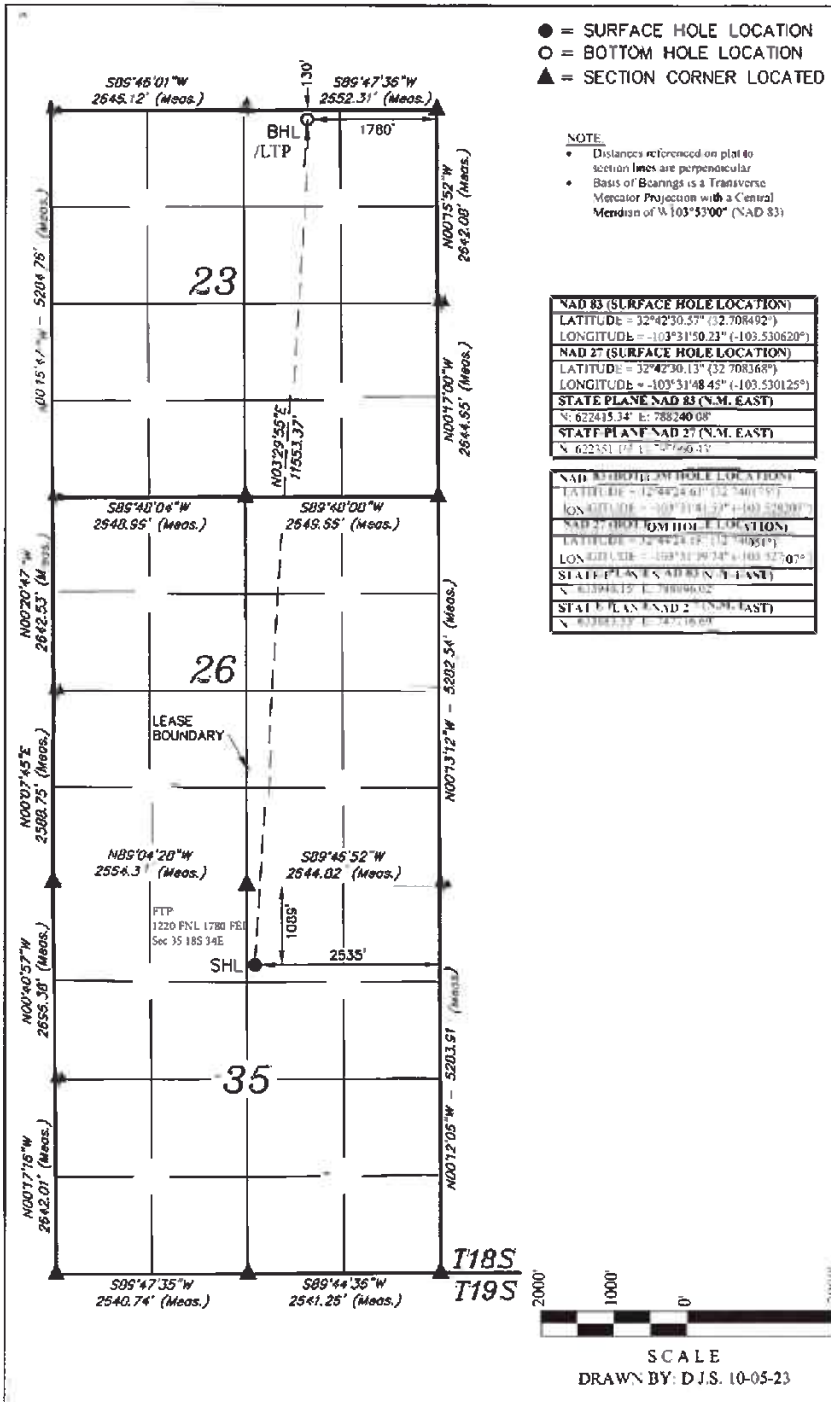
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1089	NORTH	2535	EAST	LEA

<sup>10</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	23	18S	34E		130	NORTH	1780	EAST	LEA

<sup>11</sup> Dedicated Acres 360	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> 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.



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling order.

*Rachael Perbey*  
10/10/2023  
Date

Rachael Perbey  
Printed Name  
roverbey@fmellc.com  
E-mail Address

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

September 29, 2023  
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:  
**B-16-a**



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District III  
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Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1230 S. St. Francis Dr., Santa Fe, NM 87501  
Phone: (505) 476-3460 Fax: (505) 476-3462

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WELL LOCATION AND ACREAGE DEDICATION PLAT

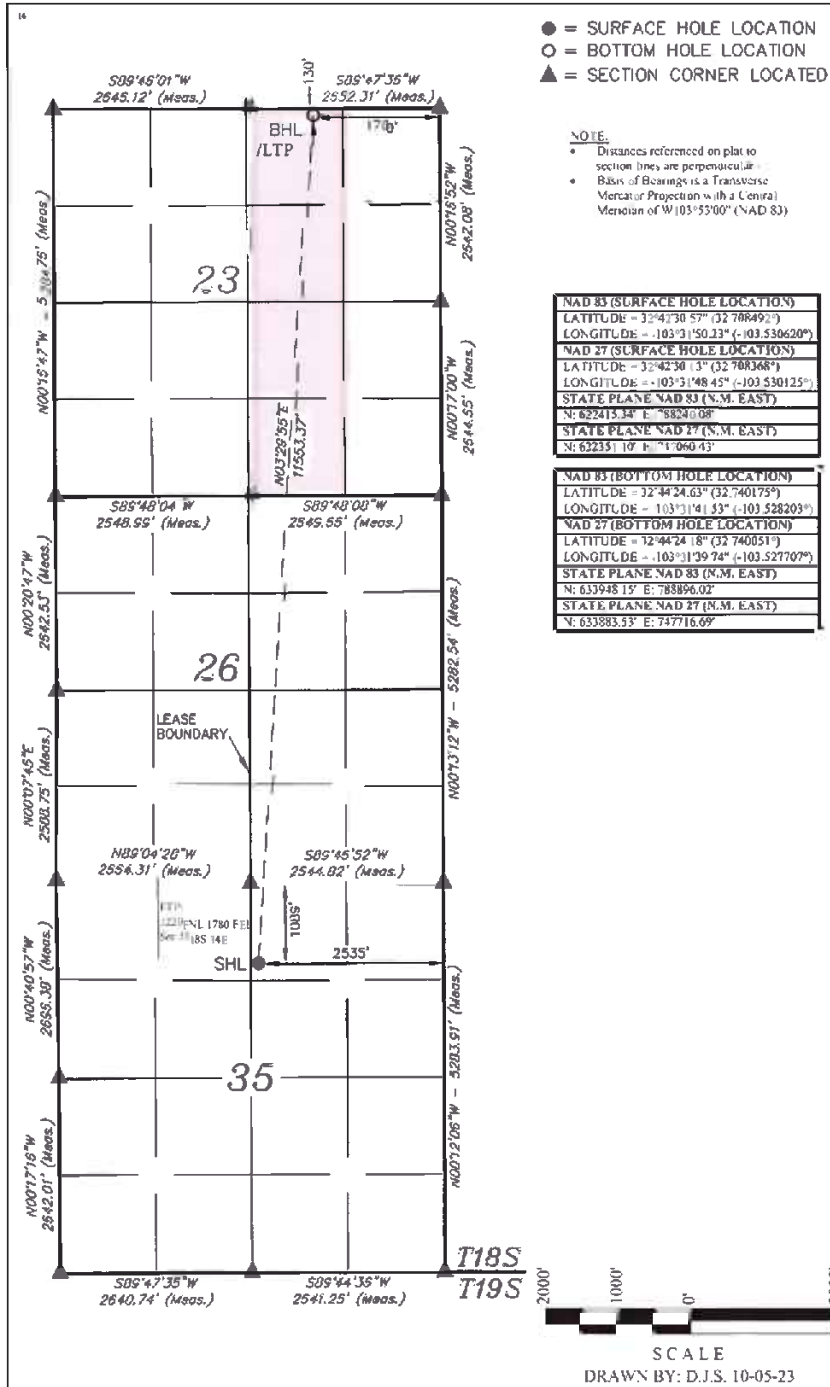
1 API Number 30-025-52401		2 Post Code 990		3 Pool Name AIRSTRIP; WOLFCAMP, NORTH	
4 Property Code 334169		5 Property Name GOLD STATE COM			6 Well Number 703H
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			9 Elevation 3982.6'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1089	NORTH	2535	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	23	18S	34E		130	NORTH	1780	EAST	LEA
12 Dedicated Acre 160		13 Junit or Infill		14 Consolidation Code		15 Order No.			

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



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or a voluntary pooling order approved by the state of New Mexico.

Signature: *Rachael Kerbey* Date: 10/10/2023

Printed Name: Rachael Kerbey

roverbey@fmelc.com  
E-mail Address

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date of Survey: September 29, 2023

Signature and Seal of Professional Surveyor:



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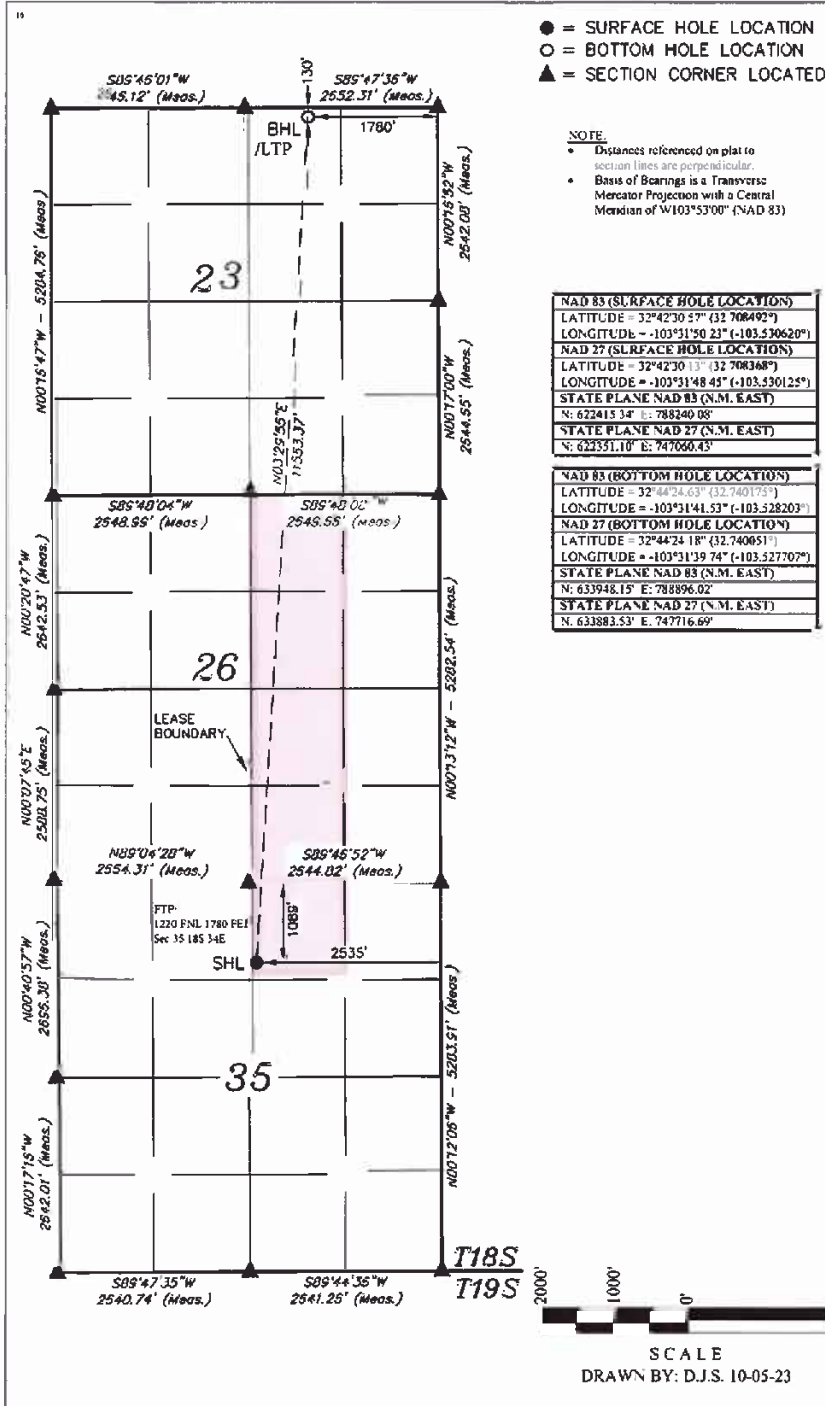
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-52401	<sup>2</sup> Pool Code 970	<sup>3</sup> Pool Name AIRSTRIP;WOLFCAMP
<sup>4</sup> Property Code 334169	<sup>5</sup> Property Name GOLD STATE COM	
<sup>7</sup> OGRID No. 331595	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	
	<sup>6</sup> Well Number 703H	<sup>9</sup> Elevation 3982.6'

"Surface Location									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1089	NORTH	2535	EAST	LEA

"Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	23	18S	34E		130	NORTH	1780	EAST	LEA
<sup>11</sup> Dedicated Acres 200		<sup>12</sup> Joint or Infill		<sup>13</sup> Consolidation Code		<sup>14</sup> Order No.			

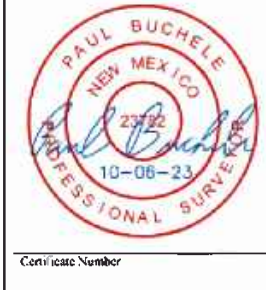
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**"OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement with the owner of such a well.  
*[Signature]*  
10/10/2023  
Date

Rachael Overbey  
Printed Name  
roverbey@fmllc.com  
E-mail Address

**"SURVEYOR CERTIFICATION**  
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AMENDED REPORT

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4 Property Code 334169		5 Property Name GOLD STATE COM		6 Well Number 803H	
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		9 Elevation 3981.9'	

" Surface Location

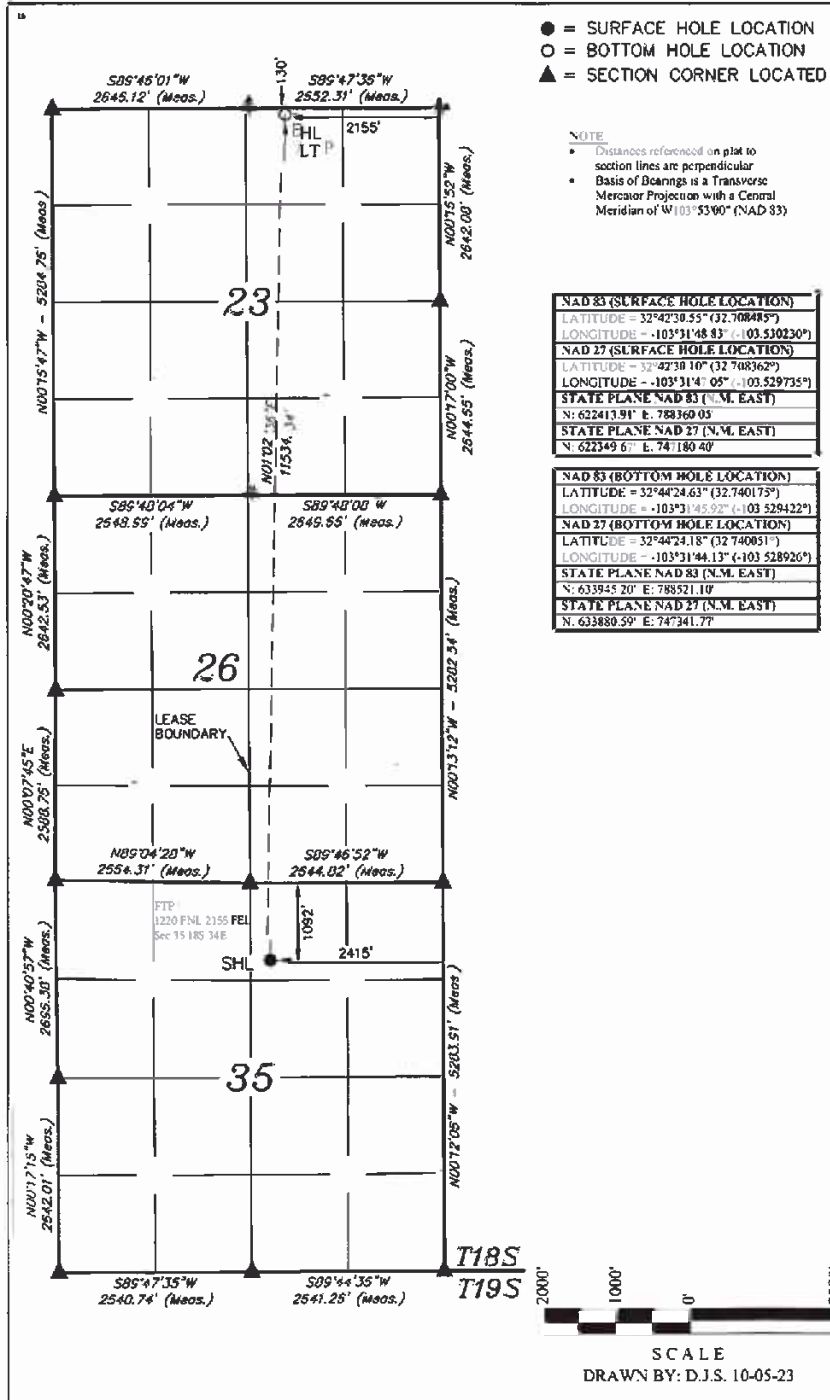
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1092	NORTH	2415	EAST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	23	18S	34E		130	NORTH	2155	EAST	LEA

12 Dedicated Acres 360	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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.



**" OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or a mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral, or working interest, or to a voluntary pooling agreement in a customary pooling order heretofore entered by the division.

Signature: *Rachael Overbey* Date: 10/10/2023  
Printed Name: Rachael Overbey  
E-mail Address: roverbey@fmlc.com

<b>NAD 83 (SURFACE HOLE LOCATION)</b> LATITUDE = 32°42'30.55" (32.708485°) LONGITUDE = -103°31'48.83" (-103.530230°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b> LATITUDE = 32°42'38.10" (32.708362°) LONGITUDE = -103°31'4.05" (-103.529735°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b> N: 622413.91' E: 788360.03 <b>STATE PLANE NAD 27 (N.M. EAST)</b> N: 622349.67' E: 741180.40'
<b>NAD 83 (BOTTOM HOLE LOCATION)</b> LATITUDE = 32°44'24.63" (32.740175°) LONGITUDE = -103°31'45.92" (-103.528422°)
<b>NAD 27 (BOTTOM HOLE LOCATION)</b> LATITUDE = 32°44'24.18" (32.740051°) LONGITUDE = -103°31'44.13" (-103.52826°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b> N: 633945.20' E: 788521.10' <b>STATE PLANE NAD 27 (N.M. EAST)</b> N: 633880.59' E: 747341.77'

**" SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: September 29, 2023  
Signature and Seal of Professional Surveyor:



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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-52403		2 Pool Code 990		3 Pool Name AIRSTRIP; WOLFCAMP, NORTH	
4 Property Code 334169		5 Property Name GOLD STATE COM		6 Well Number 803H	
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		9 Elevation 3981.9'	

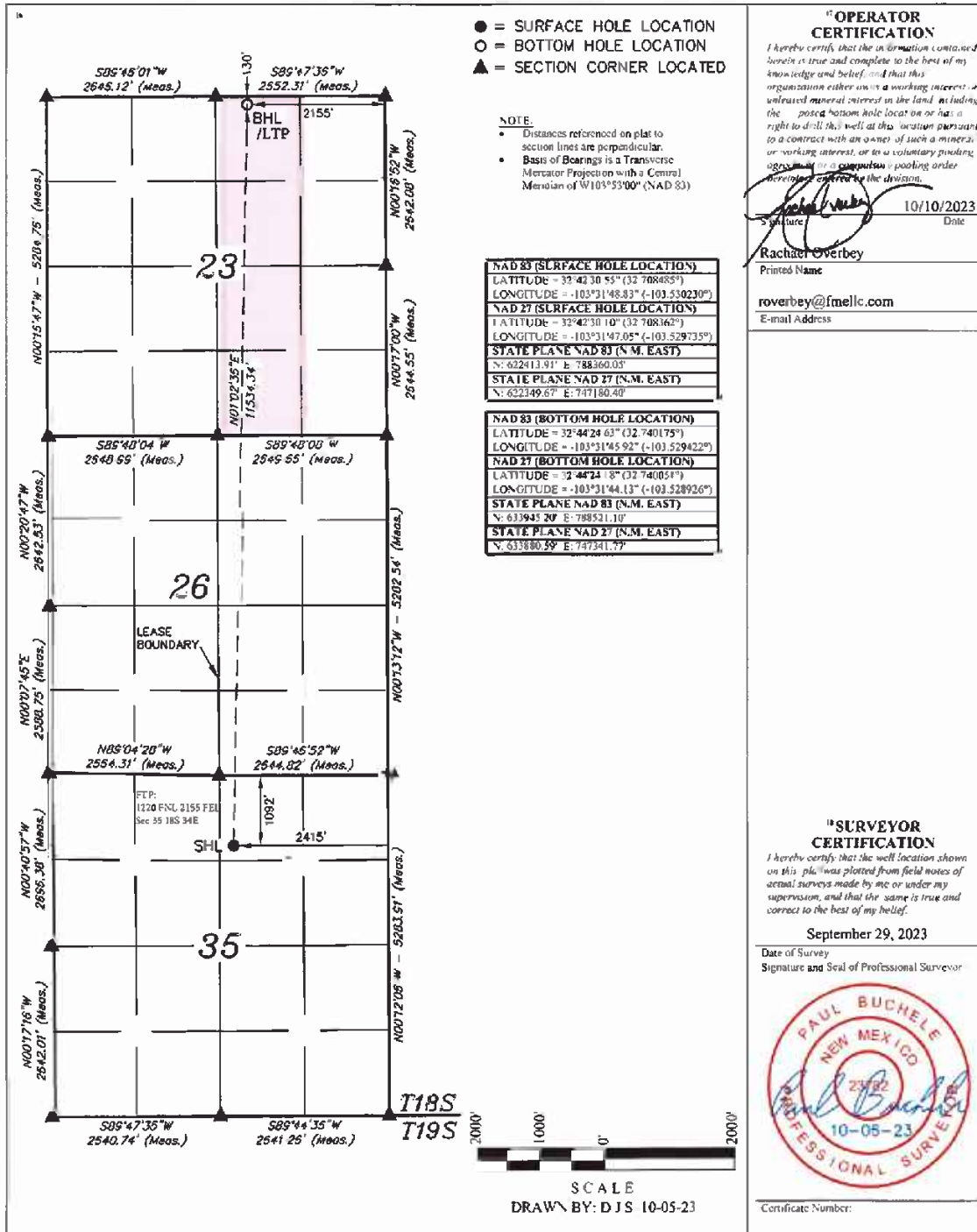
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1092	NORTH	2415	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	23	18S	34E		130	NORTH	2155	EAST	LEA
12 Dedicated Acres 160		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



