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FRANKLIN MOUNTAIN ENERGY

Parallel State Com

Case No. 24348, 24350-24355, 24362

Wolfcamp/Bone Spring

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

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

CASE NOS. 24348, 24350-24355, 24362

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

CASE NOS. 24327-24334

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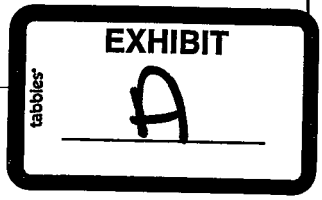
COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24348	APPLICANT'S RESPONSE
Date	**June 19, 2024**
Applicant	**Franklin Mountain Energy 3, LLC**
Designated Operator & OGRID (affiliation if applicable)	**Franklin Mountain Energy 3, LLC (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 OFOVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.81 acres more or less
Building Blocks:	40 acres
Orientation:	**North South**
Description: TRS/County	E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-24-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed



Well #1: Parallel State Com 704H (API: 30-025-52418)	SHL: 1031' FNL & 960' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 980' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 980' FEL, (Unit P), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp A 11,057' TVD, 21,057' MVD
Well #2: Parallel State Com 804H (API: 30-025-52546)	SHL: 991' FNL & 2475' FEL, (Unit B), Section 35, T-18-S, R-34-E FTP: 100' FNL & 360' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 360 FEL, (Unit P), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp B 11,642' TVD, 21,642' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-24-a
Completion Target (Formation, TVD and MD)	See Exhibit B-24-c
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$9,000
Production Supervision/Month $	$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-24 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-24-b
Tract List (including lease numbers and owners)	Exhibit B-24-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	ExhibitB-24-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-24-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-24-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-24-c
Cost Estimate to Equip Well	Exhibit B-24-c

Cost Estimate for Production Facilities	Exhibit B-24-c
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-4-a;C-4-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-4-a;C-4-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-4-a;C-4-d
HSU Cross Section	Exhibit C-4-b; C-4-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-24-a
Tracts	Exhibit B-24-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-24-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-4-a;C-4-d
Structure Contour Map - Subsea Depth	Exhibit C-4-a;C-4-d
Cross Section Location Map (including wells)	Exhibit C-4-a;C-4-d
Cross Section (including Landing Zone)	Exhibit C-4-b; C-4-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	*/s/ Deana M. Bennett*
Date:	6/19/2024

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24350	APPLICANT'S RESPONSE
Date	**June 19, 2024**
Applicant	**Franklin Mountain Energy 3, LLC**
Designated Operator & OGRID (affiliation if applicable)	**Franklin Mountain Energy 3, LLC (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 OVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.91 acres more or less
Building Blocks:	40 acres
Orientation:	**North South**
Description: TRS/County	W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-21-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: Parallel State Com 303H (API: 30-025-52529)	SHL: 1031' FNL & 1110' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 2305' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 2305' FEL, (Unit O) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: First Bone Spring 9,170' TVD, 19,170' MVD
Well #2: Parallel State Com 503H (API: 30-025-52533)	SHL: 1031' FNL & 1080' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 1680' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 1680' FEL, (Unit O) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Second Bone Spring 9,478' TVD, 19,478 MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-21-a
Completion Target (Formation, TVD and MD)	See Exhibit B-21-c
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$9,000
Production Supervision/Month $	$900
Justification for Supervision Costs	See Exhibit B, paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-21 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-21-b
Tract List (including lease numbers and owners)	Exhibit B-21-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-21-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-21-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-21-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-21-c
Cost Estimate to Equip Well	Exhibit B-21-c
Cost Estimate for Production Facilities	Exhibit B-21-c

Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3-a;C-3-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3-a; C-3-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-3-a; C-3-d
HSU Cross Section	Exhibit C-3-b; C-3-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-21-a
Tracts	Exhibit B-21-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-21-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-3-a; C-3-d
Structure Contour Map - Subsea Depth	Exhibit C-3-a; C-3-d
Cross Section Location Map (including wells)	Exhibit C-3-a; C-3-d
Cross Section (including Landing Zone)	Exhibit C-3-b; C-3-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	*/s/ Deana M. Bennett*
Date:	6/19/2024

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24351	APPLICANT'S RESPONSE
Date	**June 19, 2024**
Applicant	**Franklin Mountain Energy 3, LLC**
Designated Operator & OGRID (affiliation if applicable)	**Franklin Mountain Energy 3, LLC (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 OVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.81 acres more or less
Building Blocks:	40 acres
Orientation:	**North South**
Description: TRS/County	E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-23-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: Parallel State Com 304H (API: 30-025-52530)	SHL: 1031' FNL & 1050' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 980' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 980' FEL, (Unit P), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: First Bone Spring 9,170' TVD, 19,170' MVD
Well #2: Parallel State Com 504H (API: 30-025-52534)	SHL: 1031' FNL & 1020' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 360' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 360 FEL, (Unit P), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Second Bone Spring 9,452' TVD, 19,452' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-23-a
Completion Target (Formation, TVD and MD)	See Exhibit B-23-c
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$9,000
Production Supervision/Month $	$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-23 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-23-b
Tract List (including lease numbers and owners)	Exhibit B-23-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-23-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	ExhibitB-23-c
List of Interest Owners (ie Exhibit A of JOA)	ExhibitB-23-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-23-c
Cost Estimate to Equip Well	ExhibitB-23-c
Cost Estimate for Production Facilities	Exhibit B-23-c

Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3-a;C-3-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3-a;C-3-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-3-a;C-3-d
HSU Cross Section	Exhibit C-3-b; C-3-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-23-a
Tracts	Exhibit B-23-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-23-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-3-a;C-3-d
Structure Contour Map - Subsea Depth	Exhibit C-3-a;C-3-d
Cross Section Location Map (including wells)	Exhibit C-3-a;C-3-d
Cross Section (including Landing Zone)	Exhibit C-3-b; C-3-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	*/s/ Deana M. Bennett*
Date:	6/19/2024

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24352	APPLICANT'S RESPONSE
Date	**June 19, 2024**
Applicant	**Franklin Mountain Energy 3, LLC**
Designated Operator & OGRID (affiliation if applicable)	**Franklin Mountain Energy 3, LLC (331595)**
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
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Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	324.02 acres more or less
Building Blocks:	40 acres
Orientation:	**North South**
Description: TRS/County	E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-20-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: Parallel State Com 702H (API: 30-025-52416)	SHL: 987' FNL & 1823' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 1660' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 1660' FWL, (Unit N) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp A 9,789' TVD, 19,789' MVD
Well #2: Parallel State Com 802H (API: 30-025-52532)	SHL: 987' FNL & 1883' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 2,300' FWL, Section 35, T-18-S R-34-E BHL: 130' FSL & 900' FWL, (Unit N) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp B 10,457' TVD, 20,457' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-20-a
Completion Target (Formation, TVD and MD)	See Exhibit B-20-c
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$9,000
Production Supervision/Month $	$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
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Proposed Notice of Hearing	Exhibit B-20 and Exhibit D
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Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-20-b
Tract List (including lease numbers and owners)	Exhibit B-20-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-20-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-20-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-20-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-20-c
Cost Estimate to Equip Well	Exhibit B-20-c
Cost Estimate for Production Facilities	Exhibit B-20-c

Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-4-a; C-4-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-4-a; C-4-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-4-a; C-4-d
HSU Cross Section	Exhibit C-4-b; C-4-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-20-a
Tracts	Exhibit B-20-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-20-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-4-a; C-4-d
Structure Contour Map - Subsea Depth	Exhibit C-4-a; C-4-d
Cross Section Location Map (including wells)	Exhibit C-4-a; C-4-d
Cross Section (including Landing Zone)	Exhibit C-4-b; C-4-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	*/s/ Deana M. Bennett*
Date:	6/19/2024

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24353	APPLICANT'S RESPONSE
Date	**June 19, 2024**
Applicant	**Franklin Mountain Energy 3, LLC**
Designated Operator & OGRID (affiliation if applicable)	**Franklin Mountain Energy 3, LLC (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 OFOVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	324.13 acres more or less
Building Blocks:	40 acres
Orientation:	**North South**
Description: TRS/County	W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B-2; B-18-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: Parallel State Com 701H (API: 30-025-52415	SHL: 987' FNL & 1793' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 360' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 360' FWL, (Unit M) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp A 9,793' TVD, 19,793' MVD
Well #2: Parallel State Com 801H (API: 30-025-52531)	SHL: 987' FNL & 1853' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 900' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 900' FWL, (Unit M) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp B 10,469' TVD, 20,469' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-18-a
Completion Target (Formation, TVD and MD)	See Exhibit B-18-c
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$9,000
Production Supervision/Month $	$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-18 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-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.	NA
Pooled Parties (including ownership type)	Exhibit B-18-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
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-16
Overhead Rates In Proposal Letter	9000/900
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
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-4-a; C-4-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-4-a; C-4-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-4-a; C-4-d
HSU Cross Section	Exhibit C-4-b; C-4-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	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 B-1; C-1
Well Bore Location Map	Exhibit C-4-a; C-4-d
Structure Contour Map - Subsea Depth	Exhibit C-4-a; C-4-d
Cross Section Location Map (including wells)	Exhibit C-4-a; C-4-d
Cross Section (including Landing Zone)	Exhibit C-4-b; C-4-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	*/s/ Deana M. Bennett*
Date:	6/19/2024

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24354	APPLICANT'S RESPONSE
Date	**June 19, 2024**
Applicant	**Franklin Mountain Energy 3, LLC**
Designated Operator & OGRID (affiliation if applicable)	**Franklin Mountain Energy 3, LLC (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 OVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	324.13 acres more or less
Building Blocks:	40 acres
Orientation:	**North South**
Description: TRS/County	W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-17-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: Parallel State Com 301H (API: 30-025-52527)	SHL: 987' FNL & 1673' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 360' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 360' FWL, (Unit M) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: First Bone Spring 9,150' TVD, 18,150' MVD
Well #2: Parallel State Com 501H (API: 30-025-52531)	SHL: 987' FNL & 1703' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 900' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 900' FWL, (Unit M) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Secon Bone Spring 9,150' TVD, 19,150' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-17-a
Completion Target (Formation, TVD and MD)	See Exhibit B-17-c
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$9,000
Production Supervision/Month $	$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-17 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-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.	NA
Pooled Parties (including ownership type)	Exhibit B-17-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
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-16
Overhead Rates In Proposal Letter	9000/900
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
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3-a; C-3-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3-a; C-3-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-3-a; C-3-d
HSU Cross Section	Exhibit C-3-b; C-3-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
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 B-1; C-1
Well Bore Location Map	Exhibit C-3-a; C-3-d
Structure Contour Map - Subsea Depth	Exhibit C-3-a; C-3-d
Cross Section Location Map (including wells)	Exhibit C-3-a; C-3-d
Cross Section (including Landing Zone)	Exhibit C-3-b; C-3-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	*/s/ Deana M. Bennett*
Date:	6/19/2024

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24355	APPLICANT'S RESPONSE
Date	**June 19, 2024**
Applicant	**Franklin Mountain Energy 3, LLC**
Designated Operator & OGRID (affiliation if applicable)	**Franklin Mountain Energy 3, LLC (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 OFOVERLAPPING SPACING UNIT,
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	324.02 acres more or less
Building Blocks:	40 acres
Orientation:	**North South**
Description: TRS/County	E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-19-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: Parallel State Com 302H (API: 30-025-52528)	SHL: 987' FNL & 1733' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 1660' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 1660' FWL, (Unit N) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: First Bone Spring 10,496' TVD, 19,496' MVD
Well #2: Parallel State Com 502H (API: 30-025-52532)	SHL: 987' FNL & 1763' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 2,300' FWL, Section 35, T-18-S R-34-E BHL: 130' FSL & 900' FWL, (Unit N) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Second Bone Spring 9,150' TVD, 19,150' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-19-a
Completion Target (Formation, TVD and MD)	See Exhibit B-19-c
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$9,000
Production Supervision/Month $	$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-19 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-19-b
Tract List (including lease numbers and owners)	Exhibit B-19-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-19-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-19-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-19-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-19-c
Cost Estimate to Equip Well	Exhibit B-19-c
Cost Estimate for Production Facilities	Exhibit B-19-c

Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3-a; C-3-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3-a; C-3-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-3-a; C-3-d
HSU Cross Section	Exhibit C-3-b; C-3-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-19-a
Tracts	Exhibit B-19-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-19-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-3-a; C-3-d
Structure Contour Map - Subsea Depth	Exhibit C-3-a; C-3-d
Cross Section Location Map (including wells)	Exhibit C-3-a; C-3-d
Cross Section (including Landing Zone)	Exhibit C-3-b; C-3-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	*/s/ Deana M. Bennett*
Date:	6/19/2024

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24362	APPLICANT'S RESPONSE
Date	**June 19, 2024**
Applicant	**Franklin Mountain Energy 3, LLC**
Designated Operator & OGRID (affiliation if applicable)	**Franklin Mountain Energy 3, LLC (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 OVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.91 acres more or less
Building Blocks:	40 acres
Orientation:	**North South**
Description: TRS/County	W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-22-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: Parallel State Com 703H (API: 30-025-52417)	SHL: 1031' FNL & 990' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 2305' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 2305' FEL, (Unit O), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp A 11,070' TVD, 21,070' MVD
Well #2: Parallel State Com 803H (API: 30-025-52455)	SHL: 990' FNL & 2505' FEL, (Unit B), Section 35, T-18-S, R-34-E FTP: 100' FNL & 1780' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 1780' FEL, (Unit O) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp B 11,673' TVD, 21,673' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-22-a
Completion Target (Formation, TVD and MD)	See Exhibit B-22-c
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$9,000
Production Supervision/Month $	$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-22 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to D-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-22-b
Tract List (including lease numbers and owners)	Exhibit B-22-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-22-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-22-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-22-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-22-c
Cost Estimate to Equip Well	Exhibit B-22-c
Cost Estimate for Production Facilities	Exhibit B-22-c

Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-4-a;C-4-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-4-a;C-4-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-4-a;C-4-d
HSU Cross Section	Exhibit C-4-b; C-4-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-22-a
Tracts	Exhibit B-22-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-22-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-4-a;C-4-d
Structure Contour Map - Subsea Depth	Exhibit C-4-a;C-4-d
Cross Section Location Map (including wells)	Exhibit C-4-a;C-4-d
Cross Section (including Landing Zone)	Exhibit C-4-b; C-4-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	*/s/ Deana M. Bennett*
Date:	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, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24348, 24350-24355, 24362

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

CASE NOS. 24327-24334[1]

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Don Johnson, being duly sworn, deposes and states:

BACKGROUND

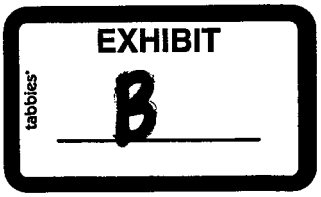
1. I am a Landman with Franklin Mountain Energy 3, LLC ("FME3"), over the age of 18, and have personal knowledge of the matters stated herein.

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. 24348, 24350-24355, and 24362. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 24327-24334. I am familiar with the land matters involved in these cases.

[1] MRC Permian Company ("MRC") has now withdrawn its objection to FME3's Parallel State Com cases and FME3 is presenting these cases as uncontested affidavit cases. MRC has not yet dismissed its competing cases in Case Nos. 24327-24334 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. FME3's cases involve applications for a 1295.88-acre development comprised of Bone Spring and Wolfcamp horizontal spacing units underlying Section 35, Township 18 South, Range 34 East, and Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. FME3 has proposed a total of sixteen wells, known as its Parallel State Com wells.

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

8. There are several reasons, from a land perspective, that FME3 should be designated operator of this acreage. First, as I will discuss in more detail, FME3 has the highest working interest in the proposed units and has the highest working interest control in the proposed units. Second, FME3's development plan will reduce surface facilities and surface impacts because FME3 will consolidate facilities with the Gold unit, which partially overlaps the Parallel units, in Section 35. Third, 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 within the Parallel Development Area.

11. With respect to the Wolfcamp units, as shown on **Exhibit B-2,** FME3 has:

- 84.3026% working interest in the W/2 W/2 Wolfcamp Unit (Case No. 24353);
- 79.0630% working interest in the E/2 W/2 Wolfcamp Unit (Case No. 24352);
- 37.0462% working interest in the W/2 E/2 Wolfcamp Unit (Case No. 24362);
- 49.4117% working interest in the E/2 E/2 Wolfcamp Unit (Case No. 24348).

12. FME3 has an interest across every tract in Sections 35 and 2 in conjunction with elections to participate, which is demonstrated on Exhibit B-2.

13. With respect to the Bone Spring units, as shown on **Exhibit B-3**, FME3 has:

- 84.3026% working interest in the W/2 W/2 Bone Spring Unit (Case No. 24354);
- 79.0630% working interest in the E/2 W/2 Bone Spring Unit (Case No. 24355);
- 37.0462% working interest in the W/2 E/2 Bone Spring Unit (Case No. 24350);
- 49.4117% working interest in the E/2 E/2 Bone Spring Unit (Case No. 24351)

14. FME3 has an interest across every tract in Sections 35 and 2 in conjunction with elections to participate, which is demonstrated on Exhibit B-3.

15. I will now discuss FME3's ability to prudently operate the property and, thereby, prevent waste and FME3's ability to timely locate well sites and to operate on the surface.

16. **Exhibit B-4** provides an overview of ownership by acreage. 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%).

17. Attached as **Exhibit B-5** is a map demonstrating that the Parallel Units are part of FME3's comprehensive development plan for the area. The Parallel Development Area, which is the subject of these cases, is outlined in red. As this exhibit shows, FME3's Parallel 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.

18. **Exhibit B-6** 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.

19. 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 Parallel development will share drill pads with the Gold 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.

20. **Exhibit B-7** 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.

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

22. **Exhibit B-8** 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-9 to 11** provide greater detail on the constraints and FME3's proactive approach to resolve them.

23. **Exhibit B-9** 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.

24. **Exhibit B-10** 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.

25. **Exhibit B-11** 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.

26. **Exhibit B-12** 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.

27. FME3 has been diligently working to develop this area. **Exhibit B-13** identifies the timeline and future target dates.

28. Exhibit B-13 also identifies support FME3 has received for its development plan, namely:

- Warren Ventures, Ltd.: Executed JOA, naming FME3 as Operator and Letter of Support
- Surface Grazing Lessee: Letter of Support for FME3
- Otter Creek, LLC: Election to participate
- TBO Oil and Gas, LLC: Election to participate

29. **Exhibit B-14** is the letter of support FME3 received from Warren Ventures and the letter of support FME3 received from the Surface Grazing Lessee.

30. **Exhibit B-15** provides further detail on FME3's overlapping development plans and how those plans maximize production. Included in Exhibit B-15 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-15-a.

31. 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.

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

33. **Exhibit B-16** is a summary of FME3's communications with working interest owners and unleased mineral interest owners, including MRC.

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

35. I now provide specific testimony and exhibits for each of the Parallel cases. I address the cases from West to East rather than by case number.

CASE NO. 24354 SPECIFIC TESTIMONY AND EXHIBITS

36. Below is a brief description of the facts and exhibits for Case No. 24354.

37. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (W/2 W/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24354 is attached as **Exhibit B-17.**

38. Attached as **Exhibit B-17-a** are the C-102s for the wells proposed in Case No. 24354. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and the Scharb, Bone Spring (Pool Code 55610).[2]

39. The producing area for the wells will be orthodox.

[2] 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.

40. Attached as **Exhibit B-17-b** is a lease tract map for Case No. 24354. This map shows the ownership breakdown. FME3 has 84.3026% working interest control (committed interests).

41. Attached as **Exhibit B-17-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-17-d** is a list of the parties to be pooled in Case 24354.

CASE NO. 24353 SPECIFIC TESTIMONY AND EXHIBITS

44. Below is a brief description of the facts and exhibits for Case No. 24353.

45. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.13 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (W/2 W/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 701H and Parallel State Com 801H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24353 is attached as **Exhibit B-18.**

46. Attached as **Exhibit B-18-a** are the C-102s for the wells proposed in Case No. 24353. The wells will develop the Airstrip; Wolfcamp Pool (Pool Code 970). The producing area for the wells will be orthodox.

47. Attached as **Exhibit B-18-b** is a lease tract map for Case No. 24353. This map shows the ownership breakdown and FME3 has 84.3026% working interest control (committed interests).

48. 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.

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

50. **Exhibit B-18-d** is a list of the parties to be pooled in Case 24353.

CASE NO. 24355 SPECIFIC TESTIMONY AND EXHIBITS

51. Below is a brief description of the facts and exhibits for Case No. 24355.

52. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (E/2 W/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H wells**, to be horizontally drilled. The producing area for the wells is

expected to be orthodox. A copy of the application for Case No. 24355 is attached as **Exhibit B-19.**

53. Attached as **Exhibit B-19-a** are the C-102s for the wells proposed in Case No. 24355. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and the Scharb, Bone Spring (Pool Code 55610). The producing area for the wells will be orthodox.

54. Attached as **Exhibit B-19-b** is a lease tract map for Case No. 24355. This map shows the ownership breakdown and FME3 has 79.0630% working interest control (committed interests).

55. Attached as **Exhibit B-19-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-19-d** is a list of the parties to be pooled in Case 24355.

CASE NO. 24352 SPECIFIC TESTIMONY AND EXHIBITS

58. Below is a brief description of the facts and exhibits for Case No. 24352.

59. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (E/2 W/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 702H and Parallel**

State Com 802H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24352 is attached as **Exhibit B-20.**

60. Attached as **Exhibit B-20-a** are the C-102s for the wells proposed in Case No. 24352. The wells will develop the Airstrip; Wolfcamp Pool (Pool Code 970). The producing area for the wells will be orthodox.

61. Attached as **Exhibit B-20-b** is a lease tract map for Case No. 24352. This map shows the ownership breakdown and FME3 has 79.0630% working interest control (committed interests).

62. Attached as **Exhibit B-20-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.

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

64. **Exhibit B-20-d** is a list of the parties to be pooled in Case 24352.

CASE NO. 24350 SPECIFIC TESTIMONY AND EXHIBITS

65. Below is a brief description of the facts and exhibits for Case No. 24350.

66. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 E/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 W/2 E/2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State**

Com 303H and Parallel State Com 503H wells, to be horizontally drilled. A copy of the application for Case No. 24350 is attached as **Exhibit B-21**.

67. Attached as **Exhibit B-21-a** are the C-102s for the wells proposed in Case No. 24350. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and the Scharb, Bone Spring (Pool Code 55610). The producing area for the wells will be orthodox.

68. Attached as **Exhibit B-21-b** is a lease tract map for Case No. 24350. This map shows the ownership breakdown and FME3 has 50.7866% working interest control (committed interests).

69. Attached as **Exhibit B-21-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.

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

71. **Exhibit B-21-d** is a list of the parties to be pooled in Case 24350.

CASE NO. 24362 SPECIFIC TESTIMONY AND EXHIBITS

72. Below is a brief description of the facts and exhibits for Case No. 24362.

73. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (W/2 E/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 703H and Parallel**

State Com 803H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24362 is attached as **Exhibit B-22.**

74. Attached as **Exhibit B-22-a** are the C-102s for the wells proposed in Case No. 24362. The wells will develop the Airstrip; Wolfcamp Pool (Pool Code 970). The producing area for the wells will be orthodox.

75. Attached as **Exhibit B-22-b** is a lease tract map for Case No. 24362. This map shows the ownership breakdown and FME3 has 50.7866% working interest control (committed interests).

76. Attached as **Exhibit B-22-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.

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

78. **Exhibit B-22-d** is a list of the parties to be pooled in Case 24362.

CASE NO. 24351 SPECIFIC TESTIMONY AND EXHIBITS

79. Below is a brief description of the facts and exhibits for Case No. 24351.

80. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 E/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 E/2 E/2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 304H**

and **Parallel State Com 504H wells**, to be horizontally drilled. A copy of the application for Case No. 24351 is attached as **Exhibit B-23**.

81. Attached as **Exhibit B-23-a** are the C-102s for the wells proposed in Case No. 24351. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and the Scharb, Bone Spring (Pool Code 55610). The producing area for the wells will be orthodox.

82. Attached as **Exhibit B-23-b** is a lease tract map for Case No. 24351. This map shows the ownership breakdown and FME3 has 50.8029% working interest control (committed interests).

83. Attached as **Exhibit B-23-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.

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

85. **Exhibit B-23-d** is a list of the parties to be pooled in Case 24351.

CASE NO. 24348 SPECIFIC TESTIMONY AND EXHIBITS

86. Below is a brief description of the facts and exhibits for Case No. 24348.

87. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 E/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 E/2 E/2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 704H and**

Parallel State Com 804H wells, to be horizontally drilled. A copy of the application for Case No. 24348 is attached as **Exhibit B-24**.

88. Attached as **Exhibit B-24-a** are the C-102s for the wells proposed in Case No. 24348. The wells will develop the Airstrip; Wolfcamp Pool (Pool Code 970). The producing area for the wells will be orthodox.

89. Attached as **Exhibit B-24-b** is a lease tract map for Case No. 24348. This map shows the ownership breakdown and FME3 has 50.8029 % working interest control (committed interests).

90. Attached as **Exhibit B-24-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.

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

92. **Exhibit B-24-d** is a list of the parties to be pooled in Case 24348.

ADDITIONAL TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES

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

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

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

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

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

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

99. 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 Parallel 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.

100. 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.

101. 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.

[Stamp]

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

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

My Commission Expires: 2/23/27

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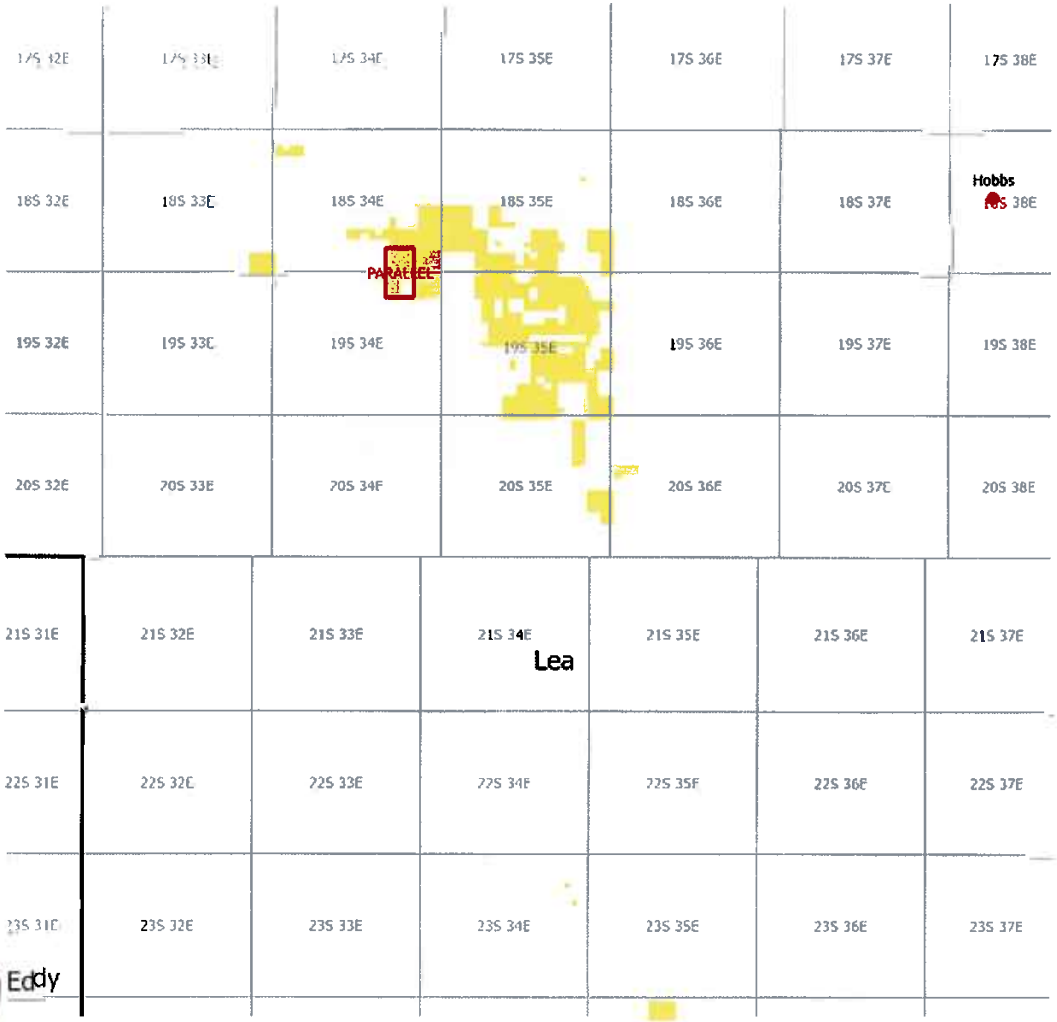
Location Map – Lea County, NM

FRANKLIN MOUNTAIN ENERGY



Parallel Development Area

T18S-R34E

Section 35: All

T19S-R34E

Section 2: Lots 1-4, S2N2, S2

Containing 1295.88

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EXHIBIT B.1

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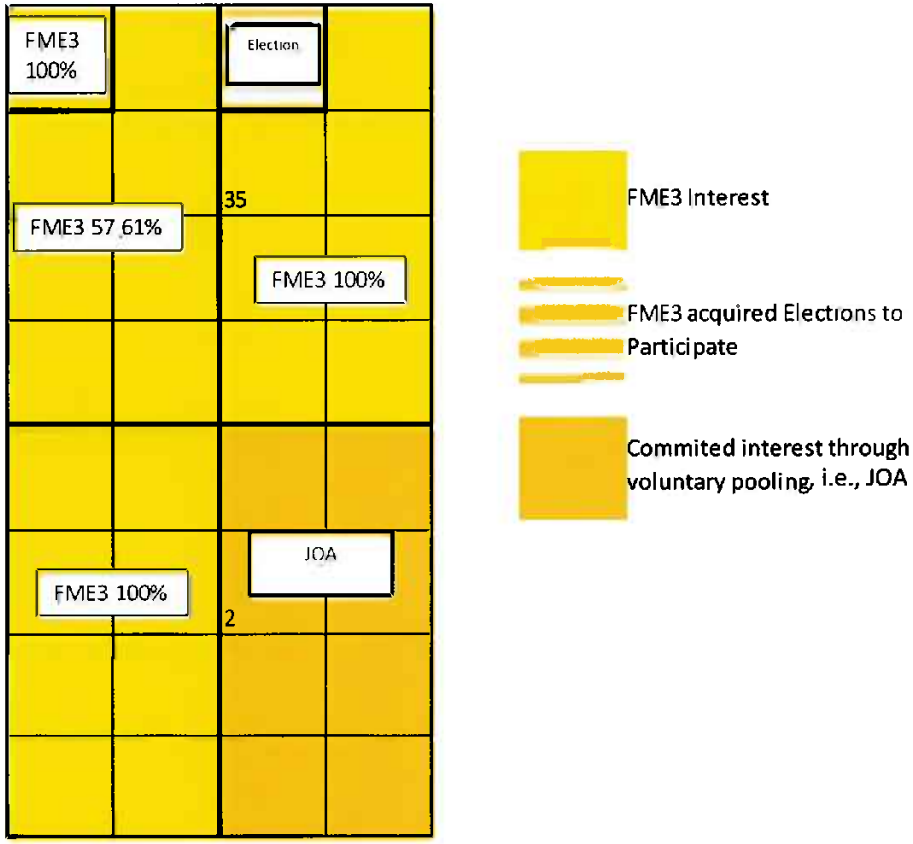
Ownership Comparison Table – Wolfcamp Overview

FRANKLIN MOUNTAIN ENERGY

	Wolfcamp			
	W2W2	E2W2	W2E2	E2E2
Franklin Mountain Energy 3, LLC	84.3026%	79.0630%	37.0462%	49.4117%

FME3 WI – Wolfcamp



EXHIBIT
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B.2

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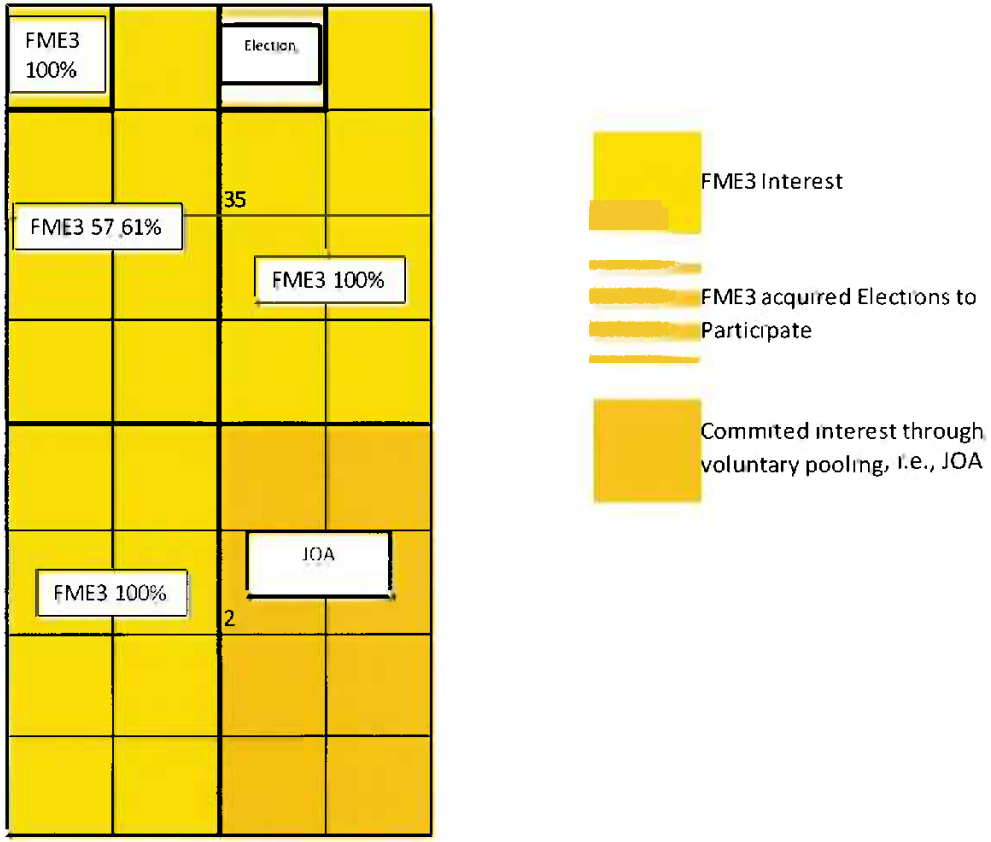
Ownership Comparison Table – Bone Spring Overview

FRANKLIN MOUNTAIN ENERGY

	Bone Spring			
	W2W2	E2W2	W2E2	E2E2
Franklin Mountain Energy 3, LLC	84.3026%	79.0630%	37.0462%	49.4117%

FME3 WI – Bone Spring



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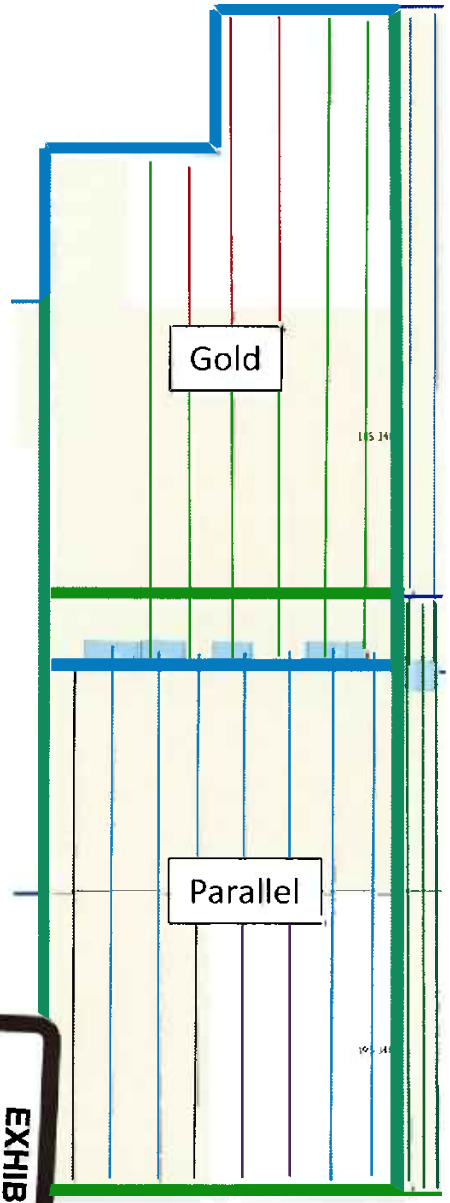
Ownership comparison in Gold and Parallel Units

FRANKLIN MOUNTAIN ENERGY



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%

Ownership in Gold Unit

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

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

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FME3's Development Plans in and around Parallel Development Area

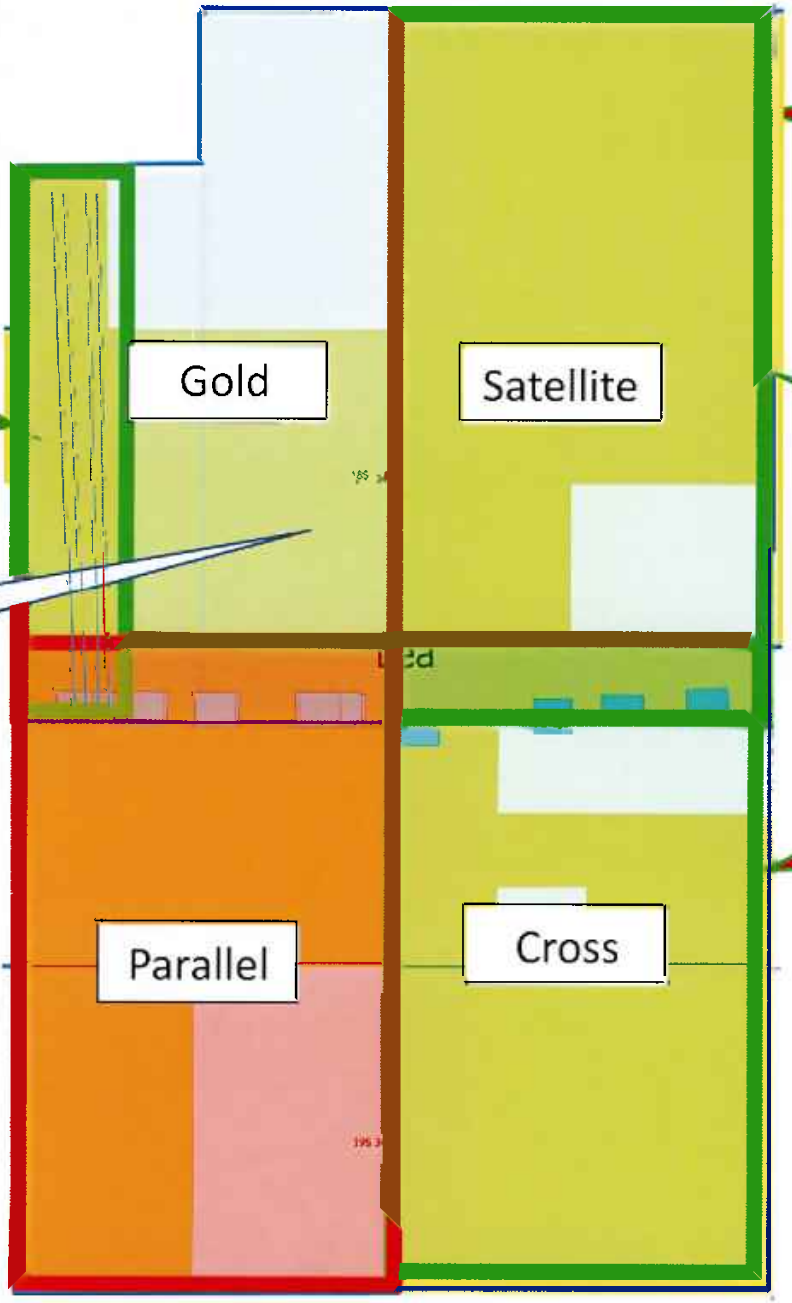
FRANKLIN MOUNTAIN ENERGY

FME3 has approved Compulsory Pooling Orders in Gold:
1) R-22971, W2W2 Bone Spring
2) R-22970, W2W2 Wolfcamp

FME3 drilled 2 Bone Spring and 2 Wolfcamp wells in Gold Unit

FME3 has filed applications for Compulsory Pooling Orders in Gold (E2W2 & E2)

FME3 has filed applications for Compulsory Pooling Orders in Parallel



FME3 has approved Compulsory Pooling Orders in Satellite:
1) R-22963, W2W2 Wolfcamp
2) R-22964, E2W2 Wolfcamp
3) R-22967, W2E2 Wolfcamp
4) R-22968, E2E2 Wolfcamp

Satellite
1) W2 Bone Spring – FME3 owns 100% Working Interest
2) Voluntary Pooling of 100% Working interest in E2

FME3 currently has 2 drilling rigs active in the Satellite unit

FME3 has approved Compulsory Pooling Orders in Cross:
1) R-23177, W2W2 Wolfcamp
2) R-23182, W2W2 Bone Spring
3) R-23179, E2W2 Wolfcamp
4) R-23183, E2W2 Bone Spring
5) R-23176, W2E2 Wolfcamp
6) R-23181, W2E2 Bone Spring
7) R-22968, E2E2 Wolfcamp
8) R-23180, E2E2 Bone Spring

