



Before the Oil Conservation Division  
Examiner Hearing August 8th, 2024

Compulsory Pooling

**Case No. 24662: Foxtail State Com 301H**  
**Foxtail State Com 501H**

**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**

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

<b>Case: 24662</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>August 8, 2024</b>
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID No. 331595
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling, and, to the Extent Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Foxtail State Com
<b>Formation/Pool</b>	
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):	N/A
Well Location Setback Rules (Only if NSP is Requested):	N/A
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.61-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	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
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-4
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit A**

Well #1: Foxtail State Com 301H	API No. <i>Pending</i> SHL: 71' FSL & 1844' FWL, (Unit N), Section 5, T19S, R35E FTP: 100' FSL & 800' FWL, Section 5, T19S, R35E BHL: 100' FNL & 800' FWL, (Unit D) Section 32, T18S, R35E Completion Target: First Bone Spring (Approx. 9,437' TVD) Orientation: North/South
Well #2: Foxtail State Com 501H	API No. <i>Pending</i> SHL: 71' FSL & 1784' FWL, (Unit N), Section 5, T19S, R35E FTP: 100' FSL & 360' FWL, Section 5, T19S, R35E BHL: 100' FNL & 360' FWL, (Unit D) Section 32, T18S, R35E Completion Target: Second Bone Spring (Approx. 10,044' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-6
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Paragraph 19
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2 and C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-6
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
<b>Geology</b>	
Summary (including special considerations)	Exhibit B

Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B-2
Target Formation	Tab B
HSU Cross Section	Exhibits B-5; B-9
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-5
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3; B-7
Cross Section Location Map (including wells)	Exhibits B-4; B-8
Cross Section (including Landing Zone)	Exhibits B-5; B-9
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Deana M. Bennett
<b>Date:</b>	8/1/2024

**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. \_\_\_\_\_

**APPLICATION**

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application 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 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. 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 spacing unit 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.
3. The producing area for the wells is expected to be orthodox.
4. This 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,

**Franklin Mountain Energy 3, LLC  
Case No. 24662  
Exhibit A-1**

Range 35 East, dedicated to Franklin Mountain Energy 3, LLC's Merit 32 DM State Com #001H well (API 30-025-40836).

5. 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.

6. 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.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024 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/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;

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

Telephone: 505.848.1800

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[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)

[yarithza.pena@modrall.com](mailto:yarithza.pena@modrall.com)

*Attorneys for Franklin Mountain Energy 3, LLC*



**CASE NO. \_\_\_\_\_: 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 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.

**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**

**SELF-AFFIRMED STATEMENT OF DON JOHNSON**

Don Johnson hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Franklin Mountain Energy 3, LLC (“Franklin”), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum landman were accepted by the Division as a matter of record.
2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
3. I am familiar with the application filed by Franklin in this case, which is attached as **Exhibit A-1**.
4. I am familiar with the status of the lands that are subject to the application.
5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit.

**Franklin Mountain Energy 3, LLC  
Case No. 24662  
Exhibit A-2**

7. In this case, Franklin 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.

8. 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.

9. The producing areas for the wells are expected to be orthodox.

10. This 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).

11. Attached as **Exhibit A-3** are the proposed C-102s for the wells.

12. The C-102s identify the proposed surface hole locations and bottom hole locations, and the first take points. The C-102s also identify the pool and pool code.

13. The wells will develop the Scharb; Bone Spring Pool, (Code 55610).

14. The Scharb; Bone Spring Pool is an oil pool with 80-acre building blocks.

15. The pools are governed by the state-wide horizontal well rules.

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

17. **Exhibit A-4** includes a lease tract map outlining the unit being pooled. Exhibit A-4 also includes the parties being pooled, the nature, and the percent of their interests.

18. **Exhibit A-5** is a unit recapitulation with a list of the parties to be pooled highlighted in yellow.

19. **Exhibit A-6** contains a sample well proposal letter and Authorizations for Expenditure (“AFEs”) sent to all working interest owners. The estimated cost of the wells set forth in the AFEs are fair and reasonable and comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

20. Franklin requests overhead and administrative rates of \$9,000.00/month for drilling a well and \$900.00/month for a producing well. 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. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

21. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

22. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.

23. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells as demonstrated by the chronology of contact in **Exhibit A-7**.

24. Franklin requests that it be designated operator of the wells.

25. The parties Franklin is seeking to pool were notified of this hearing.

26. Franklin seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

27. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.

28. Franklin provided contact information for working interest owners of record in the well in the overlapping spacing unit and they were provided notice of this hearing.

29. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

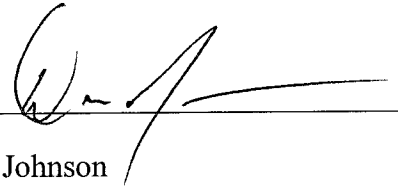
30. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.

31. I attest under penalty of perjury 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 and I will adopt this testimony at the hearing in this matter.

*[Signature Page Follows]*

8-1-2024

Date



Don Johnson

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: (505) 748-1283 Fax: (505) 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

Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 55610		<sup>3</sup> Pool Name SCHARB; BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name FOXTAIL STATE COM			<sup>6</sup> Well Number 301H
<sup>7</sup> OGRID No. 331595		<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			<sup>9</sup> Elevation 3862.2'

<sup>10</sup> Surface Location

UL or lot no. N	Section 5	Township 19S	Range 35E	Lot Idn	Feet from the 71	North/South line SOUTH	Feet from the 1844	East/West line WEST	County LEA
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. D	Section 32	Township 18S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 800	East/West line WEST	County LEA
<sup>12</sup> Dedicated Acres 319.61		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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

<sup>16</sup>

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°40'57.30" (32.682583°)
LONGITUDE = -103°28'55.55" (-103.482098°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°40'56.85" (32.682459°)
LONGITUDE = -103°28'53.78" (-103.481606°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 613105.45' E: 803240.66'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 613041.57' E: 762060.57'

<b>NAD 83 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°42'40.21" (32.711169°)
LONGITUDE = -103°29'08.16" (-103.485599°)
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°42'39.76" (32.711045°)
LONGITUDE = -103°29'06.38" (-103.485106°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 623496.98' E: 802080.34'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 623432.74' E: 760900.58'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N06°07'41"W	10457.80'

