

**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. 24662

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

CASE NO. 24661, 24663-24666

CONSOLIDATED PRE-HEARING STATEMENT

Franklin Mountain Energy 3, LLC (“Franklin”) submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

FRANKLIN MOUNTAIN ENERGY 3, LLC

ATTORNEY

Deana M. Bennett
Earl E. DeBrine
Yarithza Peña
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OTHER PARTIES

None

ATTORNEY

STATEMENT OF CASES

APPLICANT:

In **Case No. 24661**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.61-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 18 South, Range 35 East, and Lot 4, SW/4 NW/4, and the W/2 SW/4 of irregular Section 5 (W/2 W/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Foxtail State Com 701H** and **Foxtail State Com 801H** wells to be horizontally drilled with a proposed first take point in the SW/4 SW/4 (Unit M) of Section 5 and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 32. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

In **Case No. 24662**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.61-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 18 South, Range 35 East, and Lot 4, SW/4 NW/4, and the W/2 SW/4 of irregular Section 5 (W/2 W/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the **Foxtail State Com 301H** and **Foxtail State Com 501H** wells to be horizontally drilled with a proposed first take point in the SW/4 SW/4 (Unit M) of Section 5 and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 32. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a 160-acre Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Section 32, Township 18 South, Range 35 East, dedicated to Franklin Mountain Energy 3, LLC's Merit 32 DM State Com #001H well (API 30-025-40836). 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 17 miles west of Hobbs, New Mexico.

In **Case No. 24663**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.64-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 18 South, Range 35 East, and Lot 3, SE/4 NW/4, and the E/2 SW/4 of irregular Section 5 (E/2 W/2 equivalent),

Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin seeks to dedicate the spacing unit to the **Foxtail State Com 302H**, **Foxtail State Com 502H**, and **Foxtail State Com 602H** wells to be horizontally drilled with a proposed first take point in the SE/4 SW/4 (Unit N) of Section 5 and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 32. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

In **Case No. 24664**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.64-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Section 32, Township 18 South, Range 35 East, and Lot 3, SE/4 NW/4, and the E/2 SW/4 of irregular Section 5 (E/2 W/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin seeks to dedicate the spacing unit to the **Foxtail State Com 702H** and **Foxtail State Com 802H** wells to be horizontally drilled with a proposed first take point in the SE/4 SW/4 (Unit N) of Section 5 and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 32. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

In **Case No. 24665**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.66-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Section 32, Township 18 South, Range 35 East, and Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 5 (W/2 E/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin seeks to dedicate the spacing unit to the **Foxtail State Com 303H** and **Foxtail State Com 503H** wells to be horizontally drilled with a proposed first take point in the SW/4 SE/4 (Unit O) of Section 5 and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 32. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

In **Case No. 24666**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.69-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 32, Township 18 South, Range 35 East, and Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 5 (E/2 E/2 equivalent), Township

19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin seeks to dedicate the spacing unit to the **Foxtail State Com 304H** and **Foxtail State Com 504H** wells to be horizontally drilled with a proposed first take point in the SE/4 SE/4 (Unit P) of Section 5 and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 32. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Don Johnson	Approx. 15 minutes	Approx. 20
Geologist: Ben Metz	Approx. 15 minutes	Approx. 15

PROCEDURAL ISSUES

If there are no objections, Franklin intends to present this case by affidavit.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 369523

QUESTIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 369523
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	<i>Not answered.</i>