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

tabbies
EXHIBIT B.5

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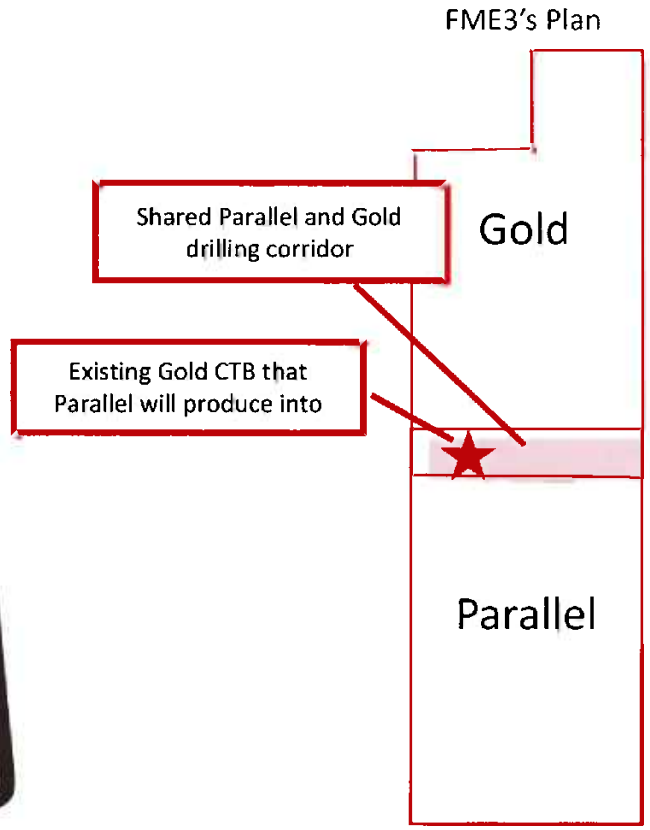
FME3's Development Plan Minimizes Surface Disturbances

FRANKLIN MOUNTAIN ENERGY

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



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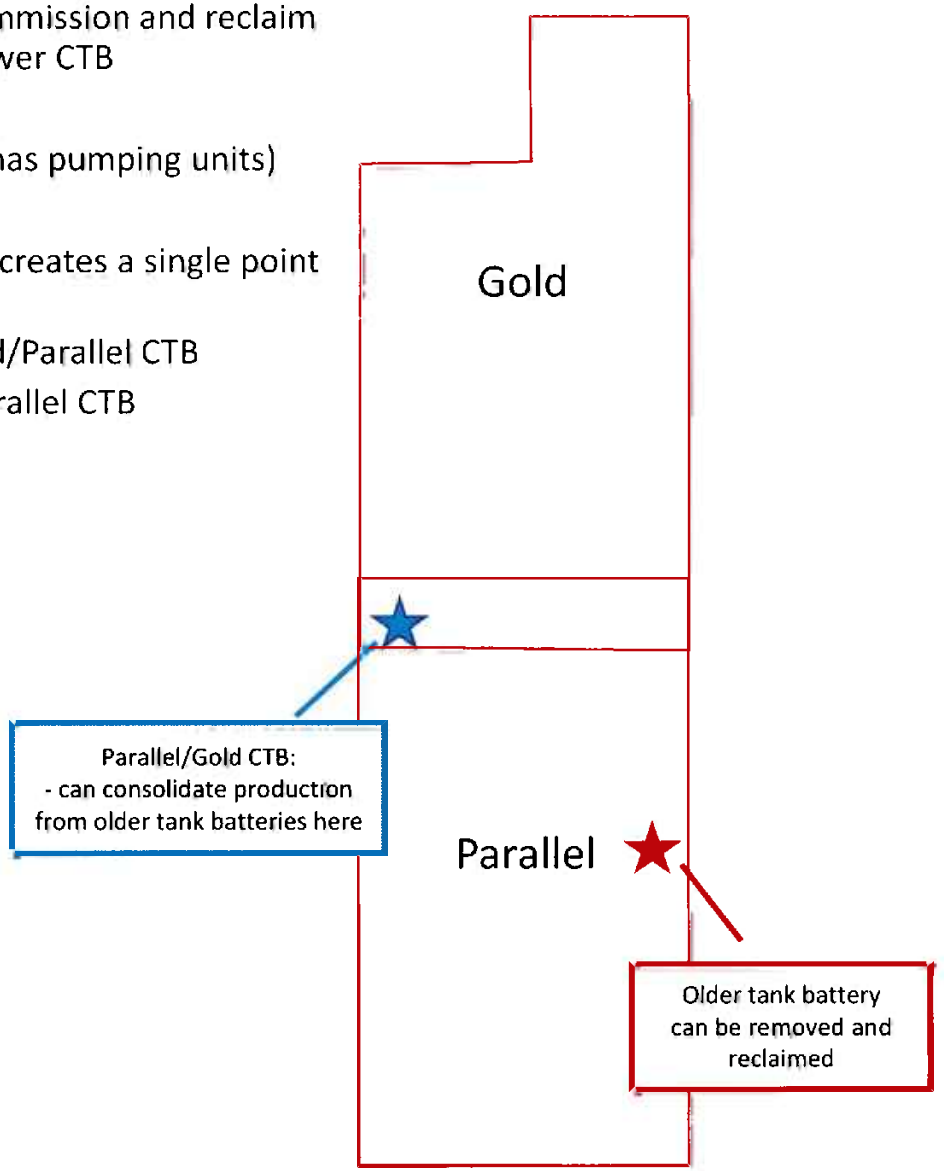
Received by OCD: 6/19/2024 4:31:18 PM

FME3's Development Plan Cleans Up Asset and Helps Third Parties Prevent Waste

FRANKLIN MOUNTAIN ENERGY

- FME3's development plan provides the ability to decommission and reclaim one tank battery and consolidate production into a newer CTB
  - One older tank battery can be decommissioned
  - Removal of equipment and partial reclamation (still has pumping units)

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



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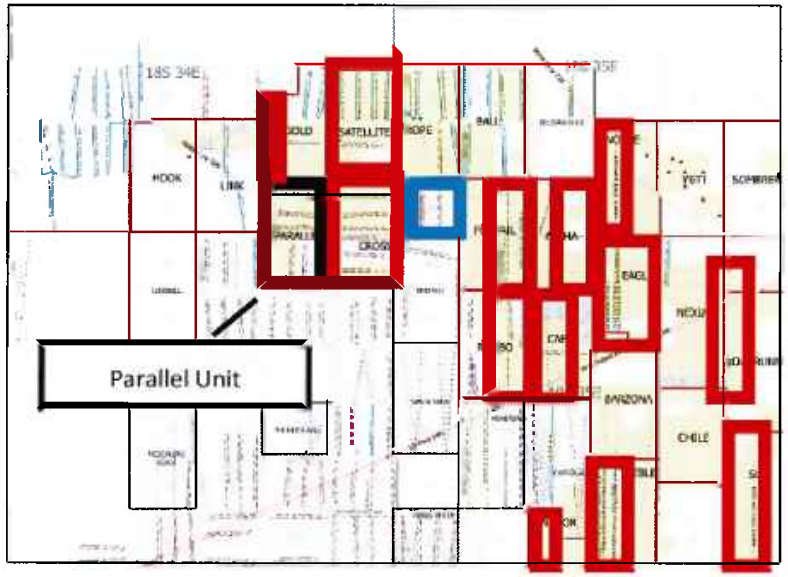
Received by OCD: 6/19/2024 4:31:18 PM

FME3 Is Addressing Gas and Water Takeaway Constraints

FRANKLIN MOUNTAIN ENERGY

- 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 a 16-well horizontal project
  - Investments in pipelines are necessary
- 3rd 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

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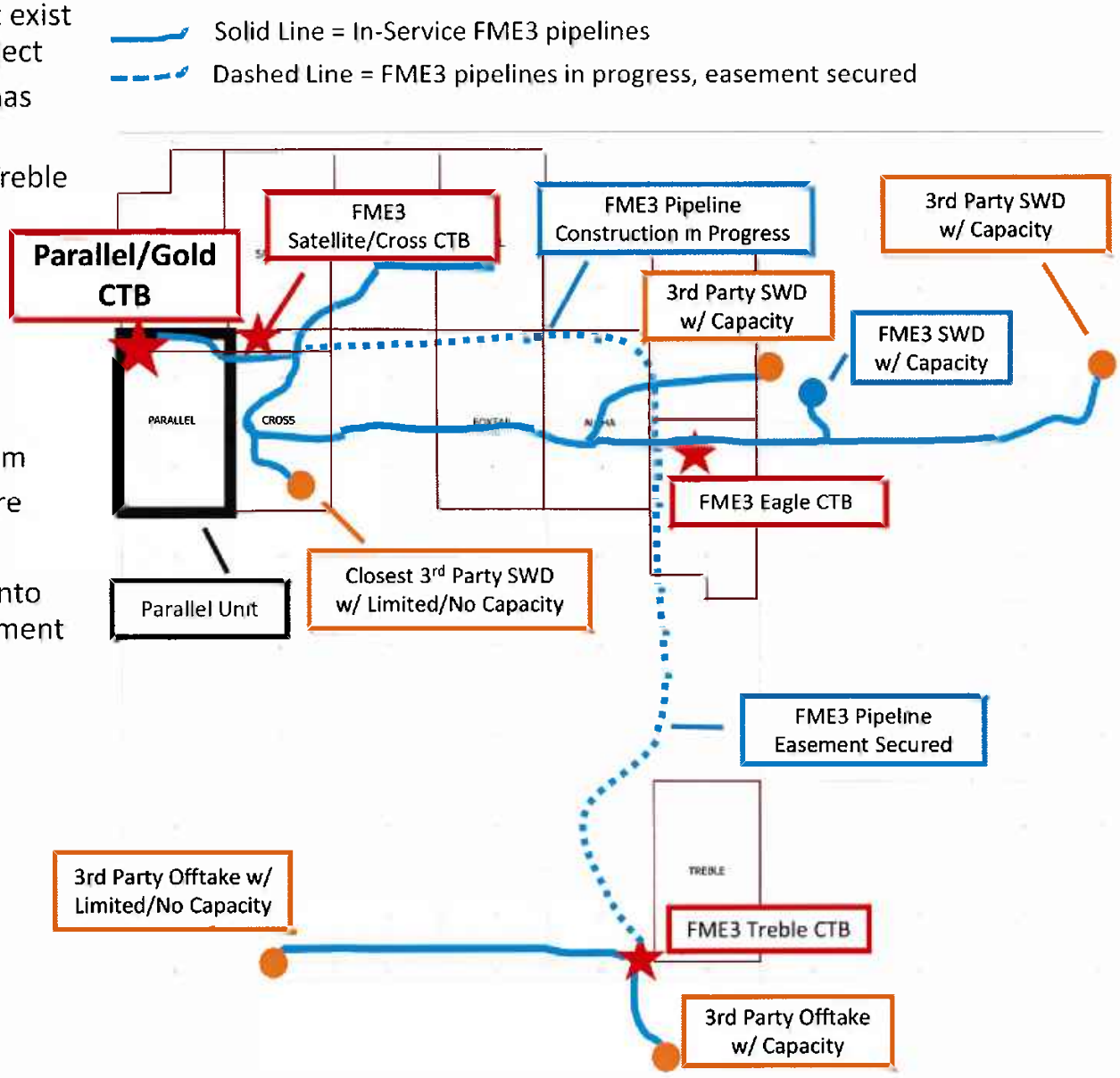
Received by OCD: 6/19/2024 4:31:18 PM

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

FRANKLIN MOUNTAIN ENERGY

- Adequate water takeaway does not exist to support a 16-well horizontal project
  - Closest 3rd Party SWD to project has limited to no capacity
  - FME3's recent projects at Eagle, Treble and Gold have pushed 3rd 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



tabbies EXHIBIT B.1

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

FRANKLIN MOUNTAIN ENERGY

- Adequate gas takeaway does not exist to support a 16-well horizontal project
  - FME3's recent projects at Eagle, Treble and Gold have maxed out 3rd 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 3rd party midstream companies
  - Allows multiple 3rd 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
- 3rd 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

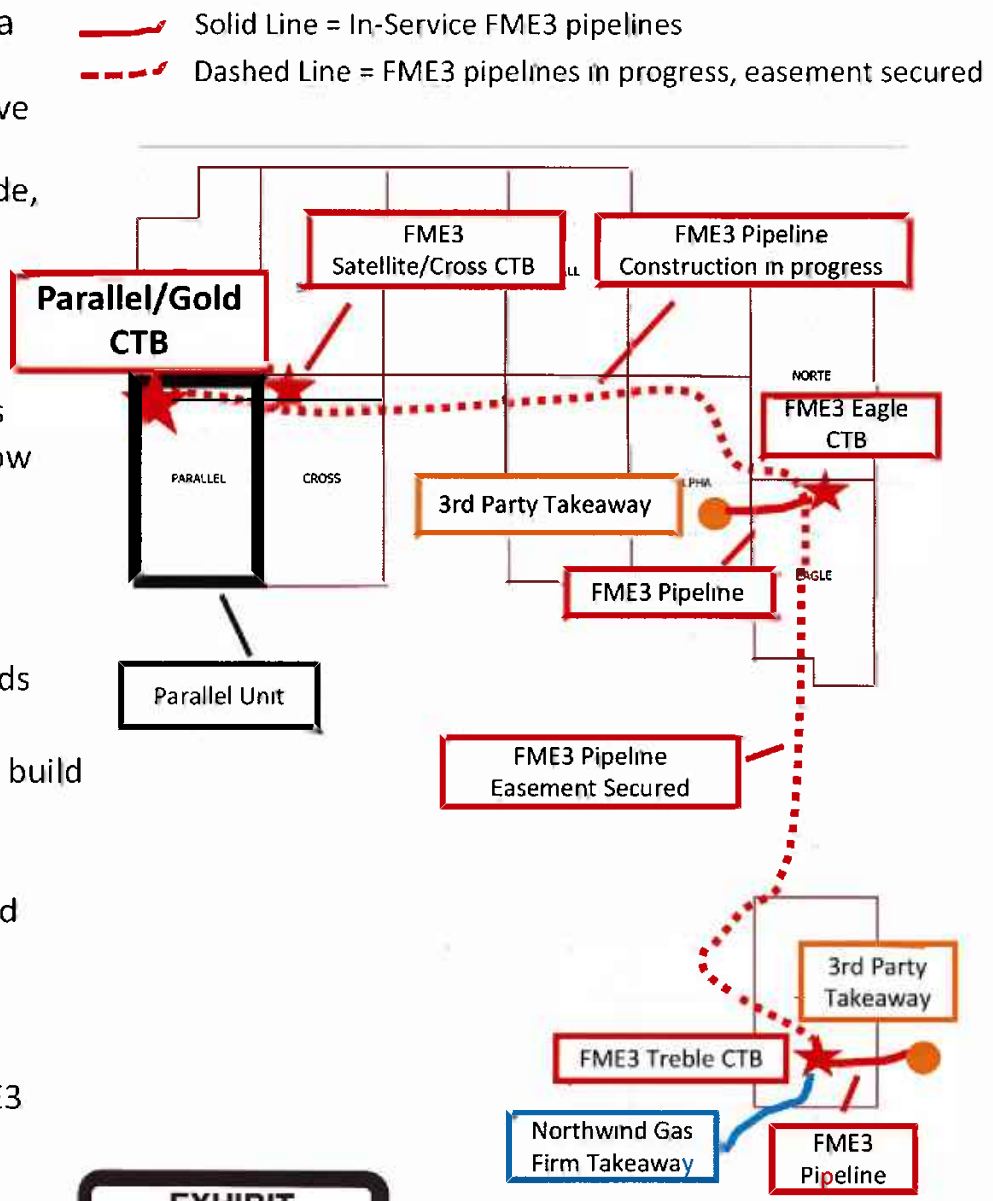

EXHIBIT
tabbies
B.10

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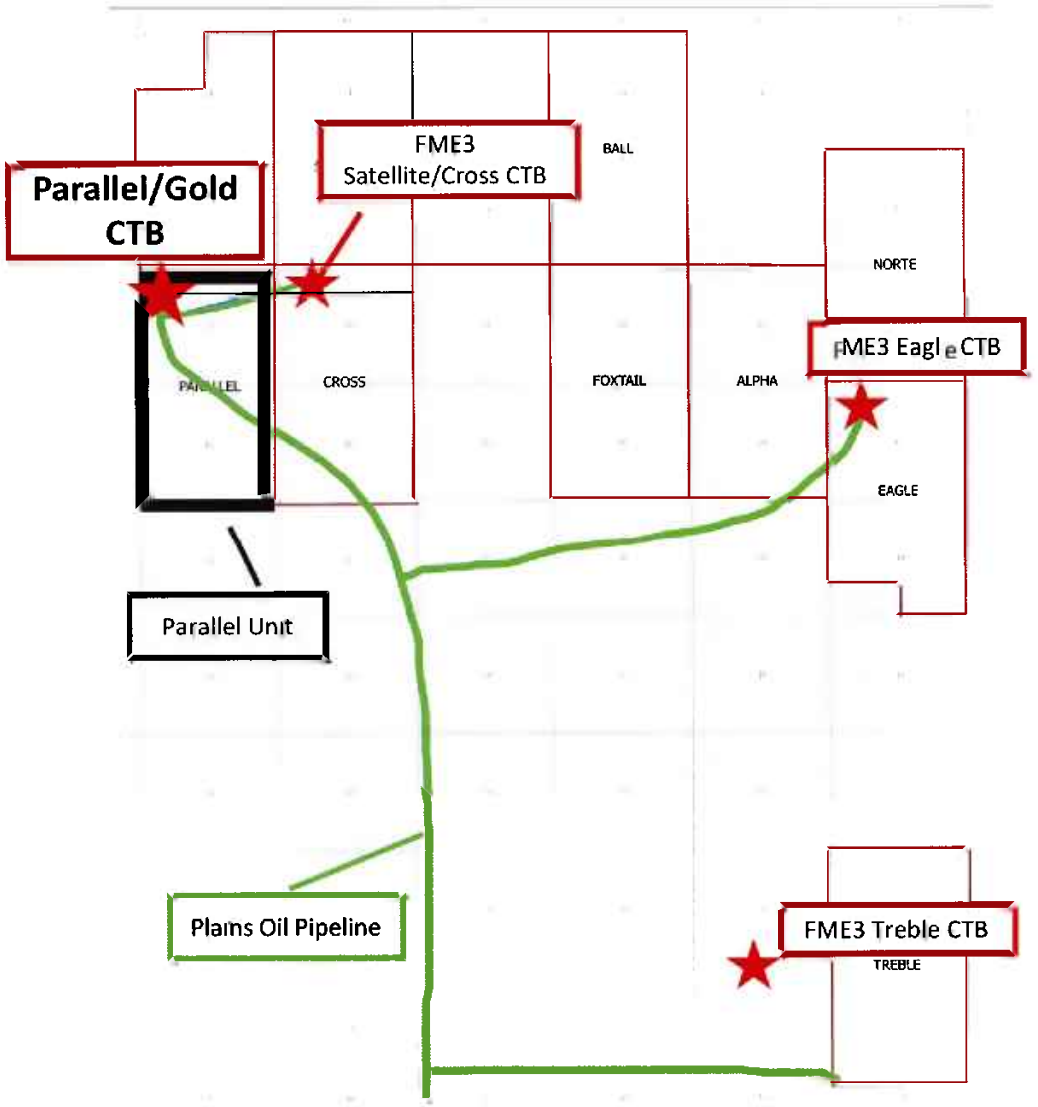
FME3 Has a Reliable Oil Pipeline Solution in Place

FRANKLIN MOUNTAIN ENERGY

- 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



tabbies
EXHIBIT
B.11

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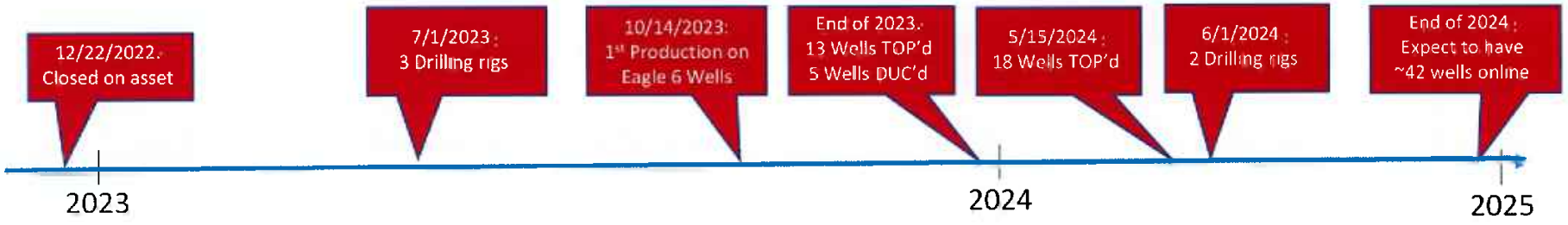
FME3 Is All Systems Go

FRANKLIN MOUNTAIN ENERGY

- FME3 is very active in the 6-mile radius of Parallel 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

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

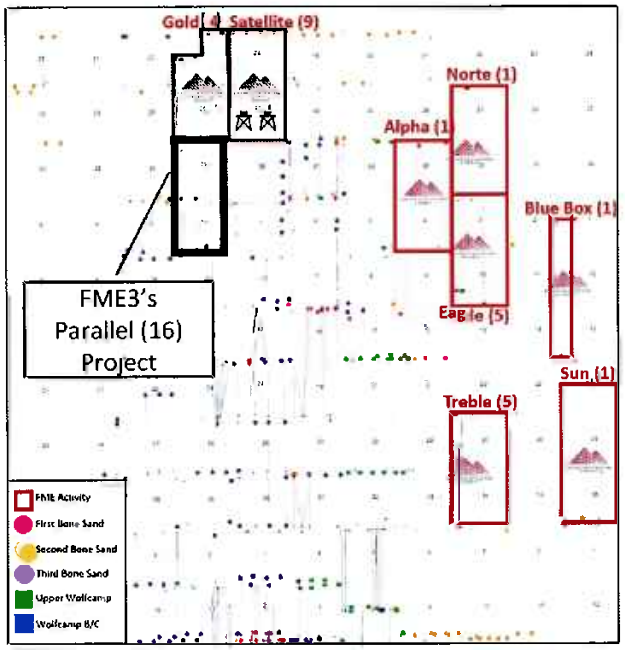


EXHIBIT 21.12

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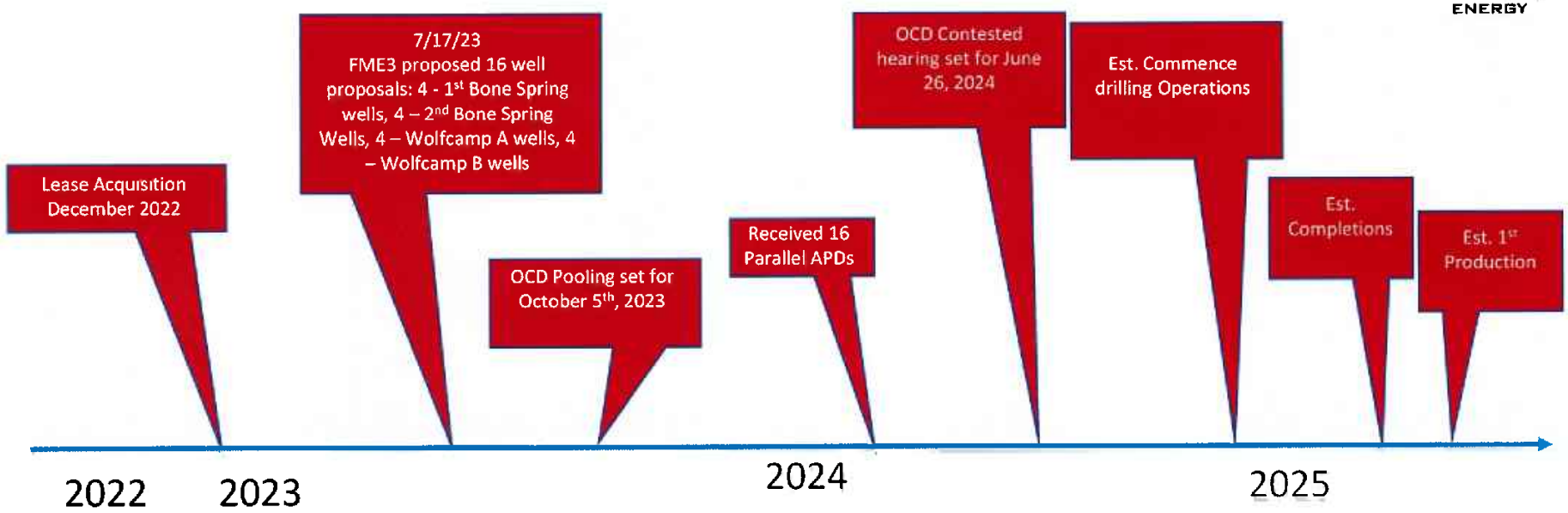
FME3's Timeline of Parallel Development

FRANKLIN MOUNTAIN ENERGY



- FME3's timeline from lease acquisitions, to initiated development plans, to commencing drilling operations, to 1st production in the Parallel State Unit is estimated at ~28 months
- December 2022: Closes on its initial transactions in Northern Lea County, establishing its position in the Parallel Development Area
- July 2023, FME3 sends out 16 Parallel well proposals
- December 2023: FME3 closes an additional lease acquisition in Parallel
- January 2024: FME3 received 16 approved Parallel unit APDs
- December 2024: FME3 estimates to commence drilling operations
- FME3 received support from 3rd Parties:
  - JOA, Election to Participate, and Letter of support from Warren Ventures, Ltd.
  - Support letter from Surface Grazing Lessee
  - Election to participate received from Otter Creek, LLC
  - Election to participate received from TBO Oil and Gas, LLC

Page 58 of 304

Warren Ventures, Ltd.

808 W. Wall Street
Midland Texas 79701

June 11, 2024

New Mexico Oil Conservation Division
Via e-filing by Franklin Mountain Energy 3, LLC in Case Nos. 23845-23852

Re: Support for Franklin Mountain Energy 3, LLC Parallel State cases, Case Nos. 23845-23852, Lea County, New Mexico.

Dear OCD:

Warren Ventures, Ltd. respectfully submits this letter in support of Franklin Mountain Energy 3, LLC's ("Franklin") Parallel State cases, Case Nos. 23845-23852, Lea County, New Mexico. In Warren Ventures' opinion, Franklin's proposed development plans will prevent waste and protect correlative rights as Franklin's proposals will efficiently and effectively develop the acreage. Warren Ventures and Franklin are in discussions regarding entering into a JOA. Warren Ventures hereby grants Franklin the right to represent its interests and supports the designation of Franklin as operator and its planned development described in the above captioned cases.

Should you have any questions, please email me at jdavis@texcap.net or call me at 432-253-6364

Sincerely,

Joseph S. Davis
Warren Ventures, Ltd.

EXHIBIT
B-14

June 10, 2024

To Whom It May Concern,
Since May of 2023, Tivis Ranch ("Tivis") has been cooperatively working with Franklin Mountain Energy 3, LLC ("FME3") as they plan their oil & gas development near and within our acreage boundaries. FME3 has been operating responsibly on the Tivis Lands since that time. To date, FME3 has drilled 4 wells and currently has 2 rigs drilling on Tivis Lands. Production infrastructure including power, pipelines, flowlines, and access roads have all been installed in conjunction with input of Tivis Ranch.
FME3 is the most communicative Operator that Tivis Ranch works with. The planned use of Tivis Lands has been communicated in detail and timely compensation has been provided for surface disturbances. FME3 consistently offers meetings to answer questions and provide development updates. FME3 has shown the upmost respect to the Tivis Ranch and family; we are grateful for the care they have taken while developing assets on our lands. I look forward to their continued partnership.

Sincerely,

Wilberta Tivis

Wilberta Tivis

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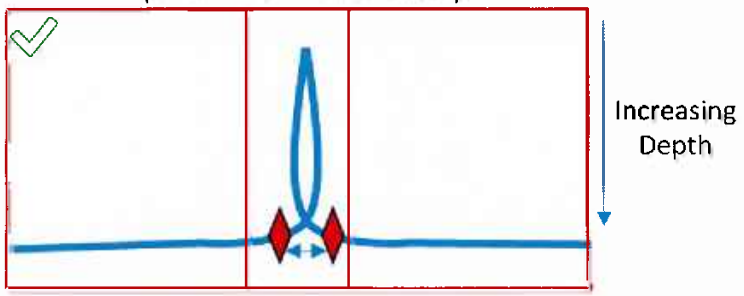
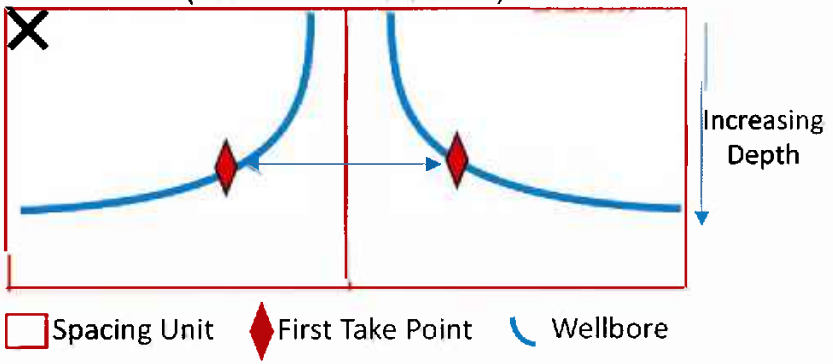
Overlapping Spacing Units Maximize Producing Reservoir

FRANKLIN MOUNTAIN ENERGY

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

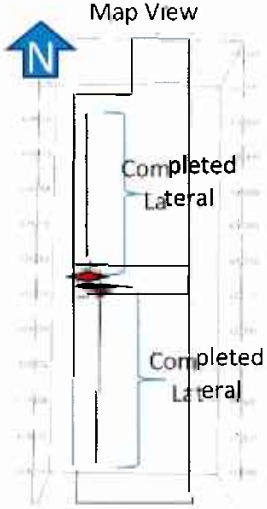


Standard Spacing Unit – Heel to Heel
(Cross Sectional View)

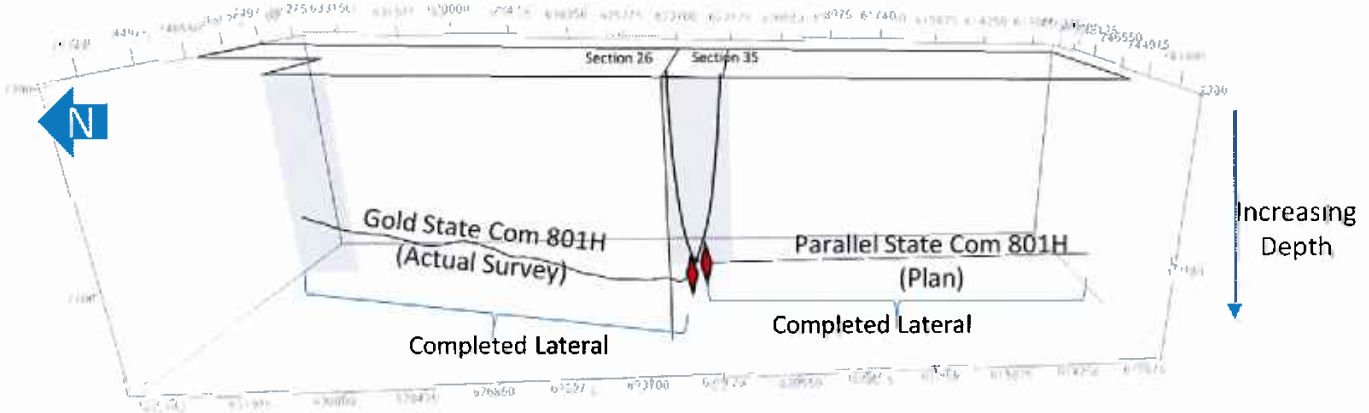


- Overlapping spacing units maximize hydraulically stimulated reservoir and adds additional resource captured.
- Increased revenues = Increased royalties payable to royalty owners including the State Land Office
  - No additional capex required to access the additional reserves
    - Increased well economics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

Map View



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



tabbies
EXHIBIT
B-15

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

[X] AMENDED REPORT
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-025-51669	990 & 970	[990] AIRSTRIP; WOLFCAMP,NORTH, [970] AIRSTRIP;WOLFCAMP

4 Property Code	5 Property Name	6 Well Number
334169	GOLD STATE COM	801H
7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3989.9'

10 Surface Location

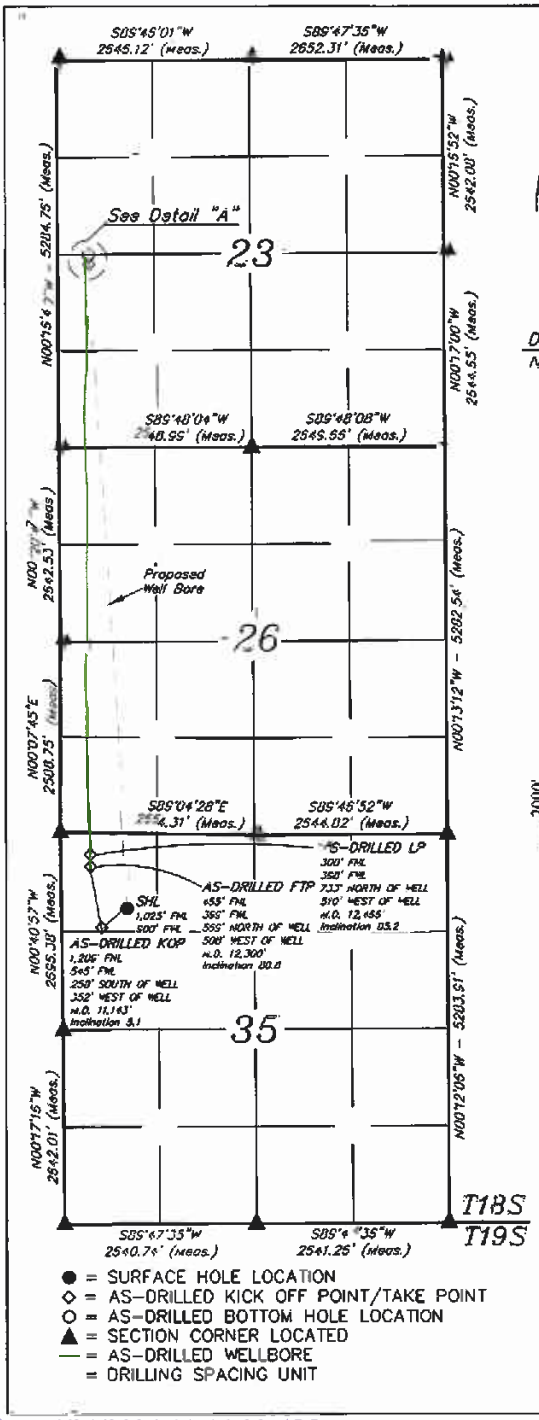
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	18S	34E		1025	NORTH	900	WEST	LEA

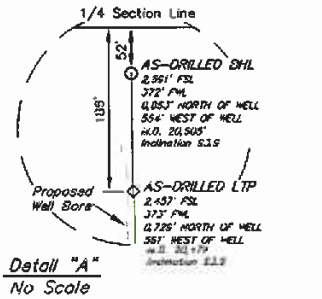
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	23	18S	34E		2591	SOUTH	372	WEST	LEA

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

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.





APPROXIMATE WELL BORE MEASURED DEPTH DISTANCE FROM FTP TO LTP	
SECTION	DISTANCE
SECTION 35	466.84'
SECTION 26	5,244.23'
SECTION 23	2,459.93'
TOTAL	8,171.00'

NOTE:
- Distances referenced on plat to section lines are perpendicular
- Basis of Bearings is a True Inverse Mc Easel Projection with a Central Meridian of W103°43'00" (NAD 83)
- As-Drilled well bore was not "non-field verified"
- Well Bore data provided by Franklin Mountain Energy 3 LLC

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

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.54" (32.708762°)
LONGITUDE = -103°32'12.06" (-103.536683°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.10" (32.708638°)
LONGITUDE = -103°32'10.28" (-103.536188°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622499.55' E: 786174.38'
STATE PLANE NAD 27 (N.M. EAST)
N: 622435.33' E: 745194.75'

NAD 83 (AS-DRILLED KOP)
LATITUDE = 32°42'29.00" (32.708056°)
LONGITUDE = -103°32'16.18" (-103.537829°)
NAD 27 (AS-DRILLED KOP)
LATITUDE = 32°42'28.56" (32.707933°)
LONGITUDE = -103°32'14.40" (-103.537334°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622230.34' E: 786023.76'
STATE PLANE NAD 27 (N.M. EAST)
N: 622175.75' E: 744844.13'

NAD 83 (AS-DRILLED FTP)
LATITUDE = 32°42'37.19" (32.710329°)
LONGITUDE = -103°32'17.98" (-103.538328°)
NAD 27 (AS-DRILLED FTP)
LATITUDE = 32°42'36.74" (32.710206°)
LONGITUDE = -103°32'16.20" (-103.537833°)
STATE PLANE NAD 83 (N.M. EAST)
N: 623065.94' E: 785864.22'
STATE PLANE NAD 27 (N.M. EAST)
N: 623001.71' E: 744684.61'

NAD 83 (AS-DRILLED LP)
LATITUDE = 32°42'38.81" (32.710781°)
LONGITUDE = -103°32'18.00" (-103.538334°)
NAD 27 (AS-DRILLED LP)
LATITUDE = 32°42'38.37" (32.710657°)
LONGITUDE = -103°32'16.22" (-103.537839°)
STATE PLANE NAD 83 (N.M. EAST)
N: 623230.34' E: 785860.98'
STATE PLANE NAD 27 (N.M. EAST)
N: 623166.11' E: 744681.37'

NAD 83 (AS-DRILLED LTP)
LATITUDE = 32°43'57.92" (32.732755°)
LONGITUDE = -103°32'18.30" (-103.538416°)
NAD 27 (AS-DRILLED LTP)
LATITUDE = 32°43'57.47" (32.732632°)
LONGITUDE = -103°32'16.51" (-103.537920°)
STATE PLANE NAD 83 (N.M. EAST)
N: 631224.91' E: 785775.93'
STATE PLANE NAD 27 (N.M. EAST)
N: 631160.42' E: 744596.36'

NAD 83 (AS-DRILLED BHL)
LATITUDE = 32°43'59
LONGITUDE = -103
NAD 27 (AS-DRILL
LATITUDE = 32°43'
LONGITUDE = -103
STATE PLANE NA
N: 631358.61' E: 78
STATE PLANE
N: [illegible] E: [illegible]

17 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.

Rachael Overbey 2/15/2024
Signature Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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.

April 27, 2023
Date of Survey

Signature and Seal of Professional Surveyor:

PAUL BUCHELE NEW MEXICO 23782 PROFESSIONAL SURVEYOR 02-07-24

Certificate Number:

EXHIBIT B.15.a

Released to Imaging: 6/21/2024 11:16:22 AM
Received by OCD: 6/19/2024 4:31:18 PM

Summary of Communication-Parallel

FRANKLIN MOUNTAIN ENERGY

Date	Owner	Exchange
	TH McElvain Oil & Gas, LLLP	Sold to Franklin Mountain Energy 3, LLC
	MRC Permian Company	Currently in negotiations
7/25/2023	COG Operating, LLC Operating, LLC	Email received requesting WI information, Sold to MRC Permian Company
7/25/2023	Concho Oil & Gas, LLC Oil & Gas, LLC	Email received requesting WI information, Sold to MRC Permian Company
8/22/2023	Crump Family Partnership, Ltd.	Email requesting WI information, sent JOA
8/1/2023	Warren Ventures, Ltd.	Elected to participate, Signed JOA and Letter of Support
8/28/2023	Tarpon Industries Corp.	Multiple emails, discussing sale of interest and participation
9/12/2023	Charles D. Ray	Phone call and multiple emails requesting WI information, elected to not participate. Entity now known as CD Ray Exploration, LLC
8/9/2023	Buckhorn Energy, LLC	Multiple emails requesting WI information
8/9/2023	Sharktooth Resources, Ltd.	Multiple emails requesting WI information
7/25/2023	Hanley Petroleum, Inc.	Emails exchanged, Sent JOA
7/25/2023	LHAH Properties, LLC	Emails exchanged, Sent JOA
1/16/2024	H6 Holdings, LLC	Email received requesting WI on different unit. Followed up giving WI for the Parallel Unit as well.
7/28/2023	TBO Oil & Gas, LLC	Elected to participate, no JOA signed
8/22/2023	Mavros Oil Company, LLC	Email requesting WI information, sent JOA
8/5/2023	TSF WI LP	Proposals received 8/5/2023, No further communications
7/25/2023	Hanley Petroleum, LLC	Emails exchanged, Sent JOA
7/31/2023	Marathon Oil Permian LLC	Email requesting WI information
8/4/2023	Otter Creek, LLC	Elected to participate, no JOA signed
8/22/2023	Crown Oil Partners	Email requesting WI information, sent JOA
8/22/2023	Crump Energy Partners	Email requesting WI information, sent JOA

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

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

CASE NO. 24354

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23848.