32

5

LOT 4    LOT 3    LOT 2    LOT 1

T18S  
T19S

**<sup>17</sup> OPERATOR CERTIFICATION**

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

Signature: *Rachael Overbey*      Date: 1/30/2024

Printed Name: Rachael Overbey

E-mail Address: roverbey@fmellc.com

**<sup>18</sup> 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.*

JANUARY 5, 2024

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:

**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)
- Section breakdown information for this plat may be obtained from Uintah Engineering & Land Surveying

● = SURFACE HOLE LOCATION  
 ○ = BOTTOM HOLE LOCATION  
 ▲ = SECTION CORNER LOCATED  
 △ = SECTION CORNER RE-ESTABLISHED.  
 (Not Set on Ground.)  
 — = DRILLING SPACING UNIT

SCALE  
0'    1000'    2000'

OCD Examiner Hearing No. 24662      T.I.R. 01-11-24

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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811 S. First St., Artesia, NM 88210  
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Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 55610		<sup>3</sup> Pool Name SCHARB; BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name FOXTAIL STATE COM			<sup>6</sup> Well Number 501H
<sup>7</sup> OGRID No. 331595		<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			<sup>9</sup> Elevation 3862.5'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	19S	35E		71	SOUTH	1784	WEST	LEA

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	18S	35E		100	NORTH	360	WEST	LEA
<sup>12</sup> Dedicated Acres 319.61		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
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<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 613040.95' E: 762000.59'

<b>NAD 83 (BOTTOM HOLE LOCATION)</b>
LATITUDE = 32°42'40.22" (32.711172°)
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LONGITUDE = -103°29'11.53" (-103.486536°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 623494.89' E: 801640.41'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 623430.63' E: 760460.66'

Diagram details: Section 32 (top) and Section 5 (bottom). Section 32 contains lots 4, 3, 2, 1. Section 5 contains lots 4, 3, 2, 1. Bearings and distances are provided for all boundaries. Well locations are marked: BHL (Bottom Hole Location) at 100' FNL, 360' FWL; SHL (Surface Hole Location) at 71' FSL, 1,784' FWL. A drilling spacing unit is shown as a shaded area.

**<sup>17</sup> OPERATOR CERTIFICATION**

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

Signature: *Rachael Overbey* Date: 1/30/2024

Printed Name: Rachael Overbey

E-mail Address: roverbey@fmellc.com

**<sup>18</sup> 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.

JANUARY 5, 2024

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:

**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)
- Section breakdown information for this plat may be obtained from Uintah Engineering & Land Surveying

● = SURFACE HOLE LOCATION  
 ○ = BOTTOM HOLE LOCATION  
 ▲ = SECTION CORNER LOCATED  
 △ = SECTION CORNER RE-ESTABLISHED.  
 (Not Set on Ground.)  
 ■ = DRILLING SPACING UNIT

