

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

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

**CASE NO. 24444, 24447**

**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  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
P. O. Box 2168  
Albuquerque, New Mexico 87103-  
2168  
(505) 848-1800

**OTHER PARTIES**

None

**ATTORNEY**

**STATEMENT OF CASES**

**APPLICANT:**

In **Case No. 24444**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing

unit comprised of the E/2 W/2 of Sections 27 and 34, Township 18 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 **Norte State Com 602H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NE/4 SW/4 (Unit K) of Section 27, dedicated to Franklin Mountain Energy 3, LLC’s Hamon State #001H well (API 30-025-03140). Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

In **Case No. 24447**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Norte State Com 601H** well, to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Lot 4) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

**PROPOSED EVIDENCE**

**APPLICANT:**

<b>WITNESS</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Landman: Don Johnson	Approx. 10 minutes	Approx. 10
Geologist: Ben Metz	Approx. 10 minutes	Approx. 15

**PROCEDURAL ISSUES**

If there are no objections to these matters, Franklin intends to present these cases 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 369511

**QUESTIONS**

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 369511
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<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>