EXHIBIT B.17

3. Franklin plans to drill the **Parallel State Com 301H and Parallel State Com 501H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 2; and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23848 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. 23848, ¶ 4.

5. On December 1, 2023, the Division issued Order R-22971, which pooled uncommitted interests in a Bone Spring spacing unit comprised of the W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East, Lea County, NM.

6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells.

7. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap the Gold State Com Bone Spring spacing unit described above.

8. Franklin's proposed spacing unit in this case will also partially overlap existing Bone Spring spacing units as follows:

   a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

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b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549).

9. 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.

10. 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.

11. Case No. 23848 is currently set for contested hearing on April 9, 2024.

12. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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 W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

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

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

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

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

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

Respectfully submitted,

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

By: */s/ Deana M. Bennett*

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

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CASE NO. 24354 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H wells**, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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1625 N. French Dr., Hobbs, NM 88240
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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	2 Pool Code	3 Pool Name
30-025-52527	55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	301H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3987.2'

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
C	35	18S	34E		987	NORTH	1673	WEST	LEA

11 Bottom Hole Location If Different From Surface

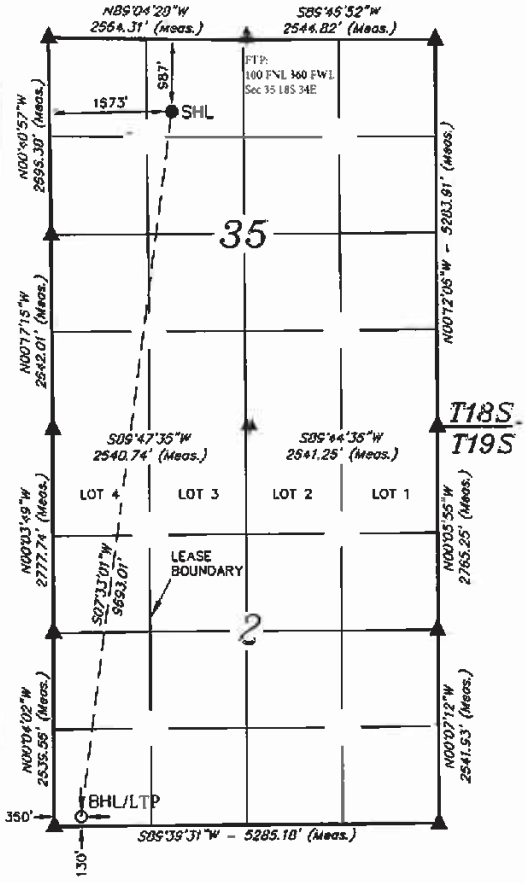
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	19S	34E		130	SOUTH	360	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
324.13			

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°42'31.77" (32.708825°)
LONGITUDE = -103°32'03.02" (-103.534171°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.33" (32.708701°)
LONGITUDE = -103°32'01.24" (-103.533677°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622528.35' E: 781146.74'
STATE PLANE NAD 27 (N.M. EAST)
N: 622464.12' E: 745967.11'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.75" (32.682431°)
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NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.31" (32.682307°)
LONGITUDE = -103°32'16.51" (-103.537919°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612915.67' E: 785914.10'
STATE PLANE NAD 27 (N.M. EAST)
N: 612851.77' E: 744734.21'

2000' 1000' 0' 2000'
SCALE
DRAWN BY: Z L - 10-13-23

17 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 — 11/6/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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 — 23782 — PROFESSIONAL SURVEYOR — 10-13-23

Certificate Number:

EXHIBIT B.17.a

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Form C-102
Revised August 1, 2011
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-025-52527	960	AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	301H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3987.2'

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
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M	2	19S	34E		130	SOUTH	360	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
160			

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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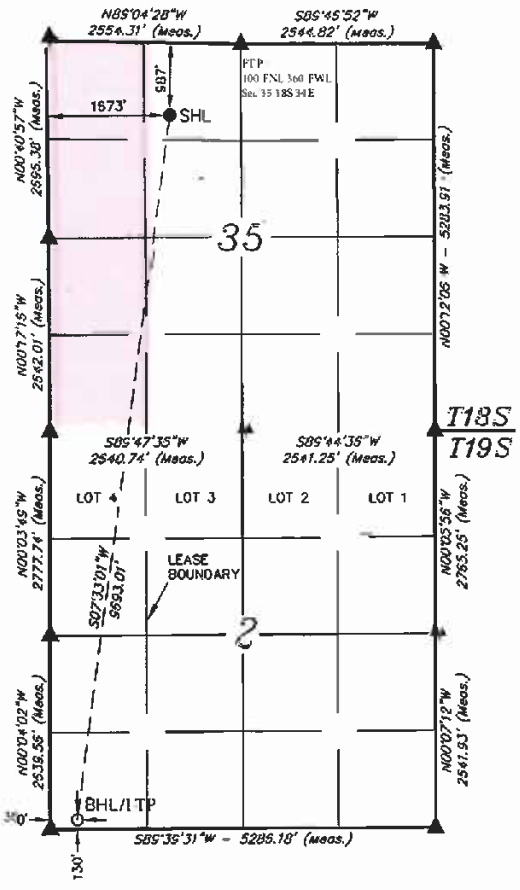

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SCALE
DRAWN BY: Z.L. 10-13-23

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11/6/2023
Date

Printed Name

roverbey@fmellc.com
E-mail Address

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October 02, 2023
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PAUL BUCHELE
NEW MEXICO
23782
10-13-23
PROFESSIONAL SURVEYOR

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☐ AMENDED REPORT

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30-025-52527	55610	SCHARB; BONE SPRING

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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
124.13			

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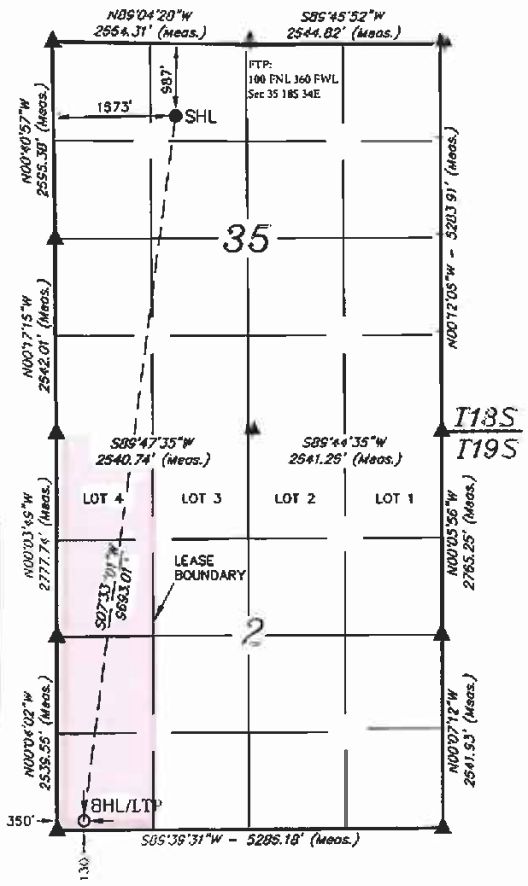

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N: 612851.77' E: 744734.21'

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

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Signature — 11/6/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 SURVEYOR CERTIFICATION

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October 02, 2023
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4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	501H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3987.2'

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
C	35	18S	34E		987	NORTH	1703	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
M	2	19S	34E		130	SOUTH	900	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
324.13			

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16

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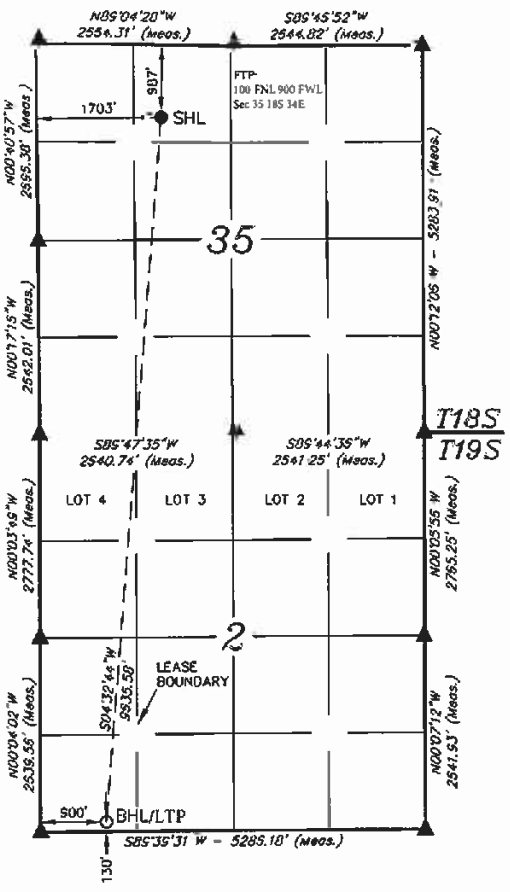

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N: 622527.99' E: 787176.74'
STATE PLANE NAD 27 (N.M. EAST)
N: 622463.77' E: 745997.10'

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LONGITUDE = -103°32'11.97" (-103.536658°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.32" (32.682311°)
LONGITUDE = -103°32'10.19" (-103.536164°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612921.17' E: 786453.99'
STATE PLANE NAD 27 (N.M. EAST)
N: 612857.26' E: 745274.09'

2000' 1000' 0' 2000'
SCALE
DRAWN BY: Z.L. 10-13-23

17 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 — Date: 11/6/2023

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 SURVEYOR CERTIFICATION

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-025-52531	960	[AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	501H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3987.2'

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
C	35	18S	34E		987	NORTH	1703	WEST	LEA

11 Bottom Hole Location If Different From Surface

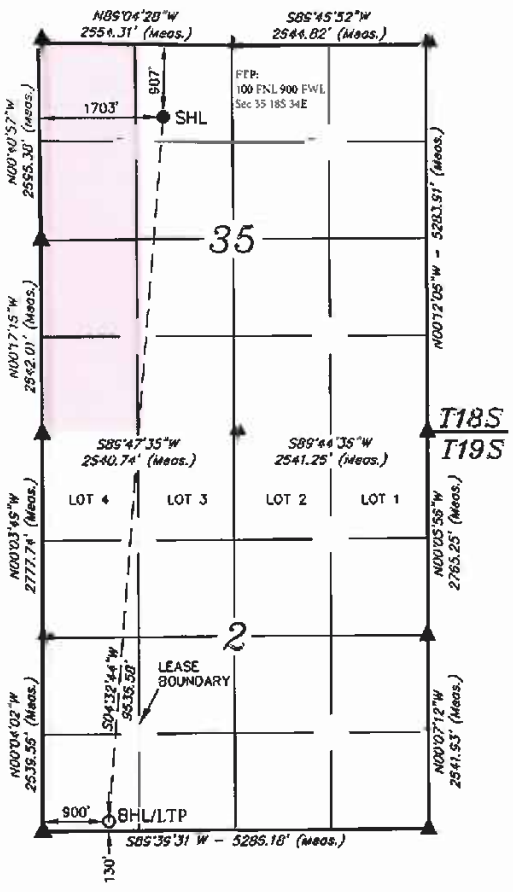
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	19S	34E		130	SOUTH	900	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
120			

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°42'31.76" (32.708824°)
LONGITUDE = -103°32'02.67" (-103.534074°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.32" (32.708700°)
LONGITUDE = -103°32'00.89" (-103.533579°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622527.99' E: 787176.74'
STATE PLANE NAD 27 (N.M. EAST)
N: 622463.77' E: 745997.10'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.77" (32.682435°)
LONGITUDE = -103°32'11.97" (-103.536658°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.32" (32.682311°)
LONGITUDE = -103°32'10.19" (-103.536164°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612921.17' E: 786453.99'
STATE PLANE NAD 27 (N.M. EAST)
N: 612857.26' E: 745274.09'

2000' 1000' 0' 2000'
SCALE
DRAWN BY: Z L. 10-13-23

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief 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 11/6/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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 23782 10-13-23 PROFESSIONAL SURVEYOR

Certificate Number

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	2 Pool Code	3 Pool Name
30-025-52531	55610	SCHARB; BONE SPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	501H
7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3987.2'

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
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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
M	2	19S	34E		130	SOUTH	900	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
124.13			

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

● = SURFACE HOLE LOCATION
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NOTE
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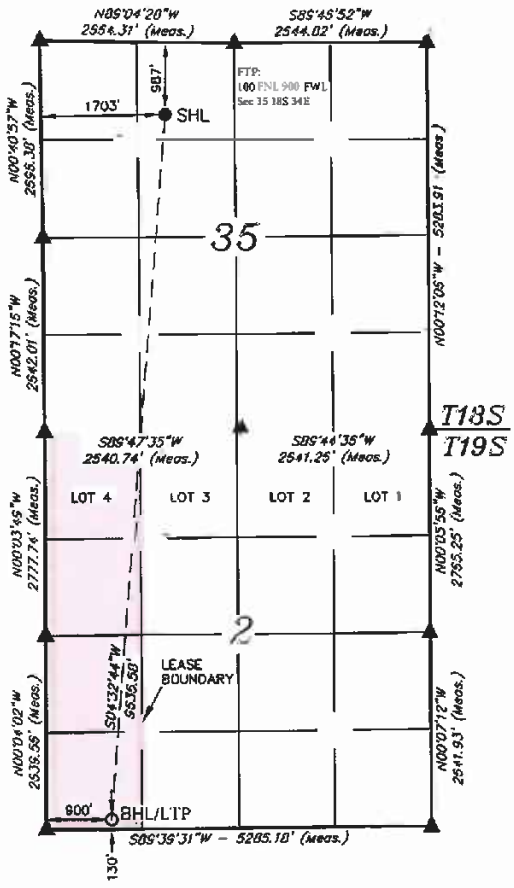

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N: 612921.17' E: 786453.99'
STATE PLANE NAD 27 (N.M. EAST)
N: 612857.26' E: 745274.09'

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

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Signature — 11/6/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

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October 02, 2023
Date of Survey

Signature and Seal of Professional Surveyor

PAUL BUCHELE
NEW MEXICO
23782
10-13-23
PROFESSIONAL SURVEYOR

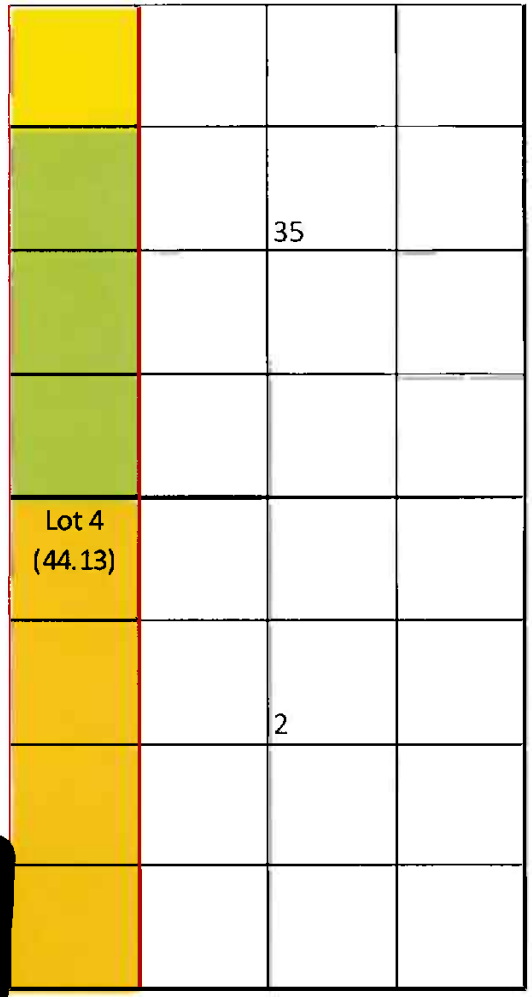
Certificate Number

Released to Imaging: 6/21/2024 11:16:22 AM
Received by OCD: 6/19/2024 4:31:18 PM

Case No. 24354 Unit Summary

FRANKLIN MOUNTAIN ENERGY

Case No. 24354
W2W2 of Sec 35-T18S-R34E & Lot 4, SWNW, W2SW of Sec 2-T19S-R34E, 324.13 Acres
Parallel State Com 301H
Parallel State Com 501H



Proposed Bone Spring Unit

Tract 1 (40.00 Acres)

Tract 2 (120.00 Acres)

Tract 3 (164.13 Acres)

Commited Working Interest	
Franklin Mountain Energy 3, LLC	84.3026%
Uncommited Working Interest	
MRC Permian Company	15.6974%
Total:	100.0000%

Tract	Lease	%
1	VC-0456	12.3407%
2	VB-1199	37.0222%
3	VB-1297	50.6371%

tabbies EXHIBIT 8.1.a

FRANKLIN MOUNTAIN ENERGY

Sent via USPS: 9400109205568025175414

July 17, 2023

TH McElvain Oil & Gas, LLLP
1819 Denver West Drive Ste 260
Lakewood, CO 80401
Attn: Land Dept, Permian Basin

RE: **Well Proposals**
Township 18 South, Range 34 East Section 35: W2W2
Township 19 South, Range 34 East
Section 3: Lot 4 (44.13), SWNW, W2SW
Lea County, New Mexico
324.13 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
Parallel State Com 301H	1BS	9150	18,150'	Sec 35-T18S-R34E 987 FNL 1675 FWL	Sec 2-T19S-R34E 130 FSL 360 FWL	$11,355,549.08	N/A
Parallel State Com 501H	2BS	9150	19,150'	Sec 35-T18S-R34E 987 FNL 1700 FWL	Sec 2-T19S-R34E 130 FSL 900 FWL	$11,355,549.08	N/A
Parallel State Com 701H	WCA	9793	19,793'	Sec 35-T18S-R34E 987 FNL 1775 FWL	Sec 2-T19S-R34E 130 FSL 360 FWL	$11,650,592.43	N/A
Parallel State Com 801H	WCB	10469	20,469'	Sec 35-T18S-R34E 987 FNL 1825 FWL	Sec 2-T19S-R34E 130 FSL 900 FWL	$11,783,083.07	N/A

EXHIBIT tabbies B·17c

FRANKLIN MOUNTAIN ENERGY

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:

- [redacted]
-

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

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst

FRANKLIN MOUNTAIN ENERGY

Parallel State Com 301H:

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

Parallel State Com 501H:

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

Parallel State Com 701H:

_____ I/We hereby elect to participate in the **Parallel State Com 701H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 701H** well.

Parallel State Com 801H:

_____ I/We hereby elect to participate in the **Parallel State Com 801H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 801H** well.

Owner: TH McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title: _____

Date: _____

FRANKLIN MOUNTAIN ENERGY

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

AUTHORITY FOR EXPENDITURE

Well Name:	Parallel State Com 301H	Well #:	301H
Location:	SHL Sec 35-T18S-R34E 987 FNL 1675 FWL BHL Sec 2-T19S-R34E 130 FSL 360 FWL	County/State:	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	Date Prepared:	6/21/2023
Purpose:	Drill and complete a 10,000' IBS well. TVD 9,150', MD 18,150'.	AFE #:	DCE230629

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,000
225	10	CASING CREW & EQPT	$45,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$19,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$50,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$520,000
225	55	DRILLING - DIRECTIONAL	$200,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$90,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$20,000
225	80	ENVIRONMENTAL SERVICES	$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$40,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$7,000
225	100	HOUSING AND SUPPORT SERVICES	$18,000
225	105	INSURANCE	$1,700
225	106	INSPECTIONS	$15,000
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	$180,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$160,000
225	155	RIG MOVE & RACKING COSTS	$830,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
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
		Total Intangible Drilling Costs:	$2,513,986

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$373,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$83,263
		Total Tangible Drilling Costs:	$1,797,141

Tangible Facility Costs

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	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	$9,674
		Total Tangible Facility Costs:	$1,067,924

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER/GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,496,846

Tangible Completion Costs

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
		Total Tangible Completion Costs:	$548,600

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Total Drill	$4,111,126.79
Total Completion	$6,045,445.54
Total Facility	$1,198,976.75
Total DC Intangible	$8,010,831.04
Total DC Tangible	$2,145,741.29
Total AFE	$11,355,549.08

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 501H	**Well #:**	501H
Location:	SHL: Sec 35-T18S-R34E 987 FNL 1700 FWL BHL: Sec 2-T19S-R34E 130 FSL 900 FWL	**County/State:**	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	**Date Prepared:**	6/21/2023
Purpose:	Drill and complete a 10,000' 2BS well. TVD 9,150', MD 19,150'	**AFE #:**	DCE230631

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,000
225	10	CASING CREW & EQPT	$45,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$19,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$50,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$520,000
225	55	DRILLING - DIRECTIONAL	$200,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$90,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$20,000
225	80	ENVIRONMENTAL SERVICES	$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$40,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$7,000
225	100	HOUSING AND SUPPORT SERVICES	$18,000
225	105	INSURANCE	$1,700
225	106	INSPECTIONS	$15,000
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	$180,000
225	140	OPEN HOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$160,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
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
		Total Intangible Drilling Costs:	$3,946

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER/GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$350,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,496,846

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$83,263
		Total Tangible Drilling Costs:	$1,597,141

Tangible Completion C

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
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1,067,924

Intan ble Facility Cost

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
		Total Intangible Facility Costs:	$31,053

Total Drill.	$4,111,126 79
Total Completion.	$6,045,445.54
Total Facility:	$1,198,976 75
Total DC Intangible:	$8,010,831 04
Total DC Tangible	$2,345,741.29
Total AFE	$11,355,549.08

Office Use Only:

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

Operator: Franklin Mountain Energy 3, LLC

Approved By: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

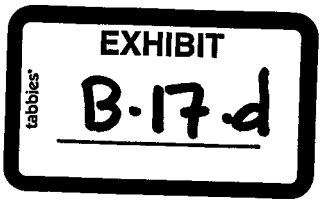
Parallel W2W2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company

ORRI to Be Pooled

Nestegg Energy Corporation



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

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

CASE NO. 24353

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Wolfcamp horizontal spacing unit.

[1] This application amends the application filed in Case No. 23846.

EXHIBIT
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B-18

3. Franklin plans to drill the **Parallel State Com 701H and Parallel State Com 801H wells** to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23846 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. 23846, ¶ 4.

5. On December 1, 2023, the Division issued Order R-22970, which pooled uncommitted interests in a Wolfcamp spacing unit comprised of the W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East, Lea County, NM.

6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) wells.

7. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap the Gold State Com Wolfcamp spacing unit described above.

8. 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.

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9. 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.

10. Case No. 23846 is currently set for contested hearing on April 9, 2024.

11. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

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

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

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

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

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

Respectfully submitted,

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

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Released to Imaging: 6/21/2024 11:16:22 AM

By: */s/ Deana M. Bennett*

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

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CASE NO. 24353 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 701H and Parallel State Com 801H wells,** to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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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	2 Pool Code	3 Pool Name
30-025-52415	970	AIRSTRIP; WOLFCAMP
4 Property Code	**5 Property Name**	**6 Well Number**
335188	PARALLEL STATE COM	701H
7 OGRID No.	**8 Operator Name**	**9 Elevation**
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3986.9'

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
C	35	18S	34E		987	NORTH	1793	WEST	LEA

11 Bottom Hole Location If Different From Surface

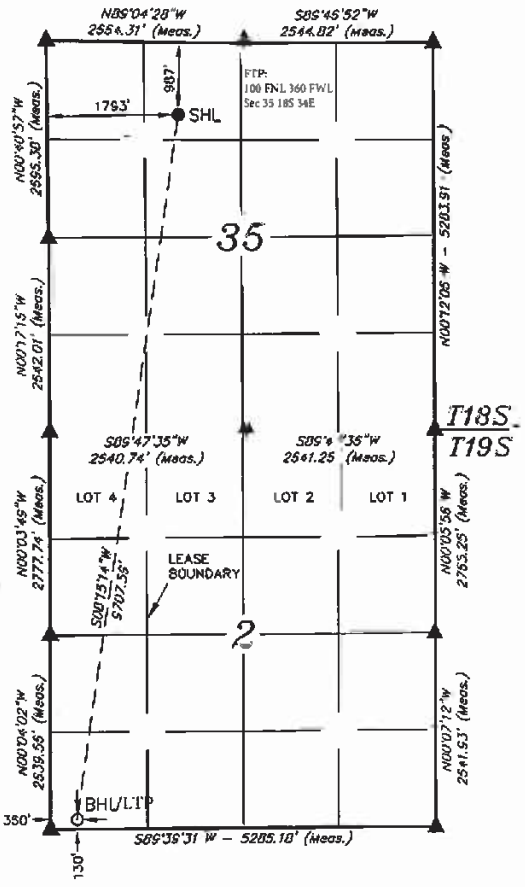
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	19S	34E		130	SOUTH	360	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
324.13			

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°42'31.75" (32.708819°)
LONGITUDE = -103°32'01.61" (-103.533781°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.30" (32.708695°)
LONGITUDE = -103°31'59.83" (-103.533287°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622526.92' E: 787266.71'
STATE PLANE NAD 27 (N.M. EAST)
N: 622462.69' E: 746087.08'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.75" (32.682431°)
LONGITUDE = -103°32'18.29" (-103.538413°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.31" (32.682307°)
LONGITUDE = -103°32'16.51" (-103.537919°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612915.67' E: 785914.10'
STATE PLANE NAD 27 (N.M. EAST)
N: 612851.77' E: 744734.21'

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

17 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 — Date: 11/6/2023

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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
23782
PROFESSIONAL SURVEYOR
10-13-23

Certificate Number

EXHIBIT
B-18-a
tabbies

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1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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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

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30-025-52453	970	AIRSTRIP; WOLFCAMP

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	801H
7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3986.7'

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
C	35	18S	34E		987	NORTH	1853	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
M	2	19S	34E		130	SOUTH	900	WEST	LEA

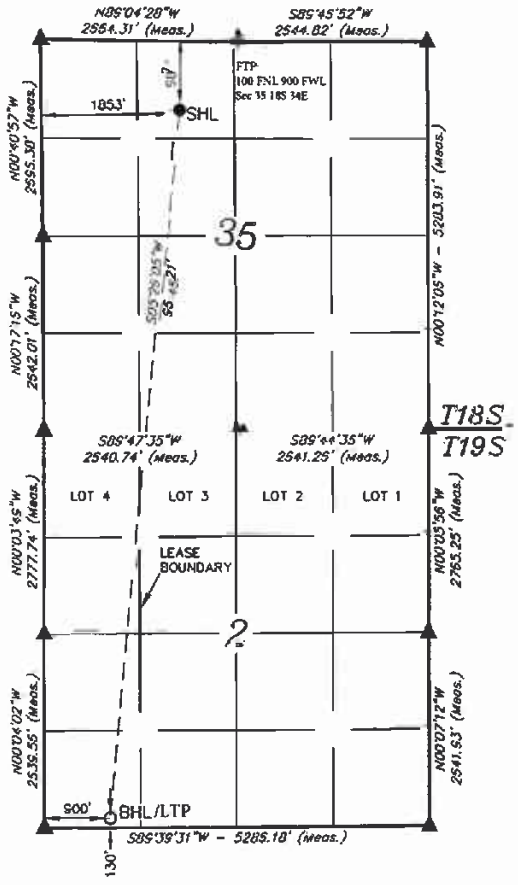
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
324.13			

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

● = 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)
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LONGITUDE = -103°32'00.91" (-103.533586°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.29" (32.708692°)
LONGITUDE = -103°31'59.13" (-103.533092°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622526.21' E: 787326.70'
STATE PLANE NAD 27 (N.M. EAST)
N: 622461.98' E: 746 47 06'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.77" (32.682435°)
LONGITUDE = -103°32'11.97" (-103.536658°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.32" (32.682311°)
LONGITUDE = -103°32'10.19" (-103.536164°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612921.17' E: 786453.99'
STATE PLANE NAD 27 (N.M. EAST)
N: 612857.26' E: 745274.09'

2000' 1000' 0' 2000'

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

17 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 11/6/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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
23782
PROFESSIONAL SURVEYOR
10-13-23

Certificate Number

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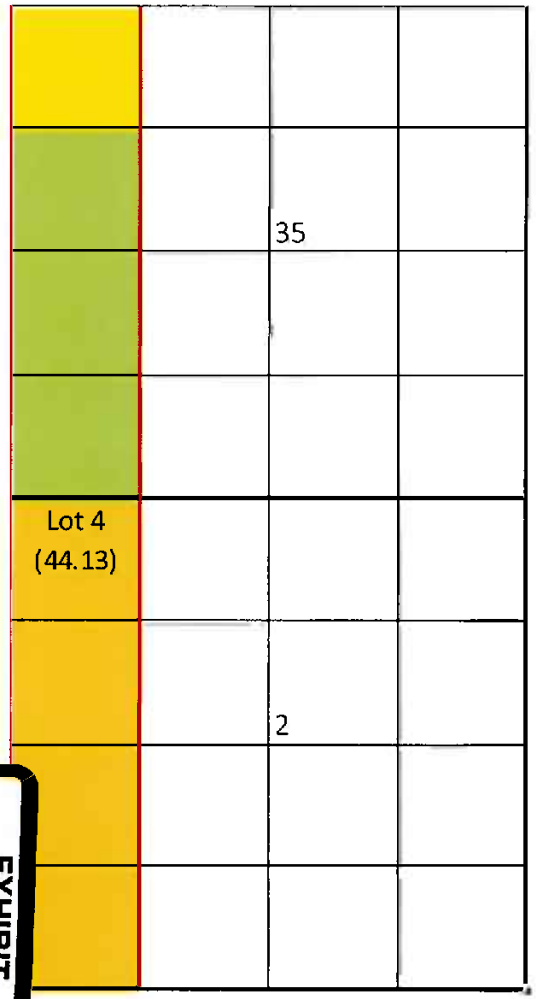
Received by OCD: 6/19/2024 4:31:18 PM

Case No. 24353 Unit Summary

FRANKLIN MOUNTAIN ENERGY

Case No. 24353
W2W2 of Sec 35-T18S-R34E & Lot 4, SWNW, W2SW of Sec 2-T19S-R34E, 324.13 Acres
Parallel State Com 701H
Parallel State Com 801H



Proposed Wolfcamp Unit

Tract 1 (40.00 Acres)

Tract 2 (120.00 Acres)

Tract 3 (164.13 Acres)

Commited Working Interest	
Franklin Mountain Energy 3, LLC	84.3026%
Uncommited Working Interest	
MRC Permian Company	15.6974%
Total:	100.0000%

Tract	Lease	%
1	VC-0456	12.3407%
2	VB-1199	37.0222%
3	VB-1297	50.6371%

tabbies
EXHIBIT
B.18.b

FRANKLIN MOUNTAIN ENERGY

Sent via USPS: 9400109205568025175414

July 17, 2023

TH McElvain Oil & Gas, LLLP
1819 Denver West Drive Ste 260
Lakewood, CO 80401
Attn: Land Dept, Permian Basin

RE: **Well Proposals**
Township 18 South, Range 34 East Section 35: W2W2
Township 19 South, Range 34 East
Section 3: Lot 4 (44.13), SWNW, W2SW
Lea County, New Mexico
324.13 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
Parallel State Com 301H	1BS	9150	18,150'	Sec 35-T18S-R34E 987 FNL 1675 FWL	Sec 2-T19S-R34E 130 FSL 360 FWL	$11,355,549.08	N/A
Parallel State Com 501H	2BS	9150	19,150'	Sec 35-T18S-R34E 987 FNL 1700 FWL	Sec 2-T19S-R34E 130 FSL 900 FWL	$11,355,549.08	N/A
Parallel State Com 701H	WCA	9793	19,793'	Sec 35-T18S-R34E 987 FNL 1775 FWL	Sec 2-T19S-R34E 130 FSL 360 FWL	$11,650,592.43	N/A
Parallel State Com 801H	WCB	10469	20,469'	Sec 35-T18S-R34E 987 FNL 1825 FWL	Sec 2-T19S-R34E 130 FSL 900 FWL	$11,783,083.07	N/A

EXHIBIT tabbies B-18-C

FRANKLIN MOUNTAIN ENERGY

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:

- [redacted]
-

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

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst

FRANKLIN MOUNTAIN ENERGY

Parallel State Com 301H:

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

Parallel State Com 501H:

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

Parallel State Com 701H:

_____ I/We hereby elect to participate in the **Parallel State Com 701H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 701H** well.

Parallel State Com 801H:

_____ I/We hereby elect to participate in the **Parallel State Com 801H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 801H** well.

Owner: TH McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title:_____

Date:_____.

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 701H	Well #:	701H
Location:	SHL Sec 35-T18S-R34E 987 FNL 1775 FWL BHL Sec 2-T19S-R34E 130 FSL 360 FWL	County/State:	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	Date Prepared:	6/21/2023
Purpose:	Drill and complete a 10,000' WCA well TVD 9,793', MD 19,793'	AFE #:	DCE230632

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,500
225	10	CASING CREW & EQPT	$50,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$21,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$55,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$585,000
225	55	DRILLING - DIRECTIONAL	$220,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$100,000
225	70	ELECTRICAL POWER\GENERATION	$0
225	75	ENGINEERING	$21,000
225	80	ENVIRONMENTAL SERVICES	$210,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$50,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$9,000
225	100	HOUSING AND SUPPORT SERVICES	$19,000
225	105	INSURANCE	$1,900
225	106	INSPECTIONS	$17,000
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	$190,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$170,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
225	170	SUPERVISION	$75,600
225	175	SUPERVISION - GEOLOGICAL	$41,400
225	180	TRANSPORTATION/TRUCKING	$22,000
225	178	TAXES	$134,057
225	35	CONTINGENCY COSTS 5%	$121,870
		Total Intangible Drilling Costs:	$2,693,327

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,144,050
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$89,295
		Total Tangible Drilling Costs:	$1,712,843

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1,067,924

Total Drill:	$4,406,170.14
Total Completion	$6,045,445.54
Total Facility	$1,198,976.75
Total DC Intangible	$8,190,172.54
Total DC Tangible	$ 261 [illegible]
Total AFE	$11,650,592.43

Intangible Completion Cost

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,[illegible]00
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,496,848

Tangible Completion Costs

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
		Total Tangible Completion Costs:	$548,600

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Office Use Only:

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

Operator: Franklin Mountain Energy 3, LLC

Approved By: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

FRANKLIN MOUNTAIN ENERGY

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

AUTHORITY FOR EXPENDITURE

Well Name:	Parallel State Com 801H	Well #:	801H
Location:	SHL Sec 35-T18S-R34E 987 FNL 1825 FWL BHL Sec 2-T19S-R34E 130 FSL 900 FWL	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 TVD 10,469', MD 20,469'	AFE #:	DCE230634

Intangible Drilling Costs

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 SUFACE 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	$230,000
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	$220,000
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	$130,000
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:	$2,687,476

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER/GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$269,199
240	40	CONTINGENCY COSTS 5%	$244,726
		Total Intangible Completion Costs:	$5,408,[illegible]

Tangible Drilling Costs

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:	$1,739,583

Tangible Completion Costs

Major	Minor	Description	Amount
245	[illegible]	ARTIFICIAL LIFT	$175,000
245	[illegible]5	FLOWLINES	$20,000
245	[illegible]3	FRAC STRING	$0
245	[illegible]0	PACKERS/SLEEVES/PLUGS/GL MANDRELS	$0
245	[illegible]5	PRODUCTION LINER	$0
245	[illegible]0	PRODUCTION PROCESSING FACILITY	$0
245	[illegible]5	PRODUCTION TUBING	$150,000
245	60	RODS/PUMPS	$0
245	6[illegible]	SUBSURFACE EQUIPMENT	$50,000
24[illegible]	[illegible]5	WELLHEAD EQUIPMENT	$125,000
24[illegible]	[illegible]0	TAXES	$28,600
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	$[illegible]
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	$27,000
270	140	SIGNAGE	$230
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1067,924

Intangible Facility Costs

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	2[illegible]	ENGINEERING / SCIENCE	$22,000
265	[illegible]0	HEALTH/SAFETY/ENVIRONMENTAL	$0
265	[illegible]5	CONTRACT LABOR & SERVICES	$0
265	[illegible]0	OVERHEAD	$3,000
265	[illegible]0	SURVEY / PLATS / STAKINGS	$1,500
265	[illegible]5	TRANSPORTATION / TRUCKING	$0
265	[illegible]5	TAXES	$6,523
265	1[illegible]	CONTINGENCY COSTS 5%	$5,930
		Total Intangible Facility Costs:	$131,053

Total Drill	$4,627,060 78
Total Completion	$5,957,045.54
Total Facility	$1,198,976 75
Total DC Intangible	$8,295,921.04
Total DC Tangible	$2,288,185.28
Total AFE	$11,783,083 07

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

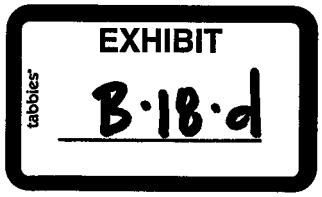
Parallel W2W2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company

ORRI to Be Pooled

Nestegg Energy Corporation



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

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

CASE NO. 24355

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 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. 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/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 to form a standard 324.02-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23847.

3. Franklin plans to drill the **Parallel State Com 302H and Parallel State Com 502H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23847 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. 23847, ¶ 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 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 502 and 602H wells.

6. Franklin's proposed spacing unit in this case will partially overlap existing Bone Spring spacing units as follows:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

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c. A 164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405).

7. 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.

8. 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.

9. Case No. 23847 is currently set for contested hearing on April 9, 2024.

10. 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/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;

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

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

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

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

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

Respectfully submitted,

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

By: */s/ Deana M. Bennett*

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

Released to Imaging: 6/21/2024 11:16:22 AM

CASE NO. 24355: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Bone Sprnig horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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District I
1625 N. French Dr., Hobbs, NM 88240
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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	2 Pool Code	3 Pool Name
30-025-52528	55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	302H
7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3987.1'

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
C	35	18S	34E		987	NORTH	1733	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
N	2	19S	34E		130	SOUTH	1660	WEST	LEA

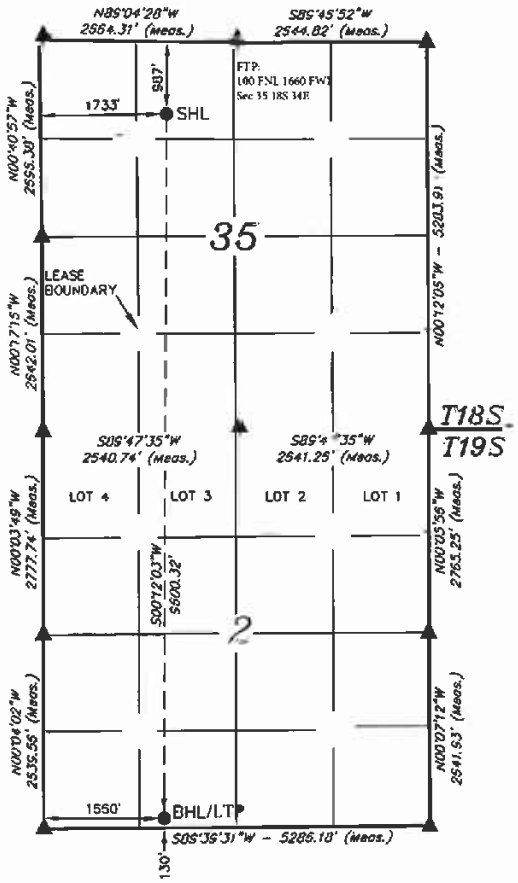
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
324.02			

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

● = 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)



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LONGITUDE = -103°32'02.32" (-103.533976°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.31" (32.708698°)
LONGITUDE = -103°32'00.53" (-103.533482°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622527.64' E: 787206.73'
STATE PLANE NAD 27 (N.M. EAST)
N: 622463.41' E: [illegible]

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LATITUDE [illegible]
LONGITUDE [illegible]
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.34" (32.682317°)
LONGITUDE = -103°32'01.30" (-103.533695°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612928.92' E: 787213.83'
STATE PLANE NAD 27 (N.M. EAST)
N: 612865.01' E: 746033.92'

17 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.