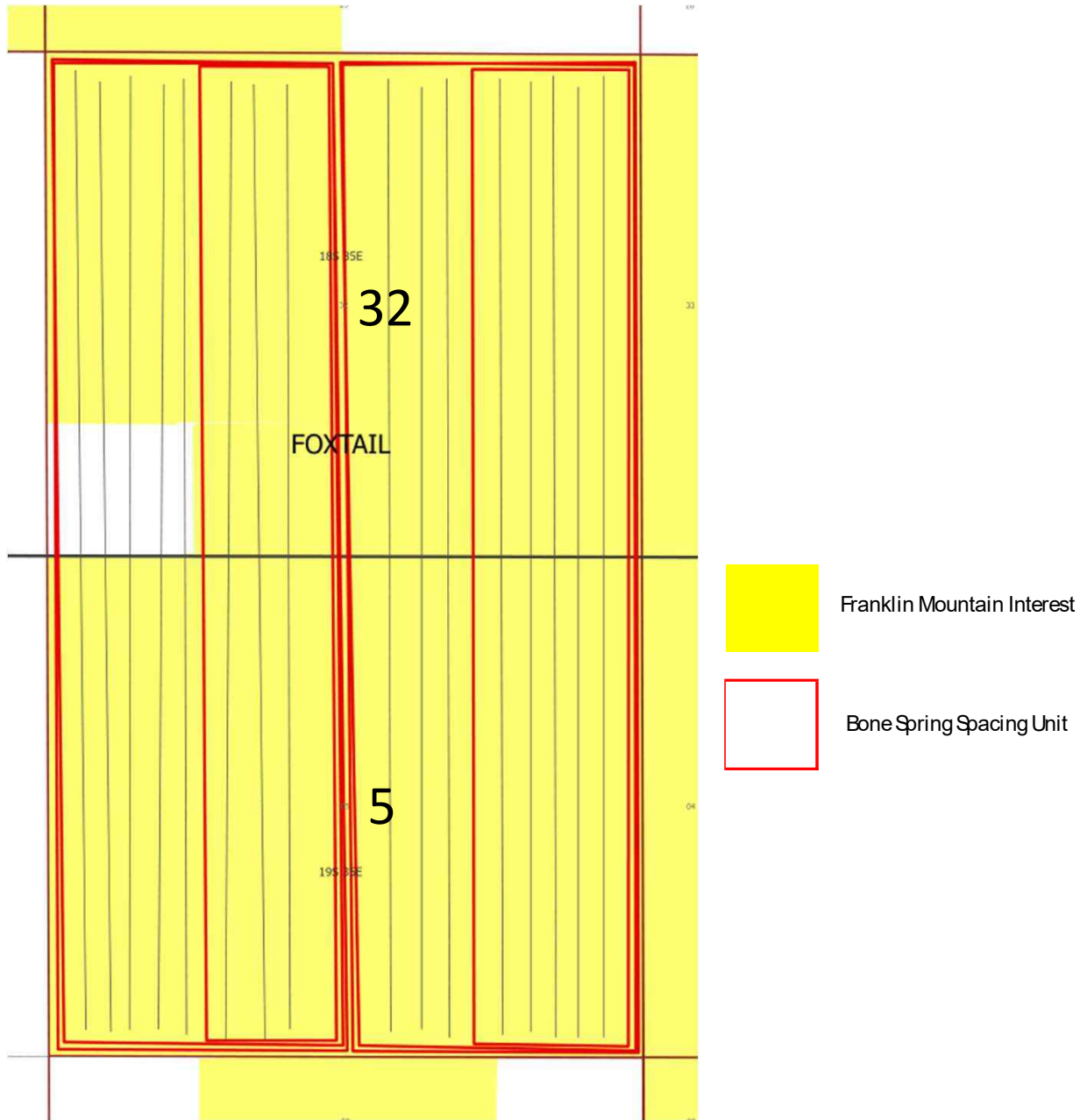
SCALE

OCD Examiner Hearing No. 24662 T.I.R. 01-11-24



# Development Overview

Case Nos. 24662

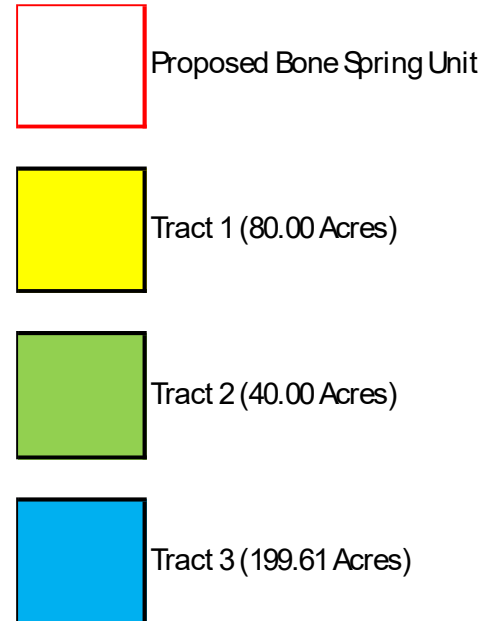
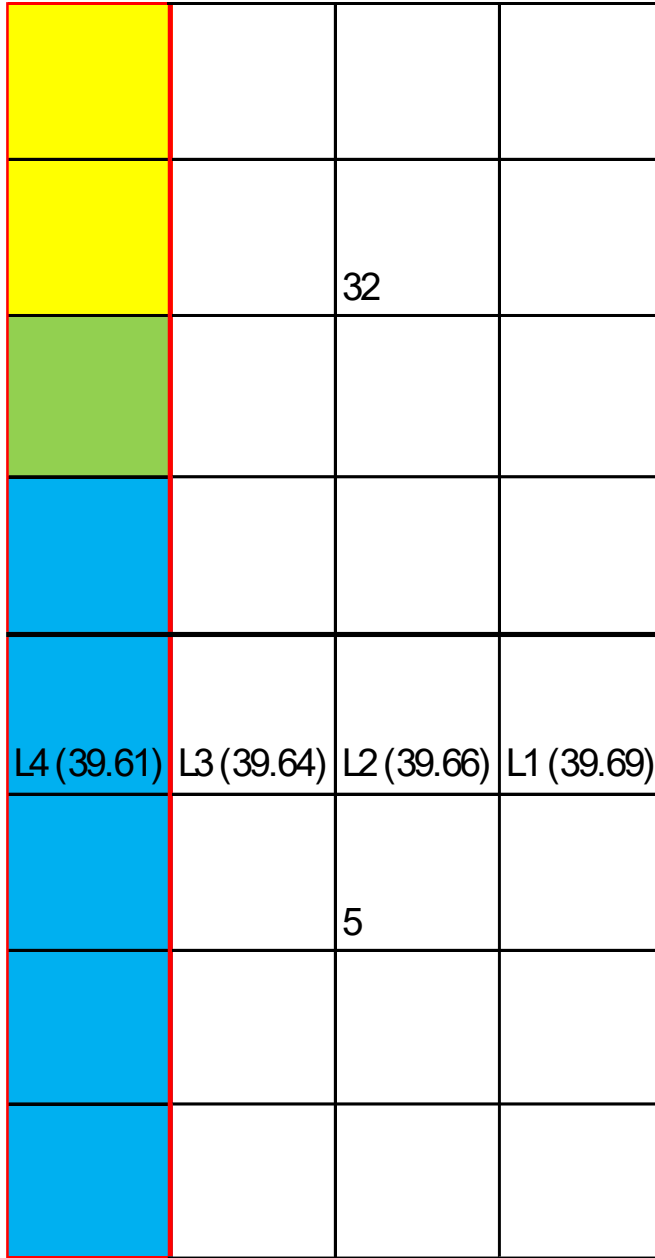


1 Mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit A-4**



**Lease Tract Map**  
**Case No. 24662**  
**W/2W/2 of Sections 32-T18S-35E & Section 5-T19S-R35E**  
**319.61 Acres**  
**Foxtail State Com 301H**  
**Foxtail State Com 501H**



**Summary of Interests**  
**Case No. 24662**  
**W/2W/2 of Sections 32-T18S-35E & Section 5-T19S-R35E**  
**319.61 Acres**  
**Foxtail State Com 301H**  
**Foxtail State Com 501H**

<b>Committed Working Interest</b>	
Franklin Mountain Energy 3, LLC	86.0998%
<b>Uncommitted Working Interest</b>	
Oxy	12.5153%
VPD, New Mexico, LLC	1.3849%
<b>Total:</b>	<b>100.00000%</b>



**Unit Recapitulation**  
**Case No. 24662**  
**W/2W/2 of Sections 32-T18S-35E & Section 5-T19S-R35E**  
**319.61 Acres**  
**Foxtail State Com 301H**  
**Foxtail State Com 501H**

		32	
L4 (39.61)	L3 (39.64)	L2 (39.66)	L1 (39.69)
		5	

Committed Working Interest	
Franklin Mountain Energy 3, LLC	86.0998%
Uncommitted Working Interest	
Oxy	12.5153%
VPD, New Mexico, LLC	1.3849%
Total:	100.0000%

Tract	Lease	%
1	VB-1389	25.0305%
2	VB-1326	12.5153%
3	FEE	62.4542%

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit A-5**



Pooled Party List

Name	Interest Type
Occidental Permian Limited Partnership	MI/WI
VPD New Mexico, LLC c/o Titanium Exploration Partners, LLC	WI
T.H. McElvain Oil & Gas LLLP	ORRI
Thomaston, LLC	ORRI
Wing Resources VII, LLC	ORRI
Marathon Oil Permian, LLC	ORRI
Charles A. Stoddard	NPRI
SLVL, Ltd.	NPRI