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**Dist. III**  
1090 Rio Brazos Road, Aztec, NM 87410  
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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-52403		<sup>2</sup> Pool Code 970		<sup>3</sup> Pool Name AIRSTRIP;WOLFCAMP	
<sup>4</sup> Property Code 334169		<sup>5</sup> Property Name GOLD STATE COM		<sup>6</sup> Well Number 803H	
<sup>7</sup> OGRID No. 331595		<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		<sup>9</sup> Elevation 3981.9'	

**"Surface Location**

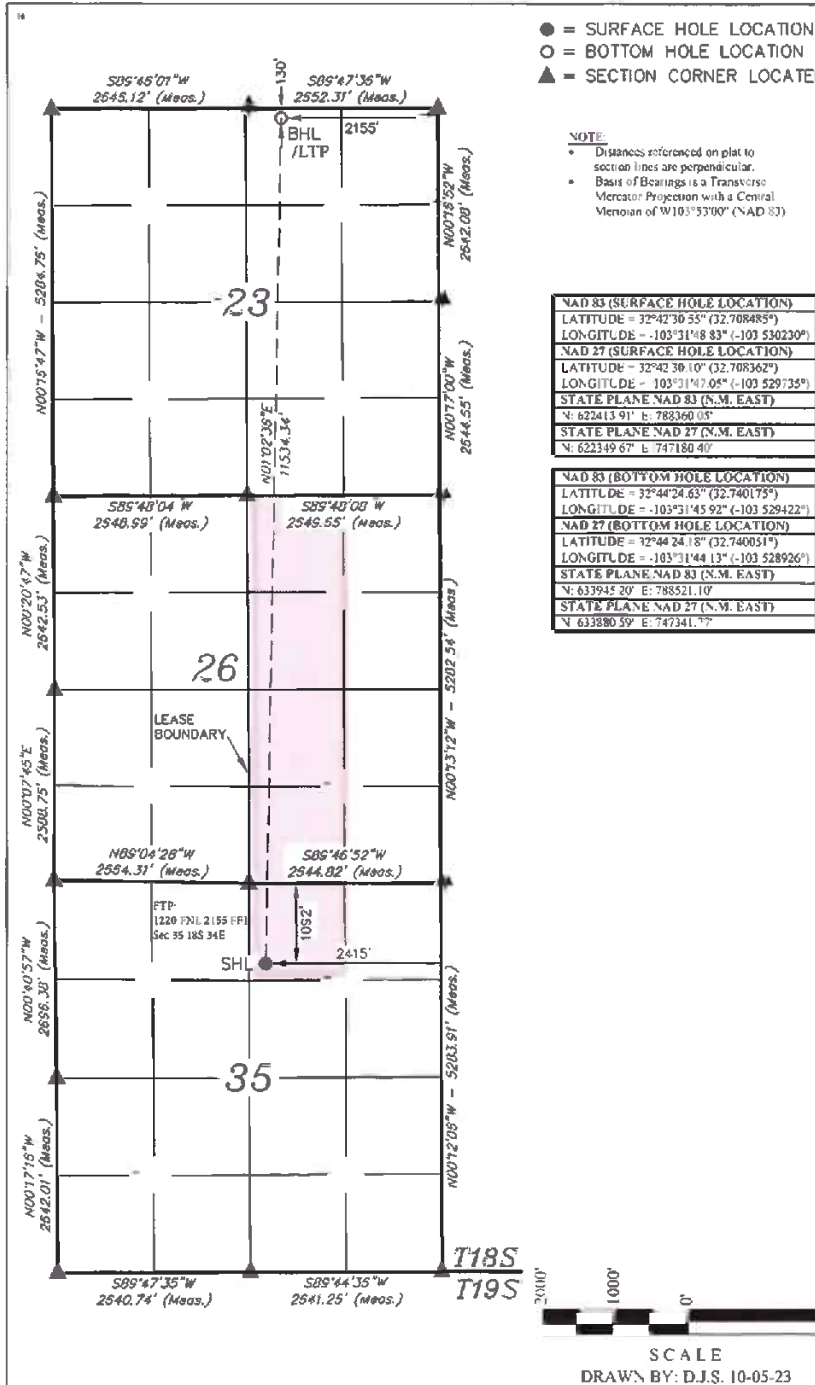
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**"Bottom Hole Location If Different From Surface**

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B	23	18S	34E		130	NORTH	2155	EAST	LEA

<sup>11</sup> Dedicated Acres: 200  
<sup>12</sup> Joint or Infill: [blank]  
<sup>13</sup> Consolidation Code: [blank]  
<sup>14</sup> Order No.: [blank]

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.



<b>NAD 83 (SURFACE HOLE LOCATION)</b> LATITUDE = 32°42'30.55" (32.708485°) LONGITUDE = -103°31'48.83" (-103.530230°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b> LATITUDE = 32°42'36.10" (32.708362°) LONGITUDE = -103°31'47.05" (-103.529735°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b> N: 622413.91' E: 783360.05'
<b>STATE PLANE NAD 27 (N.M. EAST)</b> N: 622349.67' E: 787180.40'
<b>NAD 83 (BOTTOM HOLE LOCATION)</b> LATITUDE = 32°44'24.63" (32.740175°) LONGITUDE = -103°31'45.92" (-103.528422°)
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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement for a compulsory pooling order created by the division.

*Rac Hovverbey* 10/10/2023  
Date

Rac Hovverbey  
Printed Name

roverbey@tmelc.com  
E-mail Address

**"SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

September 29, 2023  
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number



Case No. 24358 Unit Summary

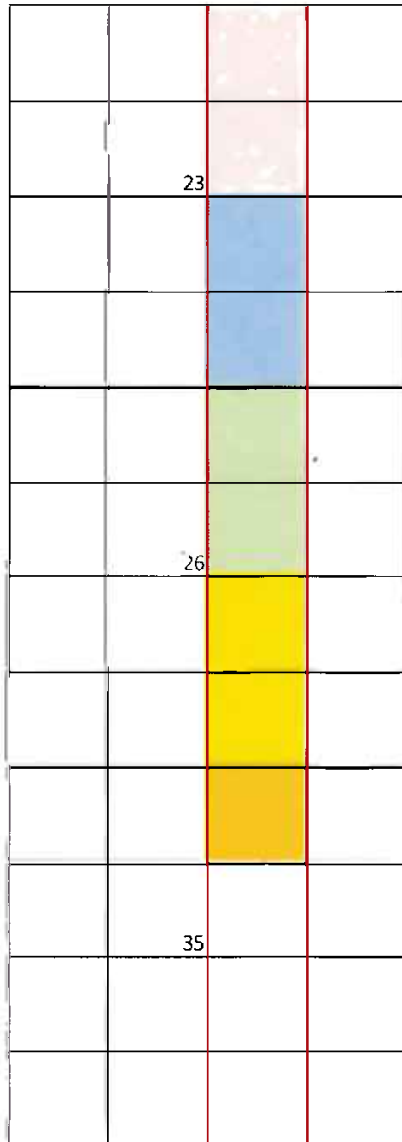


Case No. 24358

W2E2 of Sec 23, W2E2 of Sec 26, & NWNE of Sec 35-T18S-R34E, 360.00 Acres

Gold State Com 703H

Gold State Com 803H

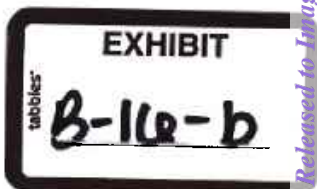


- Proposed Wolfcamp Unit
- Tract 1 (80 Acres)
- Tract 2 (80 Acres)
- Tract 3 (80 Acres)
- Tract 4 (80 Acres)
- Tract 5 (40 Acres)

Tract	Lease
1	VB-2276
2	EO-5014
3	VB-1406
4	LO-3674
5	EO-5014

Committed Working Interest	
Franklin Mountain Energy 3, LLC	16.9911%
Otter Creek LLC	11.1111%
<b>Committed Interest</b>	<b>28.1022%</b>
Uncommitted Working Interest	
MRC Permian Company	45.5556%
Marathon Oil Permian LLC	17.7777%
Allar Development, LLC	4.1667%
Slash Exploration Limited Partnership	3.0089%
EG3 Development, LLC	1.3889%
<b>Uncommitted Interest</b>	<b>71.8978%</b>
<b>Total:</b>	<b>100.0000%</b>

\*Received elections to participate





Sent via USPS: 9400109205568758357828

July 18, 2023

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

RE: **Well Proposals**  
 Township 18 South, Range 34 East:  
 Section 23: W2E2, Section 26: W2E2, & Section 35: NWNE  
 Lea County, New Mexico  
 360.00 acres, more or less

Dear Working Interest Owner:

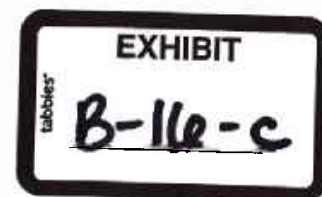
Franklin Mountain Energy 3, LLC ("FME3"), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Gold State Com 703H	WCA	10997	20,997'	Sec 35-T18S-R34E 1062 FNL 2535 FEL	Sec 23-T18S-R34E 130 FNL 1780 FEL	\$11,650,592.43	N/A
Gold State Com 803H	WCB	11681	21,681'	Sec 35-T18S-R34E 1062 FNL 2435 FEL	Sec 23-T18S-R34E 130 FNL 2155 FEL	\$11,783,083.07	N/A

FME3 reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.

FME3 is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator









**Gold State Com 703H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 703H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 703H** well.

**Gold State Com 803H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 803H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 803H** well.

Owner: Marathon Oil Permian, LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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

FRANKLIN MOUNTAIN ENERGY
AUTHORITY FOR EXPENDITURE

Well Name: Gold State Corn 703H Well #: 703H
Location: SHL Sec 35-T18S-R34E 1062 FNL 2535 FEL County/State: Lea Co., NM
Operator: Franklin Mountain Energy 3, LLC Date Prepared: 6/21/2023
Purpose: Drill and complete a 10,007 WCA well AFE #: DCE230624
TVD 10,997, MD 20,997

Intangible Drilling Costs table with columns: Major, Minor, Description, Amount. Includes items like ADMINISTRATIVE OVERHEAD, CASING CREW & EQPT, CEMENTING INTERMEDIATE CASING, etc.

Intangible Completion Costs table with columns: Major, Minor, Description, Amount. Includes items like ADMINISTRATIVE OVERHEAD, CASED HOLE LOGS & SURVEYS, CASING CREW & EQPT, etc.

Tangible Drilling Costs table with columns: Major, Minor, Description, Amount. Includes items like INTERMEDIATE CASING & ATTACHMENTS, PACKERS/SLEEVES/PLUGS, etc.

Tangible Completion Costs table with columns: Major, Minor, Description, Amount. Includes items like ARTIFICIAL LIFT, FLOWLINES, FRAC STRING, etc.

Tangible Facility Costs table with columns: Major, Minor, Description, Amount. Includes items like FACILITY PIPE/VALVES/FITTINGS, CONTAINMENT, DEHYDRATION, etc.

Intangible Facility Costs table with columns: Major, Minor, Description, Amount. Includes items like CONSULTING, COMPANY DIRECT LABOR, DAMAGES/ROW/PERMITS, etc.

Summary table with columns: Item, Amount. Totals for Drill, Complete, Facility, DC Intangible, and DC Tangible.

Office Use Only table with a large empty box for internal use.

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS
Operator: Franklin Mountain Energy 3, LLC
Approved By: [Signature] Date: 6/21/2023
Title: Chief Executive Officer

WI Owner:
Approved By:
Printed Name:
Title:

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FM3



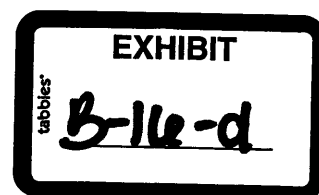
Gold W2E2- Wolfcamp

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

MRC Permian Company  
Marathon Oil Permian, LLC  
EG3 Development, LLC  
Allar Development, LLC  
Slash Exploration LP  
Otter Creek, LLC

**ORRI to Be Pooled**

Good News Minerals, LLC  
Post Oak Crown IV, LLC  
Post Oak Mavros II, LLC  
Sortida Resources, LLC  
Oak Valley Mineral and Land, LP  
Crown Oil Partners, LP  
Collins & Jones Investments, LLC  
MCT Energy Ltd.  
H. Jason Wacker  
David W. Cromwell  
SHG Energy, LLC  
Sitka Consulting, LLC  
Ridge Runner Holdings, LLC  
John Lawrence Thomas, Trustee of the Cornerstone Family Trust  
CrownRock Minerals, L.P.  
The Allar Company  
EG3, Inc.  
GMT New Mexico Royalty Company LLC  
Franklin Mountain Royalty Investments 3, LLC  
Armstrong Energy Corporation  
Blue Ridge Royalties, LLC  
Chimney Rock Oil & Gas, LLC



**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 OVERLAPPING SPACING UNIT,  
LEA COUNTY, NEW MEXICO**

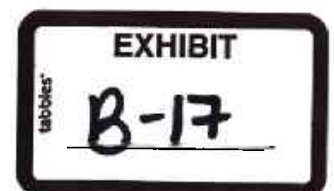
CASE NO. 24359

**APPLICATION**

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the 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 to form a standard 280-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Gold State Com 702H and Gold State Com 802H wells** to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from

<sup>1</sup> This application amends the application filed in Case No. 23844.



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.

4. Franklin filed Case No. 23844 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would “partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E.” Application Case No. 23844, ¶ 4.

5. Franklin is filing this amended application, to the extent necessary, to provide notice that 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.

6. 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.

7. 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.

8. Case No. 23844 is currently set for contested hearing on April 9, 2024.

9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.



WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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/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, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

B. Approving, to the extent necessary, the proposed overlapping spacing unit;

C. Designating Franklin as operator of this unit and the wells to be drilled thereon;

D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
Earl E. DeBrine, Jr.  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
[edebrine@modrall.com](mailto:edebrine@modrall.com)  
[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)  
*Attorneys for Applicant*

**CASE NO. 24359 : 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.

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  
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

API Number 30-025-52404	Pool Code 990 & 970	Pool Name [990] AIRSTRIP; WOLFCAMP.NORTH, [970] AIRSTRIP;WOLFCAMP
Property Code 334169	Property Name GOLD STATE COM	Well Number 802H
OGRID No. 331595	Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	Elevation 3987.7'

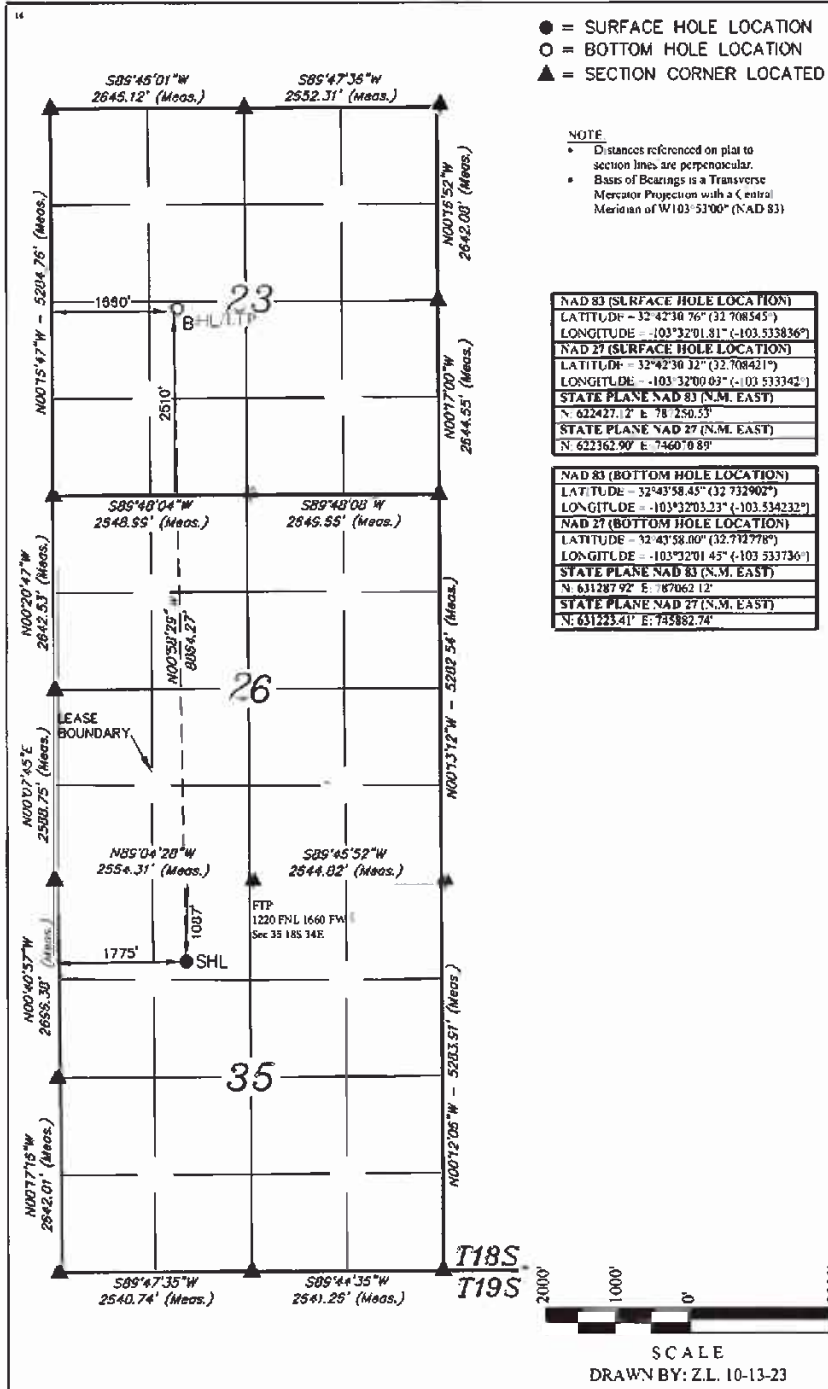
" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	18S	34E		1087	NORTH	1775	WEST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	23	18S	34E		2510	SOUTH	1660	WEST	LEA
Dedicated Acres 280		Joint or Infill		Consolidation Code		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.



**" OPERATOR CERTIFICATION**  
I hereby certify that the information contained here is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well in this location pursuant to a contract with an owner of such a mineral working interest, or to a voluntary pooling agreement or a compulsory pooling order previously approved by the division.