11/6/2023
Signature Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

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

PAUL BUCHELE
NEW MEXICO
23782
10-13-23
PROFESSIONAL SURVEYOR

Certificate Number:

EXHIBIT
tabbies
B-19-a

2000'

L E
Z.L. 10-13-23

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☐ AMENDED REPORT

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30-025-52528	960	AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
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7 OGRID No.	**8 Operator Name**	**9 Elevation**
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3987.1'

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N	2	19S	34E		130	SOUTH	1660	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
160			

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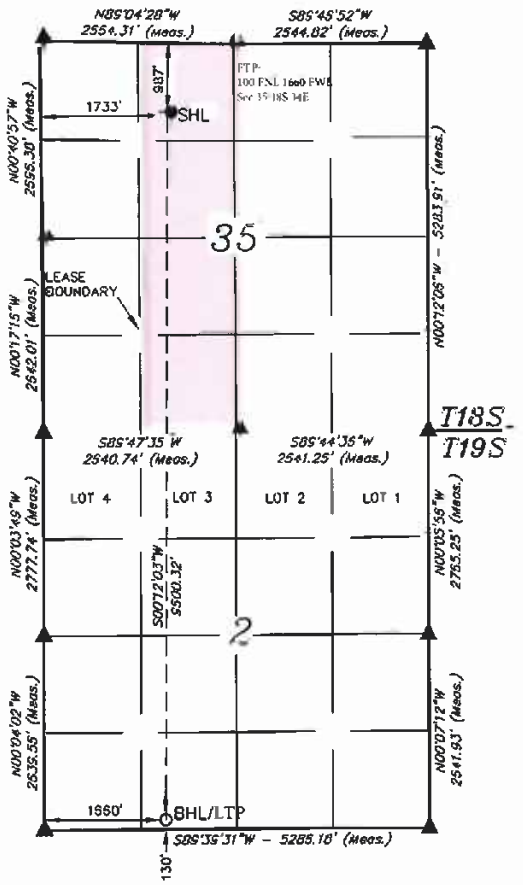

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N: 622463.41' E: 746027.09'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.79" (32.682440°)
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NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.34" (32.682317°)
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N: 612928.92' E: 787213.83'
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SCALE
DRAWN BY: Z.L. 10-13-23

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Signature — Date: 11/6/2023

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

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October 02, 2023
Date of Survey

Signature and Seal of Professional Surveyor

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30-025-52528	55610	SCHARB; BONE SPRING

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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
124.02			

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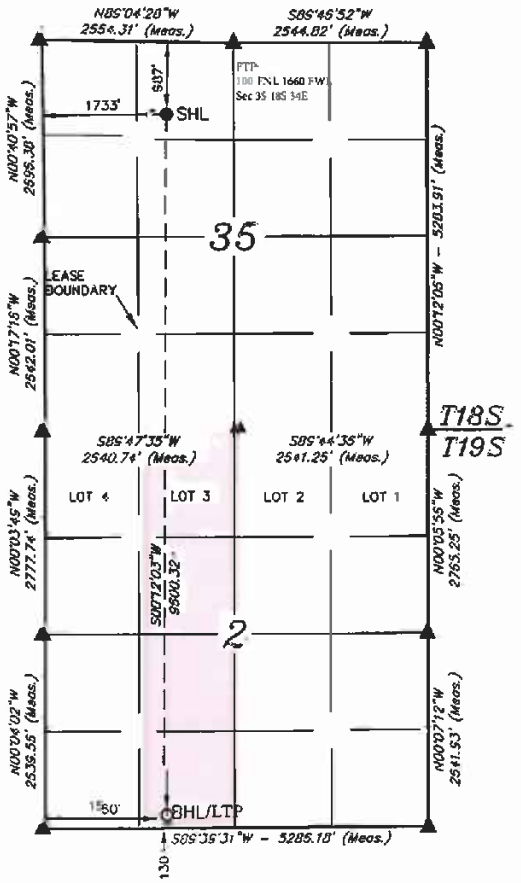

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N: 612928.92' E: 787213.83'
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SCALE
DRAWN BY: Z.L. 10-13-23

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Signature — 11/6/2023 Date

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Printed Name

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E-mail Address

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October 02, 2023
Date of Survey

Signature and Seal of Professional Surveyor:

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30-025-52532	55610 & 960	[55610] SCHARB, BONE SPRING, [960] AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
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331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3986.9'

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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		987	NORTH	1763	WEST	LEA

11 Bottom Hole Location If Different From Surface

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N	2	19S	34E		130	SOUTH	2300	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
324.02			

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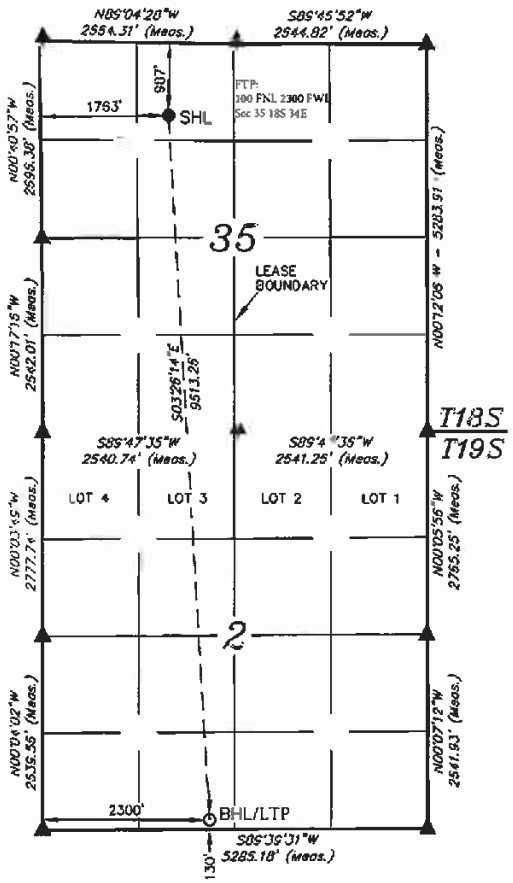

NAD 83 (SURFACE HOLE LOCATION)
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LONGITUDE = -103°32'01.96" (-103.533879°)
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LATITUDE = 32°42'31.31" (32.708697°)
LONGITUDE = -103°32'00.18" (-103.533384°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622527.28' E: 787236.72'
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N: 622463.03' E: 746057.09'

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LATITUDE = 32°40'56.36" (32.682321°)
LONGITUDE = -103°31'53.81" (-103.531615°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612935.45' E: 787853.70'
STATE PLANE NAD 27 (N.M. EAST)
N: 612871.52' E: 746673.78'

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

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PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
10-13-23

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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
120			

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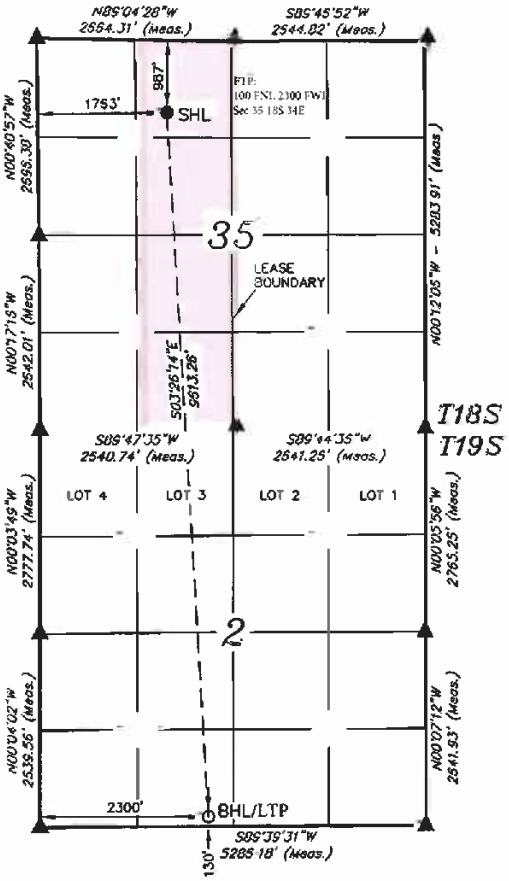

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2000' 1000' 0' 2000'

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1 API Number	2 Pool Code	3 Pool Name
30-025-52532	55610	SCHARB; BONE SPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	502H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3986.9'

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
C	35	18S	34E		987	NORTH	1763	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
N	2	19S	34E		130	SOUTH	2300	WEST	LEA

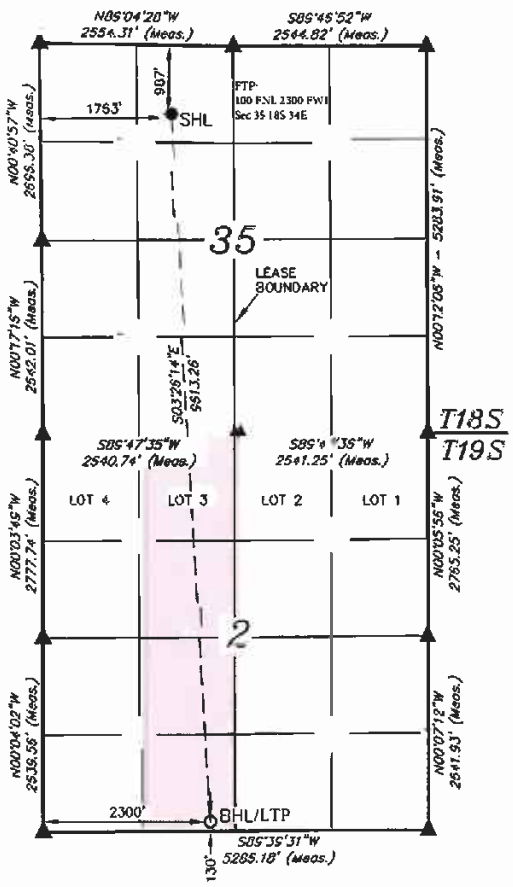
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
124.02			

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

● = 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°42'31.75" (32.708820°)
LONGITUDE = -103°32'01.96" (-103.533879°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.31" (32.708699°)
LONGITUDE = -103°32'00.18" (-103.533384°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622527.28' E: 787236.72'
STATE PLANE NAD 27 (N.M. EAST)
N: 622463.05' E: 746057.09'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.80" (32.682445°)
LONGITUDE = -103°31'55.59" (-103.532109°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.36" (32.682321°)
LONGITUDE = -103°31'53.81" (-103.531615°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612935.45' E: 787853.70'
STATE PLANE NAD 27 (N.M. EAST)
N: 612871.52' E: 786671.98'

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

17 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 — Date: 11/6/2023

Printed Name: [illegible]erbey

roverbey@fmellc.com
E-mail Address

18 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
23782
10-13-23
PROFESSIONAL SURVEYOR

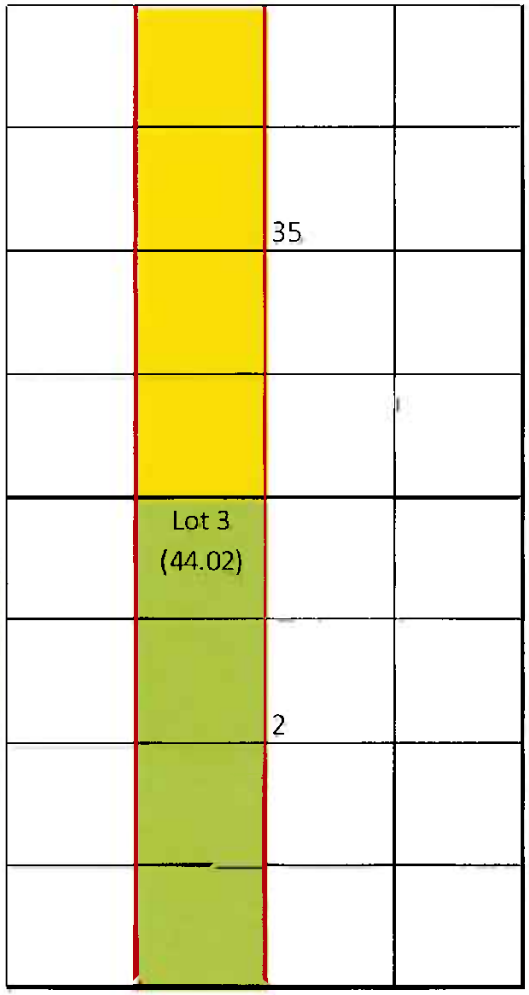
Certificate Number

Released to Imaging: 6/21/2024 11:16:22 AM
Received by OCD: 6/19/2024 4:31:18 PM

Case No. 24355 Unit Summary

FRANKLIN MOUNTAIN ENERGY

Case No. 24355
E2W2 of Sec 35-T18S-R34E & Lot 3, SENW, E2SW of Sec 2-T19S-R34E, 324.02 Acres
Parallel State Com 302H
Parallel State Com 502H



Proposed Bone Spring Unit

Tract 1 (160.00 Acres)

Tract 2 (164.02 Acres)

Commited Working Interest	
Franklin Mountain Energy 3, LLC	79.0630%
Uncommited Working Interest	
MRC Permian Company	20.9370%
Total:	100.0000%

Tract	Lease	%
1	VB-1199	49.3797%
2	VB-1297	50.6203%

tabbies EXHIBIT B.19

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FRANKLIN MOUNTAIN ENERGY

Sent via USPS: 9400109205568755459594

July 17, 2023

TH McElvain Oil & Gas, LLLP
1819 Denver West Drive Ste 260
Lakewood, CO 80401
Attn: Land Dept, Permian Basin

RE: **Well Proposals**
Township 18 South, Range 34 East Section 35: E2W2
Township 19 South, Range 34 East
Section 3: Lot 3 (44.02), SENW, E2SW
Lea County, New Mexico
324.02 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
Parallel State Com 302H	1BS	10496	19,496'	Sec 35-T18S-R34E 987 FNL 1725 FWL	Sec 2-T19S-R34E 130 FSL 1660 FWL	$11,355,549.08	N/A
Parallel State Com 502H	2BS	9150	19,150'	Sec 35-T18S-R34E 987 FNL 1750 FWL	Sec 2-T19S-R34E 130 FSL 2300 FWL	$11,355,549.08	N/A
Parallel State Com 702H	WCA	9789	19,789'	Sec 35-T18S-R34E 987 FNL 1800 FWL	Sec 2-T19S-R34E 130 FSL 1660 FWL	$11,650,592.43	N/A
Parallel State Com 802H	WCB	10457	20,457'	Sec 35-T18S-R34E 987 FNL 1850 FWL	Sec 2-T19S-R34E 130 FSL 2300 FWL	$11,783,083.07	N/A

EXHIBIT tabbies B.19.C

FRANKLIN MOUNTAIN ENERGY

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:

- [redacted]
-

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

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst

FRANKLIN MOUNTAIN ENERGY

Parallel State Com 302H:

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

Parallel State Com 502H:

_____ I/We hereby elect to participate in the **Parallel State Com 502H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 502H** well.

Parallel State Com 702H:

_____ I/We hereby elect to participate in the **Parallel State Com 702H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 702H** well.

Parallel State Com 802H:

_____ I/We hereby elect to participate in the **Parallel State Com 802H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 802H** well.

Owner: TH McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title:_____

Date:_____.

FRANKLIN MOUNTAIN ENERGY

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

AUTHORITY FOR EXPENDITURE

Well Name:	Parallel State Com 302H	**Well #:**	302H
Location:	SHL: Sec 35-T18S-R34E 987 FNL 1725 FWL BHL: Sec 2-T19S-R34E 130 FSL 1660 FWL	**County/State:**	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	**Date Prepared:**	6/21/2023
Purpose:	Drill and complete a 10,000' 1DS well TVD 10,496', MD 19,496'	**AFE #:**	DCE230630

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,000
225	10	CASING CREW & EQPT	$45,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$19,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$50,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$520,000
225	55	DRILLING - DIRECTIONAL	$200,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$90,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$20,000
225	80	ENVIRONMENTAL SERVICES	$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$40,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$7,000
225	100	HOUSING AND SUPPORT SERVICES	$18,000
225	105	INSURANCE	$1,700
225	106	INSPECTIONS	$15,000
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	$180,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$160,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
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
		Total Intangible Drilling Costs:	$2,513,986

Tangible D[illing] Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$83,263
		Total Tangible Drilling Costs:	$1,597,141

Tangibl[e Facility C]osts

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	120	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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1,067,924

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER/GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,498,846

Tangible Completion Costs

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
		Total Tangible Completion Costs:	$[illegible],600

Intangible Facility Costs

Major	Minor	Description	Amount
265	5	CONSULT[ING]	$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
		Total Intangible Facility Costs:	$131,053

Total Drill	$4,111,126.79
Total Completion	$6,045,445.54
Total Facility	$1,198,976.75
Total DC Intangible	$8,010,831.04
Total DC Tangible	$2,145,741.29
Total AFE:	$11,355,549.08

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

FRANKLIN MOUNTAIN ENERGY

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

AUTHORITY FOR EXPENDITURE

Well Name:	Parallel State Com 502H	Well #:	502H
Location:	SHL: Sec 35-T18S-R34E 987 FNL 1750 FWL BHL: Sec 2-T19S-R34E 130 FSL 2300 FWL	County/State:	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	Date Prepared:	6/21/2023
Purpose:	Drill and complete a 10,000' 2BS well TVD 9,150', MD 19,150'.	AFE #:	DCE230653

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,000
225	10	CASING CREW & EQPT	$45,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$19,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$50,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$520,000
225	55	DRILLING - DIRECTIONAL	$200,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$90,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$20,000
225	80	ENVIRONMENTAL SERVICES	$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$40,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$7,000
225	100	HOUSING AND SUPPORT SERVICES	$18,000
225	105	INSURANCE	$1,700
225	106	INSPECTIONS	$15,000
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	$180,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$160,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
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
		Total Intangible Drilling Costs:	[illegible]

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER/GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$120,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,494,840

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$83,263
		Total Tangible Drilling Costs:	$1,597,141

Tangible Completion Costs

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	$350,000
245	60	RODS/PUMPS	$0
245	65	SUBSURFACE EQUIPMENT	$50,000
245	75	WELLHEAD EQUIPMENT	$125,000
245	70	TAXES	$28,600
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1,067,924

Intangible Facility Costs

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	$2,000
265	80	SURVEY / PLATS / STAKINGS	$1,500
265	85	TRANSPORTATION / TRUCKING	$0
265	83	TAXES	$6,523
265	10	CONTINGENCY COSTS 5%	$5,930
		Total Intangible Facility Costs:	$131,053

Total Drill	$4,111,126.79
Total Completion	$6,045,443.54
Total Facility	$1,198,976.75
Total DC Intangible	$8,031,031.04
Total DC Tangible	$2,145,741.29
Total AFE	$11,355,549.08

Office Use Only:

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

Operator: Franklin Mountain Energy 3, LLC

Approved By: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

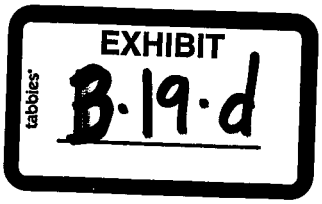
Parallel E/2W/2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company

ORRI to Be Pooled

Nestegg Energy Corporation



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

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

CASE NO. 24352

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 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. 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/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 to form a standard 324.02-acre, more or less, Wolfcamp horizontal spacing unit.

[1] This application amends the application filed in Case No. 23845.

EXHIBIT
tabbies
B.20

3. Franklin plans to drill the **Parallel State Com 702H and Parallel State Com 802H wells** to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23845 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. 23845, ¶ 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 280-acre more or less Wolfcamp spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 702 and 802H wells.

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. 23845 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/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;

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

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

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

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

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

Respectfully submitted,

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

By: */s/ Deana M. Bennett*

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

CASE NO. 24352 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 702H and Parallel State Com 802H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Wolfcamp spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 702 and 802H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

Released to Imaging: 3/6/2024 4:50:25 PM
Released to Imaging: 6/21/2024 11:16:22 AM

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	2 Pool Code	3 Pool Name
30-025-52416	970	AIRSTRIP; WOLFCAMP

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	702H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3986.8'

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
C	35	18S	34E		987	NORTH	1823	WEST	LEA

11 Bottom Hole Location If Different From Surface

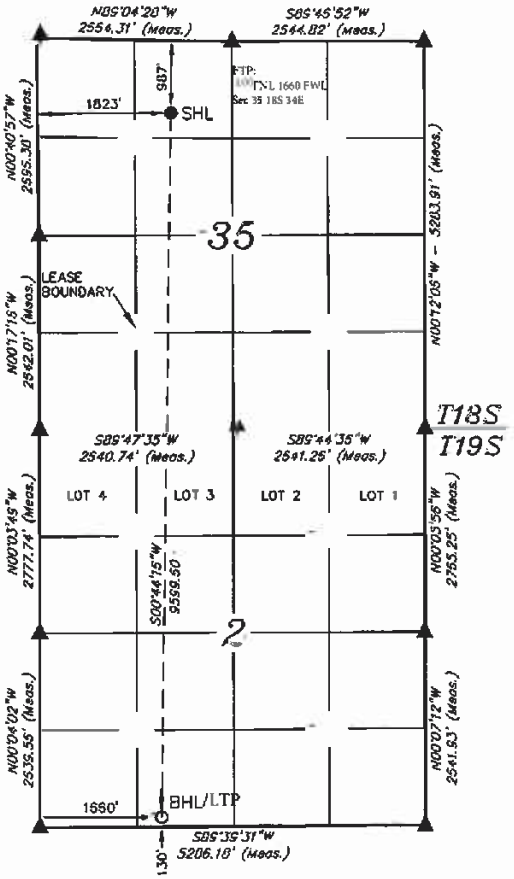
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	19S	34E		130	SOUTH	1660	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
324.02			

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
O = 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°42'31.74" (32.708817°)
LONGITUDE = -103°32'01.26" (-103.533684°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.30" (32.708693°)
LONGITUDE = -103°31'59.48" (-103.533189°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622526.57' E: 787296.71'
STATE PLANE NAD 27 (N.M. EAST)
N: 622462.34' E: 746117.07'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.79" (32.682440°)
LONGITUDE = -103°32'03.08" (-103.534188°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.34" (32.682317°)
LONGITUDE = -103°32'01.30" (-103.533695°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612928.92' E: 787213.83'
STATE PLANE NAD 27 (N.M. EAST)
N: 612865.01' E: 746033.92'

17 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.

11/6/2023
Signature Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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
23782
10-13-23
PROFESSIONAL SURVEYOR

Certificate Number:

EXHIBIT
B.20.a
tabbies

2000' 1000' 0' 2000'
SCALE
DRAWN BY: Z.L. | 10-13-23

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	2 Pool Code	3 Pool Name
30-025-52454	970	AIRSTRIP; WOLFCAMP

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	802H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3986.7'

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
C	35	18S	34E		987	NORTH	1883	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
N	2	19S	34E		130	SOUTH	2300	WEST	LEA

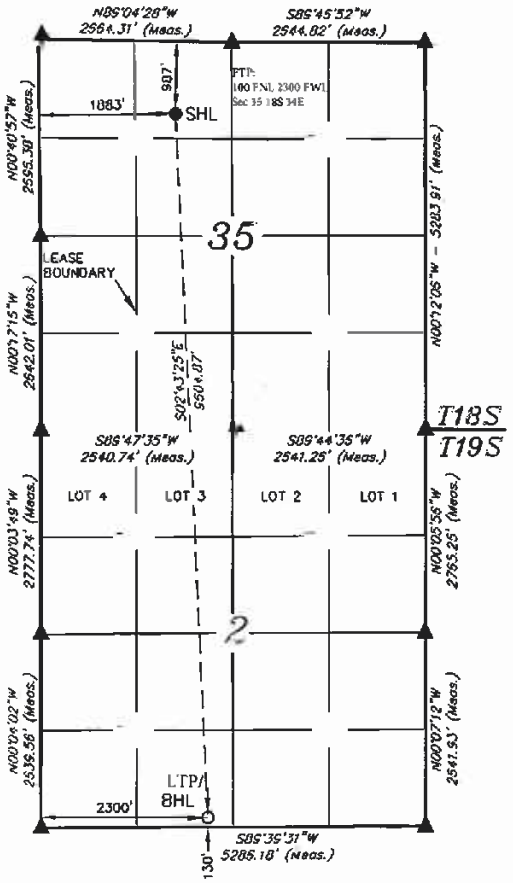
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
324.02			

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

● = 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°42'31.73" (32.708814°)
LONGITUDE = -103°32'00.56" (-103.533489°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.28" (32.708690°)
LONGITUDE = -103°31'58.78" (-103.532994°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622524.85' E: 787356.69'
STATE PLANE NAD 27 (N.M. EAST)
N: 622461.62' E: 746177.06'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.80" (32.682445°)
LONGITUDE = -103°31'55.59" (-103.532109°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.36" (32.682321°)
LONGITUDE = -103°31'53.81" (-103.531615°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612935.45' E: 787853.70'
STATE PLANE NAD 27 (N.M. EAST)
N: 612871.52' E: 746673.78'

2000' 1000' 0 2000'

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

17 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 — 11/6/2023 Date

Richard Roverbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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
23782
10-13-23
PROFESSIONAL SURVEYOR

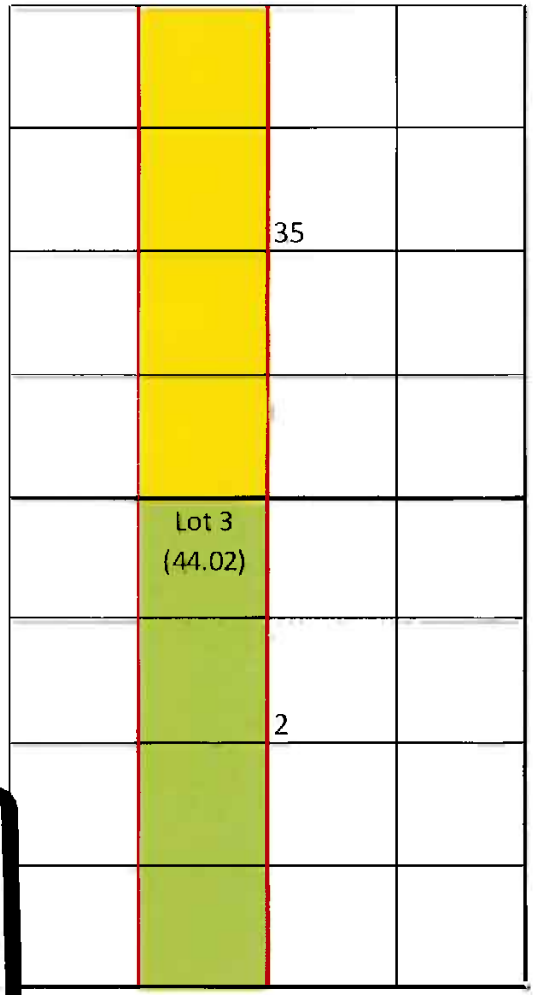
Certificate Number:

Released to Imaging: 6/21/2024 11:16:22 AM
Received by OCD: 6/19/2024 4:31:18 PM

Case No. 24352 Unit Summary

FRANKLIN MOUNTAIN ENERGY

Case No. 24352
E2W2 of Sec 35-T18S-R34E & Lot 3, SENW, E2SW of Sec 2-T19S-R34E, 324.02 Acres
Parallel State Com 702H
Parallel State Com 802H



Proposed Wolfcamp Unit

Tract 1 (160.00 Acres)

Tract 2 (164.02 Acres)

Commited Working Interest	
Franklin Mountain Energy 3, LLC	79.0630%
Uncommited Working Interest	
MRC Permian Company	20.9370%
Total:	100.0000%

Tract	Lease	%
1	VB-1199	49.3797%
2	VB-1297	50.6203%

tabbies

EXHIBIT B.20.1

Page 120 of 304

FRANKLIN MOUNTAIN ENERGY

Sent via USPS: 9400109205568755459594

July 17, 2023

TH McElvain Oil & Gas, LLLP
1819 Denver West Drive Ste 260
Lakewood, CO 80401
Attn: Land Dept, Permian Basin

RE: **Well Proposals**
Township 18 South, Range 34 East Section 35: E2W2
Township 19 South, Range 34 East
Section 3: Lot 3 (44.02), SENW, E2SW
Lea County, New Mexico
324.02 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
Parallel State Com 302H	1BS	10496	19,496'	Sec 35-T18S-R34E 987 FNL 1725 FWL	Sec 2-T19S-R34E 130 FSL 1660 FWL	$11,355,549.08	N/A
Parallel State Com 502H	2BS	9150	19,150'	Sec 35-T18S-R34E 987 FNL 1750 FWL	Sec 2-T19S-R34E 130 FSL 2300 FWL	$11,355,549.08	N/A
Parallel State Com 702H	WCA	9789	19,789'	Sec 35-T18S-R34E 987 FNL 1800 FWL	Sec 2-T19S-R34E 130 FSL 1660 FWL	$11,650,592.43	N/A
Parallel State Com 802H	WCB	10457	20,457'	Sec 35-T18S-R34E 987 FNL 1850 FWL	Sec 2-T19S-R34E 130 FSL 2300 FWL	$11,783,083.07	N/A

EXHIBIT
B-20-c

FRANKLIN MOUNTAIN ENERGY

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:

- [redacted]
-

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

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst

FRANKLIN MOUNTAIN ENERGY

Parallel State Com 302H:

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

Parallel State Com 502H:

_____ I/We hereby elect to participate in the **Parallel State Com 502H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 502H** well.

Parallel State Com 702H:

_____ I/We hereby elect to participate in the **Parallel State Com 702H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 702H** well.

Parallel State Com 802H:

_____ I/We hereby elect to participate in the **Parallel State Com 802H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 802H** well.

Owner: TH McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title: _____

Date: _____

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 802H	**Well #:**	802H
Location:	SHL: Sec 35-T18S-R34E 987 FNL 1850 FWL BHL Sec 2-T19S-R34E 130 FSL 2300 FWL	**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. TVD 10,457', MD 20,457'	**AFE #:**	DCE230635

Intangible Drilling C[illegible]

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	$230,000
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	$220,000
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:	[illegible],476

Intangible Completion C[illegible]

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$3,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$269,199
240	40	CONTINGENCY COSTS 5%	$244,726
		Total Intangible Completion Costs:	$5,408,446

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTER[illegible]CASING & ATTACHME[illegible]	$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:	[illegible],585

Tangible Completion Costs

Major	Minor	Description	Amount
245	[illegible]	ARTIFICIAL LIFT	$175,000
245	5	FLOWLINES	$20,000
245	5	FRAC STRING	$0
245	0	PACKERS/SLEEVES/PLUGS/GL MANDRELS	$0
245	5	PRODUCTION LINER	$0
245	0	PRODUCTION PROCESSING FACILITY	$0
245	5	PRODUCTION TUBING	$150,000
245	0	RODS/PUMPS	$0
[illegible]	5	SUBSURFACE EQUIPMENT	$50,000
245	5	WELLHEAD EQUIPMENT	$125,000
245	0	TAXES	$28,600
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	,067,924

Intan[illegible]Facili[illegible]Costs

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	$6,521
265	10	CONTINGENCY COSTS 5%	$5,930
		Total Intangible Facility Costs:	[illegible]

Total Drill	$4,027,060 78
Total Completion	$5,957,045 54
Total Facility	$1,198,976 75
Total DC Intangible	$8,295,921 04
Total DC Tangible	$2,288,185 28
To[illegible]	$11,783,083.07

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Pa ate Com	Well #:	
Location:	SHL Sec 35-T18S-R34E 987 FNL 1800 FWL BHL Sec 2-T19S-R34E 130 FSL 1660 FWL	County/State:	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	Date Prepared:	6/21/2023
Purpose:	Drill and complete a 10,000' WCA well. TVD 9,789', MD 19,789'	AFE #:	DCE230633

Intangible Drilling Cost

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,500
225	10	CASING CREW & EQPT	$50,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$21,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$55,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$585,000
225	55	DRILLING - DIRECTIONAL	$220,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$100,000
225	70	ELECTRICAL POWER\GENERATION	$0
225	75	ENGINEERING	$28,000
225	80	ENVIRONMENTAL SERVICES	$210,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$50,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$9,000
225	100	HOUSING AND SUPPORT SERVICES	$19,000
225	105	INSURANCE	$1,900
225	106	INSPECTIONS	$17,000
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	$190,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$170,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	165	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
225	170	SUPERVISION	$75,600
225	175	SUPERVISION - GEOLOGICAL	$41,400
225	180	TRANSPORTATION/TRUCKING	$22,000
225	178	TAXES	$134,057
225	35	CONTINGENCY COSTS 5%	$121,870
		Total Intangible Drilling Costs:	$2,093,127

Intangible Completion Cost

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$350,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,226
		Total Intangible Completion Costs:	$5,496,846

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,144,050
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$89,295
		Total Tangible Drilling Costs:	$1,712,843

Tangible Completion Costs

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

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1,067,924

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Total Drill	$1,406,170.14
Total Completion	$6,045,445.54
Total Facility	$1,198,976.75
Total DC Intangible	$8,190,172.54
Total DC Tangible	$2,261,443.14
Total AFE	$11,650,592.43

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

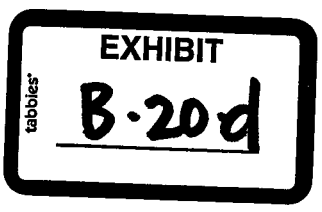
Parallel E/2W/2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company

ORRI to Be Pooled

Nestegg Energy Corporation



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

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

CASE NO. 24350

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2E/2 of Section 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 to form a standard 323.91-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23849.

EXHIBIT B-21

3. Franklin plans to drill the **Parallel State Com 303H and Parallel State Com 503H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23849 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.

5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060).

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. 23849 is currently set for contested hearing on April 9, 2024.

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

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

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

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

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

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

Respectfully submitted,

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

By: */s/ Deana M. Bennett*

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168

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Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
Yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

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CASE NO. 24350 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 303H and Parallel State Com 503H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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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	2 Pool Code	3 Pool Name
30-025-52529	55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	303H
7 OGRID No.	**8 Operator Name**	**9 Elevation**
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3977.0'

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
A	35	18S	34E		1031	NORTH	1110	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
O	2	19S	34E		130	SOUTH	2305	EAST	LEA

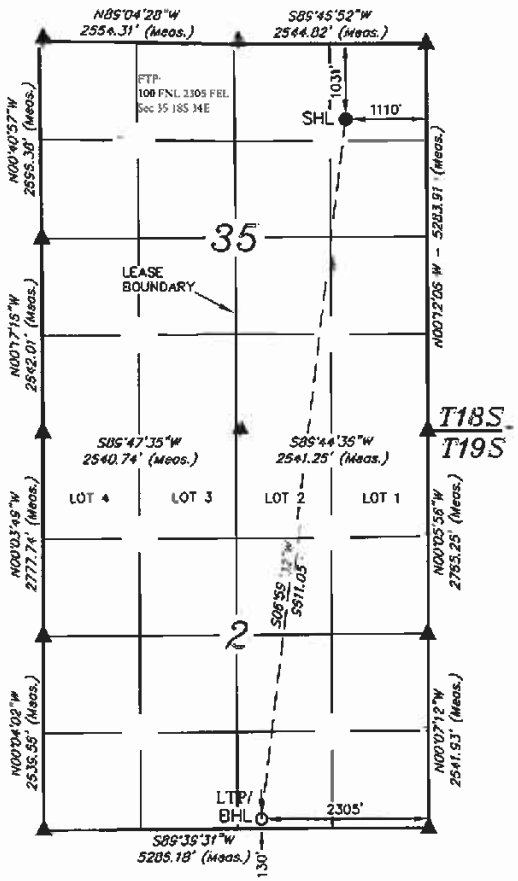
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323.91			

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

● = 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°42'31.16" (32.708654°)
LONGITUDE = -103°31'33.56" (-103.525990°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'30.71" (32.708530°)
LONGITUDE = -103°31'31.78" (-103.525495°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622485.26' E: 789663.87'
STATE PLANE NAD 27 (N.M. EAST)
N: 622421.00' E: 748484.21'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.82" (32.682450°)
LONGITUDE = -103°31'47.63" (-103.529896°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.37" (32.682326°)
LONGITUDE = -103°31'45.85" (-103.529402°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612942.39' E: 788534.56'
STATE PLANE NAD 27 (N.M. EAST)
N: 612878.46' E: 747354.64'

SCALE
DRAWN BY: ZL 10-17-23

17 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 11/30/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 SURVEYOR CERTIFICATION

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September 29, 2023
Date of Survey

Signature and Seal of Professional Surveyor:

PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
10-17-23

Certificate Number:

EXHIBIT
B-21-a
tabbies

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OIL CONSERVATION DIVISION
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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	2 Pool Code	3 Pool Name
30-025-52529	960	AIRSTRIP, BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	303H
7 OGRID No.	**8 Operator Name**	**9 Elevation**
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3977.0'

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
A	35	18S	34E		1031	NORTH	1110	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
O	2	19S	34E		130	SOUTH	2305	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
160			

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NOTE:
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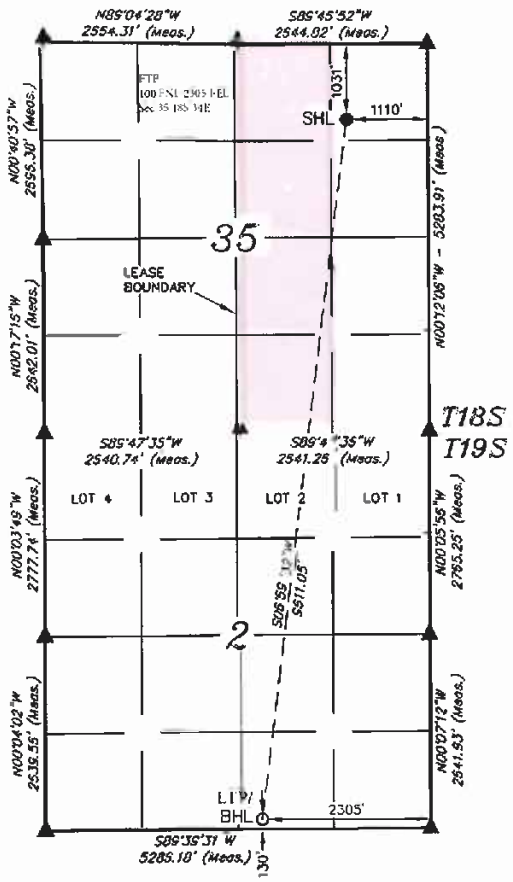

NAD 83 (SURFACE HOLE LOCATION)
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LONGITUDE = 103°31'33.56" (-103.525990°)
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STATE PLANE NAD 83 (N.M. EAST)
N: 622485.26' E: 789661.87'
STATE PLANE NAD 27 (N.M. EAST)
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LONGITUDE = -103°31'47.63" (-103.529896°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.37" (32.682326°)
LONGITUDE = -103°31'45.85" (-103.529402°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612942.39' E: 788554.56'
STATE PLANE NAD 27 (N.M. EAST)
N: 612878.46' E: 747354.04'

2000' 1000' 0' 2000'
SCALE
DRAWN BY Z.L. 10-17-23

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PAUL BUCHELE NEW MEXICO 23782 PROFESSIONAL SURVEYOR 10-17-23

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30-025-52529	55610	SCHARB; BONE SPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	303H

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O	2	19S	34E		130	SOUTH	2305	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
163.91			

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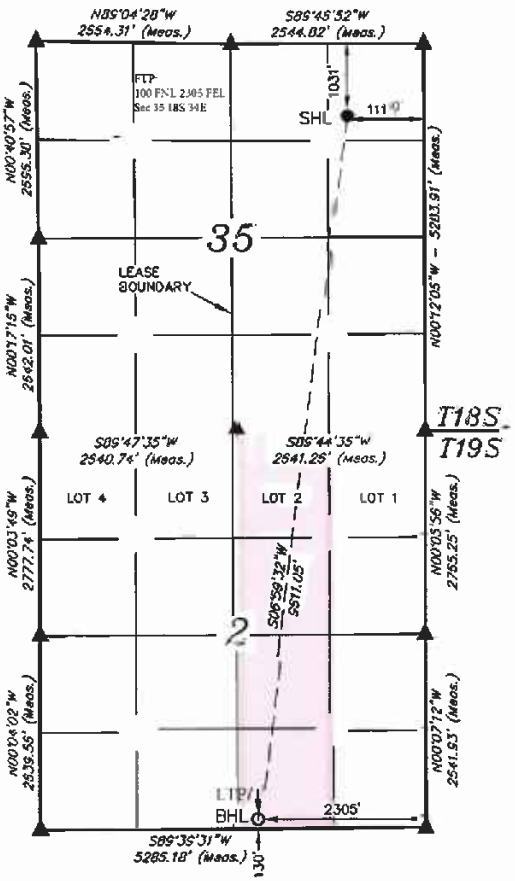

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DRAWN BY: Z.L. 10-17-23

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-025-52533	55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	503H
7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3976.9'

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
A	35	18S	34E		1031	NORTH	1080	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
O	2	19S	34E		130	SOUTH	1680	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323.91			

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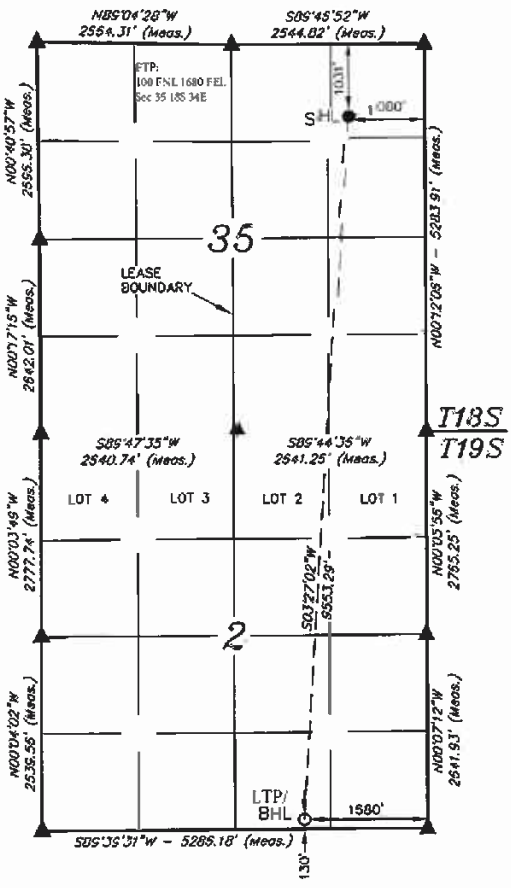

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NAD 83 (BOTTOM HOLE LOCATION)
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N: 612948.76' E: 789159.43'
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N: 612884.82' E: 747979.50'

2000' 1000' 0' 2000'

SCALE

DRAWN BY: Z.L. 10-17-23

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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
160			