Sent via USPS:9405536105536602368733

March 18, 2024

OXY USA Inc.  
 5 Greenway Plaza, Ste 110  
 Houston, TX 77046  
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**  
 Township 18 South, Range 35 East  
 Section 32: W2W2  
 Township 19 South, Range 35 East  
 Section 5: Lot 4(39.61), SWNW, W2SW  
 Lea County, New Mexico  
 319.61 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
Foxtail State Com 301H	1BS	9,437'	19,437'	Sec 08-T19S-R35E 50 FNL 1590 FWL	Sec 32-T18S-R35E 100 FNL 800 FWL	\$11,355,549.08	N/A
Foxtail State Com 501H	2BS	10,044'	20,044'	Sec 8-T19S-R35E 50 FNL 1530 FWL	Sec 32-T18S-R35E 100 FNL 360 FWL	\$11,355,549.08	N/A
Foxtail State Com 701H	WCA	10,793'	20,793'	Sec 8-T19S-R35E 50 FNL 1560 FWL	Sec 32-T18S-R35E 100 FNL 360 FWL	\$11,650,592.43	N/A
Foxtail State Com 801H	WCB	11,392'	21,392'	Sec 8-T19S-R35E 50 FNL 1650 FWL	Sec 32-T18S-R35E 100 FNL 800 FWL	\$11,783,083.07	N/A

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit A-6**

44 Cook Street | Suite 1000 | Denver, CO 80206  
 OCD Examiner Hearing 8-8-24

No. 24662



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

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

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

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

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

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

Please return your signed documents to Jon Rutledge at [jrutledge@fmellc.com](mailto:jrutledge@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 (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC

Jon Rutledge  
Landman



**Foxtail State Com 301H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Foxtail State Com 301H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Foxtail State Com 301H** well.

**Foxtail State Com 501H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Foxtail State Com 501H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Foxtail State Com 501H** well.

**Foxtail State Com 701H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Foxtail State Com 701H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Foxtail State Com 701H** well.

**Foxtail State Com 801H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Foxtail State Com 801H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Foxtail State Com 801H** well.

Owner: OXY USA Inc.

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

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

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

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





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

**Well Name:** Foxtail State Com 301H  
**Location:** SHL: Sec 8-T19S-R35E 50 FNL 1590 FWL  
 BHL: Sec 32-T18S-R35E 100 FNL 800 FWL  
**Operator:** Franklin Mountain Energy 3, LLC  
**Purpose:** Drill and complete a 10,000' IBS well.  
 TVD 9,437', MD 19,437'

**Well #:** 301H  
**County/State:** Lea Co., NM  
**Date Prepared:** 12/13/2023  
**AFE #:** DCE231212

**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
<b>Total Intangible Drilling Costs:</b>			<b>\$2,513,986</b>

**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
<b>Total Tangible Drilling Costs:</b>			<b>\$1,597,141</b>

**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
<b>Total Tangible Facility Costs:</b>			<b>\$1,067,924</b>

**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
<b>Total Intangible Completion Costs:</b>			<b>\$5,496,846</b>

**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
<b>Total Tangible Completion Costs:</b>			<b>\$548,600</b>

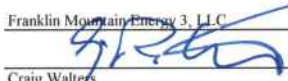
**Intangible Facility Costs**

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
<b>Total Intangible Facility Costs:</b>			<b>\$131,053</b>

**Office Use Only:**

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

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

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

Date: 12/13/2023

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

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

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



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

Well Name: Foxtail State Com 501H  
 Location: SHL: Sec 8-T19S-R35E 50 FNL 1530 FWL  
 BHL: Sec 32-T18S-R35E 100 FNL 360 FWL  
 Operator: Franklin Mountain Energy 3, LLC  
 Purpose: Drill and complete a 10,000' 2BS well.  
 TVD 10,044', MD 20,044'

Well #: 501H  
 County/State: Lea Co., NM  
 Date Prepared: 12/13/2023  
 AFE #: DCE231216

**Intangible Drilling Costs**

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,000
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225	170	SUPERVISION	\$71,400
225	175	SUPERVISION - GEOLOGICAL	\$39,000
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**Tangible Drilling Costs**

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**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
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270	125	TAXES	\$55,674
<b>Total Tangible Facility Costs:</b>			<b>\$1,067,924</b>

**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
<b>Total Intangible Completion Costs:</b>			<b>\$5,496,846</b>

**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
<b>Total Tangible Completion Costs:</b>			<b>\$548,600</b>

**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
<b>Total Intangible Facility Costs:</b>			<b>\$131,053</b>

**Office Use Only:**

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

Total AFE: \$11,355,549.08

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: Chief Executive Officer

Date: 12/13/2023

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

### Summary of Contacts

- Franklin retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around March 18, 2024.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Franklin had multiple communications with the uncommitted working interest owners, which I have outlined in the chart below.
- Franklin filed the application to force pool working interest owners who had not entered into an agreement.
- Franklin’s counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.

<b>Summary of Contacts with Working Interest Owners to Be Pooled</b>			
<b>Name</b>	<b>Date Proposal Letter Sent</b>	<b>Proposal Letter Received</b>	<b>Follow Up</b>
Occidental Permian Limited Partnership	March 18, 2024	March 26, 2024	Negotiating JOA
VPD New Mexico, LLC	March 18, 2024	March 22, 2024	Elected to participate, executed JOA

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit A-7**

OCD Examiner Hearing 8-8-24

No. 24662

25

**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**

**SELF-AFFIRMED STATEMENT OF BEN METZ**

Ben Metz hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Franklin Mountain Energy 3, LLC (“Franklin”), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.

2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.

3. I am familiar with the application filed by Franklin in this case.

4. **Exhibit B-1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.

5. **Exhibit B-2** is a wellbore schematic showing Franklin’s development plan.

6. **Exhibit B-3** through **Exhibit B-6** are the geology study I prepared for the Foxtail State Com 301H well, which will target the First Bone Spring formation.

7. **Exhibit B-3** is a structure map of the First Bone Spring formation. The proposed spacing unit is identified by a pink box. The Foxtail State Com 301H well proposed in this case is

**Franklin Mountain Energy 3, LLC  
Case No. 24662  
Exhibit B**

identified by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

8. **Exhibit B-4** is a cross-section reference map that identifies five wells in the vicinity of the proposed Foxtail State Com 301H well, shown by a line of cross-section running from B to B'.

9. **Exhibit B-5** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed well falls within the wells I used for the cross-section.

10. **Exhibit B-6** an Isopach map of the First Bone Spring formation. The gross interval thickness increases slightly to the south.

11. **Exhibit B-7** through **Exhibit B-10** are the geology study I prepared for the Foxtail State Com 501H well, which will target the Second Bone Spring formation.

12. **Exhibit B-7** is a structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a pink box. The Foxtail State Com 501H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

13. **Exhibit B-8** is a cross-section reference map that identifies six wells in the vicinity of the proposed Foxtail State Com 501H well, shown by a line of cross-section running from B to B'.