Signature: *[Signature]* Date: 11/6/2023  
Printed Name: R. Overbey

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.76" (32.708545°)
LONGITUDE = -103°32'01.81" (-103.533836°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.32" (32.708421°)
LONGITUDE = -103°32'00.09" (-103.533342°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622427.12' E: 78' 250.53'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622362.90' E: 7460' 0.89'
<b>NAD 83 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°43'58.45" (32.732902°)
LONGITUDE = -103°32'03.33" (-103.534232°)
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°43'58.00" (32.732778°)
LONGITUDE = -103°32'01.45" (-103.533736°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 631287.92' E: 787062.12'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 631223.41' E: 735882.74'

E-mail Address: roverbey@fmlc.com

**" SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: October 02, 2023  
Signature and Seal of Professional Surveyor:



EXHIBIT  
B-17-a

**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**  
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 30-025-52404	<sup>2</sup> Pool Code 990	<sup>3</sup> Pool Name AIRSTRIP; WOLFCAMP,NORTH
<sup>4</sup> Property Code 334169	<sup>5</sup> Property Name GOLD STATE COM	
<sup>7</sup> OCRID No. 331595	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	
	<sup>6</sup> Well Number 802H	<sup>9</sup> Elevation 3987.7'

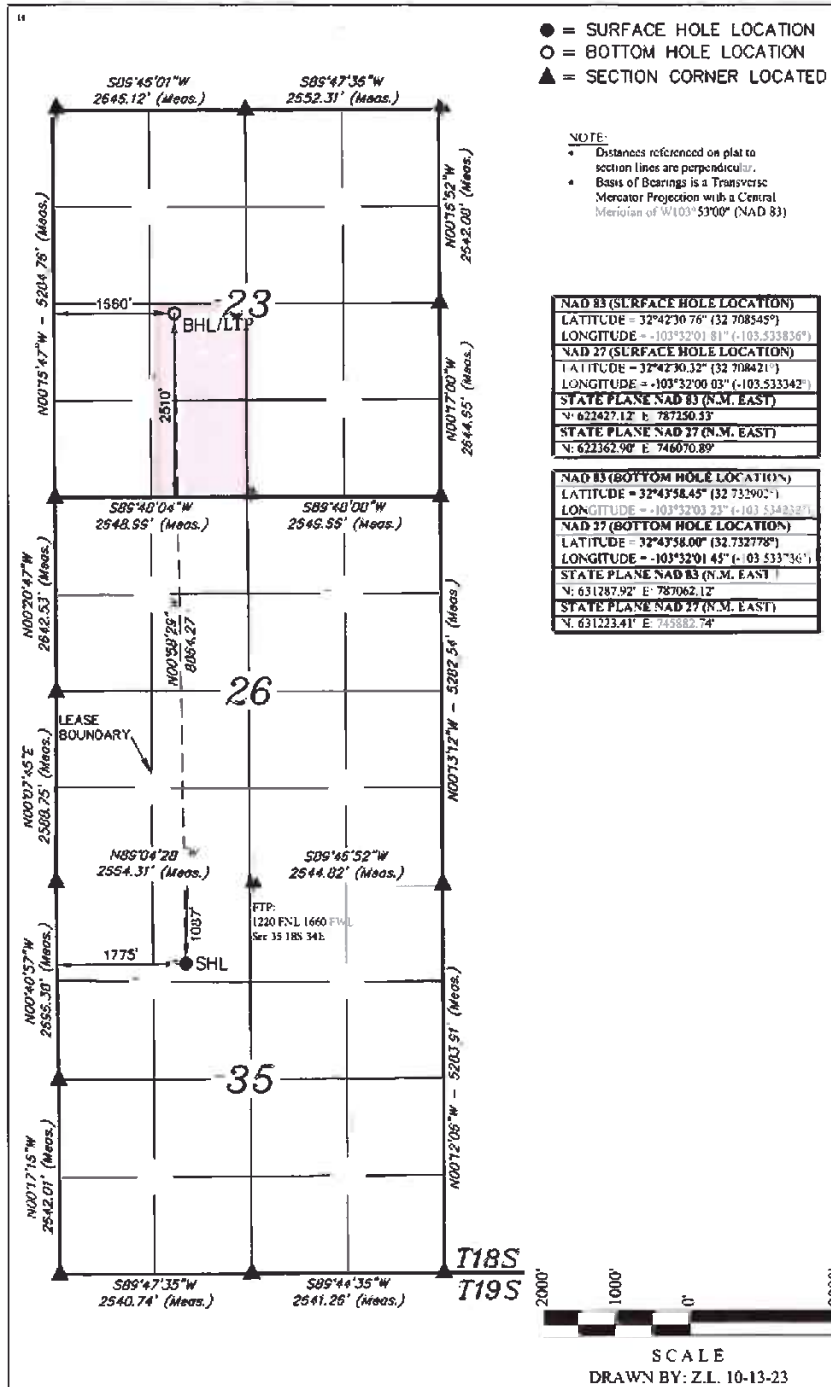
**" Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	18S	34E		1087	NORTH	1775	WEST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	23	18S	34E		2510	SOUTH	1660	WEST	LEA
<sup>11</sup> Dedicated Acres 80		<sup>12</sup> Joint or Infill		<sup>13</sup> Consolidation Code		<sup>14</sup> 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.



**" OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling or re-lease or re-contract the lease.

Signature: *Racnael Overbey* Date: 11/6/2023  
Printed Name: Racnael Overbey  
E-mail Address: roverbey@fmlc.com

**" SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: October 02, 2023  
Signature and Seal of Professional Surveyor:

SCALE  
DRAWN BY: Z.L. 10-13-23  
Certificate Number:

District I  
1625 N. French Dr., Hobos, 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 Ross, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

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> APT Number 30-025-52404	<sup>2</sup> Pool Code 970	<sup>3</sup> Pool Name AIRSTRIP;WOLFCAMP
<sup>4</sup> Property Code 334169	<sup>5</sup> Property Name GOLD STATE COM	
<sup>7</sup> OGRID No. 331595	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	<sup>6</sup> Well Number 802H
		<sup>9</sup> Elevation 3987.7'

**"Surface Location**

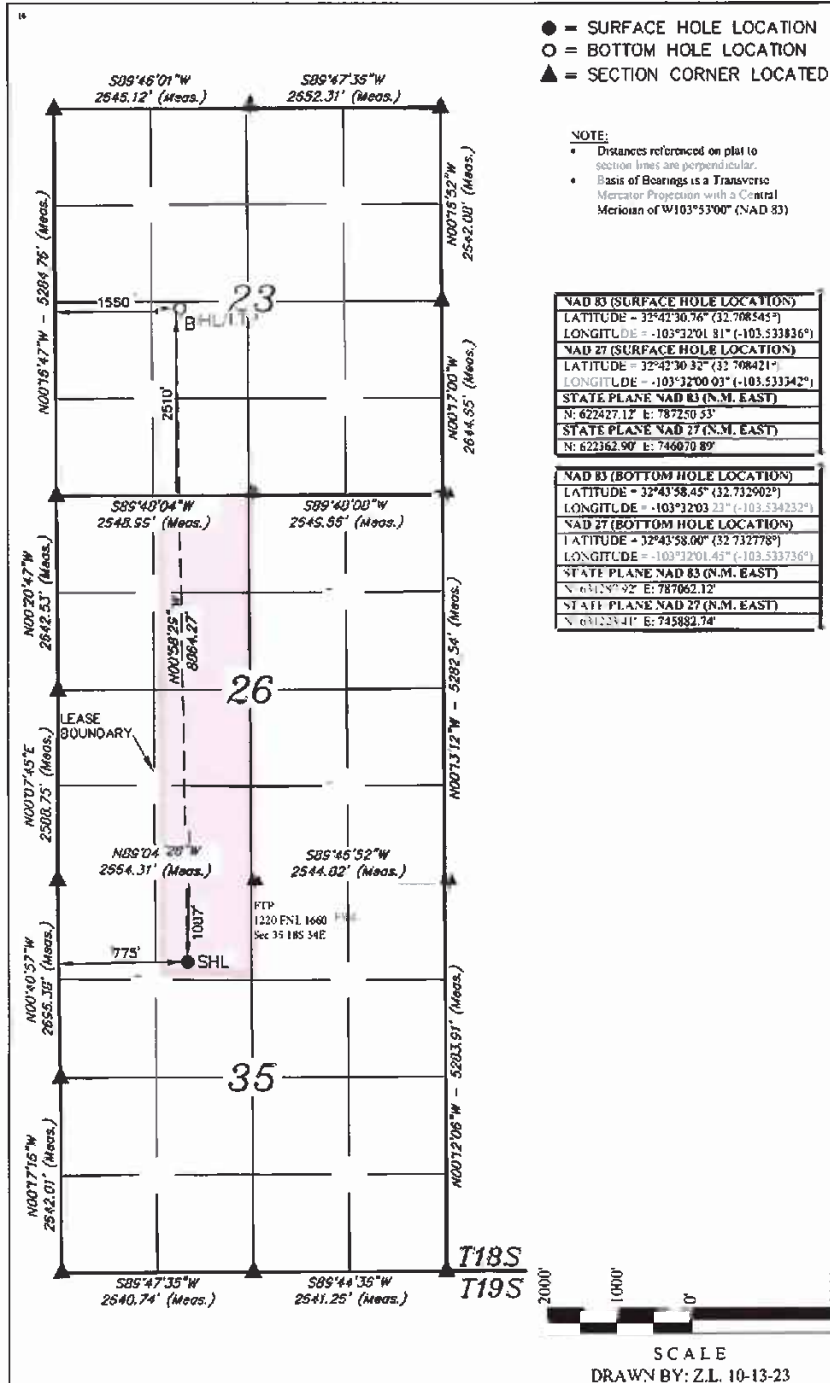
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	18S	34E		1087	NORTH	1775	WEST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	23	18S	34E		2510	SOUTH	1660	WEST	LEA

<sup>10</sup> Dedicated Acres 200	<sup>11</sup> Joint or Infill	<sup>12</sup> Consolidation Code	<sup>13</sup> 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.



**"OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization is her owner, a working interest, or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract well-log owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore approved by the division.

Signature: *Rachael Overbey* Date: 11/6/2023

Rachael Overbey  
Printed Name

roverbey@fmlc.com  
E-mail Address

**"SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

October 02, 2023

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number

# Case No. 24359 Unit Summary

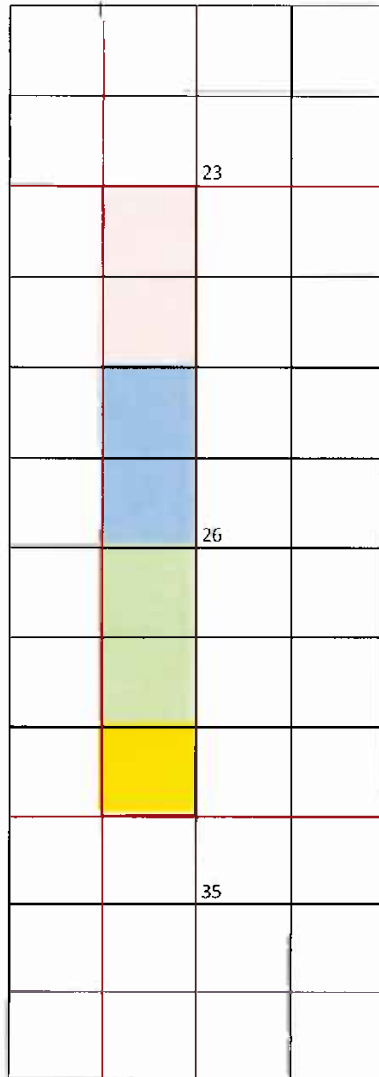


## Case No. 24359

E2SW of Sec 23, E2W2 of Sec 26, & NENW of Sec 35-T18S-R34E, 280.00 Acres

Gold State Com 702H

Gold State Com 802H



- Proposed Wolfcamp Unit
- Tract 1 (80 Acres)
- Tract 2 (80 Acres)
- Tract 3 (80 Acres)
- Tract 4 (40 Acres)

Tract	Lease
1	EO-5014
2	VB-1406
3	LO-3674
4	VB-1199

Committed Working Interest	
Franklin Mountain Energy 3, LLC	33.9464%
Uncommitted Working Interest	
MRC Permian Company	47.4821%
Marathon Oil Permian, LLC	11.4286%
Allar Development, LLC	5.3571%
EG3 Development, LLC	1.7857%
<b>Total:</b>	<b>100.0000%</b>







Sent via USPS: 9400109205568030288932

July 18, 2023

Allar Development, LLC  
 PO Box 1567  
 Graham, TX 76450  
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**  
 Township 18 South, Range 34 East:  
 Section 23: E2SW, Section 26: E2W2, & Section 35: NENW  
 Lea County, New Mexico  
 280.00 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
Gold State Com 502H	2BS	9793	19,793'	Sec 35-T18S-R34E 1062 FNL 1787 FWL	Sec 23-T18S-R34E 2510 FSL 2300 FWL	\$11,355,549.08	N/A
Gold State Com 602H	3BS	10483	20,483'	Sec 35-T18S-R34E 1062 FNL 1737 FWL	Sec 23-T18S-R34E 2510 FSL 1660 FWL	\$11,650,592.43	N/A
Gold State Com 702H	WCA	10998	20,998'	Sec 35-T18S-R34E 1062 FNL 2560 FEL	Sec 23-T18S-R34E 130 FNL 2300 FEL	\$11,650,592.43	N/A
Gold State Com 802H	WCB	11713	21,713'	Sec 35-T18S-R34E 1062 FNL 1762 FWL	Sec 23-T19S-R34E 2510 FSL 1660 FWL	\$11,783,083.07	N/A







FME3 reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.

FME3 is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator

Should you be interested in participating under an Operating Agreement, with your working interest, FME3 will send you our proposed form.

Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate, FME3 proposes a term assignment or lease at the following terms:

The foregoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME3 is under no obligation to negotiate, lease or purchase your interest.

Please return your signed documents to Don Johnson at [djohnson@fmellc.com](mailto:djohnson@fmellc.com) or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (720) 414-7863.

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson  
Sr. Land Analyst



**Gold State Com 502H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 502H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 502H** well.

**Gold State Com 602H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 602H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 602H** well.

**Gold State Com 702H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 702H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 702H** well.

**Gold State Com 802H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 802H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 802H** well.

Owner: Allar Development, LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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

FRANKLIN MOUNTAIN ENERGY AUTHORITY FOR EXPENDITURE

Well Name: Gold State Com 802H
Location: SHL Sec 35-T19S-R34E 1062 FNL 1762 FWL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 9,000' WCD well

Well #: 802H
County/State: Lea Co., NM
Date Prepared: 6/21/2023
AFE #: DCE230626

Table with 4 columns: Major, Minor, Description, Amount. Title: Intangible Drilling Costs. Lists various overhead and service costs for drilling.

Table with 4 columns: Major, Minor, Description, Amount. Title: Intangible Completion Costs. Lists various overhead and service costs for completion.

Table with 4 columns: Major, Minor, Description, Amount. Title: Tangible Drilling Costs. Lists costs for casing, packers, and production equipment.

Table with 4 columns: Major, Minor, Description, Amount. Title: Tangible Completion Costs. Lists costs for artificial lift, flowlines, and production equipment.

Table with 4 columns: Major, Minor, Description, Amount. Title: Tangible Facility Costs. Lists costs for facility construction and equipment.

Table with 4 columns: Major, Minor, Description, Amount. Title: Intangible Facility Costs. Lists consulting, labor, and overhead costs for the facility.

Summary table with 2 columns: Description, Amount. Totals for Drill, Completion, Facility, DC Intangible, and DC Tangible.

Total AFE: \$11,783,083.07

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE AUTHORITY FOR EXPENDITURE.

Operator: Franklin Mountain Energy 3, LLC
Approved By: Craig Walters, Chief Executive Officer

Date: 6/21/2023

WI Owner:
Approved By:
Printed Name:
Title:

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

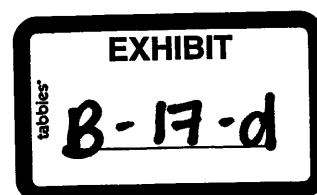
Gold E2W2-Bone Spring and Wolfcamp

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

EG3 Development, LLC  
Allar Development, LLC  
Marathon Oil Permian, LLC  
MRC Permian Company  
ConocoPhillips Company

**ORRI to Be Pooled**

Good News Minerals, LLC  
Post Oak Crown IV, LLC  
Post Oak Mavros II, LLC  
Sortida Resources, LLC  
Oak Valley Mineral and Land, LP  
Crown Oil Partners, LP  
Collins & Jones Investments, LLC  
MCT Energy Ltd.  
H. Jason Wacker  
David W. Cromwell  
SHG Energy, LLC  
Sitka Consulting, LLC  
Ridge Runner Holdings, LLC  
John Lawrence Thoma, Trustee of the Cornerstone Family Trust  
CrownRock Minerals, L.P.  
The Allar Company  
EG3, Inc.  
GMT New Mexico Royalty Company LLC  
Franklin Mountain Royalty Investments 3, LLC  
Nestegg Energy Corporation  
Brazos, LP



**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 OVERLAPPING SPACING UNIT,  
LEA COUNTY, NEW MEXICO**

CASE NO. 24360

**APPLICATION**

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the 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 to form a standard 280-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the **Gold State Com 502H and Gold State Com 602H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from

<sup>1</sup> This application amends the application filed in Case No. 23843.



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.

4. Franklin filed Case No. 23843 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would “partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E.” Application Case No. 23843, ¶ 4.

5. Franklin is filing this amended application, to the extent necessary, to provide notice that 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.

6. 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.

7. 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.

8. Case No. 23843 is currently set for contested hearing on April 9, 2024.

9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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/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;
- B. Approving, to the extent necessary, the proposed overlapping spacing unit;
- C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
Earl E. DeBrine, Jr.  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*



**CASE NO. 24360 : 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, 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.

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  
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

1 API Number 30-025-52398		1 Pool Code 960		2 Pool Name AIRSTRIP; BONESPRING	
4 Property Code 334169		3 Property Name GOLD STATE COM		6 Well Number 502H	
7 OGRID No. 331595		8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		9 Elevation 3987.6'	

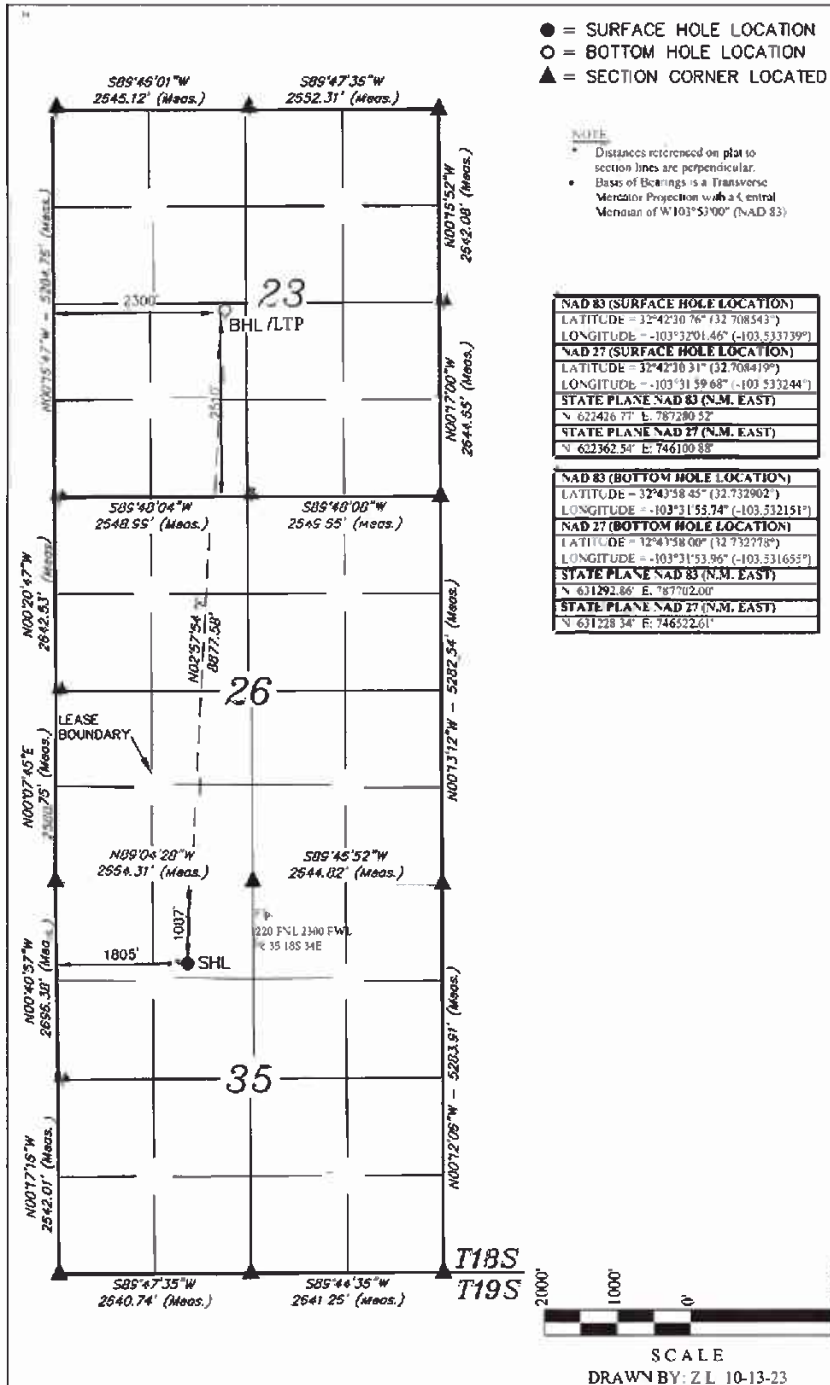
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	18S	34E		1087	NORTH	1805	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	23	18S	34E		2510	SOUTH	2300	WEST	LEA

12 Dedicated Acres 280	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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



**12 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the operator has either owns a working interest in unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order previously entered by the division.