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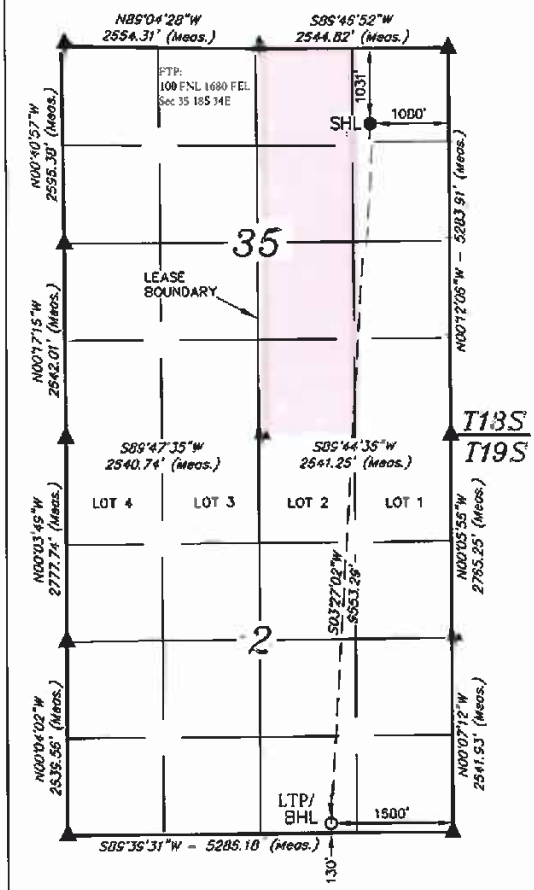

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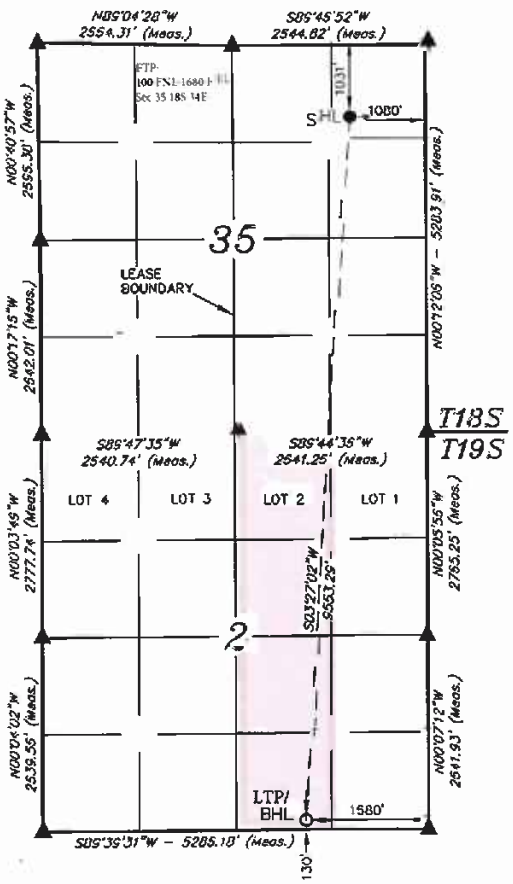

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Certificate Number:

Released to Imaging: 6/11/2024 11:16:22 AM

Received by OCD: 6/19/2024 4:31:18 PM

Case No. 24350 Unit Summary

FRANKLIN MOUNTAIN ENERGY

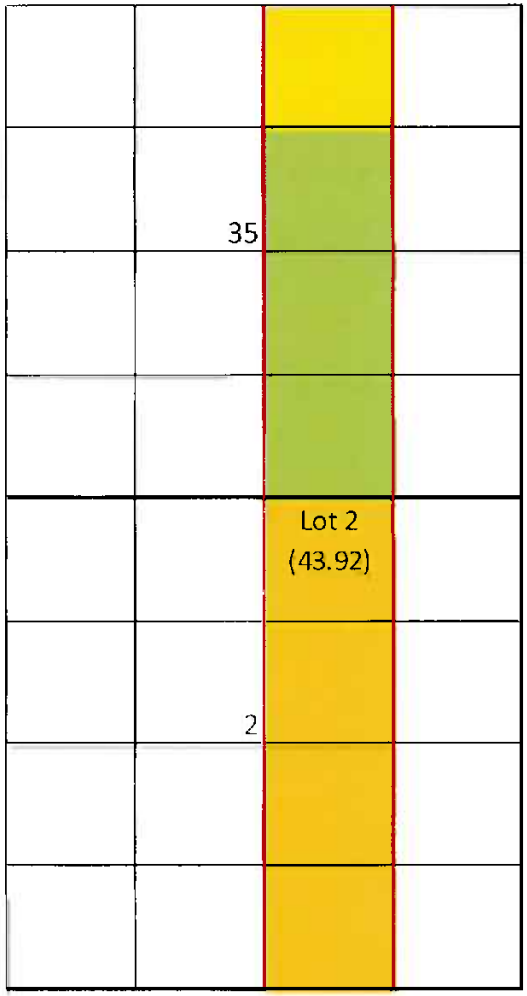
tabbies
EXHIBIT
B.21.b

Case No. 24350

W2E2 of Sec 35-T18S-R34E & Lot 2, SWNE, W2SE of Sec 2-T19S-R34E, 323.92 Acres

Parallel State Com 303H

Parallel State Com 503H



Proposed Bone Spring Unit

Tract 1 (40.00 Acres)

Tract 2 (120.00 Acres)

Tract 3 (163.92 Acres)

Tract	Lease	%
1	E0-5014	12.3487%
2	VB-1210	37.0462%
3	VB-1284	50.6051%

Commited Working Interest	
Franklin Mountain Energy 3, LLC	37.0462%
*Otter Creek LLC	12.3487%
Warren Ventures, Ltd. (Voluntary Pooling)	1.2651%
*TBO Oil & Gas LLC	0.1265%
Committed Interest	50.7866%
Uncommited Working Interest	
MRC Permian Company	25.3025%
Hanley Petroleum Inc.	9.9945%
Marathon Oil Permian LLC	6.0726%
Crump Family Partnership, Ltd.	1.2651%
LHAH Properties LLC	1.2651%
TSF WI LP	1.2651%
Buckhorn Energy, LLC	1.2651%
Charles D. Ray	0.8434%
H6 Holdings LLC	0.6326%
Hanley Petroleum LLC	0.6326%
Sharktooth Resources, Ltd.	0.4217%
Tarpon Industries Corp.	0.2530%
Uncommitted Interest	49.2134%
Total:	100.0000%

*Received elections to participate

Page 138 of 304

FRANKLIN MOUNTAIN ENERGY

Sent via USPS: 9400109205568025175599

July 17, 2023

TH McElvain Oil & Gas, LLLP
1819 Denver West Drive Ste 260
Lakewood, CO 80401
Attn: Land Dept, Permian Basin

RE: **Well Proposals**
Township 18 South, Range 34 East Section 35: W2E2
Township 19 South, Range 34 East
Section 2: Lot 2 (43.92), SWNE, W2SE
Lea County, New Mexico
323.92 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
Parallel State Com 303H	1BS	10999	19,999'	Sec 35-T18S-R34E 987 FNL 1095 FEL	Sec 2-T19S-R34E 130 FSL 2305 FEL	$11,355,549.08	N/A
Parallel State Com 503H	2BS	9150	19,150'	Sec 35-T18S-R34E 987 FNL 1070 FEL	Sec 2-T19S-R34E 130 FSL 1680 FEL	$11,355,549.08	N/A
Parallel State Com 703H	WCA	9785	19,785'	Sec 35-T18S-R34E 987 FNL 995 FEL	Sec 2-T19S-R34E 130 FSL 2305 FEL	$11,650,592.43	N/A
Parallel State Com 803H	WCB	10998	20,998'	Sec 35-T18S-R34E 987 FNL 2498 FEL	Sec 2-T19S-R34E 130 FSL 1780 FEL	$11,783,083.07	N/A

EXHIBIT tabbies B-21c

FRANKLIN MOUNTAIN ENERGY

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:

- [redacted]
-

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

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst

FRANKLIN MOUNTAIN ENERGY

Parallel State Com 303H:

_____ I/We hereby elect to participate in the **Parallel State Com 303H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 303H** well.

Parallel State Com 503H:

_____ I/We hereby elect to participate in the **Parallel State Com 503H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 503H** well.

Parallel State Com 703H:

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

Parallel State Com 803H:

_____ I/We hereby elect to participate in the **Parallel State Com 803H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 803H** well.

Owner: TH McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title:_____

Date:_____

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 303H	**Well #:**	303H
Location:	SHL Sec 35-T18S-R34E 987 FNL 1095 FEL BHL Sec 2-T19S-R34E 130 FSL 2305 FEL	**County/State:**	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	**Date Prepared:**	6/21/2023
Purpose:	Drill and complete a 10,000' 1BS well. TVD 10,999', MD 19,999'	**AFE #:**	DCE230501

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,000
225	10	CASING CREW & EQPT	$45,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SURFACE CASING	$36,000
225	25	COMMUNICATIONS	$19,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$50,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$520,000
225	55	DRILLING - DIRECTIONAL	$200,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$90,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$20,000
225	80	ENVIRONMENTAL SERVICES	$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$40,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$7,000
225	100	HOUSING AND SUPPORT SERVICES	$18,000
225	105	INSURANCE	$1,700
225	106	INSPECTIONS	$15,000
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	$180,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$160,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
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
		Total Intangible Drilling Costs:	$2,613,986

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,[illegible]

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$[illegible]
		Total Tangible Drilling Costs:	$1,597,[illegible]

Tangible Completion Costs

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
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	[illegible],924

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Total Drill:	$4,111,126.79
Total Completion:	$6,045,445.54
Total Facility:	$1,198,976.75
Total DC Intangible:	$8,010,831.04
Total DC Tangible:	$2,145,741.29
Total AFE:	$11,355,549.08

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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 FME3

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 503H	**Well #:**	503H
Location:	SHL: Sec 35-T18S-R34E 987 FNL 1070 FEL BHL: Sec 2-T19S-R34E 130 FSL 1680 FEL	**County/State:**	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	**Date Prepared:**	6/21/2023
Purpose:	Drill and complete a 10,000' 2BS well TVD 9,150', MD 19,150'.	**AFE #:**	DCE230503

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,000
225	10	CASING CREW & EQPT	$45,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$19,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$50,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$520,000
225	55	DRILLING - DIRECTIONAL	$200,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$90,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$20,000
225	80	ENVIRONMENTAL SERVICES	$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$40,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$7,000
225	100	HOUSING AND SUPPORT SERVICES	$18,000
225	105	INSURANCE	$1,700
225	106	INSPECTIONS	$15,000
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	$180,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$160,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
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
		Total Intangible Drilling Costs:	$2,513,986

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,196,846

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$83,263
		Total Tangible Drilling Costs:	$1,597,141

Tangible Completion Costs

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
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1,067,924

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Total Drill	$4,111,126.79
Total Completion	$6,045,445.54
Total Facility	$1,198,976.75
Total DC Intangible	$8,010,831.04
Total DC Tangible	$2,145,741.29
Total AFE	$11,355,549.08

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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 FME3

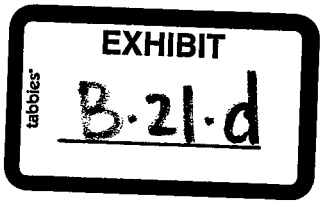
Parallel W2E2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company
Crump Family Partnership, Ltd.
Tarpon Industries Corporation
CD Ray Exploration, LLC (fka Charles D. Ray)
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Hanley Petroleum, Inc.
LHAH Properties, LLC
H6 Holdings, LLC
TBO Oil & Gas, LLC
Mavros Oil Company, LLC
TSF WI LP
Hanley Petroleum, LLC
Marathon Oil Permian, LLC
Otter Creek, LLC

ORRI to Be Pooled

Crown Oil Partners, LP
Nestegg Energy Corporation
Good News Minerals, LLC
Oak Valley Mineral and Land, LP
Post Oak Crown IV-B, LLC
Post Oak Crown IV, LLC
Collins & Jones Investments, LLC
Post Oak Mavros II, LLC
LMC Energy, LLC
H. Jason Wacker
David W. Cromwell
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham



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. 24362

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.91-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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2E/2 of Section 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 to form a standard 323.91-acre, more or less, Wolfcamp horizontal spacing unit.

[1] This application amends the application filed in Case No. 23852.

EXHIBIT tabbies B. 22

3. Franklin plans to drill the **Parallel State Com 703H and Parallel State Com 803H wells** to a depth sufficient to test the Wolfcamp formation and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2.

4. Franklin filed Case No. 23852 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. 23852, ¶ 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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico dedicated to Franklin's proposed Gold State Com 703H and Gold State Com 803H wells.

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. 23852 is currently set for contested hearing on April 9, 2024.

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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 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;

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

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Attorneys for Applicant
edebrine@modrall.com
deana.bennett@modrall.com

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CASE NO. 24362 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 703H and Parallel State Com 803H wells**, to be horizontally drilled and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico dedicated to Franklin's proposed Gold State Com 703H and Gold State Com 803H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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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	2 Pool Code	3 Pool Name
30-025-52417	970	[970] AIRSTRIP; WOLFCAMP

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	703H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3976.7'

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
A	35	18S	34E		1031	NORTH	990	EAST	LEA

11 Bottom Hole Location If Different From Surface

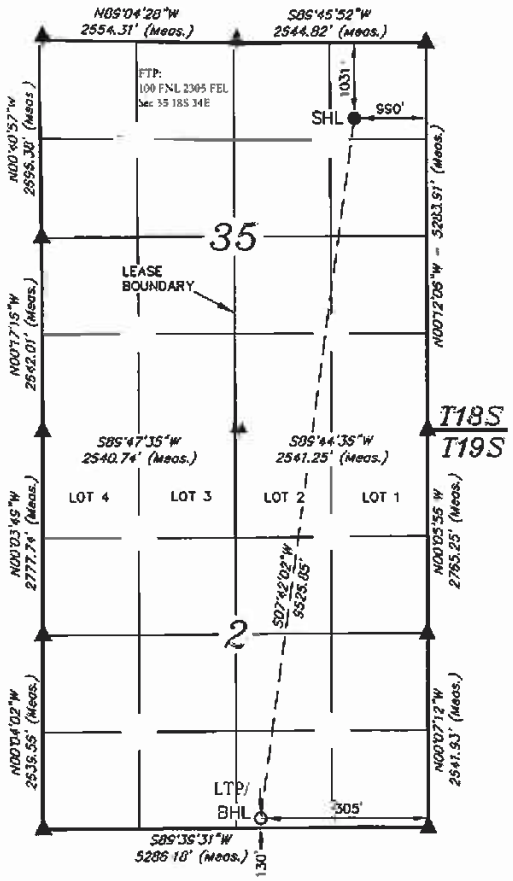
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	2	19S	34E		130	SOUTH	2305	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323.91			

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°42'31.16" (32.708654°)
LONGITUDE = -103°31'32.16" (-103.525600°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'30.71" (32.708531°)
LONGITUDE = -103°31'30.38" (-103.525105°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622486.22' E: 789783.85'
STATE PLANE NAD 27 (N.M. EAST)
N: 622421.97' E: 748604.18'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.82" (32.682450°)
LONGITUDE = -103°31'47.63" (-103.529896°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.37" (32.682326°)
LONGITUDE = -103°31'45.85" (-103.529402°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612942.39' E: 788554.56'
STATE PLANE NAD 27 (N.M. EAST)
N: 612878.46' E: 747354.64'

17 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 11/30/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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:

PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
10-17-23

Certificate Number:

EXHIBIT
tabbies
B.22.a

SCALE
DRAWN BY: Z.L. 10-17-23

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	2 Pool Code	3 Pool Name
30-025-52455	970	AIRSTRIP; WOLFCAMP

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	803H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3982.6'

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		990	NORTH	2505	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
O	2	19S	34E		130	SOUTH	1780	EAST	LEA

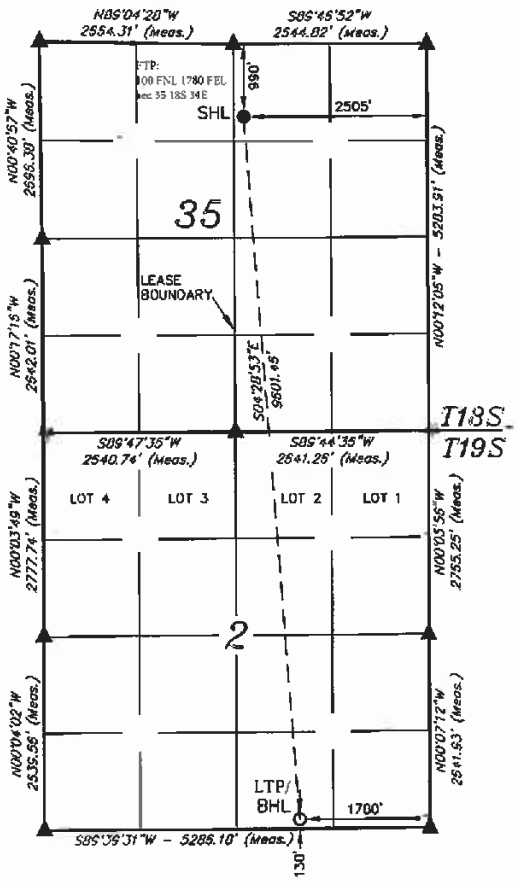
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323.91			

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

● = 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°42'31.55" (32.708765°)
LONGITUDE = -103°31'49.89" (-103.530524°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.11" (32.708641°)
LONGITUDE = -103°31'48.11" (-103.530030°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622514.99' E: 788268.76'
STATE PLANE NAD 27 (N.M. EAST)
N: 622450.75' E: 747089.12'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.83" (32.682454°)
LONGITUDE = -103°31'41.48" (-103.528190°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.39" (32.682330°)
LONGITUDE = -103°31'39.71" (-103.527696°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612947.74' E: 789059.45'
STATE PLANE NAD 27 (N.M. EAST)
N: 612883.81' E: 747879.52'

SCALE
DRAWN BY: D.J.S. 10-06-23

17 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 — Date: 10/10/2023

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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:

PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
10-06-23

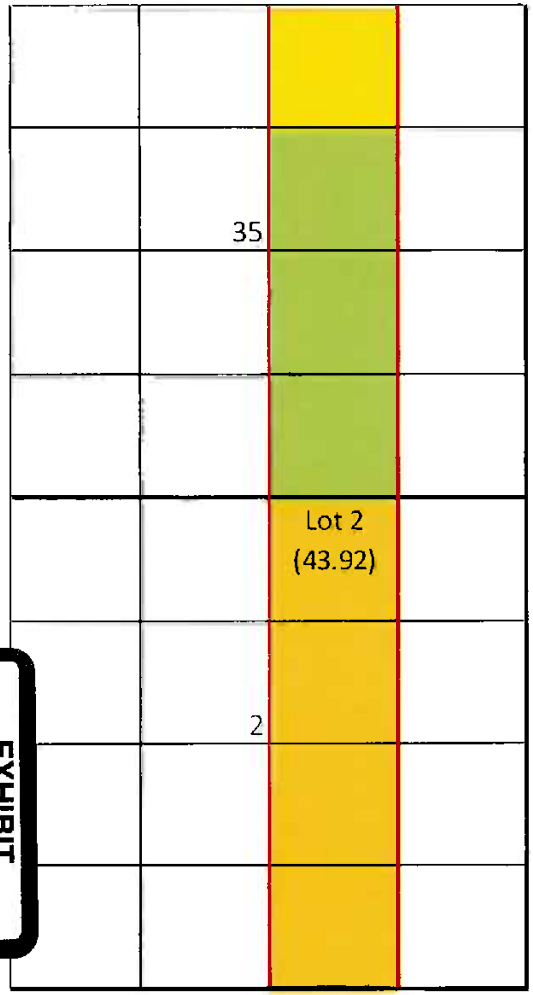
Certificate Number

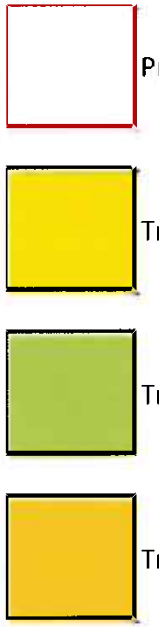
Released to Imaging: 6/21/2024 11:16:22 AM
Received by OCD: 6/19/2024 4:31:18 PM

Case No. 24362 Unit Summary

FRANKLIN MOUNTAIN ENERGY

Case No. 24362
W2E2 of Sec 35-T18S-R34E & Lot 2, SWNE, W2SE of Sec 2-T19S-R34E, 323.92 Acres
Parallel State Com 703H
Parallel State Com 803H





Tract	Lease	%
1	E0-5014	12.3487%
2	VB-1210	37.0462%
3	VB-1284	50.6051%

Commited Working Interest	
Franklin Mountain Energy 3, LLC	37.0462%
*Otter Creek LLC	12.3487%
Warren Ventures, Ltd (Voluntary Pooling)	1.2651%
*TBO Oil & Gas LLC	0.1265%
Committed Interest	50.7866%
Uncommited Working Interest	
MRC Permian Company	25.3025%
Hanley Petroleum Inc.	9.9945%
Marathon Oil Permian LLC	6.0726%
Crump Family Partnership, Ltd.	1.2651%
LHAH Properties LLC	1.2651%
TSF WI LP	1.2651%
Buckhorn Energy, LLC	1.2651%
Charles D. Ray	0.8434%
H6 Holdings LLC	0.6326%
Hanley Petroleum LLC	0.6326%
Sharktooth Resources, Ltd	0.4217%
Tarpon Industries Corp.	0.2530%
Uncommitted Interest	49.2134%
Total	100.0000%

*Received elections to participate

tabbies EXHIBIT B.22.b

Page 152 of 304

FRANKLIN MOUNTAIN ENERGY

Sent via USPS: 9400109205568025175599

July 17, 2023

TH McElvain Oil & Gas, LLLP
1819 Denver West Drive Ste 260
Lakewood, CO 80401
Attn: Land Dept, Permian Basin

RE: **Well Proposals**
Township 18 South, Range 34 East Section 35: W2E2
Township 19 South, Range 34 East
Section 2: Lot 2 (43.92), SWNE, W2SE
Lea County, New Mexico
323.92 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
Parallel State Com 303H	1BS	10999	19,999'	Sec 35-T18S-R34E 987 FNL 1095 FEL	Sec 2-T19S-R34E 130 FSL 2305 FEL	$11,355,549.08	N/A
Parallel State Com 503H	2BS	9150	19,150'	Sec 35-T18S-R34E 987 FNL 1070 FEL	Sec 2-T19S-R34E 130 FSL 1680 FEL	$11,355,549.08	N/A
Parallel State Com 703H	WCA	9785	19,785'	Sec 35-T18S-R34E 987 FNL 995 FEL	Sec 2-T19S-R34E 130 FSL 2305 FEL	$11,650,592.43	N/A
Parallel State Com 803H	WCB	10998	20,998'	Sec 35-T18S-R34E 987 FNL 2498 FEL	Sec 2-T19S-R34E 130 FSL 1780 FEL	$11,783,083.07	N/A

EXHIBIT tabbies B.22.C

FRANKLIN MOUNTAIN ENERGY

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:

- [redacted]
- [redacted]

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

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst

FRANKLIN MOUNTAIN ENERGY

Parallel State Com 303H:

_____ I/We hereby elect to participate in the **Parallel State Com 303H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 303H** well.

Parallel State Com 503H:

_____ I/We hereby elect to participate in the **Parallel State Com 503H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 503H** well.

Parallel State Com 703H:

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

Parallel State Com 803H:

_____ I/We hereby elect to participate in the **Parallel State Com 803H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 803H** well.

Owner: TH McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title: _____

Date: _____

FRANKLIN MOUNTAIN ENERGY

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

AUTHORITY FOR EXPENDITURE

Well Name:	Parallel State Com 703H	**Well #:**	703H
Location:	SHL: Sec 35-T18S-R34E 987 FNL 995 FEL BHL: Sec 2-T19S-R34E 130 FSL 2305 FEL	**County/State:**	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	**Date Prepared:**	6/21/2023
Purpose:	Drill and complete a 10,000' WCA well TVD 9,785', MD 19,785'	**AFE #:**	DCE230505

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,500
225	10	CASING CREW & EQPT	$50,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$21,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$55,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$585,000
225	55	DRILLING - DIRECTIONAL	$220,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$100,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$21,000
225	80	ENVIRONMENTAL SERVICES	$210,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$50,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$9,000
225	100	HOUSING AND SUPPORT SERVICES	$19,000
225	105	INSURANCE	$1,900
225	106	INSPECTIONS	$17,000
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	$190,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$170,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
225	170	SUPERVISION	$75,600
225	175	SUPERVISION - GEOLOGICAL	$41,400
225	180	TRANSPORTATION/TRUCKING	$22,000
225	178	TAXES	$134,057
225	35	CONTINGENCY COSTS 5%	$121,870
		Total Intangible Drilling Costs:	$2,900,327

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,144,050
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$89,295
		Total Tangible Drilling Costs:	$1,712,843

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1,067,924

Total Drill	$4,406,170 14
Total Completion	$6,045,445 54
Total Facility	$1,198,936 75
Total DC Intangible	$8,190,172 54
Total DC Tangible	$2,261,443 14
Total AFE	$11,650,592 43

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$4,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$17,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,406,846

Tangible Completion Costs

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
		Total Tangible Completion Costs:	$548,600

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Office Use Only

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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

FRANKLIN MOUNTAIN ENERGY

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

AUTHORITY FOR EXPENDITURE

Well Name:	Parallel State Com 803H	**Well #:**	803H
Location:	SHL: Sec 35-T19S-R34E 987 FNL 249E FEL BHL: Sec 2-T19S-R34E 130 FSL 1780 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 TVD 10,998', MD 20,998'	**AFE #:**	DCE230636

Intangible Drilling Costs

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 SUFACE 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	$230,000
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	$220,000
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:	[illegible]

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER/GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$269,199
240	40	CONTINGENCY COSTS 5%	[illegible]
		Total Intangible Completion Costs:	[illegible]

Tangible Drilling Costs

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:	[illegible]

Tangible Completion Costs

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
		Total Tangible Completion Costs:	[illegible]

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$1,067,924

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Total Drill	$4,629,060.78
Total Completion	$5,959,043.54
Total Facility	$1,198,976.75
Total IDC Intangible	$8,395,921.04
Total IDC Tangible	$2,288,185.28
Total AFE	[illegible]

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner _____

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 FME3

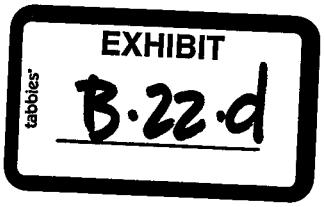
Parallel W2E2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company
Crump Family Partnership, Ltd.
Tarpon Industries Corporation
CD Ray Exploration, LLC (fka Charles D. Ray)
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Hanley Petroleum, Inc.
LHAH Properties, LLC
H6 Holdings, LLC
TBO Oil & Gas, LLC
Mavros Oil Company, LLC
TSF WI LP
Hanley Petroleum, LLC
Marathon Oil Permian, LLC
Otter Creek, LLC

ORRI to Be Pooled

Crown Oil Partners, LP
Nestegg Energy Corporation
Good News Minerals, LLC
Oak Valley Mineral and Land, LP
Post Oak Crown IV-B, LLC
Post Oak Crown IV, LLC
Collins & Jones Investments, LLC
Post Oak Mavros II, LLC
LMC Energy, LLC
H. Jason Wacker
David W. Cromwell
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham



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. 24351

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the 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 to form a standard 323.81 acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application in Case 23851.

EXHIBIT
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3. Franklin plans to drill the **Parallel State Com 304H and Parallel State Com 504H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23851 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.

5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388).

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. 23851 is currently set for contested hearing on April 9, 2024.

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

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

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

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

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

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

Respectfully submitted,

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

By: */s/ Deana M. Bennett*

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168

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Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
Yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

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CASE NO. 24351 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 304H and Parallel State Com 504H wells,** to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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Released to Imaging: 6/21/2024 11:16:22 AM

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	2 Pool Code	3 Pool Name
30-025-52530	55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	304H
7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3976.8'

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
A	35	18S	34E		1031	NORTH	1050	EAST	LEA

11 Bottom Hole Location If Different From Surface

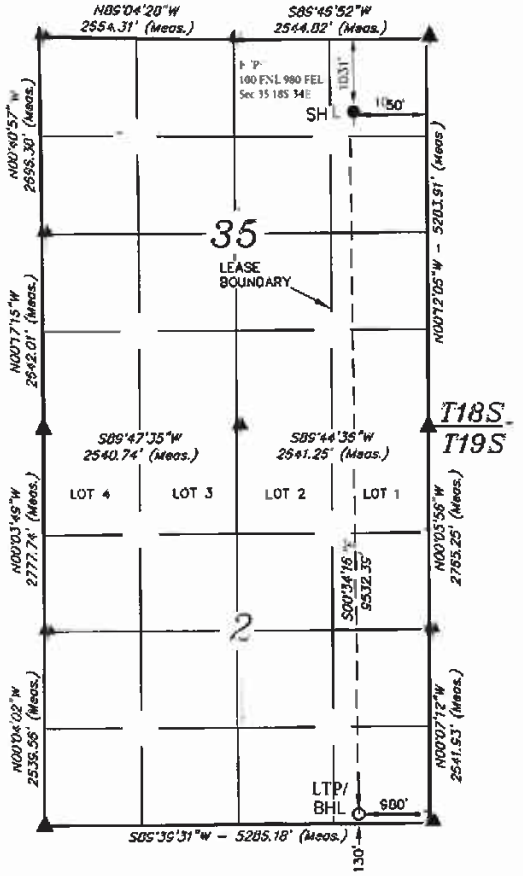
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	19S	34E		130	SOUTH	980	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323.81			

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°42'31.16" (32.708654°)
LONGITUDE = -103°31'32.36" (-103.525795°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'30.71" (32.708531°)
LONGITUDE = -103°31'31.08" (-103.525300°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622485.74' E: 789723.86'
STATE PLANE NAD 27 (N.M. EAST)
N: 622421.48' E: 748544.20'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.85" (32.682459°)
LONGITUDE = 103°31'32.13" (-103.525590°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.41" (32.682336°)
LONGITUDE = 103°31'30.35" (-103.525092°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612955.90' E: 789859.28'
STATE PLANE NAD 27 (N.M. EAST)
N: 612891.95' E: 748679.35'

17 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 11/30/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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:

PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
10-17-23

Certificate Number

3000' 1000' 0' 2000'
SCALE
DRAWN BY: Z.L. 10-17-23

EXHIBIT
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B.23.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

1 API Number	2 Pool Code	3 Pool Name
30-025-52530	960	AIRSTRIP; BONESPRING

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	304H
7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3976.8'

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
A	35	18S	34E		1031	NORTH	1050	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
P	2	19S	34E		130	SOUTH	980	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
160			

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● = SURFACE HOLE LOCATION
○ = BOTTOM HOLE LOCATION
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NOTE:
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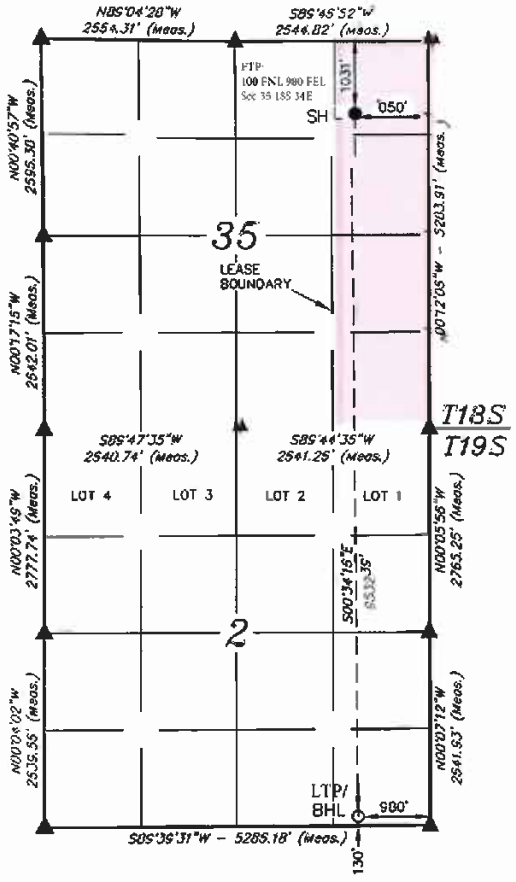

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.16" (32.708654°)
LONGITUDE = -103°31'32.86" (-103.525795°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'30.71" (32.708531°)
LONGITUDE = -103°31'31.08" (-103.525300°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622485.74' E: 789723.86'
STATE PLANE NAD 27 (N.M. EAST)
N: 622421.48' E: 748844.20'

NAD 83 (BOTTOM HOLE LOCATION)
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LONGITUDE = -103°31'32.13" (-103.525590°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.41" (32.682336°)
LONGITUDE = -103°31'30.35" (-103.525097°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612955.90' E: 789959.28'
STATE PLANE NAD 27 (N.M. EAST)
N: 612891.95' E: 748679.35'

SCALE
DRAWN BY: Z.L. 10-17-23

17 OPERATOR CERTIFICATION

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Signature 11/30/2023 Date

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Printed Name

roverbey@fmellc.com
E-mail Address

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September 29, 2023
Date of Survey

Signature and Seal of Professional Surveyor:

PAUL BUCHELE
NEW MEXICO
23782
10-17-23
PROFESSIONAL SURVEYOR

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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
163.81			

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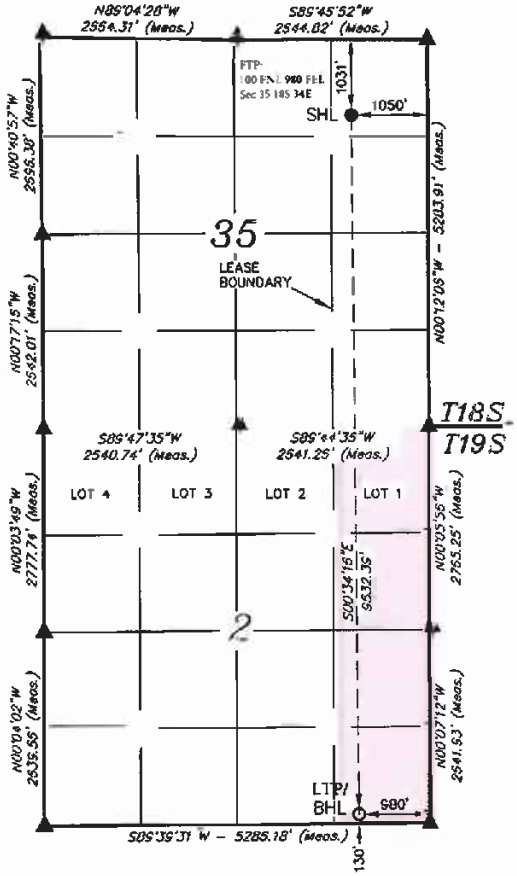

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DRAWN BY: Z.L. 10-17-23

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4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	504H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3976.7'

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P	2	19S	34E		130	SOUTH	360	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323.81			

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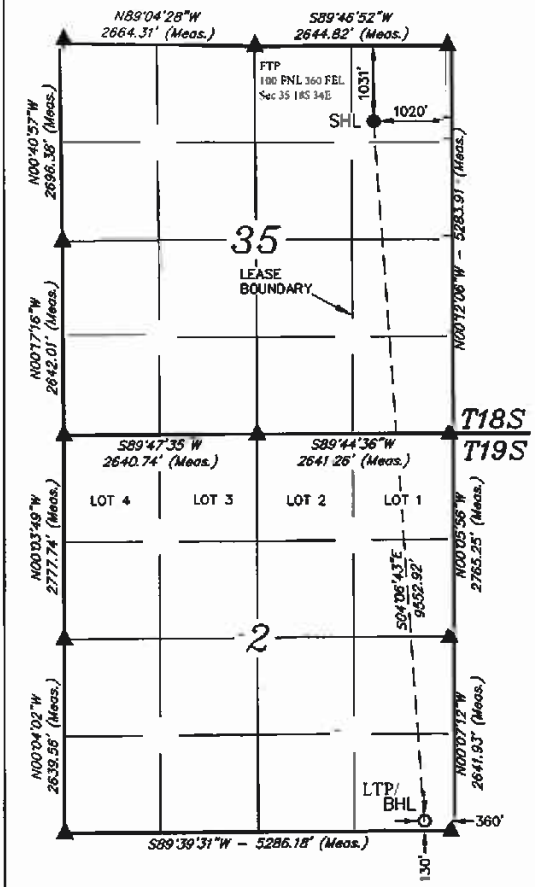

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SCALE
DRAWN BY: Z.L. 10-17-23

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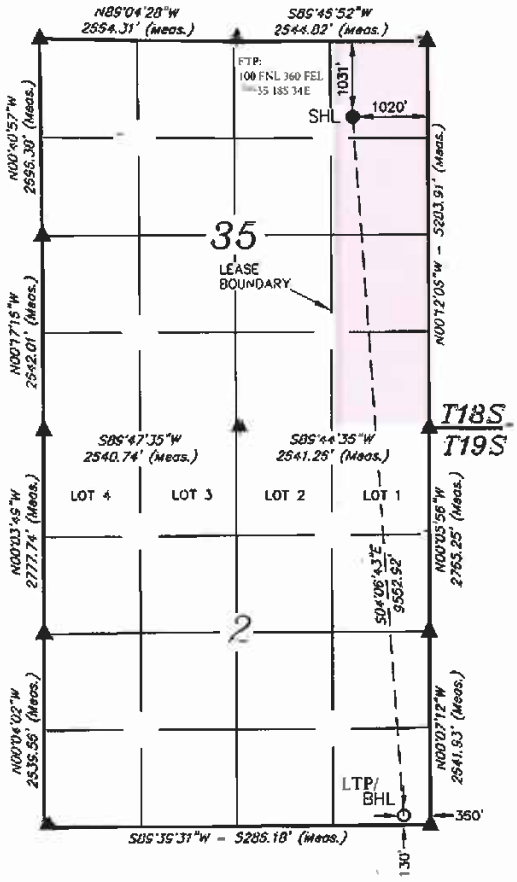

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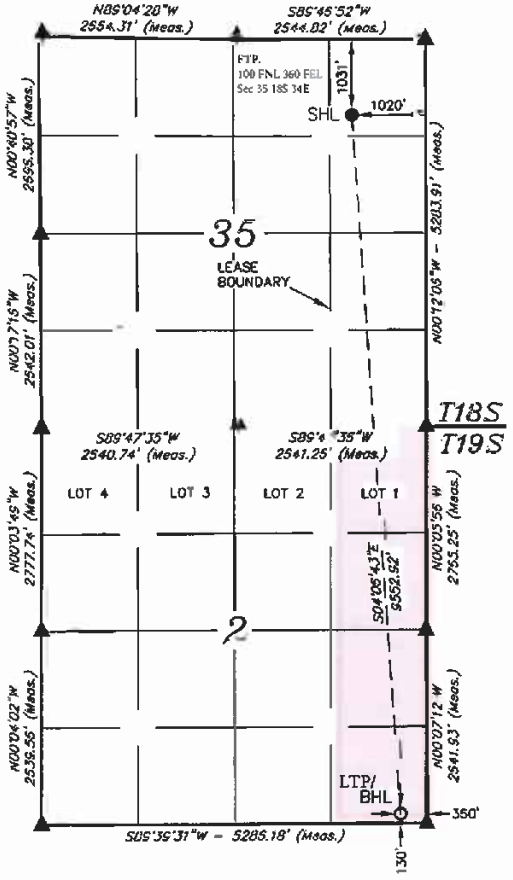

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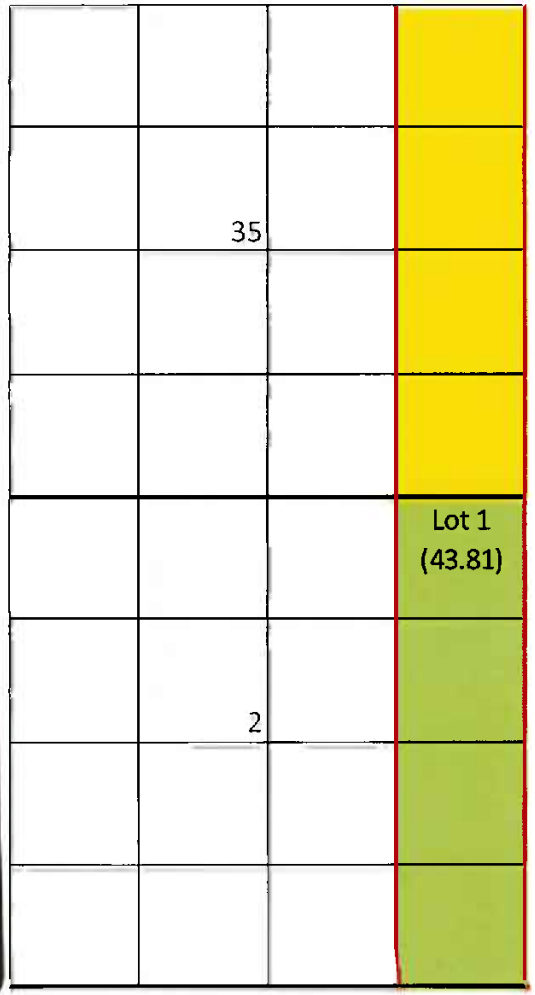
Certificate Number

Released to Imaging: 6/21/2024 11:16:22 AM
Received by OCD: 6/19/2024 4:31:18 PM

Case No. 24351 Unit Summary

FRANKLIN MOUNTAIN ENERGY

Case No. 24351
E2E2 of Sec 35-T18S-R34E & Lot 1, SENE, E2SE of Sec 2-T19S-R34E, 323.81 Acres
Parallel State Com 304H
Parallel State Com 504H



Proposed Bone Spring Unit

Tract 1 (160.00 Acres)

Tract 2 (163.81 Acres)

Tract	Lease	%
1	VB-1210	49.4117%
2	VB-1284	50.5883%

Commited Working Interest	
Franklin Mountain Energy 3, LLC	49.4117%
Warren Ventures, Ltd. (Voluntary Pooling)	1.2647%
*TBO Oil & Gas LLC	0.1265%
Committed Interest	50.8029%
Uncommited Working Interest	
MRC Permian Company	25.2941%
Hanley Petroleum Inc.	9.9912%
Marathon Oil Permian LLC	6.0706%
Crump Family Partnership, Ltd	1.2647%
LHAH Properties LLC	1.2647%
TSF WI LP	1.2647%
Buckhorn Energy, LLC	1.2647%
Charles D. Ray	0.8431%
H6 Holdings LLC	0.6324%
Hanley Petroleum LLC	0.6324%
Sharktooth Resources, Ltd	0.4216%
Tarpon Industries Corp.	0.2529%
Uncommitted Interest	49.1971%
Total:	100.0000%

*Received elections to participate

tabbies
EXHIBIT
B.23.b

Page 170 of 304

FRANKLIN MOUNTAIN ENERGY

Sent via USPS: 9400109205568755459259

July 17, 2023

TH McElvain Oil & Gas, LLLP
1819 Denver West Drive Ste 260
Lakewood, CO 80401
Attn: Land Dept, Permian Basin

RE: **Well Proposals**
Township 18 South, Range 34 East Section 35: E2E2
Township 19 South, Range 34 East
Section 2: Lot 1 (43.81), SENE, E2SE
Lea County, New Mexico
323.81 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
Parallel State Com 304H	1BS	11742	20,742'	Sec 35-T18S-R34E 987 FNL 1045 FEL	Sec 2-T19S-R34E 130 FSL 980 FEL	$11,355,549.08	N/A
Parallel State Com 504H	2BS	9797	19,797'	Sec 35-T18S-R34E 987 FNL 1020 FEL	Sec 2-T19S-R34E 130 FSL 360 FEL	$11,355,549.08	N/A
Parallel State Com 704H	WCA	10483	20,483'	Sec 35-T18S-R34E 987 FNL 970 FEL	Sec 2-T19S-R34E 130 FSL 980 FEL	$11,650,592.43	N/A
Parallel State Com 804H	WCB	10997	20,997'	Sec 35-T18S-R34E 987 FNL 2473 FEL	Sec 2-T19S-R34E 130 FSL 360 FEL	$11,783,083.07	N/A

EXHIBIT tabbies B.23.C

FRANKLIN MOUNTAIN ENERGY

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:

- [redacted]
-

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

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst

FRANKLIN MOUNTAIN ENERGY

Parallel State Com 304H:

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

Parallel State Com 504H:

_____ I/We hereby elect to participate in the **Parallel State Com 504H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 504H** well.