14. **Exhibit B-9** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Second Bone Spring formation in the area. The target

zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed well falls within the wells I used for the cross-section.

15. **Exhibit B-10** an Isopach map of the Second Bone Spring formation. The gross interval thickness increases slightly to the west.

16. I conclude from the geology studies referenced above that:

- a. The horizontal spacing unit is 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 unit will contribute more or less equally to production.

17. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to  $S_{Hmax}$ , optimal for induced fracture propagation. This is because the  $S_{Hmax}$  is at approximately 255 degrees ENE in this area of Lea County.

18. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

19. The exhibits to my self-affirmed statement were prepared by me, or compiled from company business records, or were prepared at my direction or supervision.

20. I attest under penalty of perjury 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 and I will adopt this testimony at the hearing in this matter.

*[Signature Page Follows]*

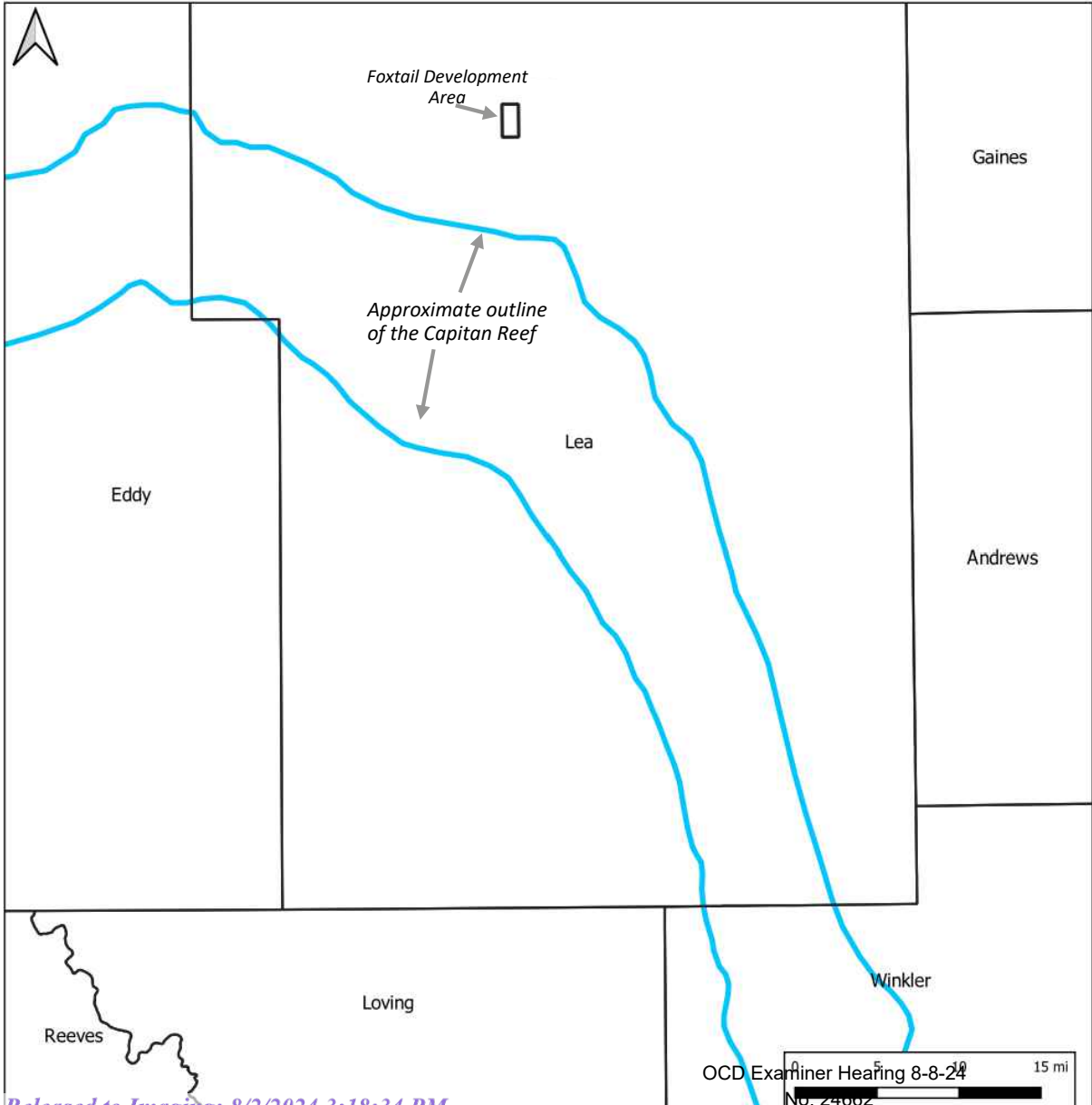
8-1-2024

Date

  
Ben Metz

# Foxtail Development

## Locator Map

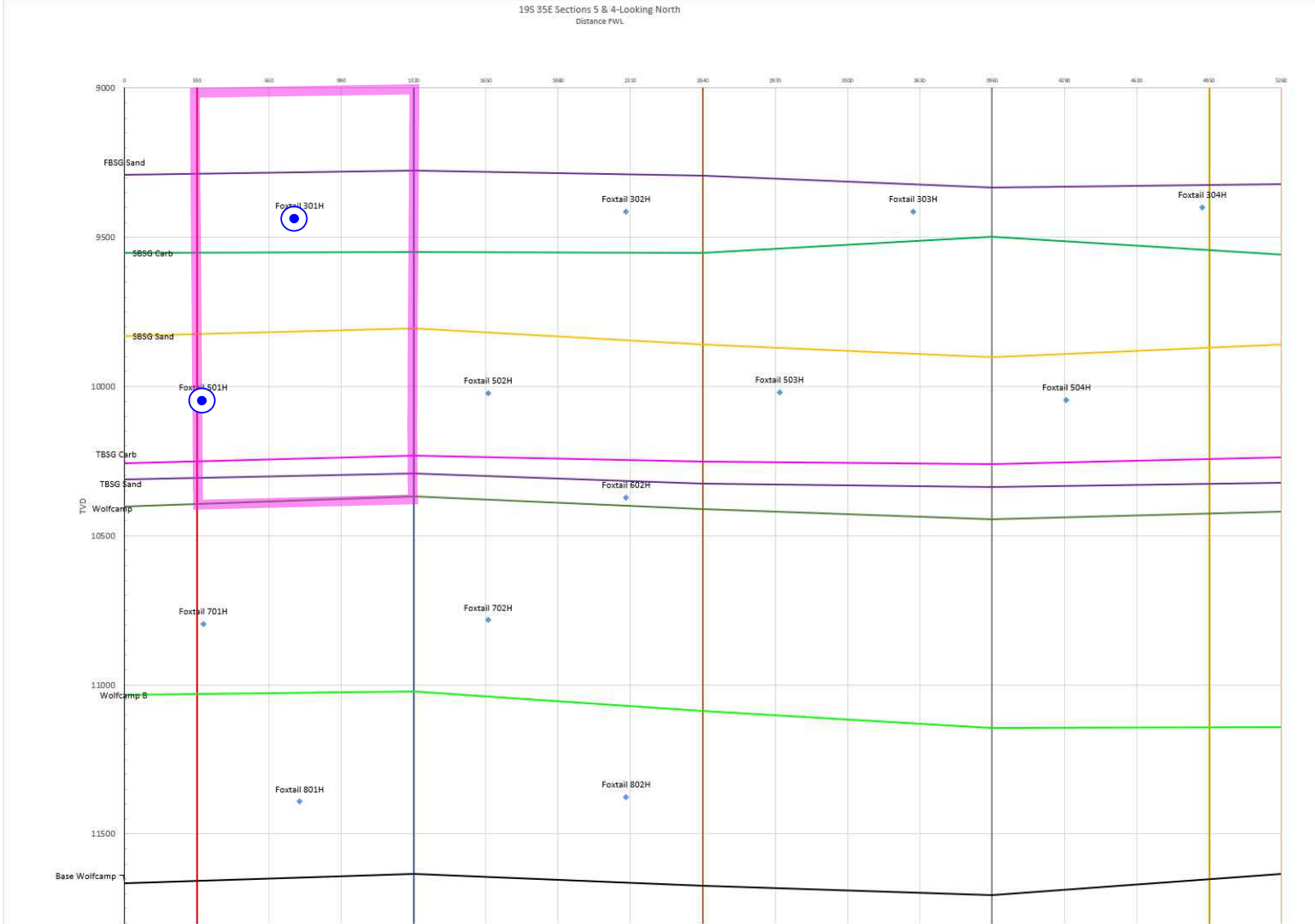


- Black box shows the location of the Foxtail development area
- Planned wells are located outside the known boundary of the Capitan Reef