Signature: *Rachael Overbey* Date: 11/6/2023  
Printed Name: Rachael Overbey  
Email Address: roverbey@fmlle.com

**13 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from the notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

October 02, 2023  
Date of Survey  
Signature and Seal of Professional Surveyor

PAUL BUCHELE  
NEW MEXICO  
PROFESSIONAL SURVEYOR  
10-13-23

EXHIBIT  
B-18-a

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 391-6161 Fax: (575) 391-0720

**District II**  
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Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
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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 30-025-52399	<sup>2</sup> Pool Code 960	<sup>3</sup> Pool Name AIRSTRIP; BONESPRING
<sup>4</sup> Property Code 334169	<sup>5</sup> Property Name GOLD STATE COM	
<sup>7</sup> OGRID No. 331595	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	<sup>6</sup> Well Number 602H  <sup>9</sup> Elevation 3987.7'

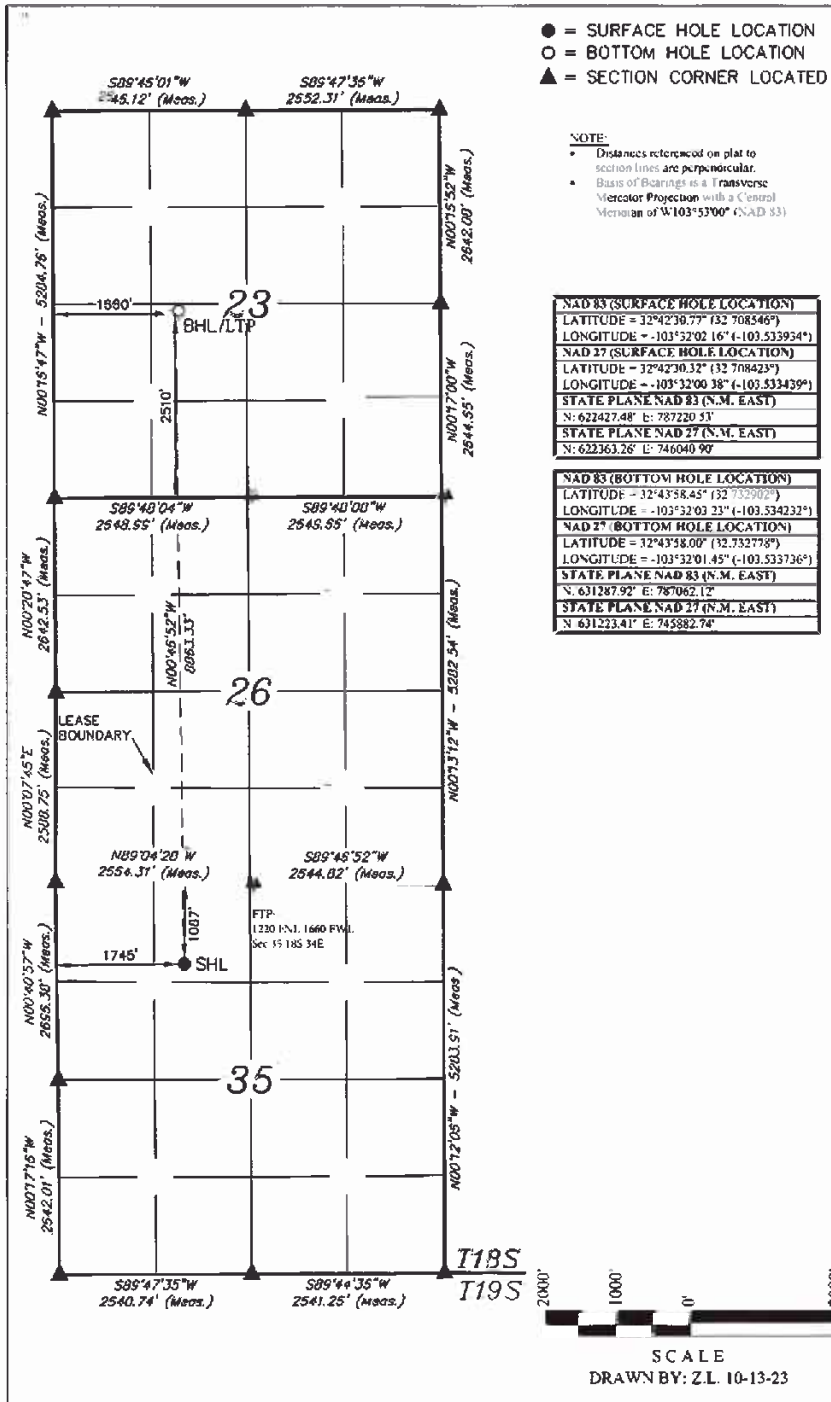
**" Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	18S	34E		1087	NORTH	1745	WEST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	23	18S	34E		2510	SOUTH	1660	WEST	LEA
<sup>11</sup> Dedicated Acres 280		<sup>12</sup> Joint or Infill		<sup>13</sup> Consolidation Code		<sup>14</sup> 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.



**" OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Rachael Overbey* Date: 11/6/2023  
 Printed Name: Rachael Overbey  
 E-mail Address: roverbey@fmelc.com

**" SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

October 02, 2023  
 Date of Survey  
 Signature and Seal of Professional Surveyor.

**PAUL BUCHELE**  
 NEW MEXICO  
 23382  
 PROFESSIONAL SURVEYOR  
 10-13-23

SCALE  
 DRAWN BY: Z.L. 10-13-23

Certificate Number:

# Case No. 24360 Unit Summary

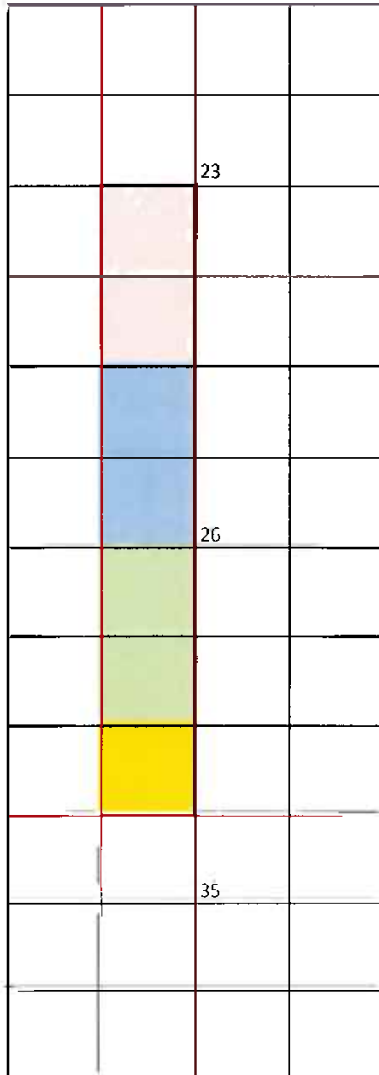


## Case No. 24360

E2SW of Sec 23, E2W2 of Sec 26, & NENW of Sec 35-T18S-R34E, 280.00 Acres

Gold State Com 502H

Gold State Com 602H



Proposed Bone Spring Unit

Tract 1 (80 Acres)

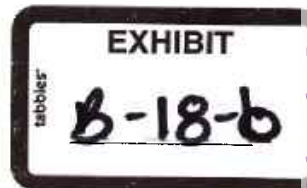
Tract 2 (80 Acres)

Tract 3 (80 Acres)

Tract 4 (40 Acres)

Tract	Lease
1	EO-5014
2	VB-1406
3	LO-3674
4	VB-1199

Committed Working Interest	
Franklin Mountain Energy 3, LLC	33.9464%
Uncommitted Working Interest	
MRC Permian Company	47.4821%
Marathon Oil Permian, LLC	11.4286%
Allar Development, LLC	5.3571%
EG3 Development, LLC	1.7857%
<b>Total:</b>	<b>100.0000%</b>





Sent via USPS: 9400109205568758357835

July 18, 2023

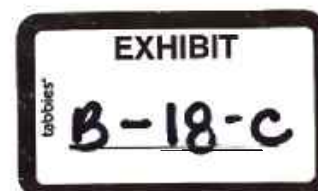
EG3 Development, LLC  
 PO Box 1567  
 Graham, TX 76450  
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**  
 Township 18 South, Range 34 East:  
 Section 23: E2SW, Section 26: E2W2, & Section 35: NENW  
 Lea County, New Mexico  
 280.00 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
Gold State Com 502H	2BS	9793	19,793'	Sec 35-T18S-R34E 1062 FNL 1787 FWL	Sec 23-T18S-R34E 2510 FSL 2300 FWL	\$11,355,549.08	N/A
Gold State Com 602H	3BS	10483	20,483'	Sec 35-T18S-R34E 1062 FNL 1737 FWL	Sec 23-T18S-R34E 2510 FSL 1660 FWL	\$11,650,592.43	N/A
Gold State Com 702H	WCA	10998	20,998'	Sec 35-T18S-R34E 1062 FNL 2560 FEL	Sec 23-T18S-R34E 130 FNL 2300 FEL	\$11,650,592.43	N/A
Gold State Com 802H	WCB	11713	21,713'	Sec 35-T18S-R34E 1062 FNL 1762 FWL	Sec 23-T19S-R34E 2510 FSL 1660 FWL	\$11,783,083.07	N/A





FME3 reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.

FME3 is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator

Should you be interested in participating under an Operating Agreement, with your working interest, FME3 will send you our proposed form.

Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate, FME3 proposes a term assignment or lease at the following terms:

The foregoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME3 is under no obligation to negotiate, lease or purchase your interest.

Please return your signed documents to Don Johnson at [djohnson@fmellc.com](mailto:djohnson@fmellc.com) or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (720) 414-7863.

Respectfully,

Franklin Mountain Energy 3, LLC



Don Johnson  
Sr. Land Analyst



**Gold State Com 502H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 502H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 502H** well.

**Gold State Com 602H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 602H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 602H** well.

**Gold State Com 702H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 702H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 702H** well.

**Gold State Com 802H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 802H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 802H** well.

Owner: EG3 Development, LLC

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





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

**AUTHORITY FOR EXPENDITURE**

Well Name: G&M State Com 50211 Well #: 50211  
 Location: SHL: Sec 35-T185-R34E 1062 FNL 1787 FWL County/State: Lea Co., NM  
 BHL: Sec 23-T185-R34E 2510 PSL 2300 FWL  
 Operator: Franklin Mountain Energy J, LLC Date Prepared: 6/21/2023  
 Purpose: Drill and complete a 9,000' 2B5 well AFE #: DCE230617  
 TVD 9,793', MD 19,793'

Intangible Drilling Costs			Intangible Completion Costs				
Major	Minor	Description	Amount	Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,000	240	5	ADMINISTRATIVE OVERHEAD	\$2,000
225	1	CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225	5	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0
225	6	CEMENTING PRODUCTION CASING	\$80,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,313
225	20	CEMENTING SURFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$19,000	240	30	COMPANY DIRECT LABOR	\$0
225	3	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	3	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$21,697
225	8	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$1,896
225	4	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225	5	DAYWORK CONTRACT	\$520,000	240	60	ELECTRICAL POWER/GENERATION	\$0
225	5	DRILLING - DIRECTIONAL	\$200,000	240	62	ENGINEERING	\$5,687
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	6	DRILLING BITS	\$90,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225	7	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,000
225	80	ENVIRONMENTAL SERVICES	\$300,000	240	75	FUEL, POWER/DIESEL	\$590,000
225	84	EQUIPMENT RENTAL, DOWNHOLE	\$40,000	240	80	HEALTH & SAFETY	\$4,700
225	8	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
225	9	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$0
225	9	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$18,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	\$1,700	240	110	PER/A TA COSTS	\$0
225	106	INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATION REPAIRS	\$2,000
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,000
225	125	MUSTER/ATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225	130	MUD & CHEMICALS	\$180,000	240	140	SUPERVISION	\$90,047
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	\$0
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
225	160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$273,599
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$248,726
225	165	STAKING & SURVEYING	\$6,000			<b>Total Intangible Completion Costs:</b>	<b>\$6,840</b>
225	170	SUPERVISION	\$71,400				
225	175	SUPERVISION - GEOLOGICAL	\$39,000				
225	180	TRANSPORTATION/TRUCKING	\$20,000				
225	178	TAXES	\$125,131				
225	35	CONTINGENCY COSTS 5%	\$113,755				
		<b>Total Intangible Drilling Costs:</b>	<b>\$2,513,986</b>				

Tangible Drilling Costs			Amount
Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,014,380
230	35	SURFACE CASING & ATTACHMENTS	\$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$83,263
		<b>Total Tangible Drilling Costs:</b>	<b>\$1,777,141</b>

Tangible Completion Costs			Amount
Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$175,000
245	15	FLOWLINES	\$20,000
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$150,000
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$50,000
245	75	WELLHEAD EQUIPMENT	\$125,000
245	70	TAXES	\$28,600
		<b>Total Tangible Completion Costs:</b>	<b>\$548,600</b>

Tangible Facility Costs			Amount
Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0
270	30	PRIMARY POWER MATERIALS	\$56,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000
270	60	H2S TREATING EQUIPMENT	\$0
270	65	SEPARATION EQUIPMENT	\$125,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0
270	75	PRE-FABRICATED SKIDS	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$137,000
270	90	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000
270	110	TANKS & WALKWAYS	\$90,000
270	130	MECHANICAL BATTERY BUILD	\$154,000
270	132	EI&C BATTERY BUILD	\$45,000
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000
270	136	PRIMARY POWER BUILD	\$56,000
270	138	FLOWLINE INSTALLATION	\$37,000
270	140	SIGNAGE	\$250
270	125	TAXES	\$55,674
		<b>Total Tangible Facility Costs:</b>	<b>\$1,067,924</b>

Intangible Facility Costs			Amount
Major	Minor	Description	Amount
265	5	CONSULTING	\$18,100
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
265	22	PAD/ROAD CONSTRUCTION	\$50,000
265	25	ENGINEERING / SCIENCE	\$22,000
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$3,000
265	80	SURVEY / PLATS / STAKINGS	\$1,500
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$6,523
265	10	CONTINGENCY COSTS 5%	\$5,930
		<b>Total Intangible Facility Costs:</b>	<b>\$131,053</b>

Office Use Only:

Total Drill	\$4,111,126.79
Total Completion	\$6,045,445.54
Total Facility	\$1,198,976.73
Total DC Intangible	\$8,010,831.04
Total DC Tangible	\$2,145,741.29
<b>Total AFE</b>	<b>\$13,302,120.39</b>

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTINATE SHARE OF THE ACTUAL INVOICE COSTS

Operator: Franklin Mountain Energy J, LLC

Approved By: Date: 6/21/2023  
 Craig Walters  
 Chief Executive Officer

WI Owner: \_\_\_\_\_ Date: \_\_\_\_\_

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

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



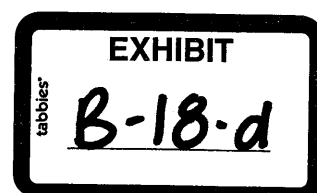
Gold E2W2-Bone Spring and Wolfcamp

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

EG3 Development, LLC  
Allar Development, LLC  
Marathon Oil Permian, LLC  
MRC Permian Company  
ConocoPhillips Company

**ORRI to Be Pooled**

Good News Minerals, LLC  
Post Oak Crown IV, LLC  
Post Oak Mavros II, LLC  
Sortida Resources, LLC  
Oak Valley Mineral and Land, LP  
Crown Oil Partners, LP  
Collins & Jones Investments, LLC  
MCT Energy Ltd.  
H. Jason Wacker  
David W. Cromwell  
SHG Energy, LLC  
Sitka Consulting, LLC  
Ridge Runner Holdings, LLC  
John Lawrence Thoma, Trustee of the Cornerstone Family Trust  
CrownRock Minerals, L.P.  
The Allar Company  
EG3, Inc.  
GMT New Mexico Royalty Company LLC  
Franklin Mountain Royalty Investments 3, LLC  
Nestegg Energy Corporation  
Brazos, LP





**FRANKLIN MOUNTAIN  
ENERGY**

Geology



5. I conducted a geological study of the Bone Spring and Wolfcamp formations underlying FME3's Gold State Com Development Area ("Gold Development Area").

6. **Exhibit C-1** is a locator map, which identifies the general location of the Gold Development Area within the Permian Basin.

7. **Exhibit C-2** is an excerpt from Snee & Zoback, 2018, identifying the horizontal stress orientation in this area. The preferred well orientation in this area is North South due to the  $S_{Hmax}$  direction.

8. **Exhibit C-3** is a gun barrel diagram of FME3's proposed Gold development plan.

#### **BONE SPRING GEOLOGY STUDY—CASE 24360**

9. The exhibits behind **Tab C-4** are the geology study I prepared for Case No. 24360, in which FME3 proposes to drill two Bone Spring wells—one Second Bone Spring well and one Third Bone Spring well. For completeness, however, I have included FME3's future planned Second and Third Bone Spring wells in the exhibits.

10. **Exhibit C-4-a** is the Second Bone Spring Structure map. The Gold Development Area is identified by the pink box and the approximate location of the Second Bone Spring wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the structure dips to the south. Exhibit C-4-a also identifies the seven wells I used for the cross-section, running from A to A'.

11. **Exhibit C-4-b** is a stratigraphic cross section. In my opinion, the well logs on the cross-section give a representative sample of the Second Bone Spring Sand formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified approximately where the Gold Second Bone Spring wells fall within the wells I used for the cross-

section. Based on the cross section, I conclude that the Second Bone Spring is present and porous in the Gold Development Area.

12. **Exhibit C-4-c** is a Second Bone Spring Sand Isopach, which shows that the gross reservoir thickens to the south.

13. **Exhibit C-4-d** is a Third Bone Spring Structure map. The Gold Development Area is identified by the pink box and the approximate location of the Second Bone Spring wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the structure dips to the south. Exhibit C-4-d also identifies the seven wells I used for the cross-section, running from A to A'.

14. **Exhibit C-4-e** is a stratigraphic cross section'. In my opinion, the well logs on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified approximately where the Gold Third Bone Spring wells fall within the wells I used for the cross-section. Based on the cross section, I conclude that the Third Bone Spring is present and porous in the Gold Development Area.

15. **Exhibit C-4-f** is a Third Bone Spring Sand Isopach, which shows that the gross reservoir thickens slightly to the southeast.

16. I conclude from the Bone Spring geology study that:

- a. The horizontal spacing units are justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the proposed units will contribute more or less equally to production.



**WOLFCAMP GEOLOGY STUDY—CASES 24356, 24358, 24359**

17. The exhibits behind **Tab C-5** are the geology study I prepared for the Wolfcamp formation. In case numbers 24356, 24358, and 24359, FME 3 is proposing a total of 6 wells—three Wolfcamp A wells and three Wolfcamp B wells. I have prepared two separate sets of slides for each target formation.

18. **Exhibit C-5-a** is the Wolfcamp A Structure map. The Gold Development Area is identified by the green box and the approximate location of the Wolfcamp A wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips to the south. This map also identifies the seven wells I used for the cross-section, running from A to A'.

19. **Exhibit C-5-b** is a stratigraphic cross section. In my opinion, the well logs on the cross-section give a representative sample of the Wolfcamp A formation in the area. The target zone is identified by a bracket and the words “Producing Interval.” I have also identified where the proposed Gold Wolfcamp A wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Wolfcamp A is present and porous in the Gold Development Area.

20. **Exhibit C-5-c** is a Wolfcamp A Isopach, which shows that the reservoir thins slightly to the south.

21. **Exhibit C-5-d** is the Wolfcamp B Structure map. The Gold Development Area is identified by the green box and the approximate location of the Wolfcamp B wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips to the south. This map also identifies the seven wells I used for the cross-section, running from A to A'.

22. **Exhibit C-5-e** is a stratigraphic cross section. In my opinion, the well logs on the cross-section give a representative sample of the Wolfcamp B formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed Gold Wolfcamp B wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Wolfcamp B is present and porous in the Gold Development Area.

23. **Exhibit C-4-f** is a Wolfcamp B Isopach, which shows that the reservoir thickens to the northwest.

24. I conclude from the Wolfcamp geology study that:

- a. The horizontal spacing units are justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the proposed units will contribute more or less equally to production.

25. In my opinion, FME3's Gold State Development plan prevents waste and protects correlative rights.

26. The attachments to my affidavit were prepared by me or compiled under my direction or supervision.

Dated: June 18, 2024

[Signature]  
Ben Kessel

State of Colorado

County of Denver

This record was acknowledged before me on June 18, 2024, by Ben Kessel.