Parallel State Com 704H:

_____ I/We hereby elect to participate in the **Parallel State Com 704H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 704H** well.

Parallel State Com 804H:

_____ I/We hereby elect to participate in the **Parallel State Com 804H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 804H** well.

Owner: TH McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title:_____

Date:_____

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 304H	Well #:	304H
Location:	SHL Sec 35-T18S-R34E 987 FNL 1045 FEL BHL Sec 2-T19S-R34E 130 FSL 980 FEL	County/State:	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	Date Prepared:	6/21/2023
Purpose:	Drill and complete a 10,000' IBS well TVD 11,742', MD 20,742'.	AFE #:	DCE230502

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,000
225	10	CASING CREW & EQPT	$45,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$19,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$50,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$520,000
225	55	DRILLING - DIRECTIONAL	$200,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$90,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$20,000
225	80	ENVIRONMENTAL SERVICES	$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$40,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$7,000
225	100	HOUSING AND SUPPORT SERVICES	$18,000
225	105	INSURANCE	$1,700
225	106	INSPECTIONS	$15,000
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	$180,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$160,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
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
		Total Intangible Drilling Costs:	[illegible]986

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	110	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	110	PIPE INSPECTION	$0
240	115	ROAD, LOCATIONS REPAIRS	$2,000
240	110	STIMULATION	$2,616,000
240	115	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	110	SUPERVISION	$90,047
240	115	SURFACE EQUIP RENTAL	$189,573
240	110	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	[illegible]

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$83,263
		Total Tangible Drilling Costs:	[illegible]1,597,141

Tangible Completion Costs

Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	$175,000
245	15	FLOWLINES	$20,000
245	5	FRAC STRING	$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	$0
245	5	PRODUCTION LINER	$0
245	50	PRODUCTION PROCESSING FACILITY	$0
245	5	PRODUCTION TUBING	$150,000
245	10	RODS/PUMPS	$0
245	5	SUBSURFACE EQUIPMENT	$50,000
245	5	WELLHEAD EQUIPMENT	$125,000
245	0	TAXES	$28,600
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

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-FADRICATED 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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	[illegible]1,007,924

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Total Drill	$4,111,126 79
Total Completion	$6,045,443 54
Total Facility	$1,198,976 73
Total DC Intangible	$8,010,831 04
Total DC Tangible	$2,145,741 29
Total AFE	$11,355,549 08

Office Use Only:

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLE[illegible] YOUR PROPORTINATE SHARE OF THE A[illegible]UAL INVOICE COS[illegible]

Operator: Franklin Mountain [illegible]

Approved By: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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 FMEI

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 504H	**Well #:**	504H
Location:	SHL Sec 35-T18S-R34E 987 FNL 1020 FEL BHL Sec 2-T19S-R34E 130 FSL 360 FEL	**County/State:**	Lea Co., NM
Operator:	Franklin Mountain Energy 3, LLC	**Date Prepared:**	6/21/2023
Purpose:	Drill and complete a 10,000' 2BS well TVD 9,797', MD 19,797'	**AFE #:**	DCE230504

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,000
225	10	CASING CREW & EQPT	$45,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	16	CEMENTING PRODUCTION CASING	$80,000
225	20	CEMENTING SUFACE CASING	$36,000
225	25	COMMUNICATIONS	$19,000
225	30	COMPLETION FLUIDS	$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	$45,000
225	40	CONTRACT LABOR	$50,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$520,000
225	55	DRILLING - DIRECTIONAL	$200,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$90,000
225	70	ELECTRICAL POWER\GENERATION	$0
225	75	ENGINEERING	$20,000
225	80	ENVIRONMENTAL SERVICES	$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$40,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$7,000
225	100	HOUSING AND SUPPORT SERVICES	$18,000
225	105	INSURANCE	$1,700
225	106	INSPECTIONS	$15,000
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	$180,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$160,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
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
		Total Intangible Drilling Costs:	$2,[illegible]986

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	75	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$5,[illegible]146

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERM[illegible]ATE CASING & ATTACHMENTS	$73,[illegible]
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$83,263
		Total Tangible Drilling Costs:	$1,507,141

Tangible Completion Costs

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
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$55,674
		Total Tangible Facility Costs:	$[illegible]54

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$[illegible]053

Total Drill.	$4,111,126.79
Total Completion	$6,045,445.54
Total Facility	$1,198,976.75
Total DC Intangible	$8,010,831.04
Total DC Tangible	$2,145,741.29
Total AFE	$11,355,549.08

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walte[illegible]
Chief Execu[illegible] Officer

WI Owner: _____

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 FME3

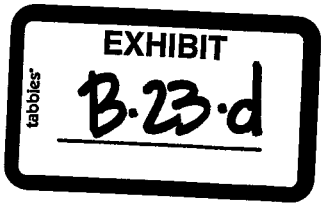
Parallel E2E2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company
Crump Family Partnership, Ltd.
Tarpon Industries Corporation
CD Ray Exploration, LLC (fka Charles D. Ray)
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Hanley Petroleum, Inc.
LHAH Properties, LLC
H6 Holdings, LLC
TBO Oil & Gas, LLC
Mavros Oil Company, LLC
TSF WI LP
Hanley Petroleum, LLC
Marathon Oil Permian, LLC

ORRI to Be Pooled

Crown Oil Partners, LP
Nestegg Energy Corporation
Good News Minerals, LLC
Oak Valley Mineral and Land, LP
Post Oak Crown IV-B, LLC
Post Oak Crown IV, LLC
Collins & Jones Investments, LLC
Post Oak Mavros II, LLC
LMC Energy, LLC
H. Jason Wacker
David W. Cromwell
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham



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. 24348

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.81-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. 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 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 to form a standard 323.81 acre, more or less, Wolfcamp horizontal spacing unit.

[1] This application amends the application in Case 23850.

EXHIBIT
tabbies
B-2A

3. Franklin plans to drill the **Parallel State Com 704H and Parallel State Com 804H wells** to a depth sufficient to test the Wolfcamp formation. The Parallel State Com 704H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2. The producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23850 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. 23850, ¶ 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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 704 and 804H wells.

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. 23850 is currently set for contested hearing on April 9, 2024.

Released to Imaging: 3/6/2024 4:20:21 PM
Released to Imaging: 6/21/2024 11:16:22 AM

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 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;

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

Released to Imaging: 3/6/2024 4:20:21 PM
Released to Imaging: 6/21/2024 11:16:22 AM

Attorneys for Applicant
edebrine@modrall.com
deana.bennett@modrall.com

Released to Imaging: 3/6/2024 4:20:21 PM
Released to Imaging: 6/21/2024 11:16:22 AM

CASE NO. 24348 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 704H and Parallel State Com 804H wells**, to be horizontally drilled. The Parallel State Com 704H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 704 and 804H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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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	2 Pool Code	3 Pool Name
30-025-52418	970	[970] AIRSTRIP; WOLFCAMP

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	704H
7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3976.3'

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
A	35	18S	34E		1031	NORTH	960	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
P	2	19S	34E		130	SOUTH	980	EAST	LEA

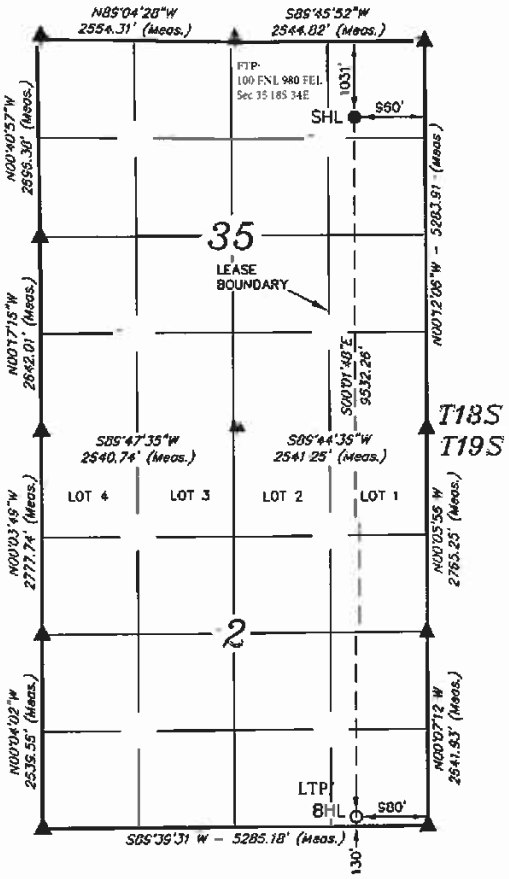
12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323.81			

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

● = 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°42'31.16" (32.708654°)
LONGITUDE = -103°31'31.81" (-103.525502°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'30.71" (32.708531°)
LONGITUDE = 103°31'30.03" (-103.525008°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622486.47' E: 789813.84'
STATE PLANE NAD 27 (N.M. EAST)
N: 622422.21' E: 748634.18'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.85" (32.682459°)
LONGITUDE = -103°31'32.13" (-103.525590°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.41" (32.682336°)
LONGITUDE = -103°31'30.35" (-103.525097°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612955.90' E: 789859.28'
STATE PLANE NAD 27 (N.M. EAST)
N: 612891.95' E: 748679.35'

SCALE
DRAWN BY: Z.L. 10-17-23

17 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 — 11/30/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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:

PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
10-17-23

Certificate Number

EXHIBIT
B-24-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

1 API Number	2 Pool Code	3 Pool Name
30-025-52456	970	AIRSTRIP; WOLFCAMP

4 Property Code	5 Property Name	6 Well Number
335188	PARALLEL STATE COM	804H

7 OGRID No.	8 Operator Name	9 Elevation
331595	FRANKLIN MOUNTAIN ENERGY 3, LLC	3982.1'

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		991	NORTH	2475	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
P	2	19S	34E		130	SOUTH	360	EAST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323.81			

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.
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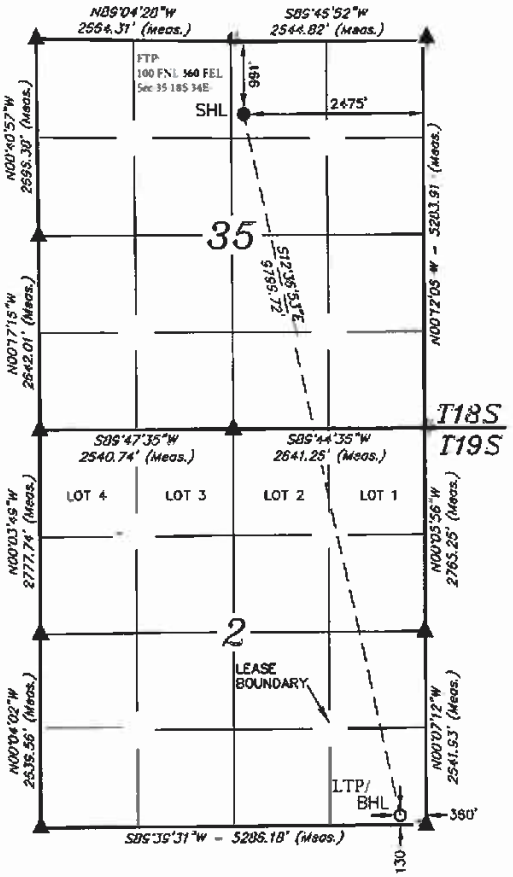


NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.55" (32.708764°)
LONGITUDE = -103°31'49.54" (-103.530427°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'31.10" (32.708640°)
LONGITUDE = -103°31'47.76" (-103.529932°)
STATE PLANE NAD 83 (N.M. EAST)
N: 622514.63' E: 788298.76'
STATE PLANE NAD 27 (N.M. EAST)
N: 622450.39' E: 747119.11'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.87" (32.682464°)
LONGITUDE = -103°31'24.87" (-103.523576°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°40'56.42" (32.682340°)
LONGITUDE = -103°31'23.10" (-103.523082°)
STATE PLANE NAD 83 (N.M. EAST)
N: 612963.22' E: [illegible]
STATE PLANE NAD 27 (N.M. EAST)
N: 612898.27' E: 749299.21'

SCALE
DRAWN BY: D.J.S. 10-06-23

17 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 10/10/2023 Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

18 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:

PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
10-05-23

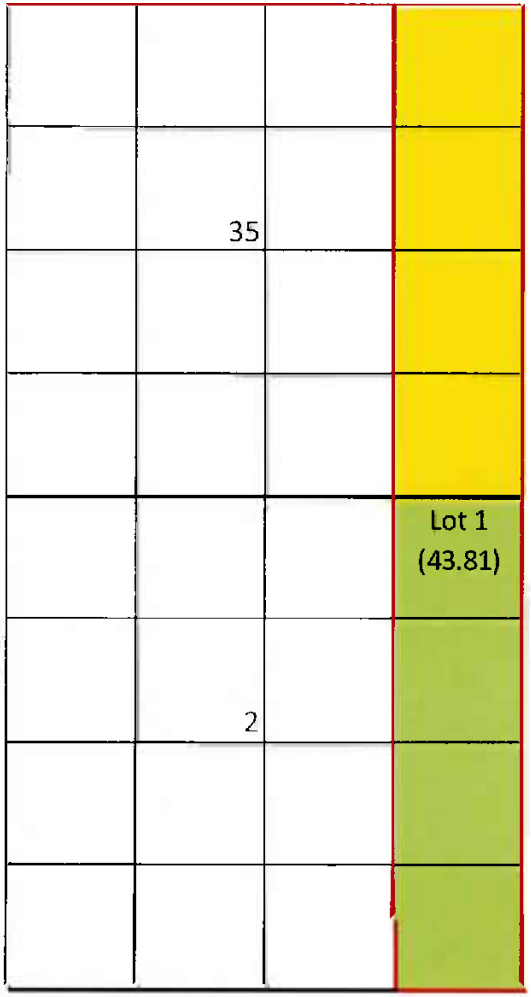
Certificate Number:

Released to Imaging: 6/21/2024 11:16:22 AM
Received by OCD: 6/19/2024 4:31:18 PM

Case No. 24348 Unit Summary

FRANKLIN MOUNTAIN ENERGY

Case No. 24348
E2E2 of Sec 35-T18S-R34E & Lot 1, SENE, E2SE of Sec 2-T19S-R34E, 323.81 Acres
Parallel State Com 704H
Parallel State Com 804H



Proposed Wolfcamp Unit

Tract 1 (160.00 Acres)

Tract 2 (163.81 Acres)

Tract	Lease	%
1	VB-1210	49.4117%
2	VB-1284	50.5883%

Commited Working Interest	
Franklin Mountain Energy 3, LLC	49.4117%
Warren Ventures, Ltd. (Voluntary Pooling)	1.2647%
*TBO Oil & Gas LLC	0.1265%
Committed Interest	50.8029%
Uncommited Working Interest	
MRC Permian Company	25.2941%
Hanley Petroleum Inc.	9.9912%
Marathon Oil Permian LLC	6.0706%
Crump Family Partnership, Ltd	1.2647%
LHAH Properties LLC	1.2647%
TSF WI LP	1.2647%
Buckhorn Energy, LLC	1.2647%
Charles D. Ray	0.8431%
H6 Holdings LLC	0.6324%
Hanley Petroleum LLC	0.6324%
Sharktooth Resources, Ltd.	0.4216%
Tarpon Industries Corp.	0.2529%
Uncommitted Interest	49.1971%
Total:	100.0000%

*Received elections to participate

tabbies EXHIBIT B.24.b

Page 184 of 304

FRANKLIN MOUNTAIN ENERGY

Sent via USPS: 9400109205568755459259

July 17, 2023

TH McElvain Oil & Gas, LLLP
1819 Denver West Drive Ste 260
Lakewood, CO 80401
Attn: Land Dept, Permian Basin

RE: **Well Proposals**
Township 18 South, Range 34 East Section 35: E2E2
Township 19 South, Range 34 East
Section 2: Lot 1 (43.81), SENE, E2SE
Lea County, New Mexico
323.81 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
Parallel State Com 304H	1BS	11742	20,742'	Sec 35-T18S-R34E 987 FNL 1045 FEL	Sec 2-T19S-R34E 130 FSL 980 FEL	$11,355,549.08	N/A
Parallel State Com 504H	2BS	9797	19,797'	Sec 35-T18S-R34E 987 FNL 1020 FEL	Sec 2-T19S-R34E 130 FSL 360 FEL	$11,355,549.08	N/A
Parallel State Com 704H	WCA	10483	20,483'	Sec 35-T18S-R34E 987 FNL 970 FEL	Sec 2-T19S-R34E 130 FSL 980 FEL	$11,650,592.43	N/A
Parallel State Com 804H	WCB	10997	20,997'	Sec 35-T18S-R34E 987 FNL 2473 FEL	Sec 2-T19S-R34E 130 FSL 360 FEL	$11,783,083.07	N/A

EXHIBIT tabbies B-24-C

FRANKLIN MOUNTAIN ENERGY

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:

- [redacted]
- [redacted]

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

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst

FRANKLIN MOUNTAIN ENERGY

Parallel State Com 304H:

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

Parallel State Com 504H:

_____ I/We hereby elect to participate in the **Parallel State Com 504H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 504H** well.

Parallel State Com 704H:

_____ I/We hereby elect to participate in the **Parallel State Com 704H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 704H** well.

Parallel State Com 804H:

_____ I/We hereby elect to participate in the **Parallel State Com 804H** well.
_____ I/We hereby elect **NOT** to participate in the **Parallel State Com 804H** well.

Owner: TH McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title: _____

Date: _____

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 704H	**Well #:**	704H
Location:	SHL: Sec 35-T18S-R34E 987 FNL 970 FEL BHL Sec 2-T19S-R34E 130 FSL 980 FEL	**County/State:**	Lea Co , NM
Operator:	Franklin Mountain Energy 3, LLC	**Date Prepared:**	6/21/2023
Purpose:	Drill and complete a 10,000' WCA well. TVD 10,483', MD 20,483'.	**AFE #:**	DCE230506

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	$4,500
225	10	CASING CREW & EQPT	$50,000
225	15	CEMENTING INTERMEDIATE CASING	$40,000
225	20	CEMENTING PRODUCTION CASING	$80,000
225	30	CEMENTING SUFACE CASING	$36,000
225	35	COMMUNICATIONS	$21,000
225	30	COMPLETION FLUIDS	$6,000
225	40	CONSTRUCTION/LOCATION & ROAD	$45,000
225	50	CONTRACT LABOR	$55,000
225	45	DAMAGES	$15,000
225	50	DAYWORK CONTRACT	$585,000
225	55	DRILLING - DIRECTIONAL	$220,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$100,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	75	ENGINEERING	$21,000
225	80	ENVIRONMENTAL SERVICES	$210,000
225	84	EQUIPMENT RENTAL DOWNHOLE	$50,000
225	85	EQUIPMENT RENTAL	$50,000
225	90	FISHING TOOLS/SERVICES	$0
225	95	HEALTH & SAFETY	$9,000
225	100	HOUSING AND SUPPORT SERVICES	$19,000
225	105	INSURANCE	$1,900
225	106	INSPECTIONS	$17,000
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	$190,000
225	140	OPENHOLE LOGGING	$0
225	141	CASED HOLE LOGGING	$0
225	145	PERMITS, LICENSES, ETC	$20,000
225	150	POWER FUEL & WATER HAULING	$170,000
225	155	RIG MOVE & RACKING COSTS	$130,000
225	160	RIG UP TEAR OUT & STANDBY	$0
225	163	SITE RESTORATION	$10,000
225	165	STAKING & SURVEYING	$6,000
225	170	SUPERVISION	$75,600
225	175	SUPERVISION - GEOLOGICAL	$41,400
225	180	TRANSPORTATION/TRUCKING	$22,000
225	178	TAXES	$134,057
225	35	CONTINGENCY COSTS 5%	$121,870
		Total Intangible Drilling Costs:	$2,693,327

Intangible Completion Co

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
240	15	CASING CREW & EQPT	$0
240	20	COILED TUBING/SNUBBING UNIT	$194,313
240	35	COMMUNICATIONS	$1,896
240	40	COMPANY DIRECT LABOR	$0
240	30	COMPLETION/WORKOVER RIG	$75,000
240	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER/GENERATION	$0
240	65	ENGINEERING	$5,687
240	75	ENVIRONMENTAL/CLEANUP	$0
240	80	FISHING TOOLS / SERVICES	$0
240	81	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	85	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	95	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$10,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$273,599
240	40	CONTINGENCY COSTS 5%	$248,726
		Total Intangible Completion Costs:	$4,976,846

Tangible Drilling C

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	$173,758
230	20	PACKERS/SLEEVES/PLUGS	$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	$1,144,050
230	35	SURFACE CASING & ATTACHMENTS	$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	$70,000
230	40	TAXES	$89,295
		Total Tangible Drilling Costs:	$1,712,843

Tangible Completion Costs

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
		Total Tangible Completion Costs:	$548,600

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$67
		Total Tangible Facility Costs:	$1,013,317

Intangible Facility Costs

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
		Total Intangible Facility Costs:	$131,053

Total Drill	$4,406,170 14
Total Completion	$6,045,445 54
Total Facility	$1,198,976 75
Total DC Intangible	$8,190,172 54
Total DC Tangible	$2,261,443 14
Total AFE	$11,6

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

Approved By: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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 FME3

FRANKLIN MOUNTAIN ENERGY

AUTHORITY FOR EXPENDITURE

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

Well Name:	Parallel State Com 804H	Well #:	804H
Location:	SHL: Sec 35-T18S-R34E 987 FNL 2471 FEL BHL: Sec 2-T19S-R34E 130 FSL 360 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 TVD 10,997', MD 20,997'	AFE #:	DCE230637

Intangible Drilling Costs

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	20	CEMENTING PRODUCTION CASING	$85,000
225	30	CEMENTING SUFACE 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	54	DRILLING - DIRECTIONAL	$230,000
225	60	DRILLING - FOOTAGE	$90,000
225	65	DRILLING BITS	$110,000
225	70	ELECTRICAL POWER/GENERATION	$0
225	74	ENGINEERING	$25,200
225	80	ENVIRONMENTAL SERVICES	$220,000
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:	[illegible]76

Tangible Drilling Costs

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:	$ [illegible]58

Tangible Facility Costs

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	$27,000
270	140	SIGNAGE	$250
270	125	TAXES	$33[illegible]674
		Total Tangible Facility Costs:	$1,067,924

Total Drill	$4,627,060.78
Total Completion:	$5,957,045.54
Total Facility:	$1,198,976.75
Total DC Intangible	$8,295,921.04
Total DC Tangible	$2,288,185.28
Total AFE:	$11,783,083.07

Intangible Completion Cost

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	$8,200
240	10	CASED HOLE LOGS & SURVEYS	$6,635
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	45	CONTRACT LABOR/ROUSTABOUTS	$23,697
240	50	DAMAGES/RECLAMATION	$1,896
240	55	DISPOSAL SOLIDS	$2,844
240	60	ELECTRICAL POWER\GENERATION	$0
240	62	ENGINEERING	$5,687
240	65	ENVIRONMENTAL/CLEANUP	$0
240	70	FISHING TOOLS / SERVICES	$0
240	71	FLUIDS/HAULING/DISPOSAL	$180,000
240	72	FRAC WATER/COMPLETION FLUID	$470,000
240	73	FUEL, POWER/DIESEL	$550,000
240	80	HEALTH & SAFETY	$4,700
240	85	HOUSING AND SUPPORT SERVICES	$14,000
240	90	MATERIALS & SUPPLIES	$0
240	95	MISCELLANEOUS	$0
240	100	MUD & CHEMICALS	$30,000
240	110	P&A/TA COSTS	$0
240	115	PERFORATING/WIRELINE SERVICE	$265,403
240	120	PIPE INSPECTION	$0
240	125	ROAD, LOCATIONS REPAIRS	$2,000
240	130	STIMULATION	$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	$37,915
240	140	SUPERVISION	$90,047
240	145	SURFACE EQUIP RENTAL	$189,573
240	150	TRANSPORTATION/TRUCKING	$2,844
240	155	WATER TRANSFER	$56,872
240	160	WELDING SERVICES	$0
240	165	WELL TESTING/FLOWBACK	$165,000
240	148	TAXES	$269,199
240	40	CONTINGENCY COSTS 5%	$244,726
		Total Intangible Completion Costs:	$5,408,446

Tangible Completion Cost

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
		Total Tangible Completion Costs:	$548,600

Intangible Facility Costs

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	PADROAD 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[illegible]25
265	10	CONTINGENCY COSTS 5%	$5,930
		Total Intangible Facility Costs:	$[illegible]1,555

Office Use Only:

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: _____ Date: 6/21/2023

Craig Walters
Chief Executive Officer

WI Owner: _____

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 FMEI

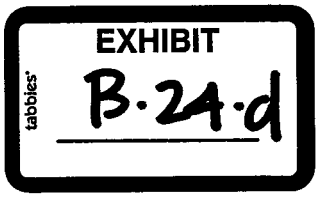
Parallel E2E2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company
Crump Family Partnership, Ltd.
Tarpon Industries Corporation
CD Ray Exploration, LLC (fka Charles D. Ray)
Buckhorn Energy, LLC
Sharktooth Resources, Ltd.
Hanley Petroleum, Inc.
LHAH Properties, LLC
H6 Holdings, LLC
TBO Oil & Gas, LLC
Mavros Oil Company, LLC
TSF WI LP
Hanley Petroleum, LLC
Marathon Oil Permian, LLC

ORRI to Be Pooled

Crown Oil Partners, LP
Nestegg Energy Corporation
Good News Minerals, LLC
Oak Valley Mineral and Land, LP
Post Oak Crown IV-B, LLC
Post Oak Crown IV, LLC
Collins & Jones Investments, LLC
Post Oak Mavros II, LLC
LMC Energy, LLC
H. Jason Wacker
David W. Cromwell
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham



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FRANKLIN MOUNTAIN ENERGY

Geology

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

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

CASE NOS. 24348, 24350-24355, 24362

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

CASE NOS. 24327-24334[1]

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

AFFIDAVIT OF BEN KESSEL

Ben Kessel, being duly sworn, deposes and states:

1. I am over the age of 18, I am the Director of Geology for Franklin Mountain Energy 3, LLC ("FME3"), and have personal knowledge of the matters stated herein.

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

3. My work for FME3 includes the Permian Basin and Lea County.

4. I am familiar with the applications FME3 filed in Case Nos. 24348, 24350-24355, and 24362. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 24327-24334.

[1] MRC Permian Company ("MRC") has now withdrawn its objection to FME3's Parallel State Com cases and FME3 is presenting these cases as uncontested affidavit cases. MRC has not yet dismissed its competing cases in Case Nos. 24327-24334 and so FME3 is filing its exhibits in the MRC cases for completeness.

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

6. **Exhibit C-1** is a locator map, which identifies the general location of the Parallel 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.

BONE SPRING GEOLOGY STUDY—CASES 24350, 24351, 24354 and 24355

8. The exhibits behind **Tab C-3** are the geology study I prepared for the Bone Spring formation. In case numbers 24350, 24351, 24354 and 24355, FME3 proposes to drill a total of 8 wells—four First Bone wells and four Second Bone Spring wells. I have prepared two separate sets of slides for each target formation.

9. **Exhibit C-3-a** is the First Bone Spring Sand Structure map. The Parallel Development Area is identified by the pink box and the approximate location of the First 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 gently to the south. This map also identifies the five wells I used for the cross-section, running from A to A'.

10. **Exhibit C-3-b** is a stratigraphic cross section. In my opinion, the well logs on the cross-section give a representative sample of the First Bone Spring Sand formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified approximately where the Parallel First Bone Spring wells fall within the wells I used for the cross-section. Based on the cross section, I conclude that the First Bone Spring is present and porous in the Parallel Development Area.

11. **Exhibit C-3-c** is a First Bone Spring Sand Isopach, which shows that the gross reservoir thickens slightly to the south.

12. **Exhibit C-3-d** is the Second Bone Spring Sand structure map. The Parallel 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 reservoir dips gently to the south. This map also identifies the five wells I used for the cross-section, running from A to A'.

13. **Exhibit C-3-e** 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 where the proposed Parallel Second Bone Spring wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Second Bone Spring Sand is present and porous in the Parallel Development Area.

14. **Exhibit C-3-f** is a Second Bone Spring Sand Isopach, which shows that the structure thickens to the north.

15. 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 24348, 24352, 24353, and 24362

16. The exhibits behind **Tab C-4** are the geology study I prepared for the Wolfcamp formation. In case numbers 24348, 24352, 24353, and 24362, FME 3 is proposing a total of 8 wells—four Wolfcamp A wells and four Wolfcamp B wells. I have prepared two separate sets of slides for each target formation.

17. **Exhibit C-4-a** is the Wolfcamp A Structure map. The Parallel 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 thins slightly to the south. This map also identifies the five wells I used for the cross-section, running from A to A'.

18. **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 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 Parallel 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 Parallel Development Area.

19. **Exhibit C-4-c** is a Wolfcamp A Isopach, which shows that the reservoir thins slightly to the south.

20. **Exhibit C-4-d** is the Wolfcamp B Structure map. The Parallel 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 slightly to the southwest. This map also identifies the five wells I used for the cross-section, running from A to A'.

21. **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 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 Parallel 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 Parallel Development Area.

22. **Exhibit C-4-f** is a Wolfcamp B Isopach, which shows that the reservoir dips slightly to the southwest.

23. 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.

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

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

Dated: June 18, 2024

Ben Kessel

State of Colorado.

County of Denver

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

[Stamp]

RACHAEL OVERBEY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20084000193
MY COMMISSION EXPIRES JANUARY 3, 2028

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

My Commission Expires: 1/3/2028.

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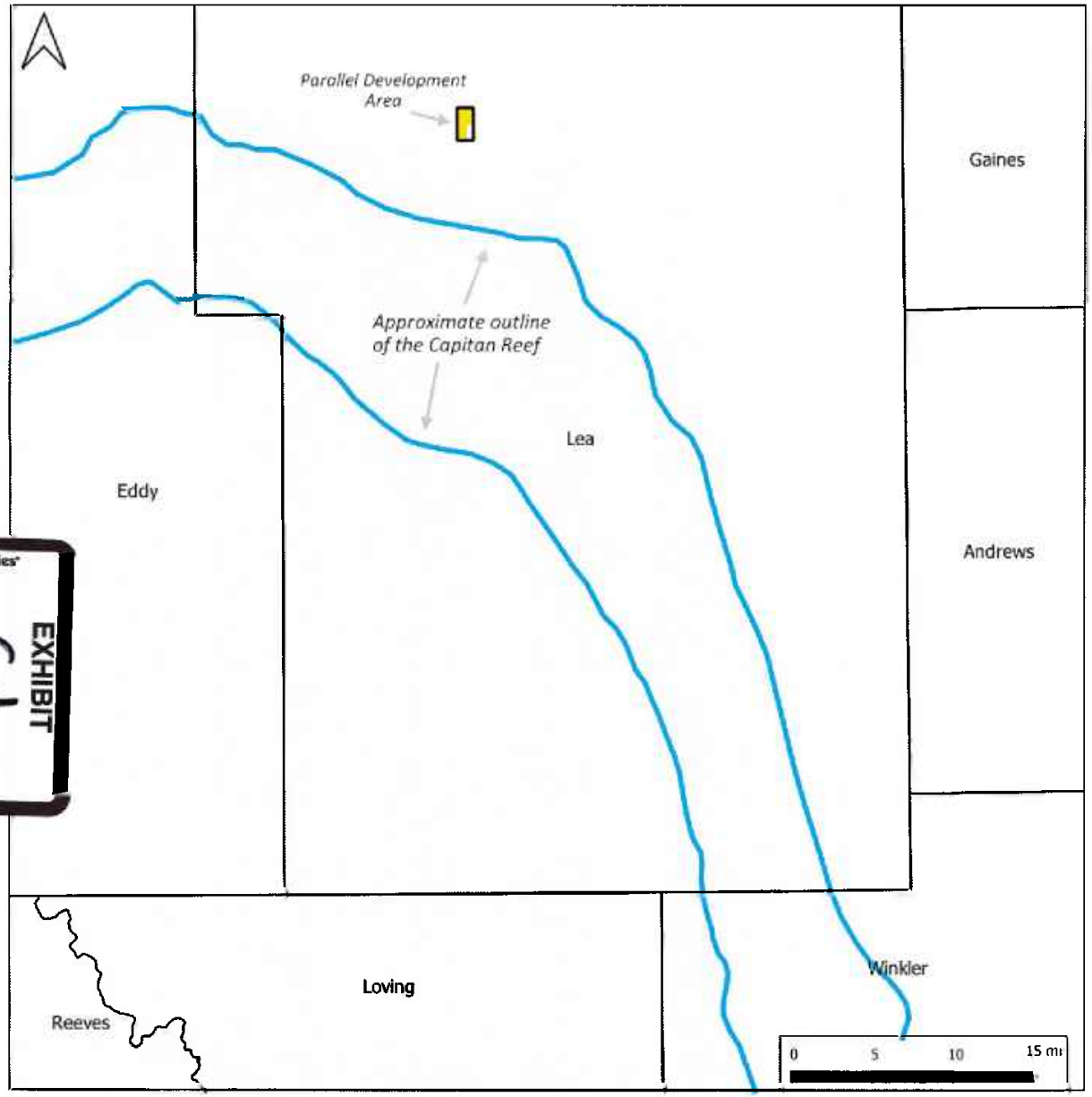
Parallel Development

Locator Map



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

https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20Capitan%20PDF%20w_Seals.pdf

EXHIBIT C-1

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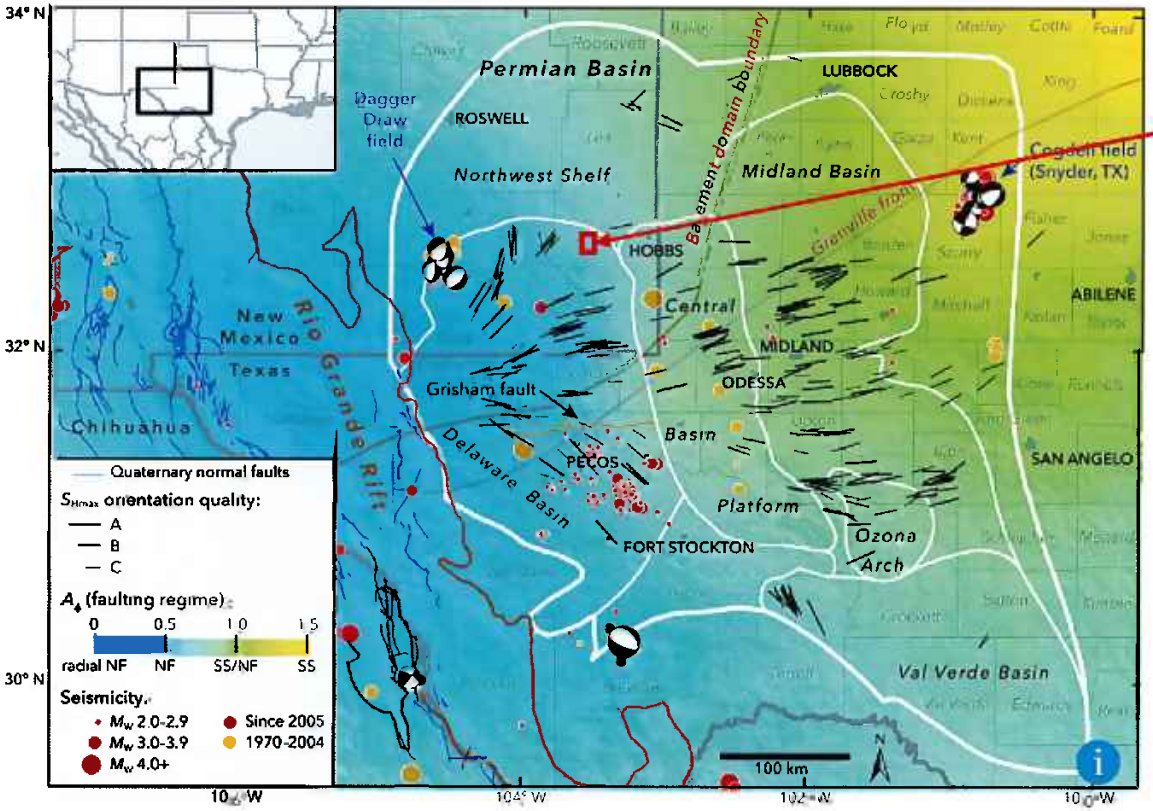
Regional Stress