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit B-1**



# Wellbore Schematic



Franklin Mountain Energy 3, LLC  
 Case No. 24662

Received by Imaging: 8/2/2024 3:18:34 PM

OCD Examiner Hearing 8-8-24

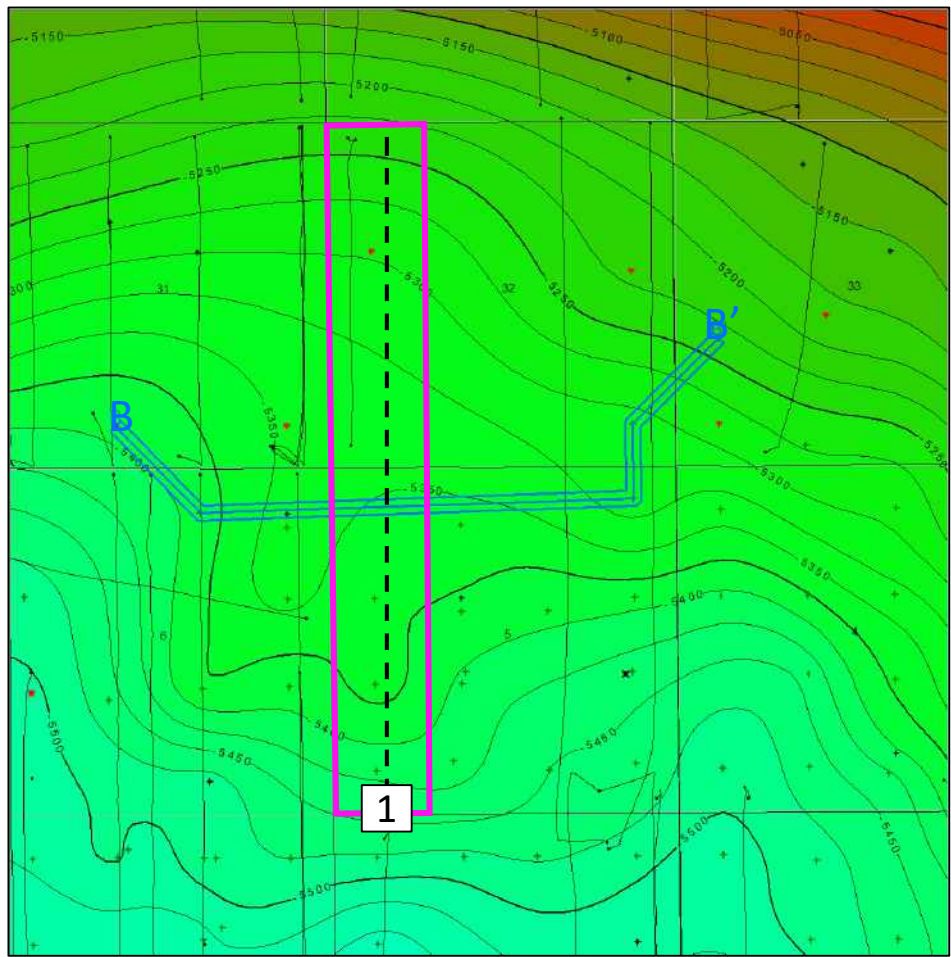
Proposed Lateral

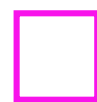
No. 24662  
31

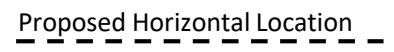


Bone Spring Spacing Unit

# First Bone Spring Structure Map




 Bone Spring Spacing Unit