[Stamp]



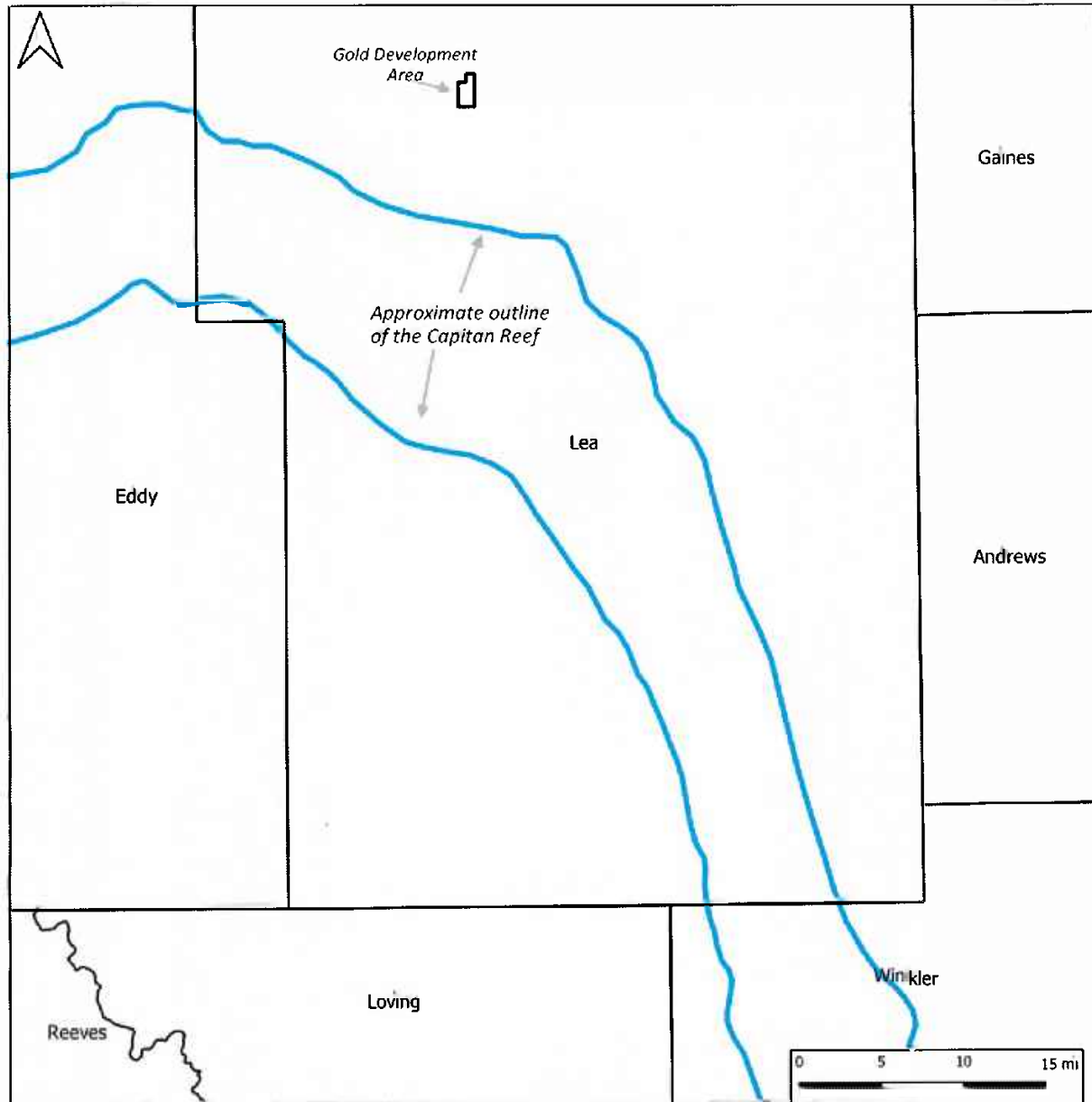
[Signature]

Notary Public in and for the  
State of Colorado  
Commission Number: 20084000193

My Commission Expires: 1/3/2028

# Gold Development

## Locator Map

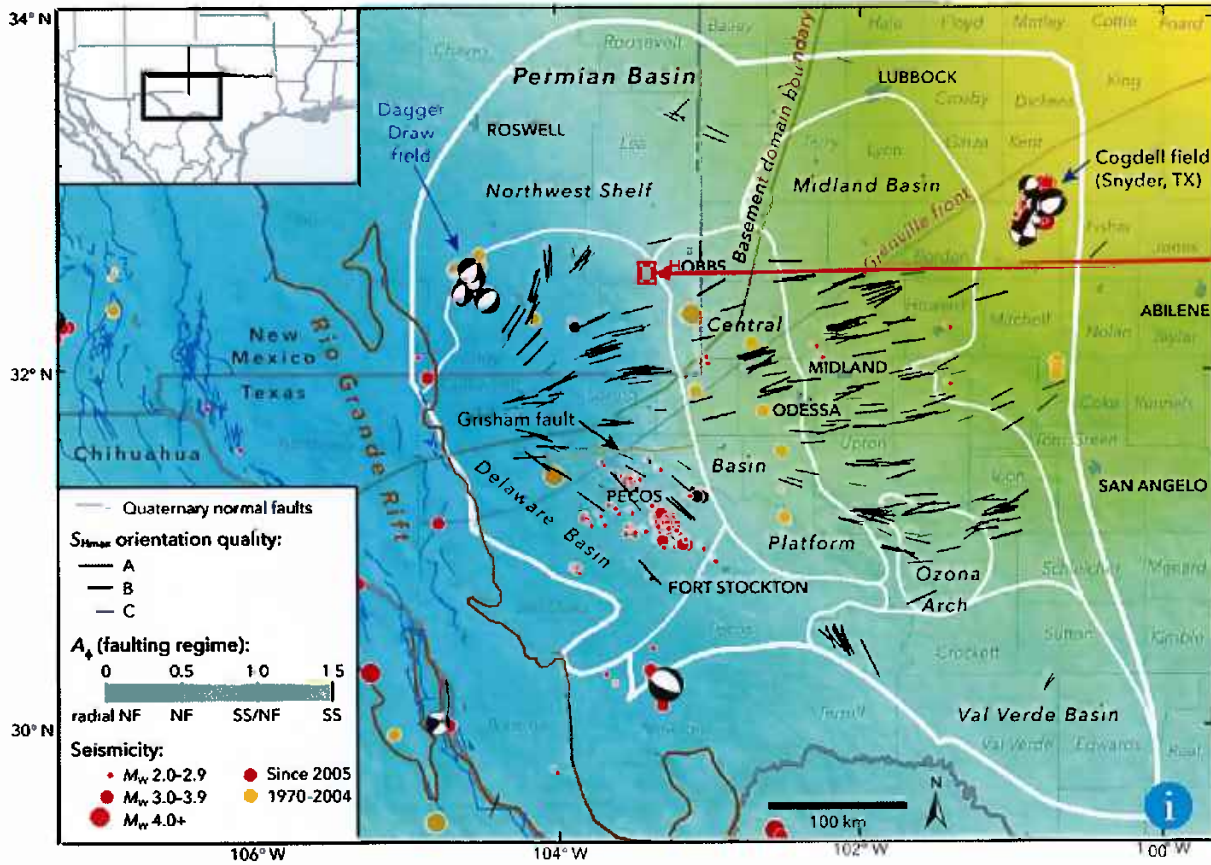


- Black box shows the location of the Gold development area
- Planned wells are located outside the known boundary of the Capitan Reef

[https://www.twdb.texas.gov/publications/reports/contracted\\_reports/doc/0804830794Capitan%20Reef/Final%20Revised%20Capitan%20PDF%20w\\_Seals.pdf](https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794Capitan%20Reef/Final%20Revised%20Capitan%20PDF%20w_Seals.pdf)



# Regional Stress



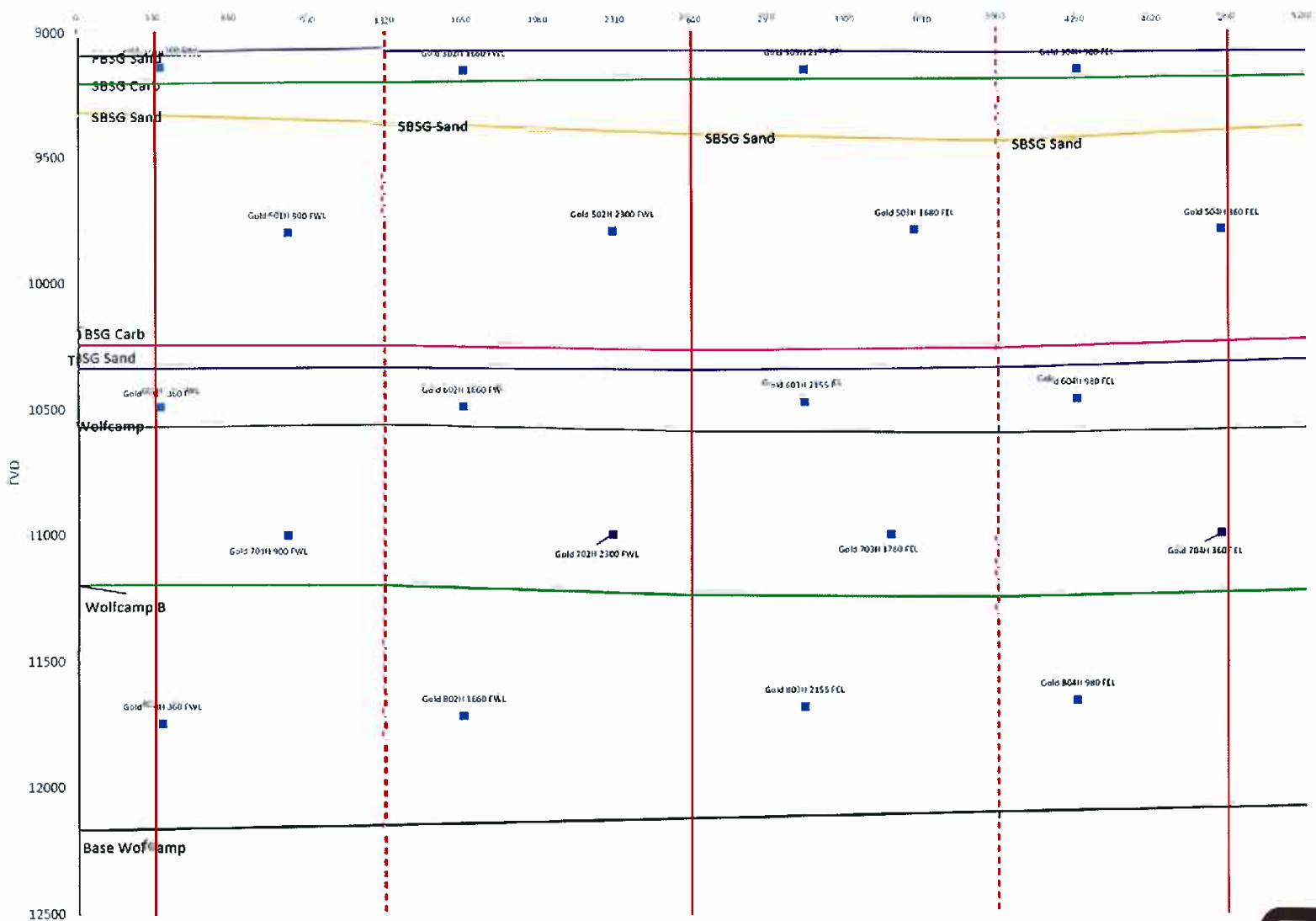
- Red box shows the approximate location of the Gold development
- Reported local  $S_{Hmax}$  (Snee and Zoback, 2018) direction is ENE, around 255°
- The Gold State wells are planned to drill N-S, nearly orthogonal to  $S_{Hmax}$ , optimal for induced fracture propagation

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](http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603)





185 34E Sections 26&25-Looking North  
Distance FWL



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**EXHIBIT**

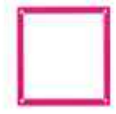
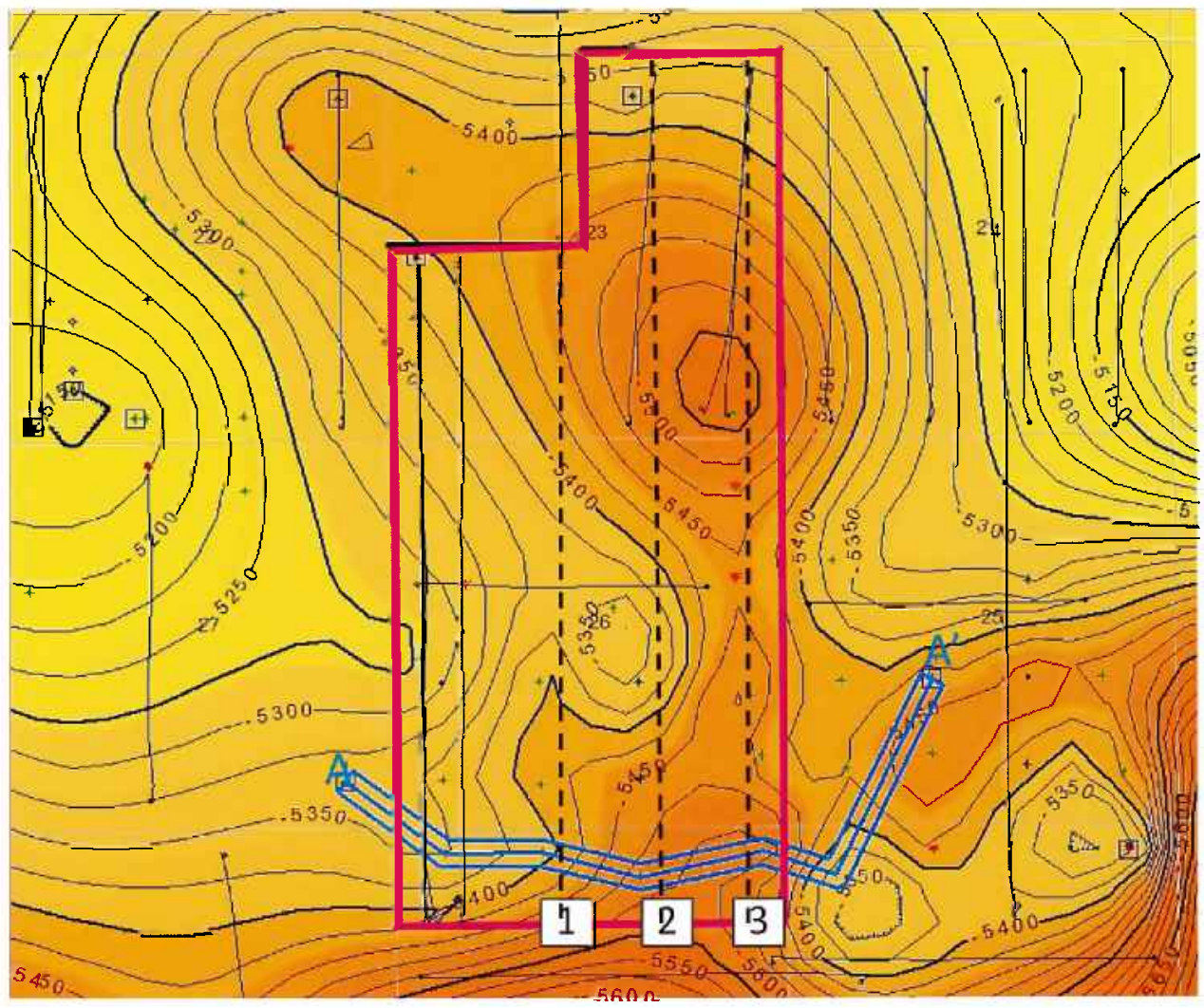
**C-3**