FRANKLIN MOUNTAIN ENERGY



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

tabbies

EXHIBIT C.2

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

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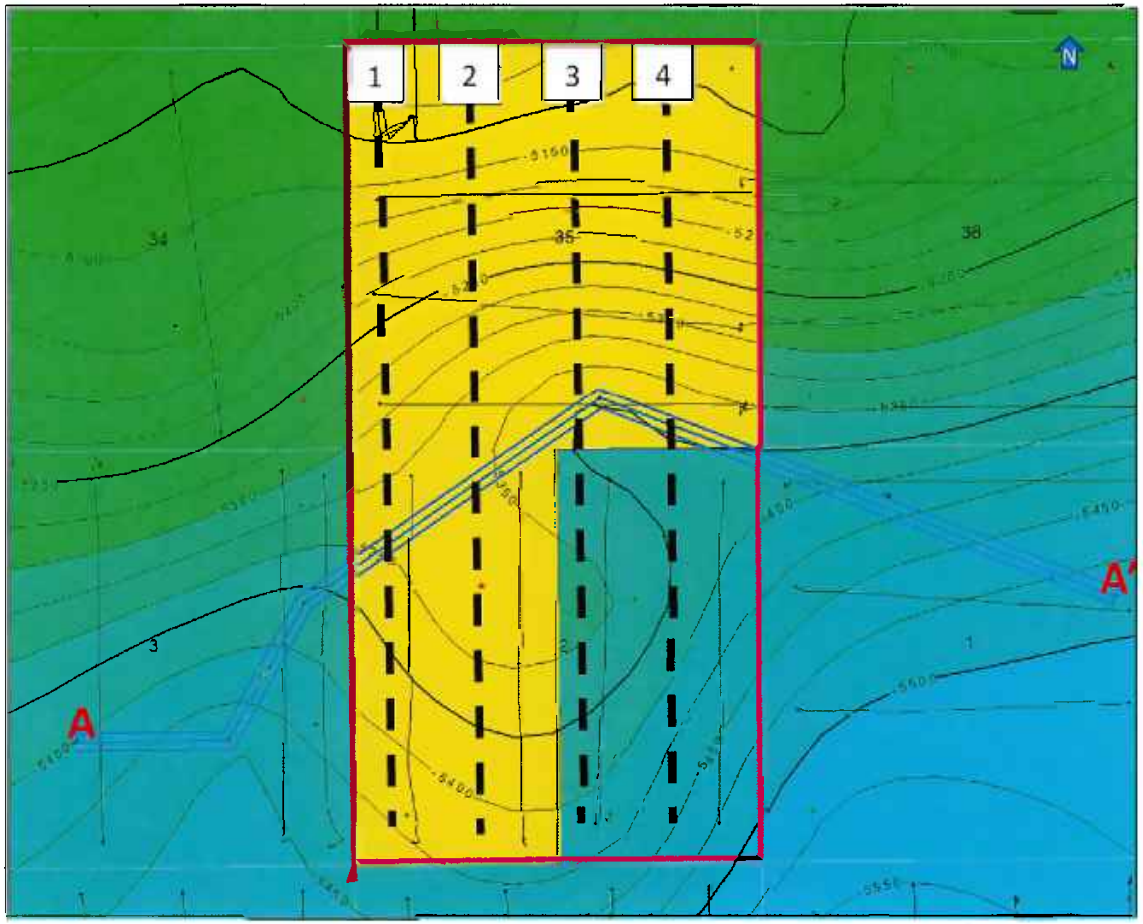
First Bone Spring Sand Structure

FRANKLIN MOUNTAIN ENERGY

- First Bone Spring structure dips gently to the south



Parallel Development- Bone Spring

1 Parallel State Com 301H

2 Parallel State Com 302H

3 Parallel State Com 303H

4 Parallel State Com 304H

tabbies
EXHIBIT
C.3.a

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First Bone Spring Cross Section

FRANKLIN MOUNTAIN ENERGY

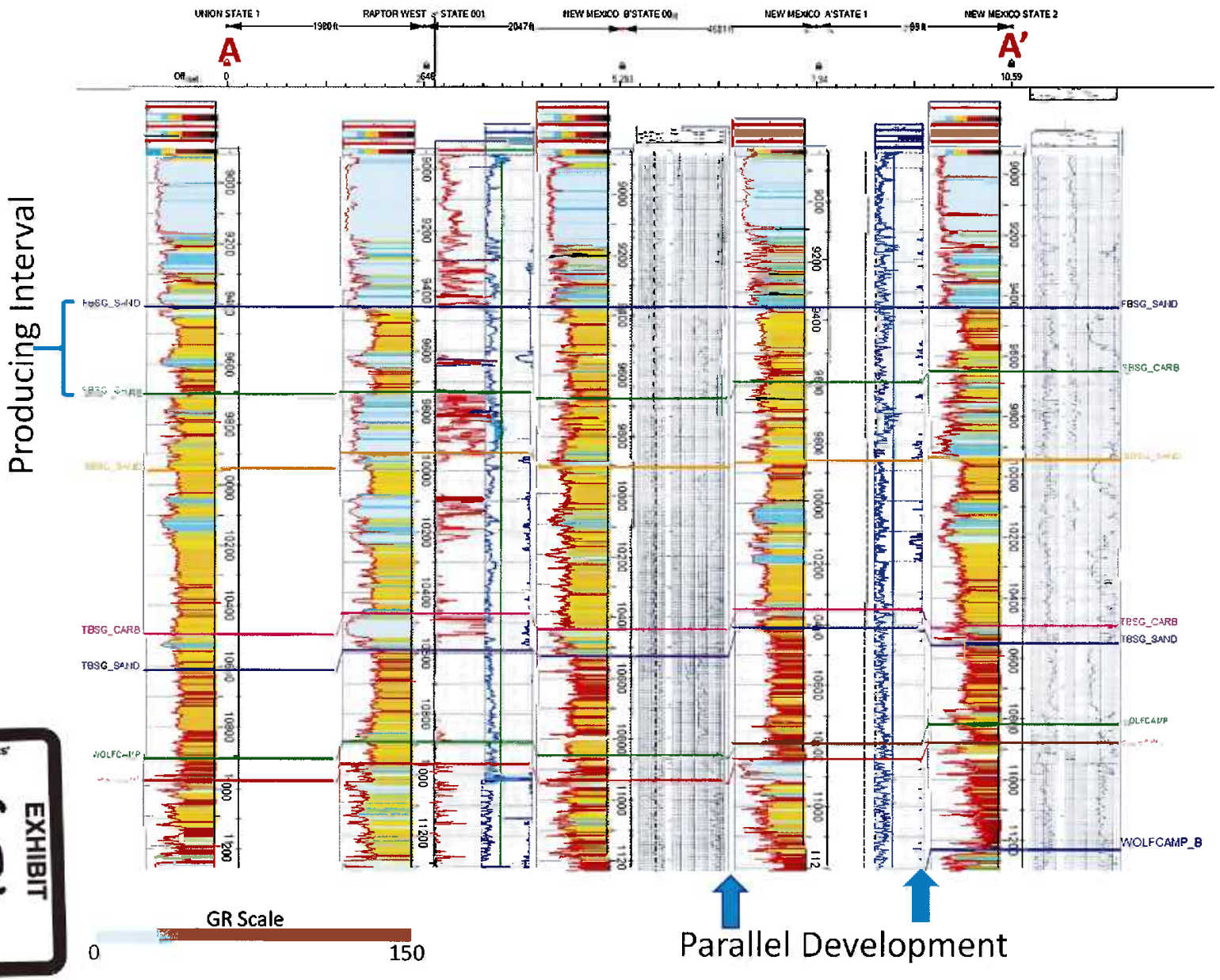

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EXHIBIT 9.3.b

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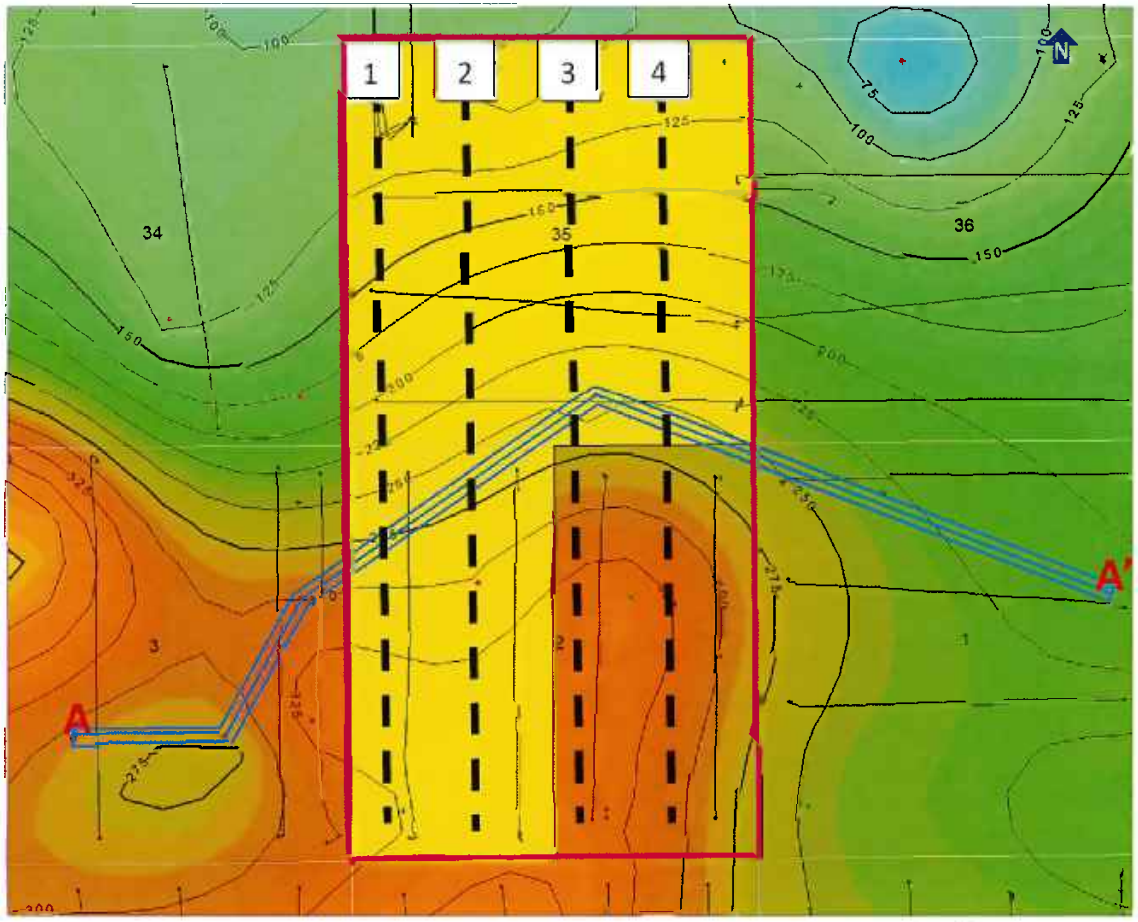
First Bone Spring Sand Isochore

FRANKLIN MOUNTAIN ENERGY

- Gross reservoir thickens slightly to the south



Parallel Development-Bone Spring

1 Parallel State Com 301H

2 Parallel State Com 302H

3 Parallel State Com 303H

4 Parallel State Com 304H

tabbies

EXHIBIT C-3-C

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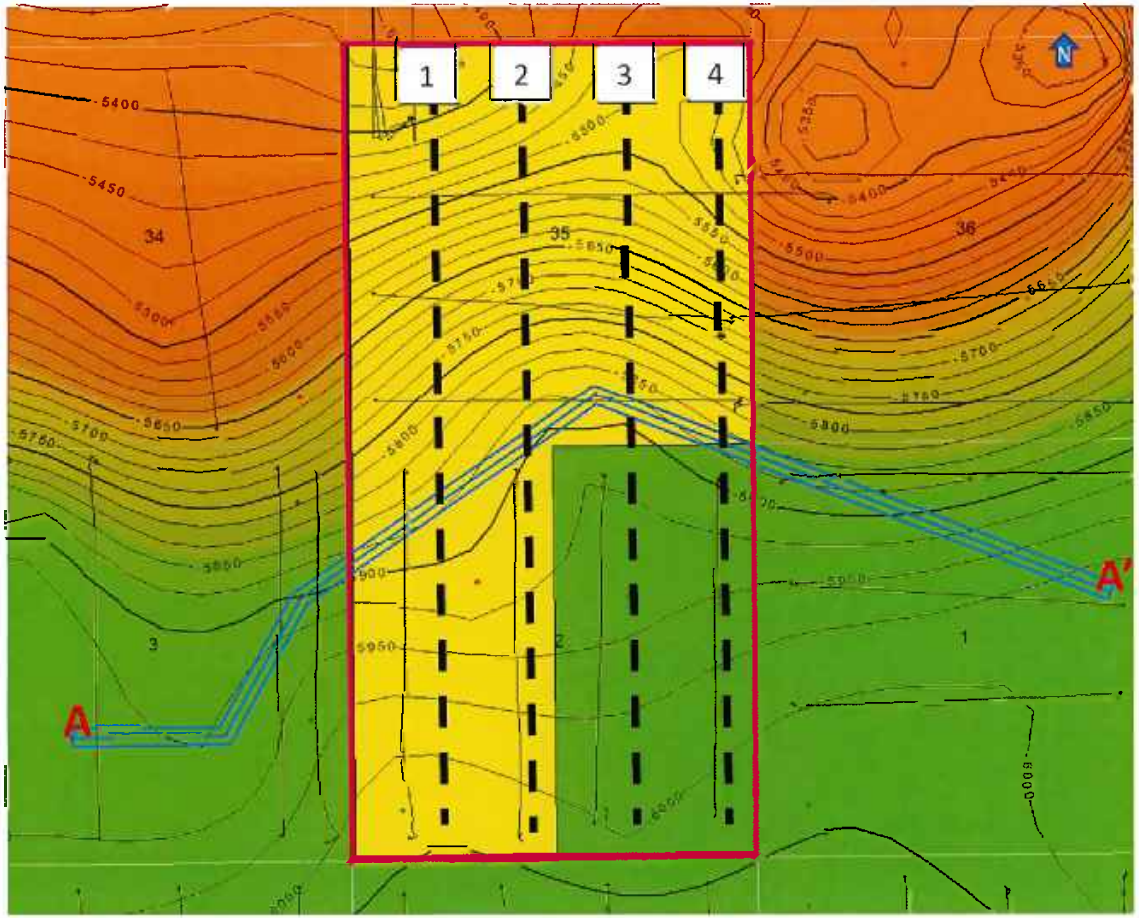
Second Bone Spring Sand Structure

FRANKLIN MOUNTAIN ENERGY

- Structure dips gently to the south



Parallel Development-Bone Spring

1 Parallel State Com 501H

2 Parallel State Com 502H

3 Parallel State Com 503H

4 Parallel State Com 504H

tabbies
EXHIBIT
3.2. p.4

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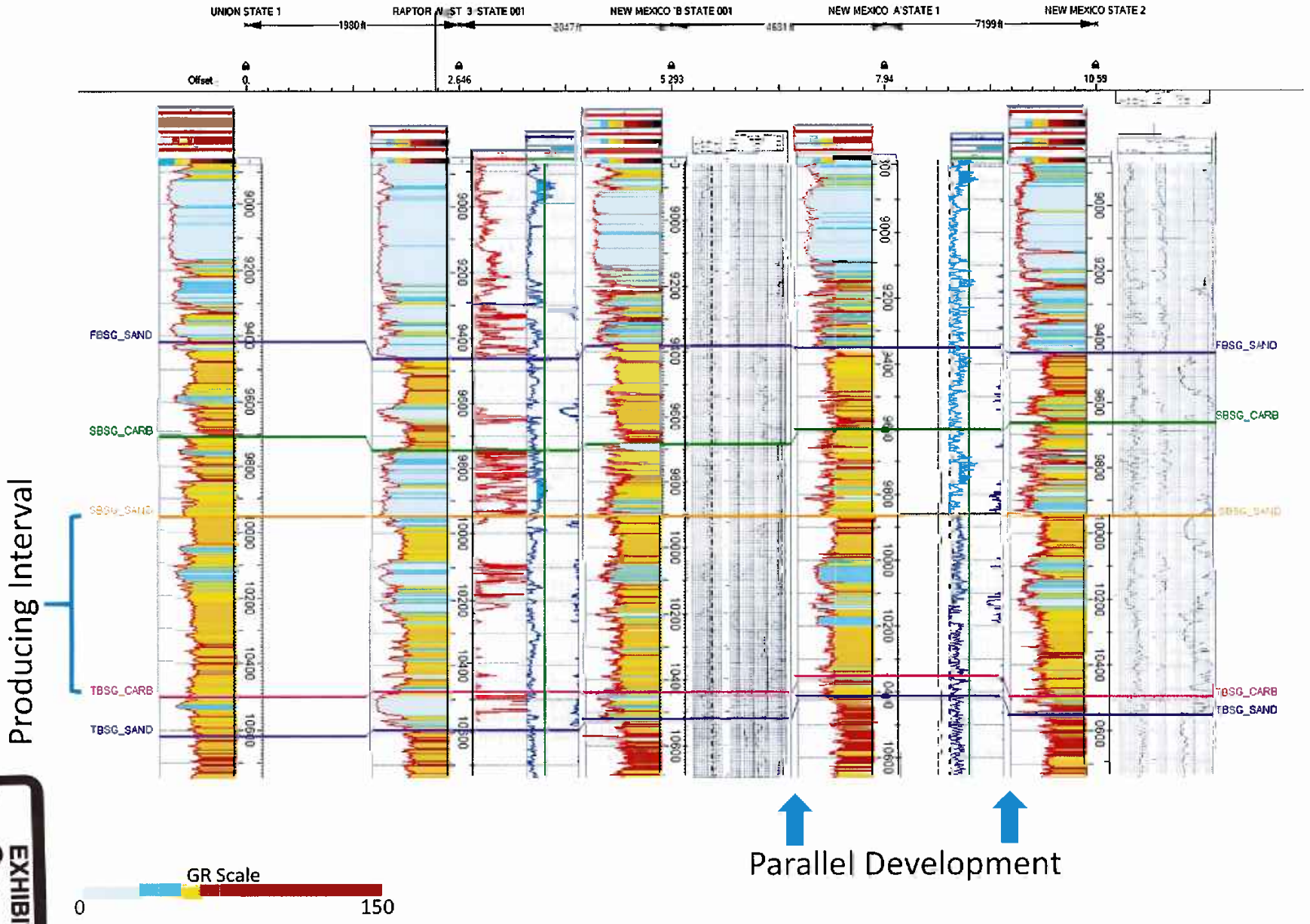
Second Bone Spring Cross Section

FRANKLIN MOUNTAIN ENERGY



tabbies EXHIBIT C-3e

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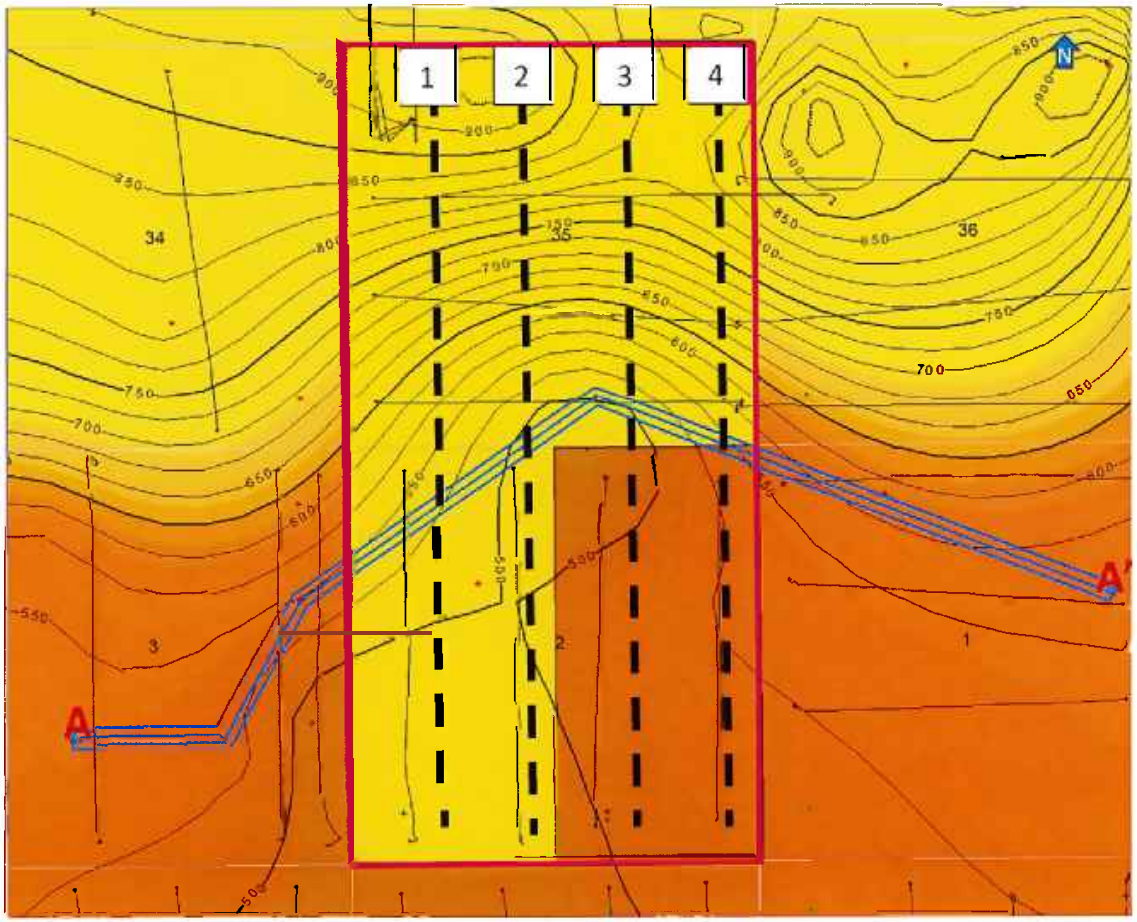
Second Bone Spring Sand Isochore

FRANKLIN MOUNTAIN ENERGY

- Gross reservoir thickens to the north



Parallel Development-Bone Spring

1 Parallel State Com 501H

2 Parallel State Com 502H

3 Parallel State Com 503H

4 Parallel State Com 504H

tabbies
EXHIBIT
C-3f

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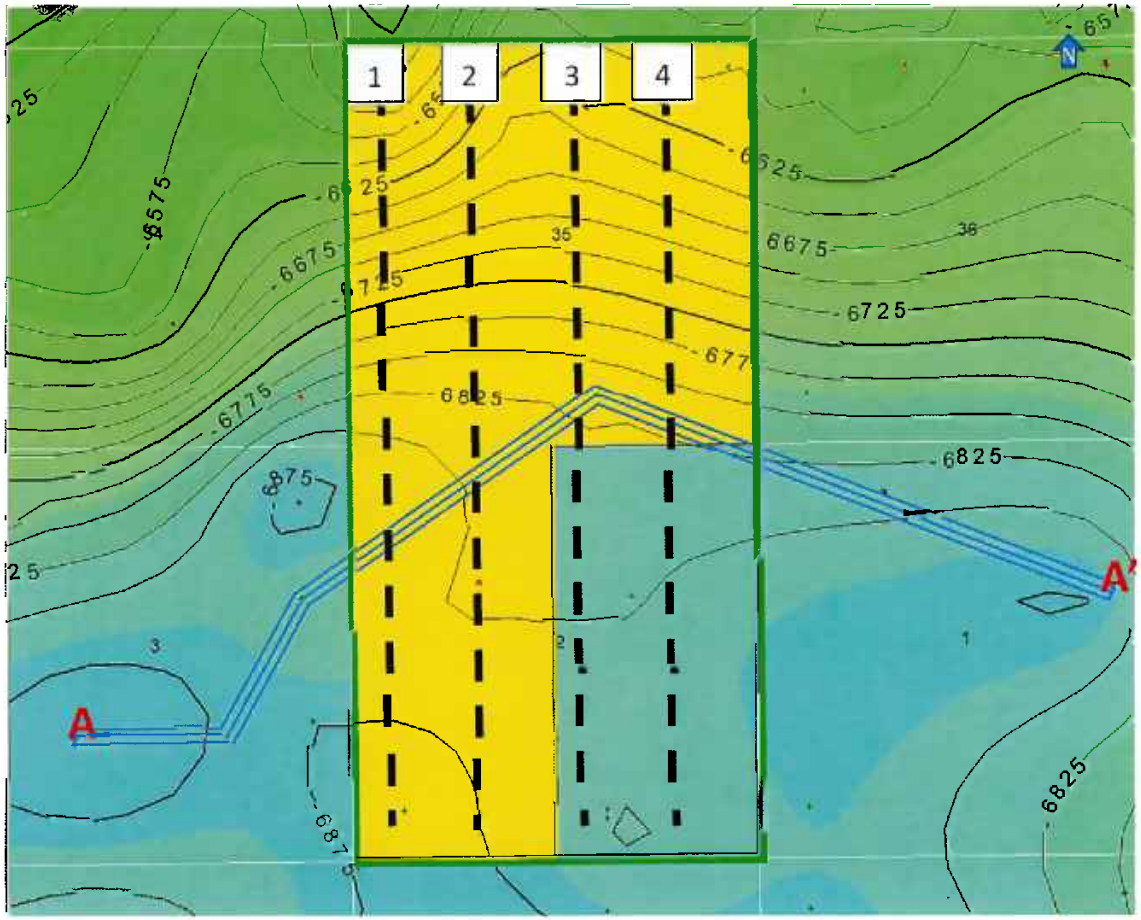
Wolfcamp A Structure

FRANKLIN MOUNTAIN ENERGY

- Wolfcamp dips gently to the southeast



Parallel Development-Wolfcamp

1 Parallel State Com 701H

2 Parallel State Com 702H

3 Parallel State Com 703H

4 Parallel State Com 704H

tabbies
EXHIBIT
C-4-a

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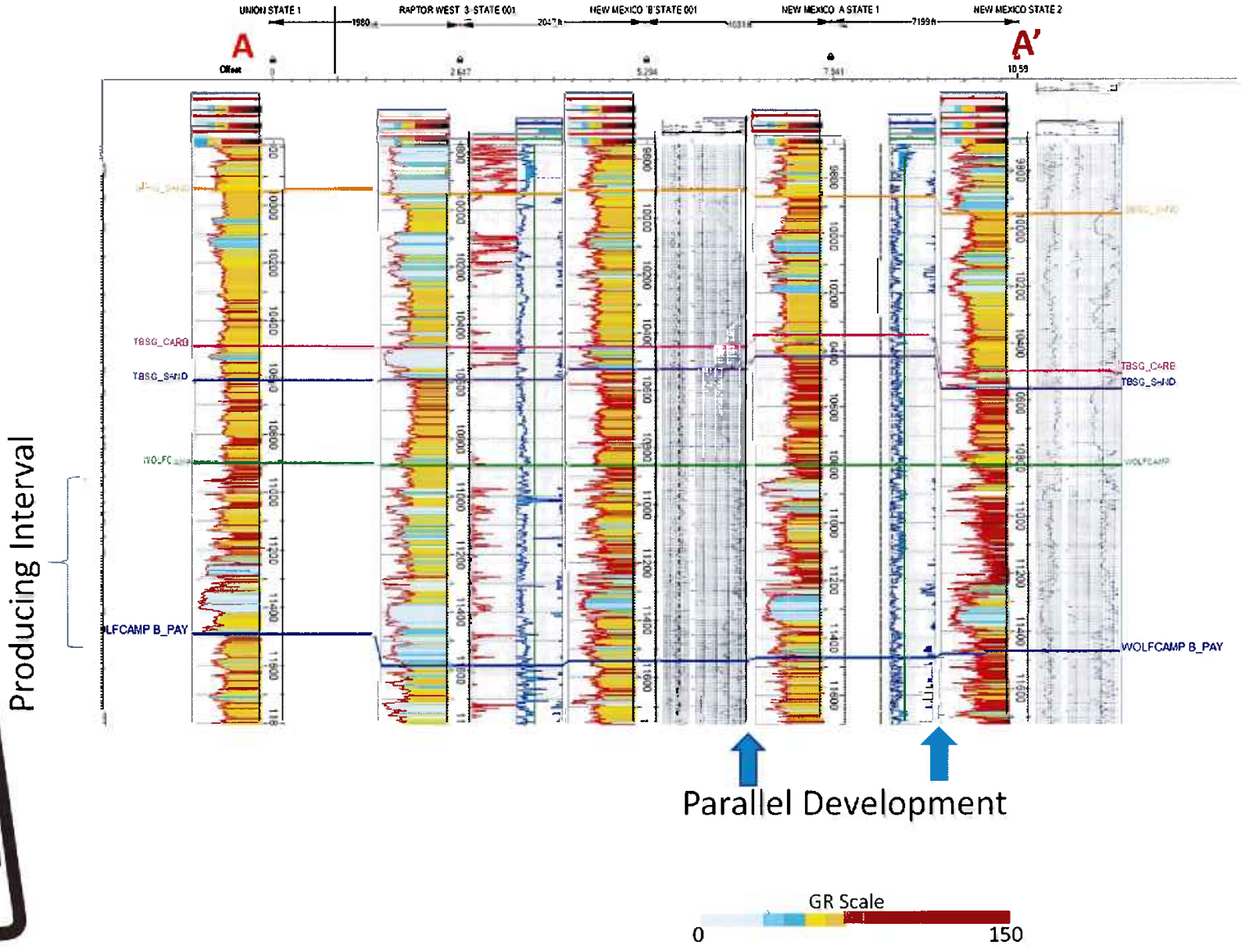
Received by OCD: 6/19/2024 4:31:18 PM

Wolfcamp A Cross Section

FRANKLIN MOUNTAIN ENERGY



Page 207 of 304

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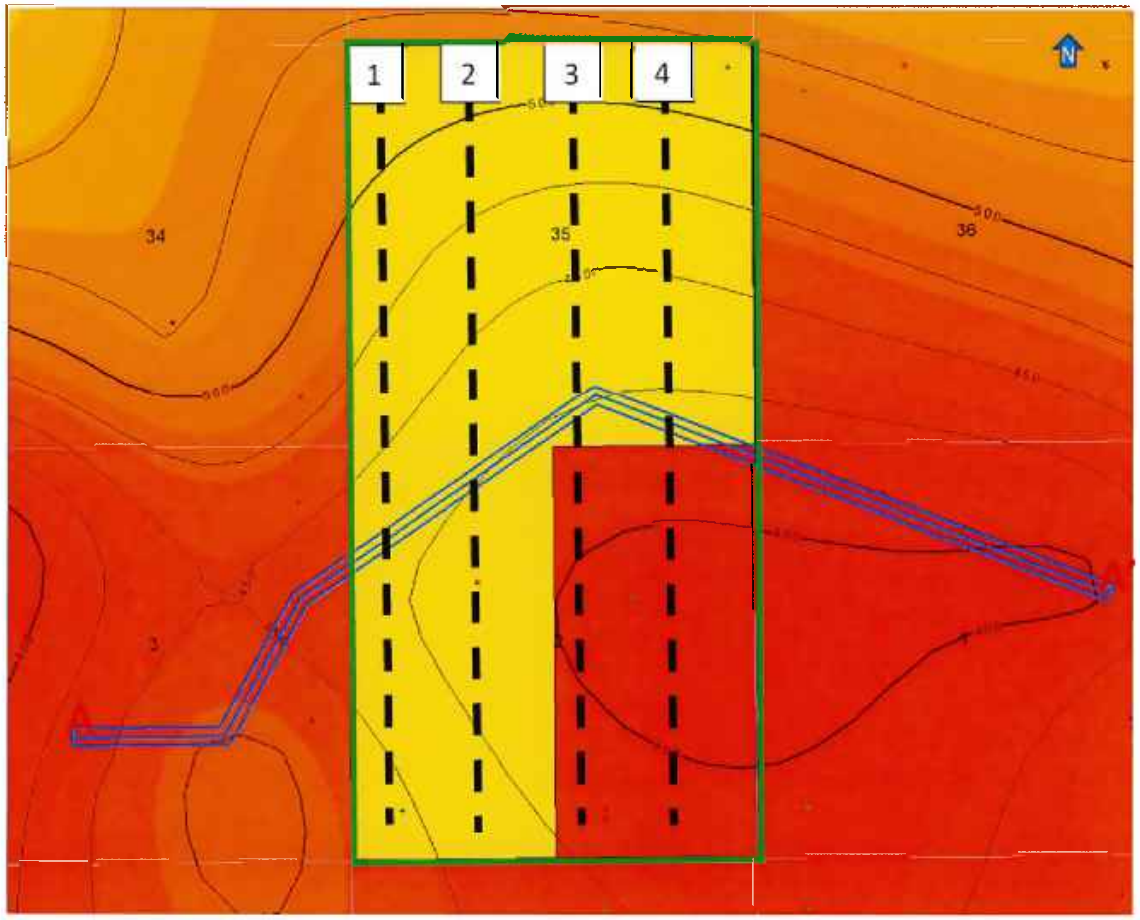
Wolfcamp A Isochore

FRANKLIN MOUNTAIN ENERGY

- Wolfcamp thins slightly to the south



Parallel Development-Wolfcamp

1 Parallel State Com 701H

2 Parallel State Com 702H

3 Parallel State Com 703H

4 Parallel State Com 704H

tabbies

EXHIBIT C.4.c

Page 208 of 304

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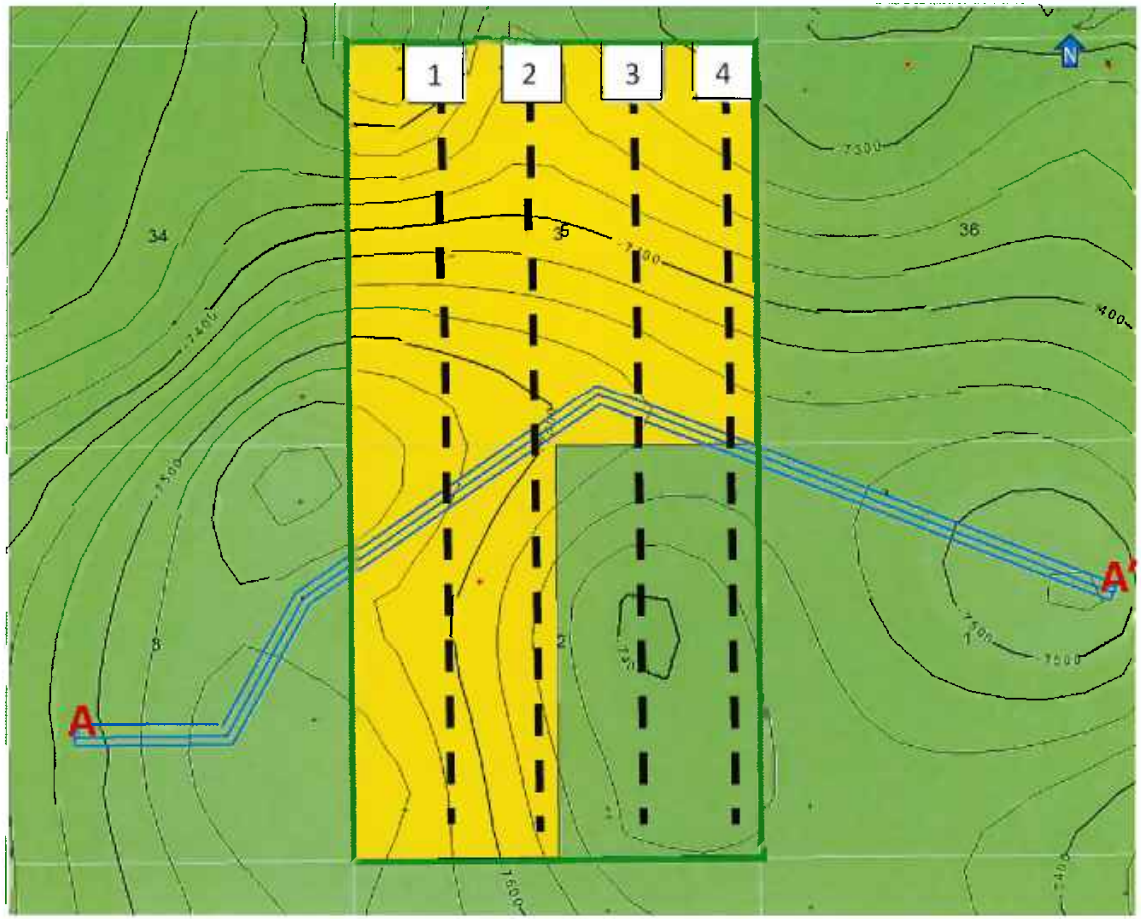
Wolfcamp B Structure

FRANKLIN MOUNTAIN ENERGY

- Wolfcamp B dips slightly to the southeast



Parallel Development-Wolfcamp

1 Parallel State Com 801H

2 Parallel State Com 802H

3 Parallel State Com 803H

4 Parallel State Com 804H

tabbies

EXHIBIT C.4.d

Page 209 of 304

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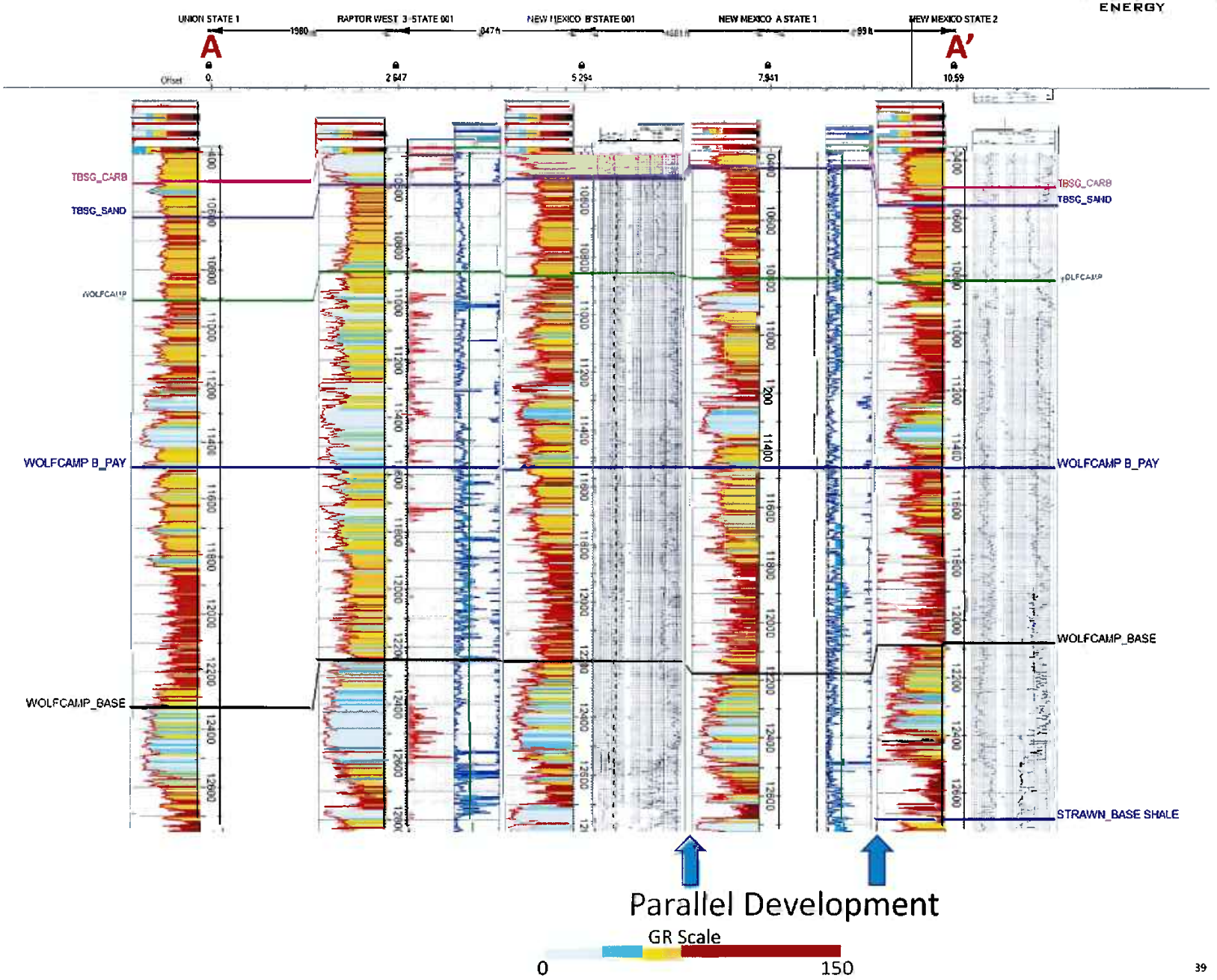
Wolfcamp B Cross Section

FRANKLIN MOUNTAIN ENERGY



tabbies
EXHIBIT
C-4-c

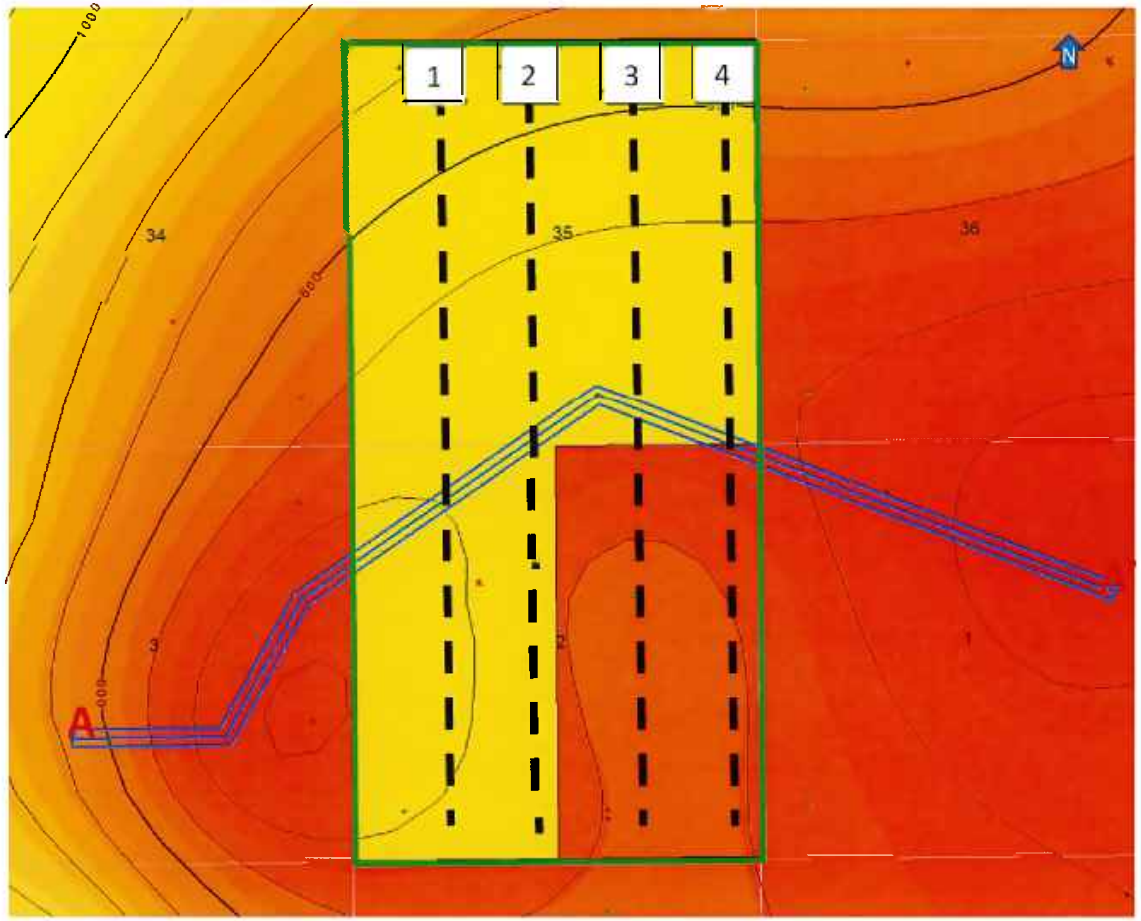
Released to Imaging: 6/21/2024 11:16:22 AM

Received by OCD: 6/19/2024 4:31:18 PM

Wolfcamp B Isochore

FRANKLIN MOUNTAIN ENERGY

- Wolfcamp B thickens to the northwest



Parallel Development-Wolfcamp

1 Parallel State Com 801H

2 Parallel State Com 802H

3 Parallel State Com 803H

4 Parallel State Com 804H

tabbies
EXHIBIT
C.4f

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

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

Case Nos. 24348, 24350-24355, 24362

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:

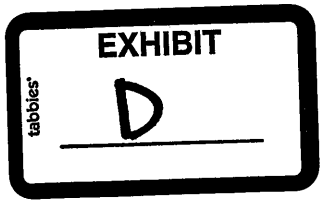
1) The above-referenced Applications were provided under notice letters, dated May 31, 2024, and an additional notice letter to TH McElvain and MRC Permian Company, dated June 6, 2024 and attached hereto, as Exhibit D.1.