 Proposed Horizontal Location

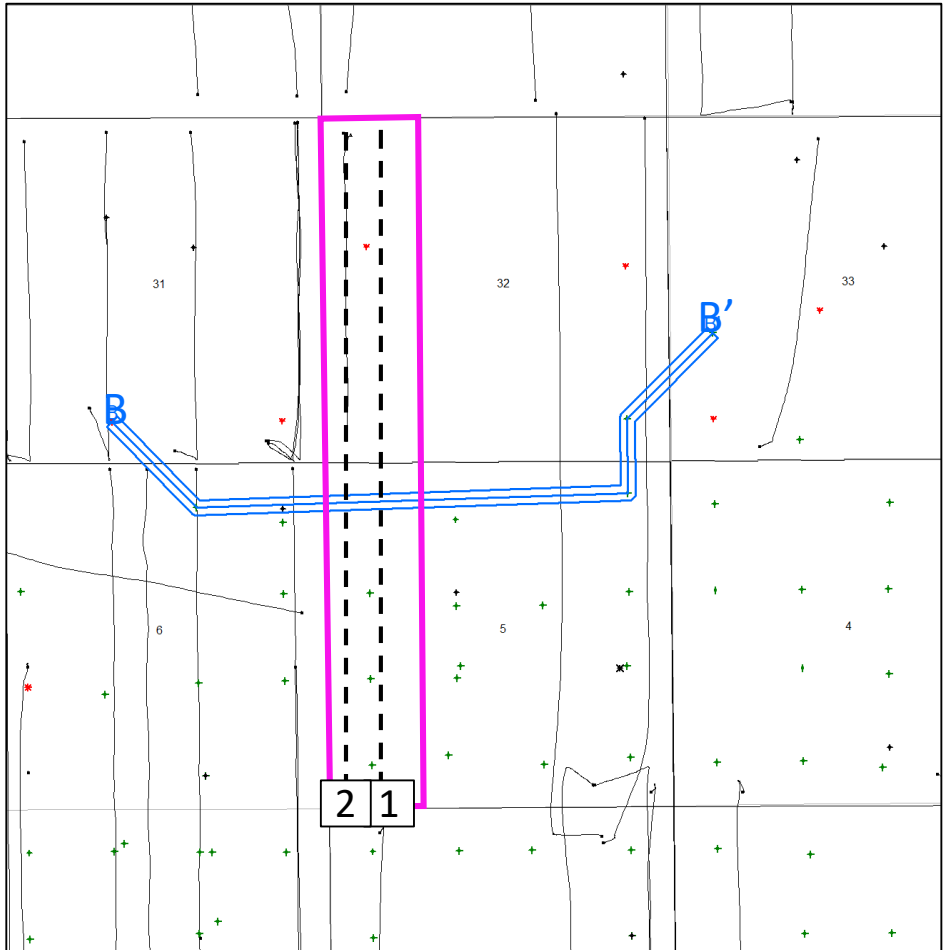
 Foxtail State Com 301H


All wells shown

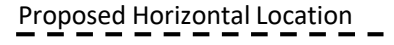
 1 mile



**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit B-3**

# Cross Section Reference Map



 Bone Spring Spacing Unit

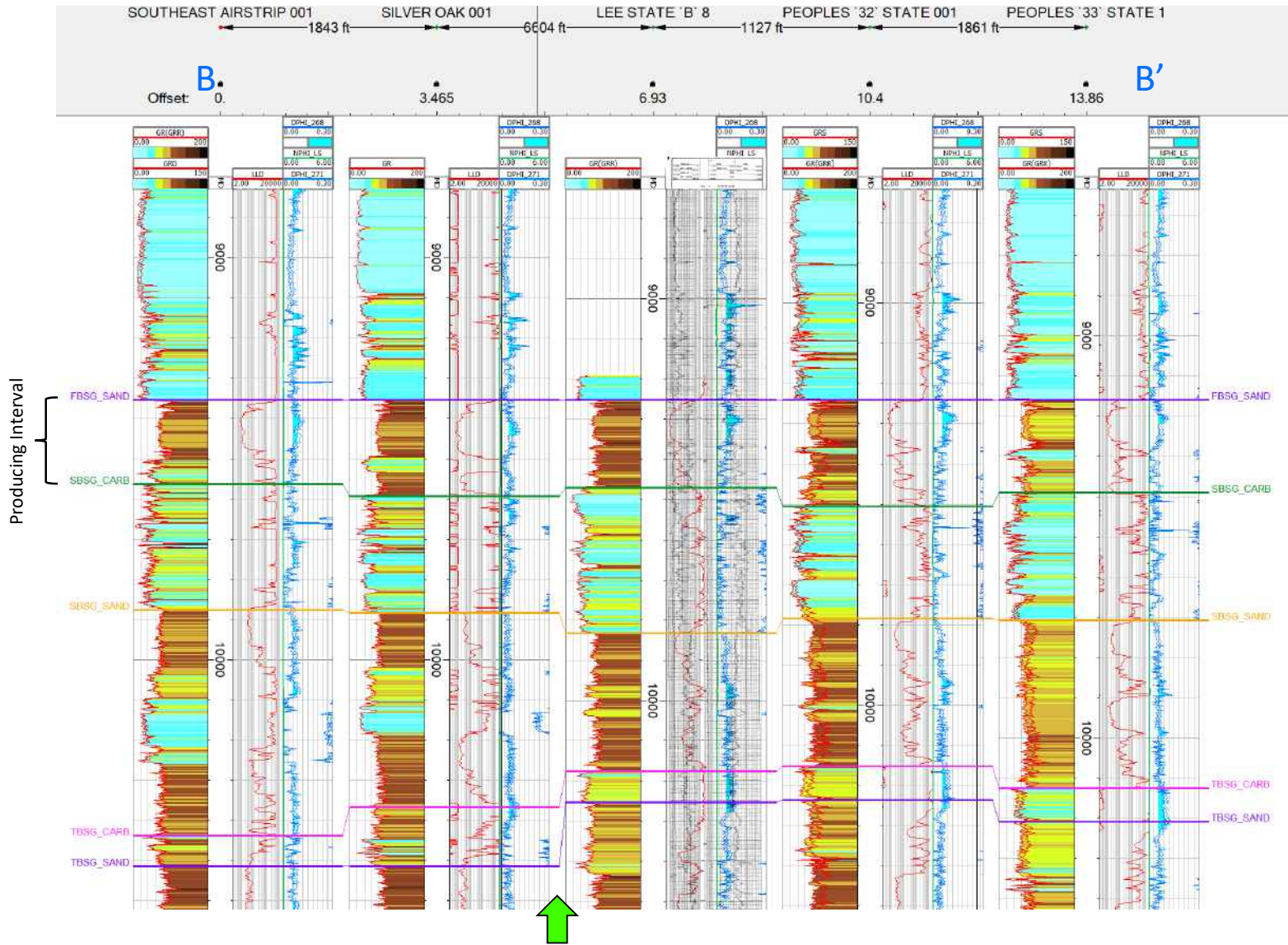
 Proposed Horizontal Location

-  1 Foxtail State Com 301H
-  2 Foxtail State Com 501H