# Second Bone Spring Structure Map



- Second Bone Spring structure dips to the south



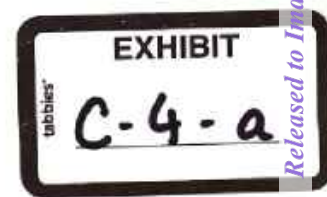
Gold Development-Bone Spring

Proposed Horizontal Location

- 1 Gold State Com 502H
- 2 Gold State Com 503H
- 3 Gold State Com 504H

All wells shown

1 mile





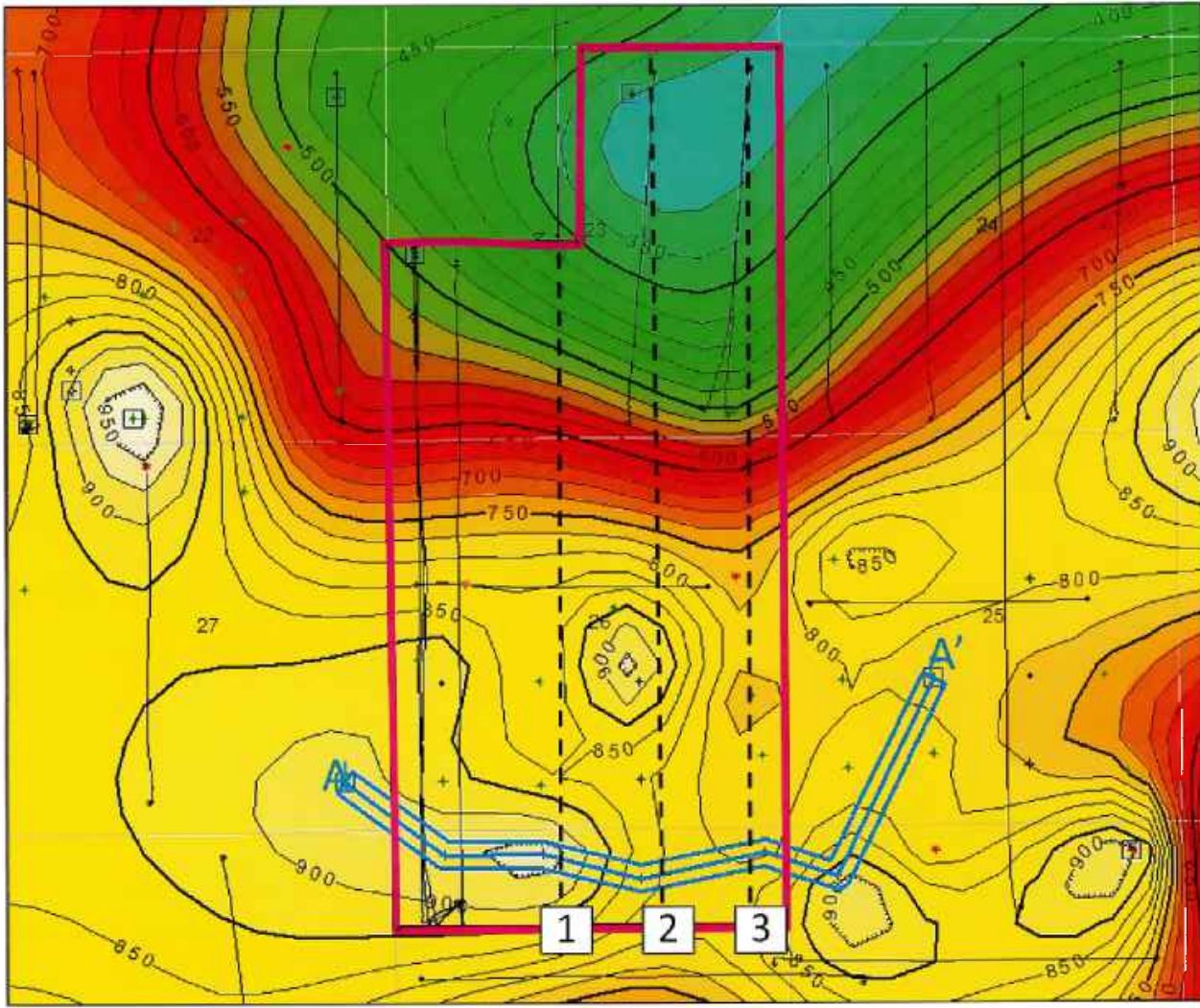




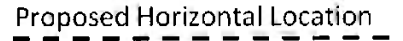
# Second Bone Spring Sand Isochore Map



- Second Bone Spring thickens to the south



 Gold Development-Bone Spring

 Proposed Horizontal Location

- 1** Gold State Com 502H
- 2** Gold State Com 503H
- 3** Gold State Com 504H

All wells shown

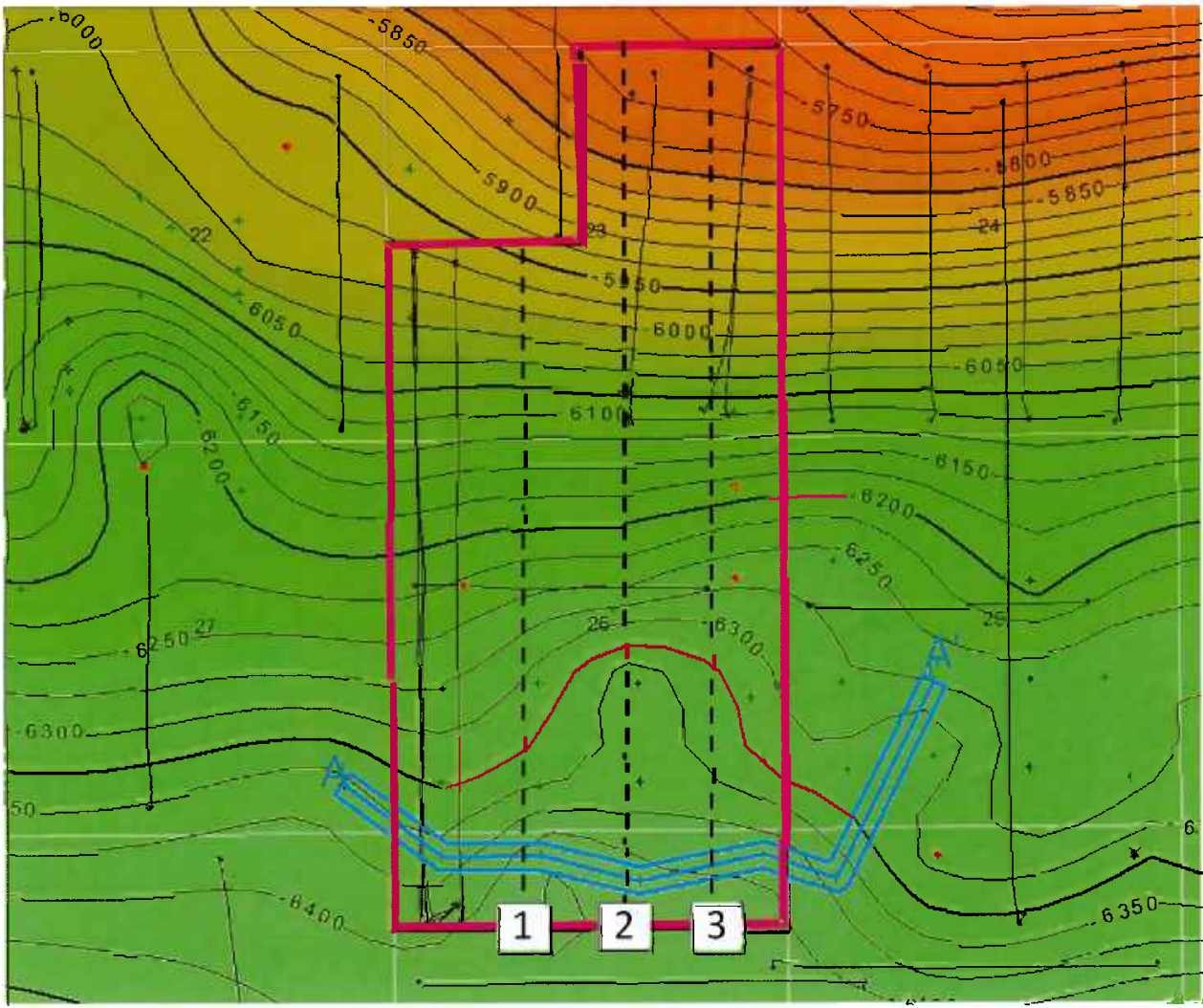
1 mile



# Third Bone Spring Structure Map



■ Third Bone Spring structure dips to the south



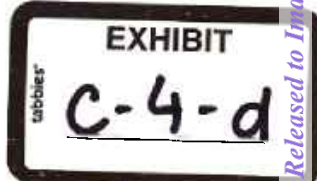
 Gold Development-  
Bone Spring

Proposed Horizontal Location

- 1** Gold State Com 602H
- 2** Gold State Com 603H
- 3** Gold State Com 604H

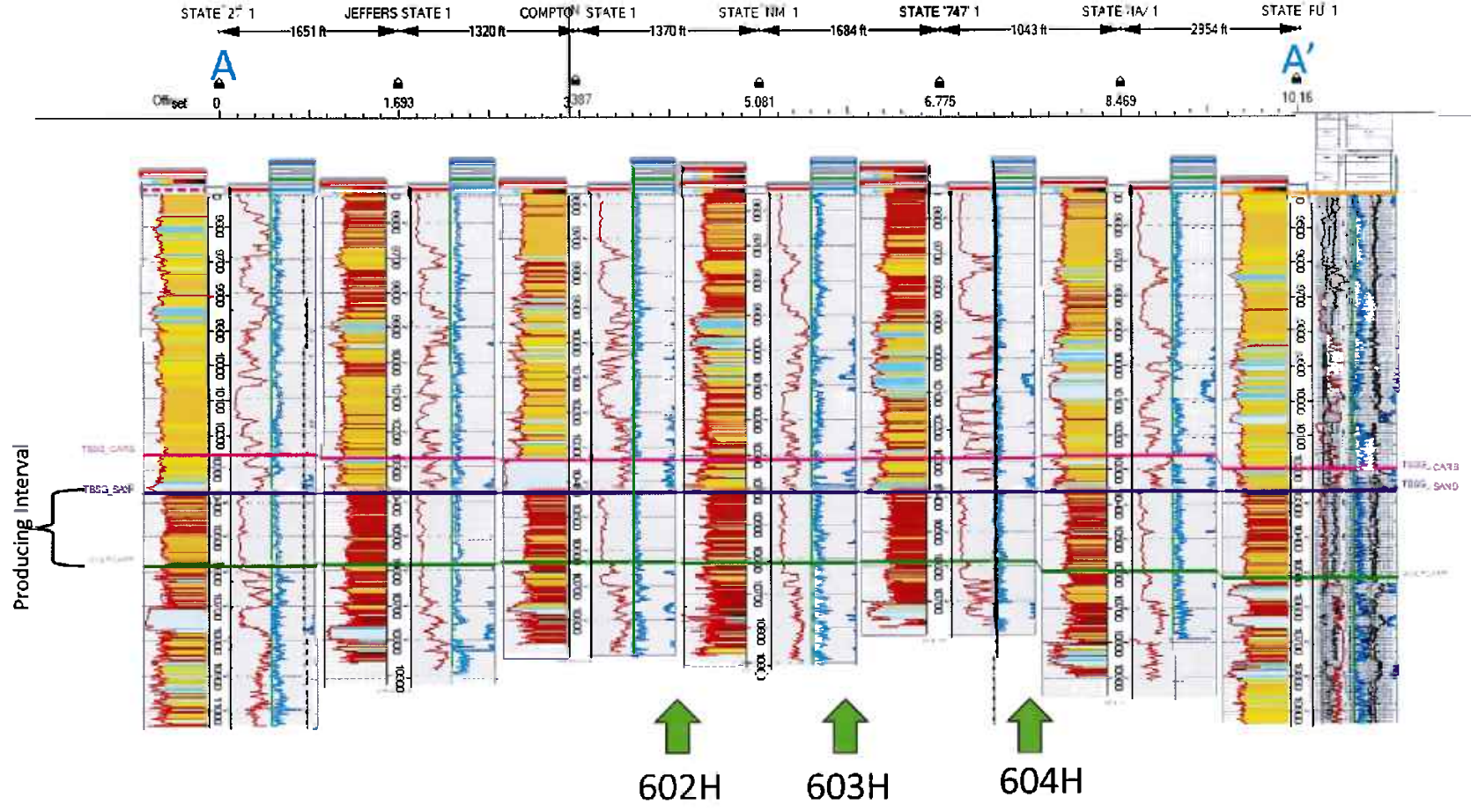
All wells shown

1 mile





# Third Bone Spring Cross Section

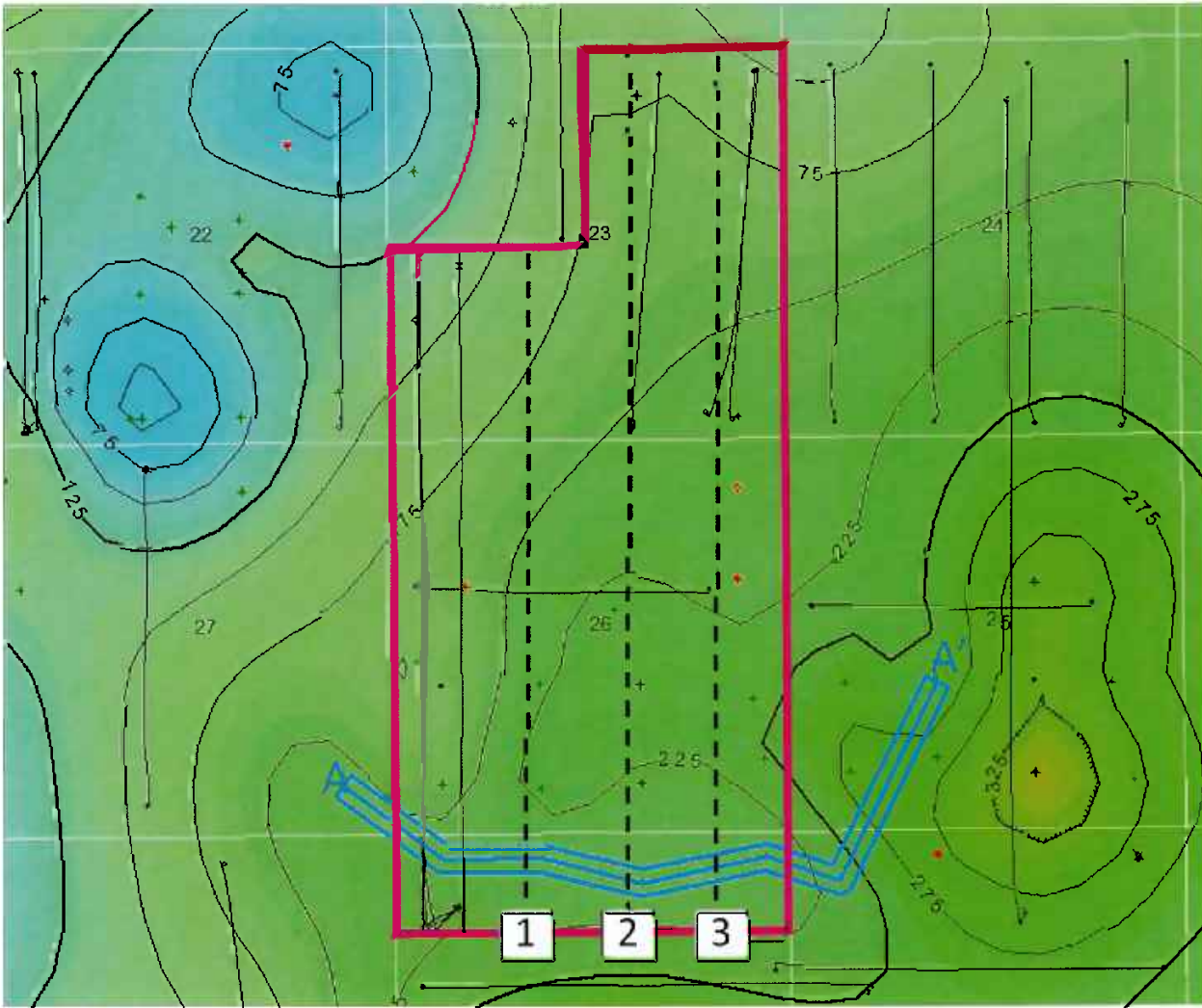


tabbles®  
**EXHIBIT**  
**C-4-e**

# Third Bone Spring Sand Isochore Map



■ Third Bone Spring thickens to the southeast



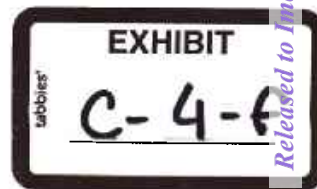
Gold Development-Bone Spring

Proposed Horizontal Location

- Gold State Com 302H
- Gold State Com 303H
- Gold State Com 304H

All wells shown

1 mile

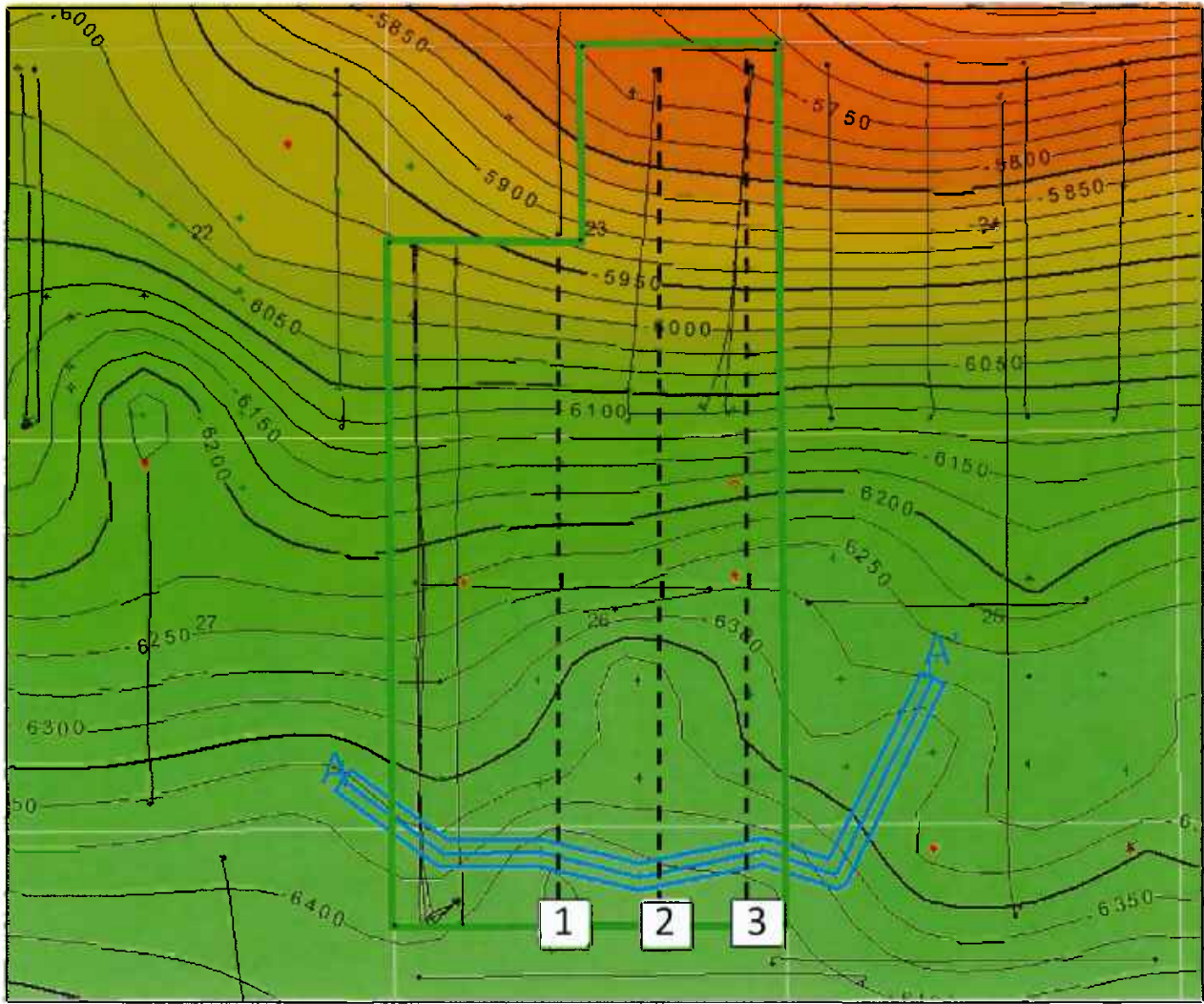




# Wolfcamp A Structure Map



■ Wolfcamp A structure dips to the south



Gold Development-Wolfcamp

Proposed Horizontal Location

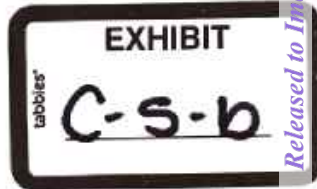
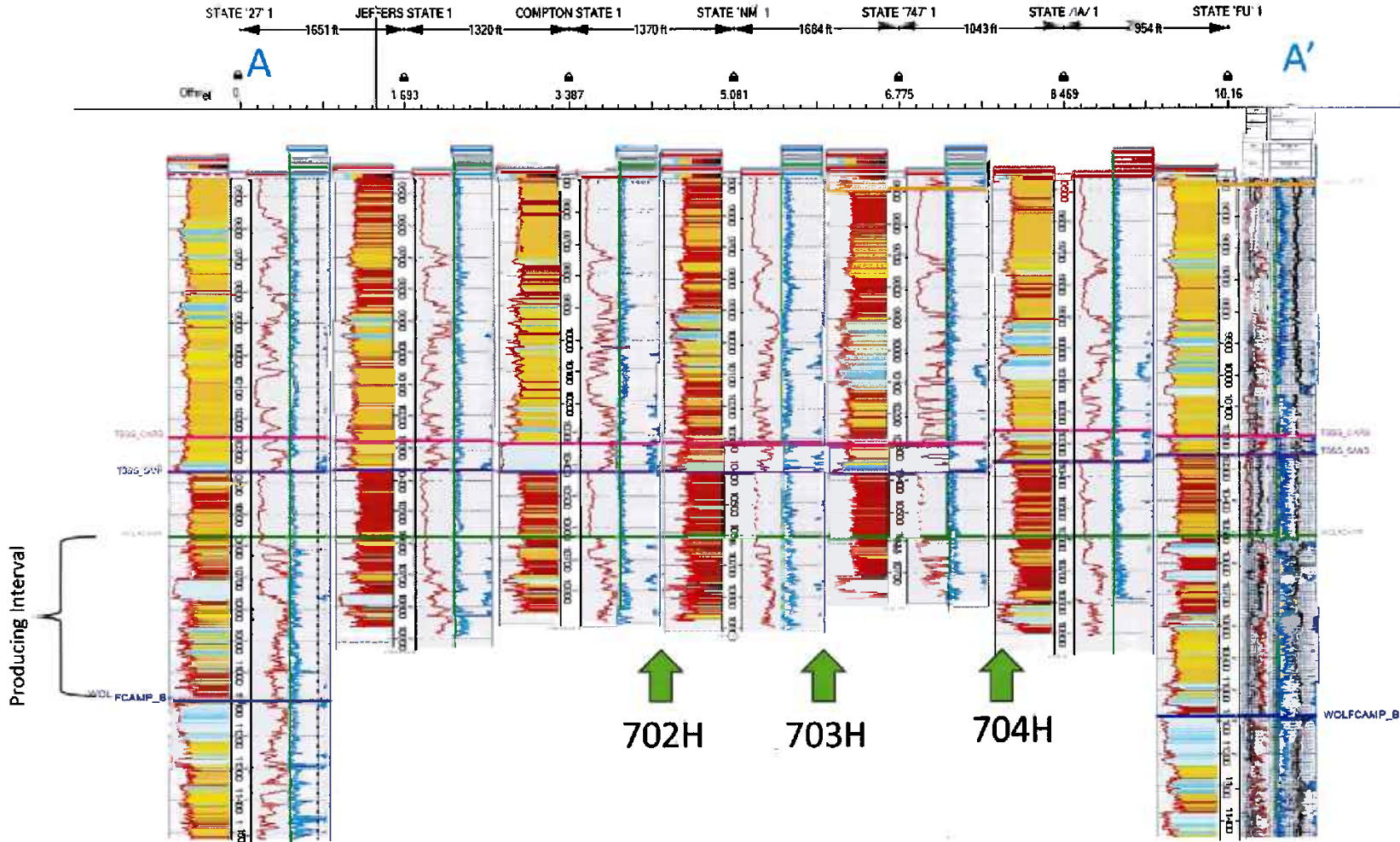
- Gold State Com 702H
- Gold State Com 703H
- Gold State Com 704H