2) Exhibit D.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on May 31, 2024, and the additional notice letters were delivered to the USPS for mailing June 6, 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 9, 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, 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 18, 2024

Deana M. Bennett

MODRALL SPERLING

LAWYERS

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. 24348
(FORMERLY 23850)

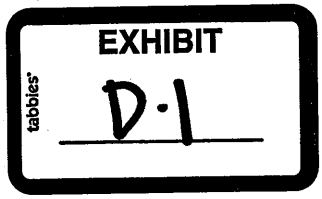
APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24351
(FORMERLY 23851)

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. 23850 and 23851. 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. 24348, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 704H and Parallel State Com 804H wells**, to be horizontally drilled. The Parallel State Com 704H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2, and the Parallel



Modrall Sperling
Roehl Harris & Sisk P.A.

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New Mexico 87102

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Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

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

In Case No. 24351, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 304H and Parallel State Com 504H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

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

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

Sincerely,

Deana M. Bennett

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. 24348

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.81-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. 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 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 to form a standard 323.81 acre, more or less, Wolfcamp horizontal spacing unit.

[1] This application amends the application in Case 23850.

3. Franklin plans to drill the **Parallel State Com 704H and Parallel State Com 804H wells** to a depth sufficient to test the Wolfcamp formation. The Parallel State Com 704H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2. The producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23850 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. 23850, ¶ 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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 704 and 804H wells.

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. 23850 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 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;

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

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Attorneys for Applicant
edebrine@modrall.com
deana.bennett@modrall.com

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CASE NO. 24348: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 704H and Parallel State Com 804H wells**, to be horizontally drilled. The Parallel State Com 704H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 704 and 804H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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. 24351

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the 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 to form a standard 323.81 acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application in Case 23851.

3. Franklin plans to drill the **Parallel State Com 304H and Parallel State Com 504H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23851 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.

5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388).

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. 23851 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 a 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/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;

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

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

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

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

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

Respectfully submitted,

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

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

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Attorneys for Franklin Mountain Energy 3, LLC

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CASE NO. 24351: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 304H and Parallel State Com 504H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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MODRALL SPERLING

LAWYERS

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. 24352
(*FORMERLY 23845*)

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. 24353
(*FORMERLY 23846*)

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. 24354
(*FORMERLY 23848*)

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. 24355
(*FORMERLY 23847*)

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. 23845, 23846, 23847, and 23848. 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.

Modrall Sperling
Roehl Harris & Sisk P.A.

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In Case No. 24352, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 702H and Parallel State Com 802H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Wolfcamp spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 702 and 802H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

In Case No. 24353, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 701H and Parallel State Com 801H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

In Case No. 24354, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H wells**, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

In Case No. 24355, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23,

the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

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

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

Sincerely,

Deana M. Bennett

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. 24352

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 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. 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/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 to form a standard 324.02-acre, more or less, Wolfcamp horizontal spacing unit.

[1] This application amends the application filed in Case No. 23845.

3. Franklin plans to drill the **Parallel State Com 702H and Parallel State Com 802H wells** to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23845 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. 23845, ¶ 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 280-acre more or less Wolfcamp spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 702 and 802H wells.

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. 23845 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/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;

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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CASE NO. 24352: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 702H and Parallel State Com 802H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Wolfcamp spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 702 and 802H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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. 24353

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Wolfcamp horizontal spacing unit.

[1] This application amends the application filed in Case No. 23846.

3. Franklin plans to drill the **Parallel State Com 701H and Parallel State Com 801H wells** to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23846 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. 23846, ¶ 4.

5. On December 1, 2023, the Division issued Order R-22970, which pooled uncommitted interests in a Wolfcamp spacing unit comprised of the W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East, Lea County, NM.

6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) wells.

7. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap the Gold State Com Wolfcamp spacing unit described above.

8. 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.

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9. 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.

10. Case No. 23846 is currently set for contested hearing on April 9, 2024.

11. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

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

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

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

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

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

Respectfully submitted,

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

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By: */s/ Deana M. Bennett*

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CASE NO. 24353 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 701H and Parallel State Com 801H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24354

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23848.

3. Franklin plans to drill the **Parallel State Com 301H and Parallel State Com 501H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 2; and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23848 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. 23848, ¶ 4.

5. On December 1, 2023, the Division issued Order R-22971, which pooled uncommitted interests in a Bone Spring spacing unit comprised of the W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East, Lea County, NM.

6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells.

7. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap the Gold State Com Bone Spring spacing unit described above.

8. Franklin's proposed spacing unit in this case will also partially overlap existing Bone Spring spacing units as follows:

   a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549).

9. 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.

10. 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.

11. Case No. 23848 is currently set for contested hearing on April 9, 2024.

12. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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 W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

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

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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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CASE NO. 24354 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H wells**, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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STATE OF NEW MEXICO
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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. 24355

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 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. 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/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 to form a standard 324.02-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23847.

3. Franklin plans to drill the **Parallel State Com 302H and Parallel State Com 502H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23847 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. 23847, ¶ 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 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 502 and 602H wells.

6. Franklin's proposed spacing unit in this case will partially overlap existing Bone Spring spacing units as follows:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405).

7. 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.

8. 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.

9. Case No. 23847 is currently set for contested hearing on April 9, 2024.

10. 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/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;

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

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

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

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

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

Respectfully submitted,

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

By: */s/ Deana M. Bennett*

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Attorneys for Applicant

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CASE NO. 24355: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Bone Sprnig horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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MODRALL SPERLING

LAWYERS

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. 24350
(*FORMERLY 23849*)

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. 24362
(*FORMERLY 23852*)

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. 23849 and 23852. 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. 24350, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 303H and Parallel State Com 503H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing spacing

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units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

In Case No. 24362, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 703H and Parallel State Com 803H wells**, to be horizontally drilled and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico dedicated to Franklin's proposed Gold State Com 703H and Gold State Com 803H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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, 1st Floor, Santa Fe, NM

87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/.

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

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

Sincerely,

Deana M. Bennett

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. 24350

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2E/2 of Section 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 to form a standard 323.91-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23849.

3. Franklin plans to drill the **Parallel State Com 303H and Parallel State Com 503H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23849 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.

5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060).

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. 23849 is currently set for contested hearing on April 9, 2024.

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

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 Franklin Mountain Energy 3, LLC

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CASE NO. 24350 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 303H and Parallel State Com 503H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24362

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.91-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. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2E/2 of Section 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 to form a standard 323.91-acre, more or less, Wolfcamp horizontal spacing unit.

[1] This application amends the application filed in Case No. 23852.

3. Franklin plans to drill the **Parallel State Com 703H and Parallel State Com 803H wells** to a depth sufficient to test the Wolfcamp formation and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2.

4. Franklin filed Case No. 23852 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. 23852, ¶ 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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico dedicated to Franklin's proposed Gold State Com 703H and Gold State Com 803H wells.

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. 23852 is currently set for contested hearing on April 9, 2024.

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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 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;

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
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deana.bennett@modrall.com

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CASE NO. 24362 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 703H and Parallel State Com 803H wells**, to be horizontally drilled and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico dedicated to Franklin's proposed Gold State Com 703H and Gold State Com 803H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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MODRALL SPERLING

LAWYERS

June 6, 2024

VIA CERTIFIED MAIL

Deana M. Bennett
Tel: 505.848.1834
Fax: 505.848.9710
deana.bennett@modrall.com

Re: Franklin Mountain Energy 3, LLC Applications in Case Nos. 24350, 24351, 24354, and 24355

To Whom It May Concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division ("Division") and are set for hearing on June 26, 2024. The enclosed applications provide notice of certain overlapping spacing units, but the enclosed applications inadvertently did not identify that the units proposed in the enclosed applications will also overlap a 200-acre more or less spacing unit dedicated to FME Tin Cup 36 State Com 2H well (30-025-40422).

I recently sent you a notice letter for the above captioned cases and I am writing to provide the information about the spacing unit that was inadvertently left out of the applications.

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

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

Please let me know if you have any questions or if I can provide further information.

Sincerely,

Deana M. Bennett

Deana M. Bennett

Modrall Sperling
Roehl Harris & Sisk P.A.

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

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

CASE NO. 24350

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2E/2 of Section 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 to form a standard 323.91-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23849.

3. Franklin plans to drill the **Parallel State Com 303H and Parallel State Com 503H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23849 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.

5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060).

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. 23849 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 a 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 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;

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.

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CASE NO. 24350 **: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico**. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 303H and Parallel State Com 503H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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. 24351

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the 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 to form a standard 323.81 acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application in Case 23851.

3. Franklin plans to drill the **Parallel State Com 304H and Parallel State Com 504H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23851 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.

5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388).

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. 23851 is currently set for contested hearing on April 9, 2024.

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

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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CASE NO. 24351: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 304H and Parallel State Com 504H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24354

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.

2. Franklin seeks to dedicate the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23848.

3. Franklin plans to drill the **Parallel State Com 301H and Parallel State Com 501H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 2; and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23848 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. 23848, ¶ 4.

5. On December 1, 2023, the Division issued Order R-22971, which pooled uncommitted interests in a Bone Spring spacing unit comprised of the W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East, Lea County, NM.

6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells.

7. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap the Gold State Com Bone Spring spacing unit described above.

8. Franklin's proposed spacing unit in this case will also partially overlap existing Bone Spring spacing units as follows:

   a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549).

9. 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.

10. 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.

11. Case No. 23848 is currently set for contested hearing on April 9, 2024.

12. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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 W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

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

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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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CASE NO. 24354 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H wells**, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24355

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application[1] 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 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. 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/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 to form a standard 324.02-acre, more or less, Bone Spring horizontal spacing unit.

[1] This application amends the application filed in Case No. 23847.

3. Franklin plans to drill the **Parallel State Com 302H and Parallel State Com 502H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.

4. Franklin filed Case No. 23847 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. 23847, ¶ 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 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 502 and 602H wells.

6. Franklin's proposed spacing unit in this case will partially overlap existing Bone Spring spacing units as follows:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

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c. A 164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405).

7. 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.

8. 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.

9. Case No. 23847 is currently set for contested hearing on April 9, 2024.

10. 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/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;

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

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

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

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

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

Respectfully submitted,

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

By: */s/ Deana M. Bennett*

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CASE NO. 24355: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Bone Sprnig horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

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Firm Mailing Book ID: 266935

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7764 06	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
2	9314 8699 0430 0121 7764 13	COG Operating, LLC Operating, LLC 600 West Illinois Ave Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
3	9314 8699 0430 0121 7764 20	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
4	9314 8699 0430 0121 7764 37	Crump Family Partnership, Ltd. PO Box 50820 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
5	9314 8699 0430 0121 7764 44	Warren Ventures, Ltd. 808 West Wall Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
6	9314 8699 0430 0121 7764 51	Tarpon Industries Corp. PO Box 52002 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
7	9314 8699 0430 0121 7764 68	Charles D. Ray PO Box 51608 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
8	9314 8699 0430 0121 7764 75	Buckhorn Energy, LLC 505 N. Big Spring Street Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
9	9314 8699 0430 0121 7764 82	Sharktooth Resources, Ltd. 300 N. Marienfeld, Suite 700 Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
10	9314 8699 0430 0121 7764 99	Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
11	9314 8699 0430 0121 7765 05	LHAH Properties, LLC 250 Jungle Road Palm Beach FL 33480	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
12	9314 8699 0430 0121 7765 12	H6 Holdings, LLC 16275 NE 85th Street, Suite A Redmond WA 98052	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
13	9314 8699 0430 0121 7765 29	TBO Oil & Gas, LLC PO Box 10502 Midland TX 79702	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
	9314 8699 0430 0121 7765 36	Mavros Oil Company, LLC PO Box 50820 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
	9314 8699 0430 0121 7765 43	TSF WI LP PO Box 222 Midland TX 79702	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice

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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: 266935

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0121 7765 50	Hanley Petroleum, LLC 1999 Bryan Street, Suite 900 Dallas TX 75201	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
17	9314 8699 0430 0121 7765 67	Marathon Oil Permian LLC 990 Town & Country Blvd Houston TX 77024	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
18	9314 8699 0430 0121 7765 74	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
19	9314 8699 0430 0121 7765 81	Nestegg Energy Corporation 2308 SIERRA VISTA ROAD ARTESIA NM 88210	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
20	9314 8699 0430 0121 7765 98	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
21	9314 8699 0430 0121 7766 04	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
22	9314 8699 0430 0121 7766 11	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
23	9314 8699 0430 0121 7766 28	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
24	9314 8699 0430 0121 7766 35	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
25	9314 8699 0430 0121 7766 42	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
26	9314 8699 0430 0121 7766 59	LMC Energy, LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
27	9314 8699 0430 0121 7766 66	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
28	9314 8699 0430 0121 7766 73	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
29	9314 8699 0430 0121 7766 80	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
30	9314 8699 0430 0121 7766 97	Mike Moylett PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice

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Type of Mailing: CERTIFIED MAIL
05/31/2024

Firm Mailing Book ID: 266935

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0121 7767 03	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
32	9314 8699 0430 0121 7767 10	Deane Durham PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
33	9314 8699 0430 0121 7767 27	State of New Mexico Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
34	9314 8699 0430 0121 7767 34	MRC Permian Company Matador · 5400 LBJ Freeway Ste 1500 Dallas TX 75240	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
35	9314 8699 0430 0121 7767 41	EG3 Development, LLC PO Box 1567 Graham TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
36	9314 8699 0430 0121 7767 58	Allar Development, LLC PO Box 1567 Graham TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
37	9314 8699 0430 0121 7767 65	Slash Exploration LP 500 North Main Street, Suite 200 Roswell NM 88201	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
38	9314 8699 0430 0121 7767 72	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
39	9314 8699 0430 0121 7767 89	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
40	9314 8699 0430 0121 7767 96	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
41	9314 8699 0430 0121 7768 02	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
42	9314 8699 0430 0121 7768 19	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
43	9314 8699 0430 0121 7768 26	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
44	9314 8699 0430 0121 7768 33	The Allar Company PO Box 1567 Graham TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice

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Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
05/31/2024

Firm Mailing Book ID: 266935

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
45	9314 8699 0430 0121 7768 40	EG3, Inc. PO Box 1567 Graham TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
46	9314 8699 0430 0121 7768 57	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
47	9314 8699 0430 0121 7768 64	Armstrong Energy Corporation PO BOX 1973 ROSWELL NM 88202	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
48	9314 8699 0430 0121 7768 71	Blue Ridge Royalties, LLC PO BOX 1973 ROSWELL NM 88202	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
49	9314 8699 0430 0121 7768 88	Chimney Rock Oil & Gas, LLC 500 NORTH MAIN STREET SUITE 1000 ROSWELL NM 88201	$1.87	$4.40	$2.32	$0.00	10154.0009.48,51. Notice
		Totals:	**$91.63**	**$215.60**	**$113.68**	**$0.00**	
					Grand Total:	**$420.91**	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
49			

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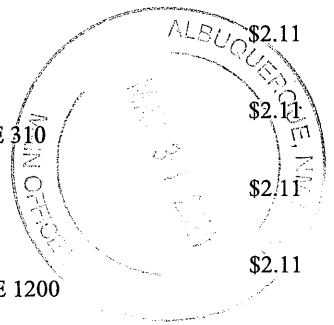
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
05/31/2024

Firm Mailing Book ID: 266961

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7901 29	EG3 Development, LLC PO Box 1567 Graham TX 76450	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
2	9314 8699 0430 0121 7901 36	Allar Development, LLC PO Box 1567 Graham TX 76450	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
3	9314 8699 0430 0121 7901 43	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
4	9314 8699 0430 0121 7901 50	TH McElvain Oil & Gas, LLLP 1819 Denver West Dr, Ste 260 Lakewood CO 80401	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
5	9314 8699 0430 0121 7901 67	COG Operating, LLC 600 West Illinois Ave Midland TX 76450	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
6	9314 8699 0430 0121 7901 74	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 76450	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
7	9314 8699 0430 0121 7901 81	ConocoPhillips Company 600 West Illinois Ave Midland TX 76450	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
8	9314 8699 0430 0121 7901 98	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87508	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
9	9314 8699 0430 0121 7902 04	Good News Minerals, LLC PO BOX 50820 MIDLAND TX 79710	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
10	9314 8699 0430 0121 7902 11	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE SUITE 210 HOUSTON TX 77056	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
11	9314 8699 0430 0121 7902 28	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE SUITE 210 HOUSTON TX 77056	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
12	9314 8699 0430 0121 7902 35	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
13	9314 8699 0430 0121 7902 42	Oak Valley Mineral and Land, LP 4000 NORTH BIG SPRING SUITE 310 MIDLAND TX 79705	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
14	9314 8699 0430 0121 7902 59	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
15	9314 8699 0430 0121 7902 66	Collins & Jones Investments, LLC 508 WEST WALL STREET SUITE 1200 MIDLAND TX 79701	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice



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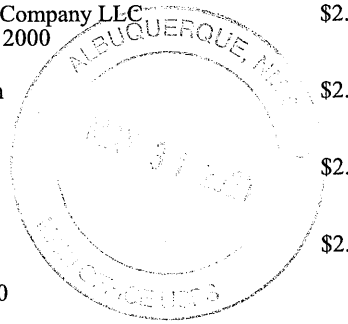
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
05/31/2024

Firm Mailing Book ID: 266961

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0121 7902 73	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
17	9314 8699 0430 0121 7902 80	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
18	9314 8699 0430 0121 7902 97	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
19	9314 8699 0430 0121 7903 03	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
20	9314 8699 0430 0121 7903 10	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
21	9314 8699 0430 0121 7903 27	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
22	9314 8699 0430 0121 7903 34	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
23	9314 8699 0430 0121 7903 41	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
24	9314 8699 0430 0121 7903 58	The Allar Company PO Box 1567 Graham TX 76450	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
25	9314 8699 0430 0121 7903 65	EG3, Inc. PO Box 1567 Graham TX 76450	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
26	9314 8699 0430 0121 7903 72	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
27	9314 8699 0430 0121 7903 89	Nestegg Energy Corporation 2308 Sierra Vista Artesia NM 88210	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
28	9314 8699 0430 0121 7903 96	Brazos, LP PO Box 911 Breckenridge TX 76424	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice
29	9314 8699 0430 0121 7904 02	MRC Permian Company Matador 5400 LBJ Freeway, Ste 1500 Dallas TX Dallas TX 75240	$2.11	$4.40	$2.32	$0.00	10154.0009.52-55. Notice



Page 289 of 304

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500 Fourth Street, Suite 1000
Albuquerque NM 87102

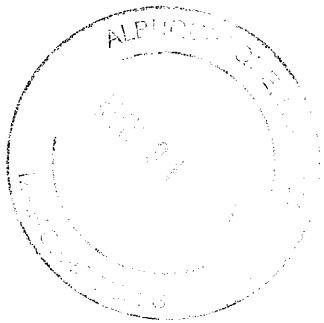
PS Form 3877

Type of Mailing: CERTIFIED MAIL
05/31/2024

Firm Mailing Book ID: 266961

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
		Totals:	$61.19	$127.60	$67.28	$0.00	
				Grand Total:		$256.07	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
29			



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500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
05/31/2024

Firm Mailing Book ID: 266955

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7880 89	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
2	9314 8699 0430 0121 7880 96	Otter Creek, LLC PO Box 1557 Sealy TX 77474	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
3	9314 8699 0430 0121 7881 02	COG Operating, LLC Operating, LLC 600 West Illinois Ave Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
4	9314 8699 0430 0121 7881 19	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
5	9314 8699 0430 0121 7881 26	Crump Family Partnership, Ltd. PO Box 50820 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
6	9314 8699 0430 0121 7881 33	Warren Ventures, Ltd. 808 West Wall Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
7	9314 8699 0430 0121 7881 40	Tarpon Industries Corp. PO Box 52002 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
8	9314 8699 0430 0121 7881 57	Charles D. Ray PO Box 51608 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
9	9314 8699 0430 0121 7881 64	Buckhorn Energy, LLC 407 N. Big Spring Street, Ste 240 Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
10	9314 8699 0430 0121 7881 71	Sharktooth Resources, Ltd. 407 N. Big Spring Street, Ste 240 Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
11	9314 8699 0430 0121 7881 88	Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
12	9314 8699 0430 0121 7881 95	LHAH Properties, LLC 250 Jungle Road Palm Beach FL 33480	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
13	9314 8699 0430 0121 7882 01	H6 Holdings, LLC 16275 NE 85th Street, Suite A Redmond WA 98052	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
14	9314 8699 0430 0121 7882 18	TBO Oil & Gas, LLC PO Box 10502 Midland TX 79702	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
15	9314 8699 0430 0121 7882 25	Mavros Oil Company, LLC PO Box 50820 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice

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Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
05/31/2024

Firm Mailing Book ID: 266955

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0121 7882 32	TSF WI LP PO Box 222 Midland TX 79702	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
17	9314 8699 0430 0121 7882 49	Hanley Petroleum, LLC 415 West Wall, Ste 1500 Midland TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
18	9314 8699 0430 0121 7882 56	Marathon Oil Permian LLC 990 Town & Country Blvd Houston TX 77024	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
19	9314 8699 0430 0121 7882 63	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
20	9314 8699 0430 0121 7882 70	Nestegg Energy Corporation 2308 SIERRA VISTA ROAD ARTESIA NM 88210	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
21	9314 8699 0430 0121 7882 87	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
22	9314 8699 0430 0121 7882 94	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
23	9314 8699 0430 0121 7883 00	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
24	9314 8699 0430 0121 7883 17	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
25	9314 8699 0430 0121 7883 24	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
26	9314 8699 0430 0121 7883 31	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
27	9314 8699 0430 0121 7883 48	LMC Energy, LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
28	9314 8699 0430 0121 7883 55	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
29	9314 8699 0430 0121 7883 62	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
30	9314 8699 0430 0121 7883 79	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice

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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: 266955

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0121 7883 86	Mike Moylett PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
32	9314 8699 0430 0121 7883 93	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
33	9314 8699 0430 0121 7884 09	Deane Durham PO BOX 50820 MIDLAND TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
34	9314 8699 0430 0121 7884 16	State of New Mexico Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
35	9314 8699 0430 0121 7884 23	MRC Permian Company Matador 5400 LBJ Freeway Ste 1500 Dallas TX 75240	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
36	9314 8699 0430 0121 7884 30	EG3 Development, LLC PO Box 1567 Graham TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
37	9314 8699 0430 0121 7884 47	Allar Development, LLC PO Box 1567 Graham TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
38	9314 8699 0430 0121 7884 54	ConocoPhillips Company 600 West Illinois Ave Midland TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
39	9314 8699 0430 0121 7884 61	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
40	9314 8699 0430 0121 7884 78	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
41	9314 8699 0430 0121 7884 85	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
42	9314 8699 0430 0121 7884 92	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
43	9314 8699 0430 0121 7885 08	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
44	9314 8699 0430 0121 7885 15	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice

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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: 266955

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
45	9314 8699 0430 0121 7885 22	The Allar Company PO Box 1567 Graham TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
46	9314 8699 0430 0121 7885 39	EG3, Inc. PO Box 1567 Graham TX 76450	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
47	9314 8699 0430 0121 7885 46	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
48	9314 8699 0430 0121 7885 53	Brazos, LP PO Box 911 Breckenridge TX 76424	$1.87	$4.40	$2.32	$0.00	10154.0009.50,62. Notice
		Totals:	**$89.76**	**$211.20**	**$111.36**	**$0.00**	
					Grand Total:	**$412.32**	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
48			

Page 294 of 304

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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
06/06/2024

Firm Mailing Book ID: 267250

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0122 0471 85	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401	$1.87	$4.40	$2.32	$0.00	10154.0009. Notice
2	9314 8699 0430 0122 0471 92	MRC Permian Company Matador 5400 LBJ Freeway Ste 1500 Dallas TX 75240	$1.87	$4.40	$2.32	$0.00	10154.0009. Notice
		Totals:	**$3.74**	**$8.80**	**$4.64**	**$0.00**	
					Grand Total:	**$17.18**	

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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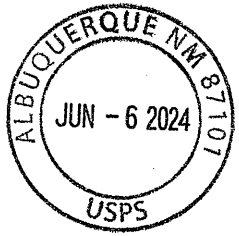

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Transaction Report Details - CertifiedPro.net
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Generated: 6/18/2024 2:23:51 PM

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9314869904300121776888	2024-05-31 10:42 AM	10154.0009.48,51.	Chimney Rock Oil & Gas, LLC		ROSWELL	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:18 PM
9314869904300121776871	2024-05-31 10:42 AM	10154.0009.48,51.	Blue Ridge Royalties, LLC		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 10:05 AM
9314869904300121776864	2024-05-31 10:42 AM	10154.0009.48,51.	Armstrong Energy Corporation		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 10:05 AM
9314869904300121776857	2024-05-31 10:42 AM	10154.0009.48,51.	GMT New Mexico Royalty Company LLC		DENVER	CO	80202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300121776840	2024-05-31 10:42 AM	10154.0009.48,51.	EG3, Inc.		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
9314869904300121776833	2024-05-31 10:42 AM	10154.0009.48,51.	The Allar Company		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
9314869904300121776826	2024-05-31 10:42 AM	10154.0009.48,51.	CrownRock Minerals, L.P.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 11:55 AM
9314869904300121776819	2024-05-31 10:42 AM	10154.0009.48,51.	John Lawrence Thoma, Trustee of the	Cornerstone Family Trust	PEYTON	CO	80813	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 6:50 PM
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9314869904300121776796	2024-05-31 10:42 AM	10154.0009.48,51.	Sitka Consulting, LLC		SPRING	TX	77386	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300121776789	2024-05-31 10:42 AM	10154.0009.48,51.	SHG Energy, LLC		MIDLAND	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 2:55 PM
9314869904300121776772	2024-05-31 10:42 AM	10154.0009.48,51.	MCT Energy Ltd.		FORT WORTH	TX	76107	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 11:30 AM
9314869904300121776765	2024-05-31 10:42 AM	10154.0009.48,51.	Slash Exploration LP		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:22 PM
9314869904300121776758	2024-05-31 10:42 AM	10154.0009.48,51.	Allar Development, LLC		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
9314869904300121776741	2024-05-31 10:42 AM	10154.0009.48,51.	EG3 Development, LLC		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
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9314869904300121776727	2024-05-31 10:42 AM	10154.0009.48,51.	State of New Mexico	Commissioner of Public Lands	SANTA FE	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-12 7:43 AM
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9314869904300121776703	2024-05-31 10:42 AM	10154.0009.48,51.	Kaleb Smith		MIDLAND	TX	79710	Undelivered	Return Receipt - Electronic, Certified Mail	
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9314869904300121776659	2024-05-31 10:42 AM	10154.0009.48,51.	LMC Energy, LLC		MIDLAND	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
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9314869904300121776543	2024-05-31 10:42 AM	10154.0009.48,51.	TSF WI LP		Midland	TX	79702	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300121776536	2024-05-31 10:42 AM	10154.0009.48,51.	Mavros Oil Company, LLC		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
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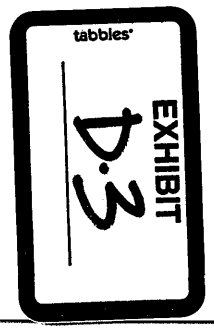

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Transaction Report Details - CertifiedPro.net
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9314869904300121790266	2024-05-31 1:40 PM	10154.0009.52-55.	Collins & Jones Investments, LLC		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 4:03 PM
9314869904300121790259	2024-05-31 1:40 PM	10154.0009.52-55.	Crown Oil Partners, LP		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121790242	2024-05-31 1:40 PM	10154.0009.52-55.	Oak Valley Mineral and Land, LP		MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300121790235	2024-05-31 1:40 PM	10154.0009.52-55.	Sortida Resources, LLC		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
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9314869904300121790198	2024-05-31 1:40 PM	10154.0009.52-55.	State of New Mexico		Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 1:00 PM
9314869904300121790181	2024-05-31 1:40 PM	10154.0009.52-55.	ConocoPhillips Company		Midland	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 7:49 AM
9314869904300121790174	2024-05-31 1:40 PM	10154.0009.52-55.	Concho Oil & Gas, LLC Oil & Gas, LLC		Midland	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 7:50 AM
9314869904300121790167	2024-05-31 1:40 PM	10154.0009.52-55.	COG Operating, LLC		Midland	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 7:49 AM
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9314869904300121790143	2024-05-31 1:40 PM	10154.0009.52-55.	Marathon Oil Permian, LLC		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 11:27 AM
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9314869904300121790129	2024-05-31 1:40 PM	10154.0009.52-55.	EG3 Development, LLC		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM

Released to Imaging: 6/21/2024 11:16:22 AM

Received by OCD: 6/19/2024 4:31:18 PM

Transaction Report Details - CertifiedPro.net
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USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300121788553	2024-05-31 1:01 PM	10154.0009.50,62.	Brazos, LP		Breckenridge	TX	76424	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 9:57 AM
9314869904300121788546	2024-05-31 1:01 PM	10154.0009.50,62.	GMT New Mexico Royalty Company LLC		DENVER	CO	80202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300121788539	2024-05-31 1:01 PM	10154.0009.50,62.	EG3, Inc.		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
9314869904300121788522	2024-05-31 1:01 PM	10154.0009.50,62.	The Allar Company		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
9314869904300121788515	2024-05-31 1:01 PM	10154.0009.50,62.	CrownRock Minerals, L.P.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 11:55 AM
9314869904300121788508	2024-05-31 1:01 PM	10154.0009.50,62.	John Lawrence Thoma, Trustee of the	Cornerstone Family Trust	PEYTON	CO	80813	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 6:50 PM
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9314869904300121788485	2024-05-31 1:01 PM	10154.0009.50,62.	Sitka Consulting, LLC		SPRING	TX	77386	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300121788478	2024-05-31 1:01 PM	10154.0009.50,62.	SHG Energy, LLC		MIDLAND	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 2:55 PM
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9314869904300121788454	2024-05-31 1:01 PM	10154.0009.50,62.	ConocoPhillips Company		Midland	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 7:50 AM
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9314869904300121788430	2024-05-31 1:01 PM	10154.0009.50,62.	EG3 Development, LLC		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
9314869904300121788423	2024-05-31 1:01 PM	10154.0009.50,62.	MRC Permian Company	Matador	Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 11:23 AM
9314869904300121788416	2024-05-31 1:01 PM	10154.0009.50,62.	State of New Mexico	Commissioner of Public Lands	SANTA FE	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 10:37 AM
9314869904300121788409	2024-05-31 1:01 PM	10154.0009.50,62.	Deane Durham		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788393	2024-05-31 1:01 PM	10154.0009.50,62.	Kaleb Smith		MIDLAND	TX	79710	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300121788386	2024-05-31 1:01 PM	10154.0009.50,62.	Mike Moylett		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788379	2024-05-31 1:01 PM	10154.0009.50,62.	Sortida Resources, LLC		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788362	2024-05-31 1:01 PM	10154.0009.50,62.	David W. Cromwell		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 10:17 AM
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9314869904300121788249	2024-05-31 1:01 PM	10154.0009.50,62.	Hanley Petroleum, LLC		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
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9314869904300121788225	2024-05-31 1:01 PM	10154.0009.50,62.	Mavros Oil Company, LLC		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788218	2024-05-31 1:01 PM	10154.0009.50,62.	TBO Oil & Gas, LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 11:18 AM
9314869904300121788201	2024-05-31 1:01 PM	10154.0009.50,62.	H6 Holdings, LLC		Redmond	WA	98052	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 5:07 PM
9314869904300121788195	2024-05-31 1:01 PM	10154.0009.50,62.	LHAH Properties, LLC		Palm Beach	FL	33480	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 10:36 AM
9314869904300121788188	2024-05-31 1:01 PM	10154.0009.50,62.	Hanley Petroleum, Inc.		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300121788171	2024-05-31 1:01 PM	10154.0009.50,62.	Sharktooth Resources, Ltd.		Midland	TX	79701	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300121788164	2024-05-31 1:01 PM	10154.0009.50,62.	Buckhorn Energy, LLC		Midland	TX	79701	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300121788157	2024-05-31 1:01 PM	10154.0009.50,62.	Charles D. Ray		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 8:36 AM
9314869904300121788140	2024-05-31 1:01 PM	10154.0009.50,62.	Tarpon Industries Corp.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 11:56 AM
9314869904300121788133	2024-05-31 1:01 PM	10154.0009.50,62.	Warren Ventures, Ltd.		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 11:39 AM
9314869904300121788126	2024-05-31 1:01 PM	10154.0009.50,62.	Crump Family Partnership, Ltd.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
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9314869904300121788102	2024-05-31 1:01 PM	10154.0009.50,62.	COG Operating, LLC Operating, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 7:49 AM
9314869904300121788096	2024-05-31 1:01 PM	10154.0009.50,62.	Otter Creek, LLC		Sealy	TX	77474	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300121788089	2024-05-31 1:01 PM	10154.0009.50,62.	TH McElvain Oil & Gas, LLLP		Lakewood	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 12:33 PM

Released to Imaging: 6/21/2024 11:16:22 AM

Received by OCD: 6/19/2024 4:31:18 PM

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 267250
Generated: 6/18/2024 2:30:40 PM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300122047192	2024-06-06 2:27 PM	10154.0009.	MRC Permian Company	Matador	Dallas	TX	75240	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300122047185	2024-06-06 2:27 PM	10154.0009.	TH McElvain Oil & Gas, LLLF		Lakewood	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 12:53 PM

Affidavit of Publicatio

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
June 09, 2024
and ending with the issue dated
June 09, 2024.

Publisher

Sworn and subscribed to before me this 9th day of June 2024.

Business Manager

My commission expires
January 29, 2027

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

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

LEGAL NOTICE
June 9, 2024

CASE NO. 24348: Notice to all affected parties, as well as heirs and devisees of: MRC Permian Company; Matador Resources Company; TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands; EG3 Development, LLC; Allar Development, LLC; Slash Exploration LP; MCT Energy Ltd.; 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; 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, 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 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 704H and Parallel State Com 804H wells**, to be horizontally drilled. The Parallel State Com 704H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SE/4SE/4 (Unit P) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 704 and 804H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 24351: Notice to all affected parties, as well as heirs and devisees of: MRC Permian Company; Matador Resources Company; TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:30 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 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 304H and Parallel State Com 504H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
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DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS &
P. O. BOX 2168
ALBUQUERQUE, NM 87103-2168

EXHIBIT
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Affidavit of Publicatio

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
June 09, 2024
and ending with the issue dated
June 09, 2024.

Publisher

Sworn and subscribed to before me this 9th day of June 2024.

Business Manager

My commission expires
January 29, 2027
(Seal)

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

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

LEGAL NOTICE
June 9, 2024

CASE NO. 24350: Notice to all affected parties, as well as heirs and devisees of: MRC Permian Company; Matador Resources Company; TH McElvain Oil & Gas, LLLP; Otter Creek, LLC; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public 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 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 303H and Parallel State Com 503H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 24362: Notice to all affected parties, as well as heirs and devisees of: MRC Permian Company; Matador Resources Company; TH McElvain Oil & Gas, LLLP; Otter Creek, LLC; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smith; Dean Durham; State of New Mexico; Lands; EG3 Development, LLC; Allar Development, LLC; ConocoPhillips Company; MCT Energy Ltd.; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thomas, Trustee of the Cornerstone Family Trust; CrownRock Minerals, LP; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Brazos, LP through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:30 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 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 703H and Parallel State Com 803H wells**, to be horizontally drilled and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the SW/4SE/4 (Unit O) of Section 2. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico dedicated to Franklin's proposed Gold State Com 703H and Gold State Com 803H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
#00291105

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DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS &
P. O. BOX 2168
ALBUQUERQUE, NM 87103-2168

Affidavit of Publicatio

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear 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 09, 2024
and ending with the issue dated
June 09, 2024.

Publisher

Sworn and subscribed to before me this 9th day of June 2024.

Business Manager

My commission expires
January 29, 2027

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

This newspaper is duly qualified to publ
legal notices or advertisements within t
meaning of Section 3, Chapter 167, Lav
1937 and payment of fees for said publi
has been made.

LEGAL NOTICE
June 9, 2024

CASE NO. 24352: 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; 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 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 702H and Parallel State Com 802H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Wolfcamp spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 702 and 802H wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 24353: 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; 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; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; Penroc Oil Corporation; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Nestegg Energy Corporation; 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 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 701H and Parallel State Com 801H** wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-025-51668) and Gold State 801H (API 30-025-51669) wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 24354: 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; 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; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; Penroc Oil Corporation; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Nestegg Energy Corporation; 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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H** wells, to be horizontally drilled from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-025-51666) and Gold State 501H (API 30-025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642), a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 24355: 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; 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 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H** wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 280-acre more or less Bone Spring spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642), a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.
#00291107

Affidavit of Publicati

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobb
News-Sun, a newspaper published at
Hobbs, New Mexico, solemnly swear tl
the clipping attached hereto was publis
in the regular and entire issue of said
newspaper, and not a supplement ther
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 01/29/20

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

LEGAL NOTICE
September 20, 2023

CASE NO. 23845: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLC; TH McElvain Oil & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lands 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/ocd/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 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 702H and Parallel State Com 802H wells**, to be horizontally drilled. 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. 23846: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLC; TH McElvain Oil & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lands 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/ocd/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 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 701H and Parallel State Com 801H wells**, to be horizontally drilled. 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. 23847: **Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLC; TH McElvain Oil & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lands 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/ocd/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 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H wells**, to be horizontally drilled. 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. 23848: **Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLC; TH McElvain Oil & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lands 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/ocd/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 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H wells**, to be horizontally drilled. 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. 23849: Notice to all affected parties, as well as heirs and devisees of: TH McElvain Oil & Gas, LLLP; Otter Creek, LLC; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands 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/ocd/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 323.92-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 303H and Parallel State Com 503H wells**, to be horizontally drilled. 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. 23850: Notice to all affected parties, as well as heirs and devisees of: TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands 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/ocd/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 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 704H and Parallel State Com 804H wells**, to be horizontally drilled. The 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. 23851: Notice to all affected parties, as well as heirs and devisees of: TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands 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/ocd/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 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 304H and Parallel State Com 504H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application-will

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Publisher

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

Business Manager

My commission expires January 29, 2024
(Seal)

STATE OF NEW MEXICO
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COMMISSION # 1087528
COMMISSION EXPIRES 01/29/20

This newspaper is duly qualified to put legal notices or advertisements within t meaning of Section 3, Chapter 167, La 1937 and payment of fees for said pub has been made.

CASE NO. 23847: **Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLC; TH McElvain Oil & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lands 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/ocd/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 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H wells**, to be horizontally drilled. 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. 23848: **Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLC; TH McElvain Oil & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lands 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/ocd/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 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H wells**, to be horizontally drilled. 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. 23849: Notice to all affected parties, as well as heirs and devisees of: **TH McElvain Oil & Gas, LLLP; Otter Creek, LLC; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands 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/ocd/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 323.92-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 303H and Parallel State Com 503H wells**, to be horizontally drilled. 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.

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CASE NO. 23852: **Notice to all affected parties, as well as heirs and devisees of: TH McElvain Oil & Gas, LLLP; Otter Creek, LLC; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands 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/ocd/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 323.92-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 703H and Parallel State Com 803H wells**, to be horizontally drilled. 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.
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