All wells shown

1 mile



# Wolfcamp A Cross Section

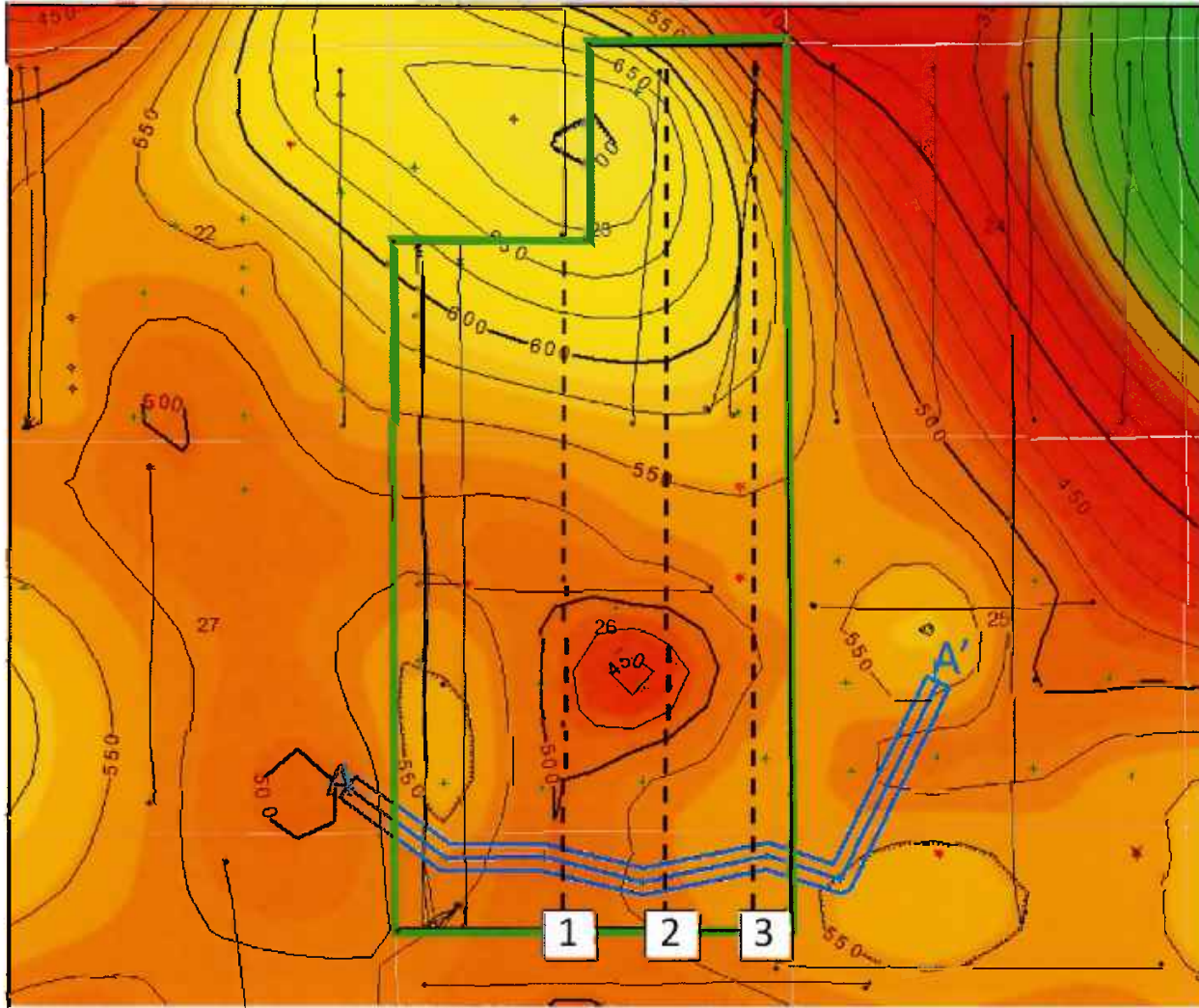




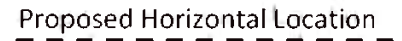
# Wolfcamp A Isochore Map



- Wolfcamp A thins slightly to the south



 Gold Development-  
Wolfcamp

 Proposed Horizontal Location

- 1** Gold State Com 702H
- 2** Gold State Com 703H
- 3** Gold State Com 704H

All wells shown

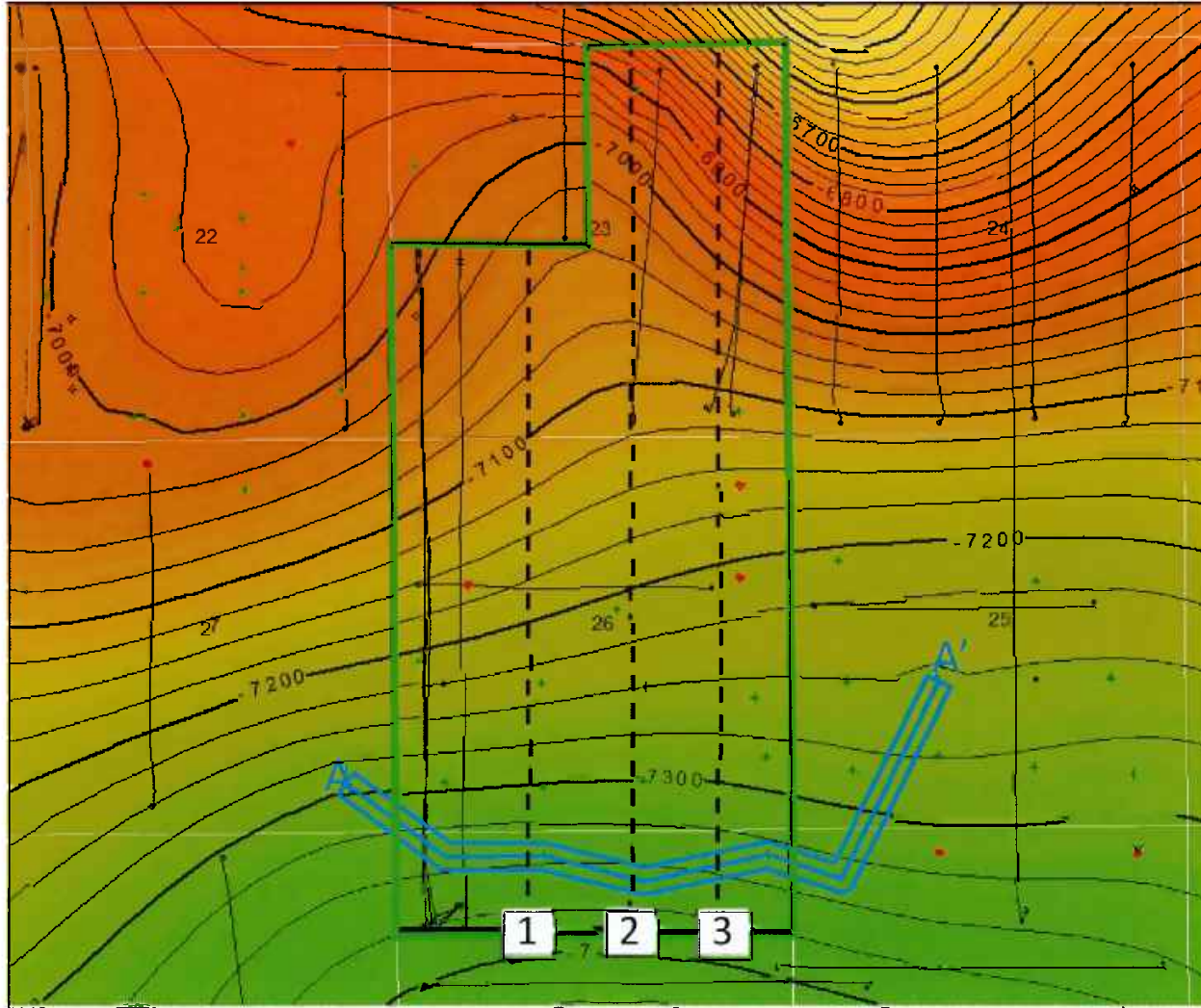
1 mile



# Wolfcamp B Structure Map



- Wolfcamp B dips to the south



 Gold Development-  
Wolfcamp

Proposed Horizontal Location

- 1** Gold State Com 802H
- 2** Gold State Com 803H
- 3** Gold State Com 804H

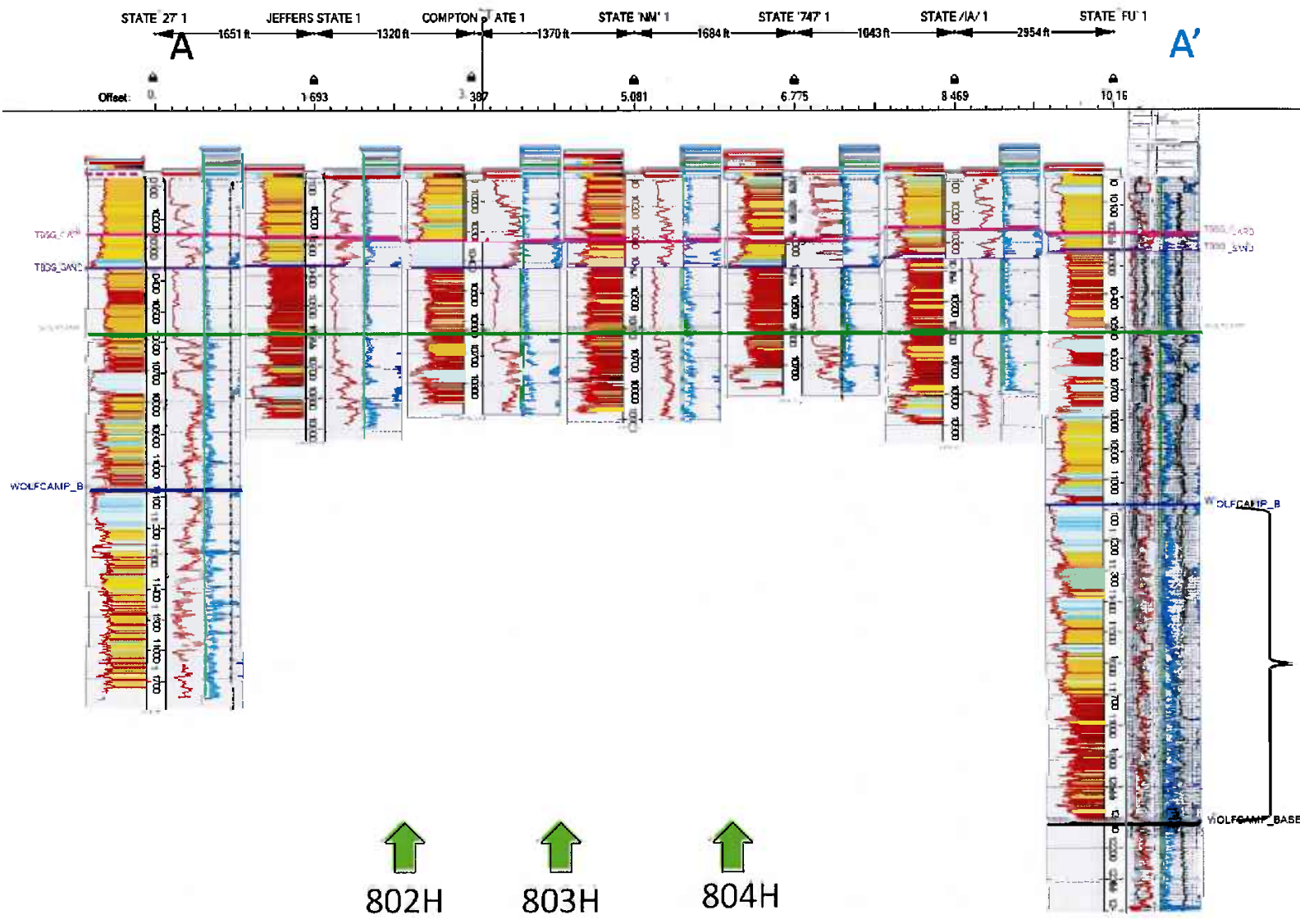
All wells shown

1 mile





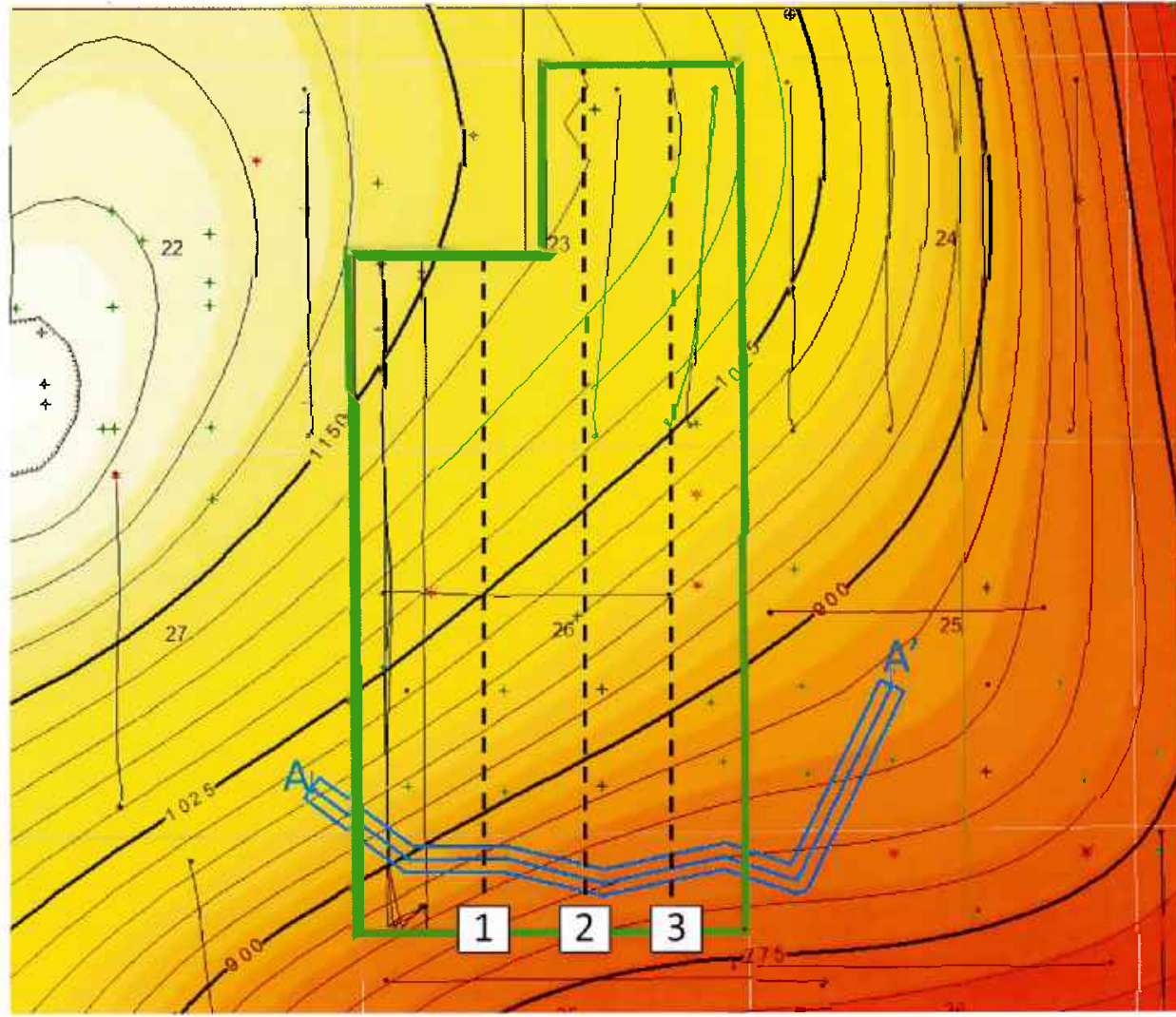
# Wolfcamp B Cross Section



# Wolfcamp B Isochore Map



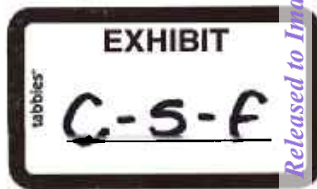
■ Wolfcamp B thickens to the northwest



-  Gold Development-Wolfcamp
-  Proposed Horizontal Location
- 1** Gold State Com 802H
- 2** Gold State Com 803H
- 3** Gold State Com 804H

All wells shown

1 mile



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

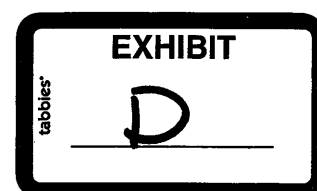
**APPLICATIONS OF FRANKLIN MOUNTAIN  
ENERGY 3, LLC FOR COMPULSORY POOLING  
AND NOTICE OF OVERLAPPING SPACING UNIT,  
LEA COUNTY, NEW MEXICO**

Case Nos. 24356, 24358-24360

**SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT**

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy 3, LLC, the Applicant herein, declares as follows:

- 1) The above-referenced Applications were provided under notice letters, dated May 31, 2024, and attached hereto, as Exhibit D.1.
- 2) Exhibit D.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on May 31, 2024.
- 3) Exhibit D.3 is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. This shows the names and addresses of the parties to whom notice was sent and proof of delivery.
- 4) Exhibit D.4 are the Affidavit of Publications from the Hobbs News-Sun, confirming that notice of the June 26, 2024 hearing was published on June 6, 2024.
- 5) The original applications that were filed September 5, 2023 were provided under notice letters, dated and mailed by certified mail on September 14, 2023, and published in Hobbs News-Sun on September 20, 2023.
- 6) 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: June 19, 2024

*Deana M. Bennett*

---

Deana M. Bennett





MODRALL SPERLING

L A W Y E R S

May 31, 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. 24356  
(FORMERLY 23841)**

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy 3") has filed the enclosed amended application. The application in the above captioned case amends the application in Case Nos. 23841. Franklin filed the amended application, to the extent necessary, to provide notice that the spacing unit in the application will partially overlap proposed and/or existing spacing units.

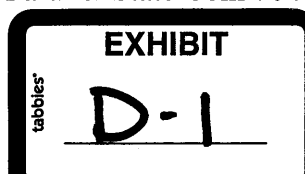
In Case No. 24356, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., 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

Modrall Spierling  
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  
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Page 2

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.

**The hearing is set for June 26, 2024 beginning at 8:30 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, 1<sup>st</sup> Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

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

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett

*Attorney for Applicant*

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

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

CASE NO. 24356

**APPLICATION**

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the 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 to form a standard 360-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Gold State Com 704H and Gold State Com 804H wells** to a depth sufficient to test the Wolfcamp formation and the producing area for the wells is expected to be orthodox. The Gold State Com 704H well will be horizontally drilled from a

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<sup>1</sup> This application amends the application in Case 23841.

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.

4. Franklin filed Case No. 23841 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would “partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E.” Application Case No. 23841, ¶ 4.

5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 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 (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.

6. 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.

7. 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.

8. Case No. 23841 is currently set for contested hearing on April 9, 2024.

9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2E/2 of 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;
- B. Approving, to the extent necessary, the proposed overlapping spacing unit;
- C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
 Earl E. DeBrine, Jr.  
 Deana M. Bennett  
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 Attorneys for Applicant

**CASE NO. 24356 : 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.





MODRALL SPERRING

L A W Y E R S

May 31, 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. 24358  
(FORMERLY 23842)**

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC (“Franklin Mountain Energy 3”) has filed the enclosed amended application. The application in the above captioned case amends the application in Case No. 23842. Franklin filed the amended application, to the extent necessary, to provide notice that the spacing unit in the application will partially overlap proposed and/or existing spacing units.

In Case No. 24358, Franklin Mountain Energy 3 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

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Page 2

the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

**The hearing is set for June 26, 2024 beginning at 8:30 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, 1<sup>st</sup> Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

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

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett  
*Attorney for Applicant*

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

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

CASE NO. 24358

**APPLICATION**

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico to form a standard 360-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Gold State Com 703H and Gold State Com 803H wells** to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole

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<sup>1</sup> This application amends the application filed in Case No. 23842.

locations in the NW/4NE/4 (Unit B) of Section 23, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23842 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would “partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E.” Application Case No. 23842, ¶ 4.

5. Franklin is filing this amended application, to the extent necessary, to provide notice that 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.

6. 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.

7. 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.

8. Case No. 23842 is currently set for contested hearing on April 9, 2024.

9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico;
- B. Approving, to the extent necessary, the proposed overlapping spacing unit;
- C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
Earl E. DeBrine, Jr.  
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*Attorneys for Applicant*

**CASE NO. 24358 : 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.





MODRALL SPERLING

L A W Y E R S

May 31, 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. 24359  
(FORMERLY 23844)**

**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. 24360  
(FORMERLY 23843)**

**TO: AFFECTED PARTIES**

This letter is to advise you that Franklin Mountain Energy 3, LLC (“Franklin Mountain Energy 3”) has filed the enclosed amended applications. The applications in the above captioned cases amend applications in Case Nos. 23844 and 23843. Franklin filed the amended applications, to the extent necessary, to provide notice that the spacing units in the applications will partially overlap proposed and/or existing spacing units.

In Case No. 24359, Franklin Mountain Energy 3 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

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Page 2

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.

In Case No. 24360, Franklin Mountain Energy 3 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.

**The hearing is set for June 26, 2024 beginning at 8:30 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, 1<sup>st</sup> 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,

Page 3

including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in black ink that reads "Deana M. Bennett". The signature is written in a cursive, slightly slanted style.

Deana M. Bennett  
*Attorney for Applicant*

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

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

CASE NO. 24359

**APPLICATION**

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the 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 to form a standard 280-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Gold State Com 702H and Gold State Com 802H wells** to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from

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<sup>1</sup> This application amends the application filed in Case No. 23844.

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.

4. Franklin filed Case No. 23844 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would “partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E.” Application Case No. 23844, ¶ 4.

5. Franklin is filing this amended application, to the extent necessary, to provide notice that 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.

6. 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.

7. 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.

8. Case No. 23844 is currently set for contested hearing on April 9, 2024.

9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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/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, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

B. Approving, to the extent necessary, the proposed overlapping spacing unit;

C. Designating Franklin as operator of this unit and the wells to be drilled thereon;

D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
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*Attorneys for Applicant*



**CASE NO. 24359 : 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.

**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 OVERLAPPING SPACING UNIT,  
LEA COUNTY, NEW MEXICO**

CASE NO. 24360

**APPLICATION**

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the 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 to form a standard 280-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the **Gold State Com 502H and Gold State Com 602H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from

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<sup>1</sup> This application amends the application filed in Case No. 23843.

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.

4. Franklin filed Case No. 23843 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would “partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E.” Application Case No. 23843, ¶ 4.

5. Franklin is filing this amended application, to the extent necessary, to provide notice that 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.

6. 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.

7. 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.

8. Case No. 23843 is currently set for contested hearing on April 9, 2024.

9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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/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;
- B. Approving, to the extent necessary, the proposed overlapping spacing unit;
- C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
Earl E. DeBrine, Jr.  
Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 24360 : 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, 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.

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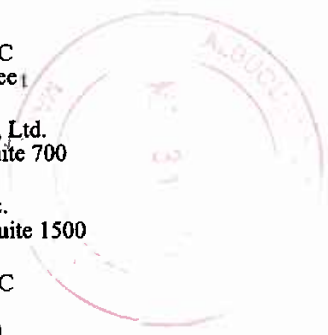
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Type of Mailing: CERTIFIED MAIL  
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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7914 47	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
2	9314 8699 0430 0121 7914 54	COG Operating, LLC Operating, LLC 600 West Illinois Ave Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
3	9314 8699 0430 0121 7914 61	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
4	9314 8699 0430 0121 7914 78	Crumpp Family Partnership, Ltd. PO Box 50820 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
5	9314 8699 0430 0121 7914 85	Warren Ventures, Ltd. 808 West Wall Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
6	9314 8699 0430 0121 7914 92	Tarpon Industries Corp. PO Box 52002 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
7	9314 8699 0430 0121 7915 08	Charles D. Ray PO Box 51608 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
8	9314 8699 0430 0121 7915 15	Buckhorn Energy, LLC 505 N. Big Spring Street Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
9	9314 8699 0430 0121 7915 22	Sharktooth Resources, Ltd. 300 N. Marienfeld, Suite 700 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
10	9314 8699 0430 0121 7915 39	Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
11	9314 8699 0430 0121 7915 46	LHAH Properties, LLC 250 Jungle Road Palm Beach FL 33480	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
12	9314 8699 0430 0121 7915 53	H6 Holdings, LLC 16275 NE 85th Street, Suite A Redmond WA 98052	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
13	9314 8699 0430 0121 7915 60	TBO Oil & Gas, LLC PO Box 10502 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
14	9314 8699 0430 0121 7915 77	Mavros Oil Company, LLC PO Box 50820 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
15	9314 8699 0430 0121 7915 84	TSF WI LP PO Box 222 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice



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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0121 7915 91	Hanley Petroleum, LLC 1999 Bryan Street, Suite 900 Dallas TX 75201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
17	9314 8699 0430 0121 7916 07	Marathon Oil Permian LLC 990 Town & Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
18	9314 8699 0430 0121 7916 14	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
19	9314 8699 0430 0121 7916 21	Nestegg Energy Corporation 2308 SIERRA VISTA ROAD ARTESIA NM 88210	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
20	9314 8699 0430 0121 7916 38	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
21	9314 8699 0430 0121 7916 45	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
22	9314 8699 0430 0121 7916 52	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
23	9314 8699 0430 0121 7916 69	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
24	9314 8699 0430 0121 7916 76	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
25	9314 8699 0430 0121 7916 83	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
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27	9314 8699 0430 0121 7917 06	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
28	9314 8699 0430 0121 7917 13	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
29	9314 8699 0430 0121 7917 20	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
30	9314 8699 0430 0121 7917 37	Mike Moylett PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice

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31	9314 8699 0430 0121 7917 44	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
32	9314 8699 0430 0121 7917 51	Deane Durham PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
33	9314 8699 0430 0121 7917 68	State of New Mexico Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
34	9314 8699 0430 0121 7917 75	MRC Permian Company Matador 5400 LBJ Freeway Ste 1500 Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
35	9314 8699 0430 0121 7917 82	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
36	9314 8699 0430 0121 7917 99	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
37	9314 8699 0430 0121 7918 05	Slash Exploration LP 500 North Main Street, Suite 200 Roswell NM 88201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
38	9314 8699 0430 0121 7918 12	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
39	9314 8699 0430 0121 7918 29	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
40	9314 8699 0430 0121 7918 36	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
41	9314 8699 0430 0121 7918 43	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
42	9314 8699 0430 0121 7918 50	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
43	9314 8699 0430 0121 7918 67	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
44	9314 8699 0430 0121 7918 74	The Allar Company PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice



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45	9314 8699 0430 0121 7918 81	EG3, Inc. PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
46	9314 8699 0430 0121 7918 98	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
47	9314 8699 0430 0121 7919 04	Armstrong Energy Corporation PO BOX 1973 ROSWELL NM 88202	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
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49	9314 8699 0430 0121 7919 28	Chimney Rock Oil & Gas, LLC 500 NORTH MAIN STREET SUITE 1000 ROSWELL NM 88201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
<b>Totals:</b>			<b>\$79.87</b>	<b>\$215.60</b>	<b>\$113.68</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$409.15</b>	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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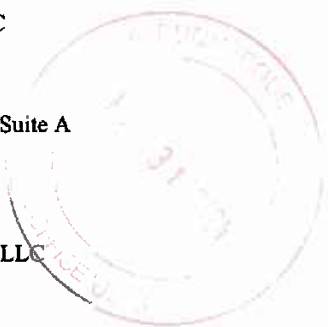
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2	9314 8699 0430 0121 7930 21	Otter Creek, LLC PO Box 1557 Sealy TX 77474	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
3	9314 8699 0430 0121 7930 38	COG Operating, LLC Operating, LLC 600 West Illinois Ave Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
4	9314 8699 0430 0121 7930 45	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
5	9314 8699 0430 0121 7930 52	Crump Family Partnership, Ltd PO Box 50820 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
6	9314 8699 0430 0121 7930 69	Warren Ventures, Ltd. 808 West Wall Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
7	9314 8699 0430 0121 7930 76	Tarpon Industries Corp. PO Box 52002 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
8	9314 8699 0430 0121 7930 83	Charles D. Ray PO Box 51608 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
9	9314 8699 0430 0121 7930 90	Buckhorn Energy, LLC 407 N. Big Spring Street, Ste 240 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
10	9314 8699 0430 0121 7931 06	Sharktooth Resources, Ltd. 407 N. Big Spring Street, Ste 240 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
11	9314 8699 0430 0121 7931 13	Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
12	9314 8699 0430 0121 7931 20	LHAH Properties, LLC 250 Jungle Road Palm Beach FL 33480	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
13	9314 8699 0430 0121 7931 37	H6 Holdings, LLC 16275 NE 85th Street, Suite A Redmond WA 98052	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
14	9314 8699 0430 0121 7931 44	TBO Oil & Gas, LLC PO Box 10502 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
15	9314 8699 0430 0121 7931 51	Mavros Oil Company, LLC PO Box 50820 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice



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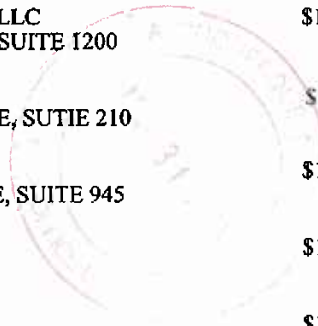
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17	9314 8699 0430 0121 7931 75	Hanley Petroleum, LLC 415 West Wall, Ste 1500 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
18	9314 8699 0430 0121 7931 82	Marathon Oil Permian LLC 990 Town & Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
19	9314 8699 0430 0121 7931 99	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
20	9314 8699 0430 0121 7932 05	Nestegg Energy Corporation 2308 SIERRA VISTA ROAD ARTESIA NM 88210	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
21	9314 8699 0430 0121 7932 12	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
22	9314 8699 0430 0121 7932 29	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
23	9314 8699 0430 0121 7932 36	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
24	9314 8699 0430 0121 7932 43	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
25	9314 8699 0430 0121 7932 50	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
26	9314 8699 0430 0121 7932 67	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
27	9314 8699 0430 0121 7932 74	LMC Energy, LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
28	9314 8699 0430 0121 7932 81	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
29	9314 8699 0430 0121 7932 98	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
30	9314 8699 0430 0121 7933 04	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice



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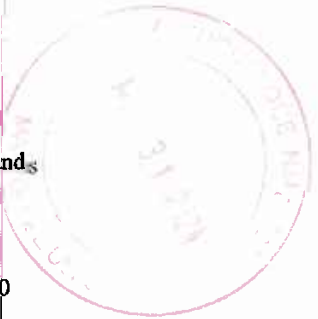
Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
100 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
05/31/2024

Firm Mailing Book ID: 266965

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0121 7933 11	Mike Moylett PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
32	9314 8699 0430 0121 7933 28	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
33	9314 8699 0430 0121 7933 35	Deane Durham PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
34	9314 8699 0430 0121 7933 42	State of New Mexico Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
35	9314 8699 0430 0121 7933 59	MRC Permian Company Matador 5400 LBJ Freeway Ste 1500 Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
36	9314 8699 0430 0121 7933 66	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
37	9314 8699 0430 0121 7933 73	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
38	9314 8699 0430 0121 7933 80	ConocoPhillips Company 600 West Illinois Ave Midland TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
39	9314 8699 0430 0121 7933 97	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
40	9314 8699 0430 0121 7934 03	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
41	9314 8699 0430 0121 7934 10	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
42	9314 8699 0430 0121 7934 27	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
43	9314 8699 0430 0121 7934 34	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
44	9314 8699 0430 0121 7934 41	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice



Received by OCD: 6/19/2024 4:02:08 PM

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
05/31/2024

Firm Mailing Book ID: 266965

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
45	9314 8699 0430 0121 7934 58	The Allar Company PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
46	9314 8699 0430 0121 7934 65	EG3, Inc. PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
47	9314 8699 0430 0121 7934 72	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
48	9314 8699 0430 0121 7934 89	Brazos, LP PO Box 911 Breckenridge TX 76424	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
49	9314 8699 0430 0121 7934 96	Slash Exploration LP 500 North Main Street, Suite 200 Roswell NM 88201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
50	9314 8699 0430 0121 7935 02	Armstrong Energy Corporation PO BOX 1973 ROSWELL NM 88202	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
51	9314 8699 0430 0121 7935 19	Blue Ridge Royalties, LLC PO BOX 1973 ROSWELL NM 88202	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
52	9314 8699 0430 0121 7935 26	Chimney Rock Oil & Gas, LLC 500 NORTH MAIN STREET SUITE 1000 ROSWELL NM 88201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
<b>Totals:</b>			<b>\$84.76</b>	<b>\$228.80</b>	<b>\$120.64</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$434.20</b>	

<b>List Number of Pieces Listed by Sender</b>	<b>Total Number of Pieces Received at Post Office</b>	<b>Postmaster: Name of receiving employee</b>	<b>Dated:</b>
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52



Received by OCD: 6/19/2024 4:02:08 PM

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2024 Walz CertifiedPro.net  
Page 157 of 166

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
05/31/2024

Firm Mailing Book ID: 266963

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7923 07	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
2	9314 8699 0430 0121 7923 14	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
3	9314 8699 0430 0121 7923 21	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
4	9314 8699 0430 0121 7923 38	TH McElvain Oil & Gas, LLLP 1819 Denver West Dr, Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
5	9314 8699 0430 0121 7923 45	COG Operating, LLC 600 West Illinois Ave Midland TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
6	9314 8699 0430 0121 7923 52	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
7	9314 8699 0430 0121 7923 69	ConocoPhillips Company 600 West Illinois Ave Midland TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
8	9314 8699 0430 0121 7923 76	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87508	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
9	9314 8699 0430 0121 7923 83	Good News Minerals, LLC PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
10	9314 8699 0430 0121 7923 90	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE SUITE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
11	9314 8699 0430 0121 7924 06	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE SUITE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
12	9314 8699 0430 0121 7924 13	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
13	9314 8699 0430 0121 7924 20	Oak Valley Mineral and Land, LP 4000 NORTH BIG SPRING SUITE 310 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
14	9314 8699 0430 0121 7924 37	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
15	9314 8699 0430 0121 7924 44	Collins & Jones Investments, LLC 508 WEST WALL STREET SUITE 1200 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice



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Released to Imaging: 6/21/2024 11:01:49 AM

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
05/31/2024

Firm Mailing Book ID: 266963

Received by OCD: 6/19/2024 4:02:08 PM

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0121 7924 51	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
17	9314 8699 0430 0121 7924 68	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
18	9314 8699 0430 0121 7924 75	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
19	9314 8699 0430 0121 7924 82	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
20	9314 8699 0430 0121 7924 99	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
21	9314 8699 0430 0121 7925 05	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
22	9314 8699 0430 0121 7925 12	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
23	9314 8699 0430 0121 7925 29	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
24	9314 8699 0430 0121 7925 36	The Allar Company PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
25	9314 8699 0430 0121 7925 43	EG3, Inc. PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
26	9314 8699 0430 0121 7925 50	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
27	9314 8699 0430 0121 7925 67	Nestegg Energy Corporation 2308 Sierra Vista Artesia NM 88210	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
28	9314 8699 0430 0121 7925 74	Brazos, LP PO Box 911 Breckenridge TX 76424	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
29	9314 8699 0430 0121 7925 81	Permian Resources Operating, LLC 300 N. Marienfeld Ste. 1000 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
30	9314 8699 0430 0121 7925 98	MRC Permian Company Matador 5400 LBJ Freeway, Ste 1500 Dallas TX Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice

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Received by OCD: 6/19/2024 4:02:08 PM

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
05/31/2024

Firm Mailing Book ID: 266963

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
			Totals:	\$48.90	\$132.00	\$69.60	\$0.00
				Grand Total:		\$250.50	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
30			



Transaction Report Details - CertifiedPro.net  
 Firm Mail Book ID= 266962  
 Generated: 6/18/2024 2:59:02 PM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
931 869904300121791928	2024-05-31 2:20 PM	10154.0010 24356	Chimney Rock Oil & Gas, LLC		ROSWELL	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:18 PM
93 4869904300121791911	2024-05-31 2:20 PM	10154.0010 24356	Blue Ridge Royalties, LLC		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 10:05 AM
93 4869904300121791904	2024-05-31 2:20 PM	10154.0010 24356	Armstrong Energy Corporation		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 10:05 AM
9 1 869904300121791898	2024-05-31 2:20 PM	10154.0010 24356	GMT New Mexico Royalty Company LLC		DENVER	CO	80202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
931 869904300121791881	2024-05-31 2:20 PM	10154.0010 24356	EG3, Inc		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
9 1 869904300121791874	2024-05-31 2:20 PM	10154.0010 24356	The Allar Company		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:34 AM
9 1 869904300121791867	2024-05-31 2:20 PM	10154.0010 24356	CrownRock Minerals, L P		Midland	TX	79710	Undelivered	Return Receipt - Electronic, Certified Mail	
931 869904300121791850	2024-05-31 2:20 PM	10154.0010 24356	John Lawrence Thoma, Trustee of the	Cornerstone Family Trust	PEYTON	CO	80813	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 6:50 PM
931 869904300121791843	2024-05-31 2:20 PM	10154.0010 24356	Ridge Runner Holdings, LLC		MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	
93 4869904300121791836	2024-05-31 2:20 PM	10154.0010 24356	Sitka Consulting, LLC		SPRING	TX	77386	Delivered	Return Receipt - Electronic, Certified Mail	
931 869904300121791829	2024-05-31 2:20 PM	10154.0010 24356	SHG Energy, LLC		MIDLAND	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:34 AM
93 869904300121791812	2024-05-31 2:20 PM	10154.0010 24356	MCT Energy Ltd.		FORT WORTH	TX	76107	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 11:31 AM
9 1 869904300121791805	2024-05-31 2:20 PM	10154.0010 24356	Slash Exploration LP		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:22 PM
93 4869904300121791799	2024-05-31 2:20 PM	10154.0010 24356	Allar Development, LLC		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
931 869904300121791782	2024-05-31 2:20 PM	10154.0010 24356	EG3 Development, LLC		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:34 AM
931 869904300121791775	2024-05-31 2:20 PM	10154.0010 24356	MRC Permian Company	Matador	Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 11:24 AM
931 869904300121791768	2024-05-31 2:20 PM	10154.0010 24356	State of New Mexico	Commissioner of Public Lands	SANTA FE	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 10:37 AM
93 869904300121791751	2024-05-31 2:20 PM	10154.0010 24356	Deane Durham		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
931 869904300121791744	2024-05-31 2:20 PM	10154.0010 24356	Kaleb Smith		MIDLAND	TX	79710	Undelivered	Return Receipt - Electronic, Certified Mail	
931 869904300121791737	2024-05-31 2:20 PM	10154.0010 24356	Mike Moylett		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
931 869904300121791720	2024-05-31 2:20 PM	10154.0010 24356	Sortida Resources, LLC		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9 3 4869904300121791713	2024-05-31 2:20 PM	10154.0010 24356	David W Cromwell		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 10:17 AM
9 3 4869904300121791706	2024-05-31 2:20 PM	10154.0010 24356	H Jason Wacker		MIDLAND	TX	79707	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9 3 4869904300121791690	2024-05-31 2:20 PM	10154.0010 24356	LMC Energy, LLC		MIDLAND	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9 3 4869904300121791683	2024-05-31 2:20 PM	10154.0010 24356	Post Oak Mavros II, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 12:26 PM
9 3 4869904300121791676	2024-05-31 2:20 PM	10154.0010 24356	Collins & Jones Investments, LLC		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 4:03 PM
9314869904300121791669	2024-05-31 2:20 PM	10154.0010 24356	Post Oak Crown IV, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 12:27 PM
9314869904300121791652	2024-05-31 2:20 PM	10154.0010 24356	Post Oak Crown IV B, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 12:27 PM
9314869904300121791645	2024-05-31 2:20 PM	10154.0010 24356	Oak Valley Mineral and Land, LP		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121791638	2024-05-31 2:20 PM	10154.0010 24356	Good News Minerals, LLC		MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300121791621	2024-05-31 2:20 PM	10154.0010 24356	Nestegg Energy Corporation		ARTESIA	NM	88210	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 2:05 PM
9314869904300121791614	2024-05-31 2:20 PM	10154.0010 24356	Crown Oil Partners, LP		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121791607	2024-05-31 2:20 PM	10154.0010 24356	Marathon Oil Permian LLC		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 11:27 AM
9314869904300121791591	2024-05-31 2:20 PM	10154.0010 24356	Hanley Petroleum, LLC		Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300121791584	2024-05-31 2:20 PM	10154.0010 24356	TSF WI LP		Midland	TX	79702	To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300121791577	2024-05-31 2:20 PM	10154.0010 24356	Mavros Oil Company, LLC		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 12:06 PM
9314869904300121791560	2024-05-31 2:20 PM	10154.0010 24356	TBO Oil & Gas, LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 11:18 AM
9314869904300121791553	2024-05-31 2:20 PM	10154.0010 24356	H6 Holdings, LLC		Redmond	WA	98052	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 5:07 PM
9314869904300121791546	2024-05-31 2:20 PM	10154.0010 24356	LHAH Properties, LLC		Palm Beach	FL	33480	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 10:36 AM
9314869904300121791539	2024-05-31 2:20 PM	10154.0010 24356	Hanley Petroleum, Inc.		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300121791522	2024-05-31 2:20 PM	10154.0010 24356	Sharktooth Resources, Ltd.		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 12:24 PM
9314869904300121791515	2024-05-31 2:20 PM	10154.0010 24356	Buckhorn Energy, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 7:59 AM
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9 3 4869904300121791447	2024-05-31 2:20 PM	10154.0010 24356	TH McElvain Oil & Gas, LLLP		Lakewood	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 12:33 PM





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# Affidavit of Publication


LEGAL LEGAL LEGAL LEGAL

STATE OF NEW MEXICO  
COUNTY OF LEA

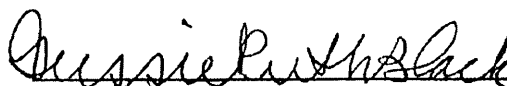
LEGAL NOTICE  
June 6, 2024

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
June 06, 2024  
and ending with the issue dated  
June 06, 2024.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
6th day of June 2024.

  
\_\_\_\_\_  
Business Manager

My commission expires

January 29, 2027  
STATE OF NEW MEXICO  
(Seal) NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

CASE NO. 24359: Notice to all affected parties, as well as heirs and devisees of: EG3 Development, LLC; Allar Development, LLC; Marathon Oil Permian, LLC; TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; ConocoPhillips Company; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Nestegg Energy Corporation; Brazos, LP; Permian Resources Operating, LLC; MRC Permian Company; Matador Resources Company 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 8:30 a.m. on June 26, 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 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 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.

CASE NO. 24360: Notice to all affected parties, as well as heirs and devisees of: EG3 Development, LLC; Allar Development, LLC; Marathon Oil Permian, LLC; TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; ConocoPhillips Company; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Nestegg Energy Corporation; Brazos, LP; Permian Resources Operating, LLC; MRC Permian Company; Matador Resources Company 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 8:30 a.m. on June 26, 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 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 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.  
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DOLORES SERNA  
MODRALL, SPERLING, ROEHL, HARRIS &  
P. O. BOX 2168  
ALBUQUERQUE, NM 87103-2168

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

EXHIBIT  
tabbies  
D-4





LEGAL NOTICE  
September 20, 2023

**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
September 20, 2023  
and ending with the issue dated  
September 20, 2023.



Publisher

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



Business Manager

My commission expires  
January 29, 2027

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

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Law 1937 and payment of fees for said public has been made.

CASE NO. 23841: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Marathon Oil Permian, LLC; EG3 Development, LLC; Ailar Development, LLC; Slesah Exploration, LP; TH McElvain Oil & Gas, LLP; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Ailar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Armstrong Energy Corporation; Blue Ridge Royalties, LLC; Chimney Rock Oil & Gas, LLC of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping 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 October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info>. This hearing is subject to continuance by the Division to a subsequent docket date. 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 E2/E2 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, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 35, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23842: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Marathon Oil Permian, LLC; EG3 Development, LLC; Ailar Development, LLC; Slesah Exploration, LP; TH McElvain Oil & Gas, LLP; Other Creek, LLC; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Ailar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Armstrong Energy Corporation; Blue Ridge Royalties, LLC; Chimney Rock Oil & Gas, LLC of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping 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 October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info>. This hearing is subject to continuance by the Division to a subsequent docket date. 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 W2/E2 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. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 35, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23843: Notice to all affected parties, as well as heirs and devisees of: EG3 Development, LLC; Marathon Oil Permian, LLC; Ailar Development, LLC; Slesah Exploration, LP; TH McElvain Oil & Gas, LLP; COG Operating, LLC; Concho Oil & Gas, LLC; ConocoPhillips Company; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Ailar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Nestegg Energy Corporation; Brazos, LP of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping 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 October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info>. This hearing is subject to continuance by the Division to a subsequent docket date. 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 E2/SW of Section 23, the E2/W2 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 802H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 35, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23844: Notice to all affected parties, as well as heirs and devisees of: EG3 Development, LLC; Ailar Development, LLC; Marathon Oil Permian, LLC; TH McElvain Oil & Gas, LLP; COG Operating, LLC; Concho Oil & Gas, LLC; ConocoPhillips Company; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Ailar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Nestegg Energy Corporation; Brazos, LP of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping 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 October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emnrd.nm.gov/oed/hearing-info>. This hearing is subject to continuance by the Division to a subsequent docket date. 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 E2/SW of Section 23, the E2/W2 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. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 35, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.