All wells shown

1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit B-4**



301H

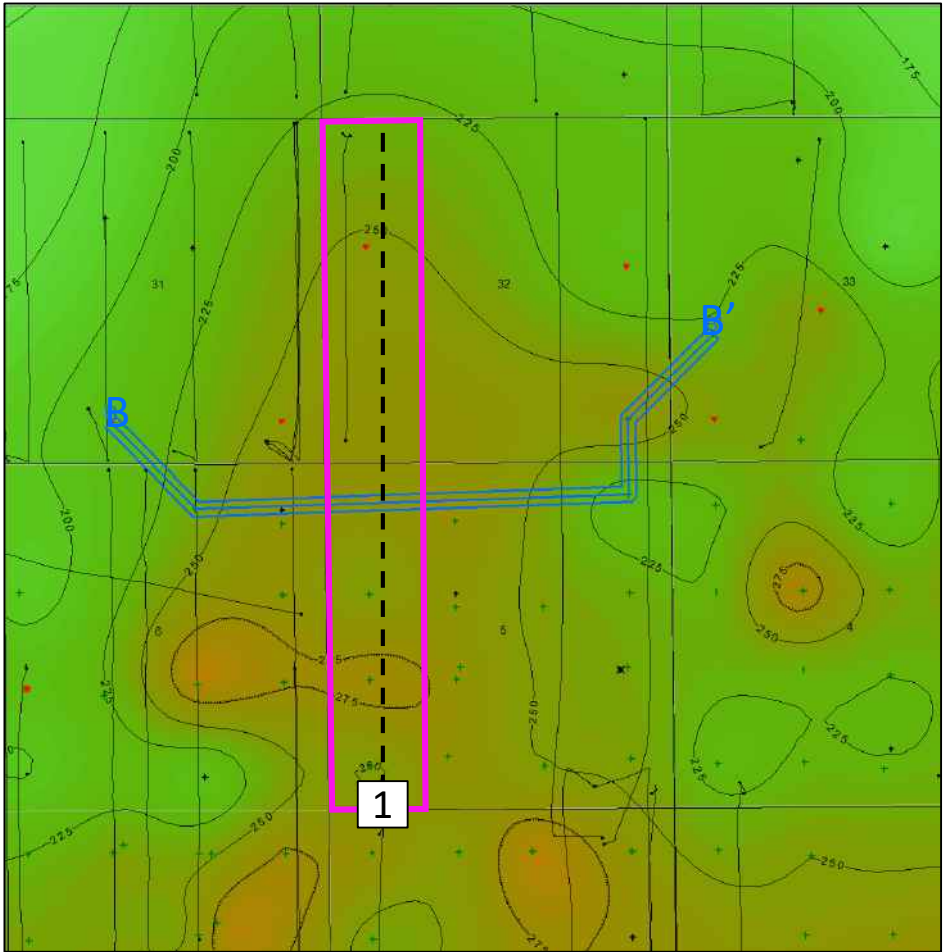
OCD Examiner Hearing 8-8-24


No. 24662

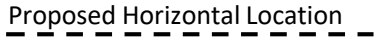
34

Franklin Mountain Energy 3, LLC  
Case No. 24662  
Exhibit B-5

# First Bone Spring Isochore Map



 Bone Spring Spacing Unit

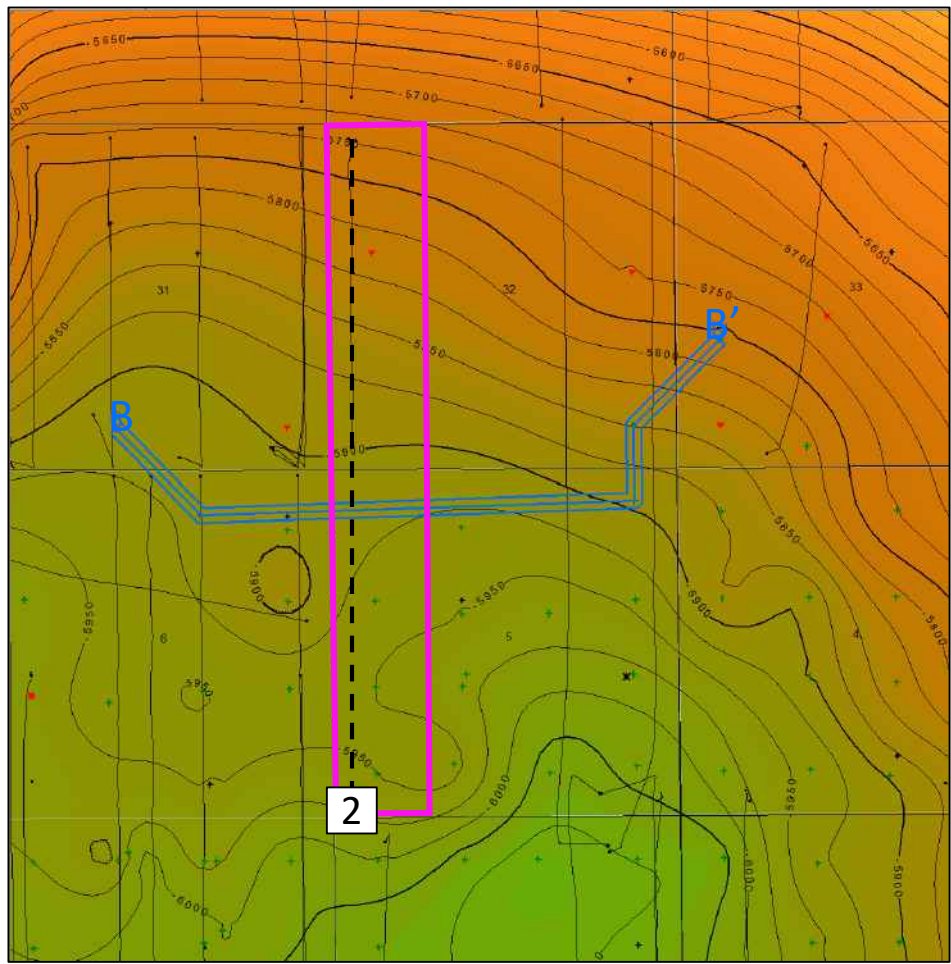
 Proposed Horizontal Location


 Foxtail State Com 301H

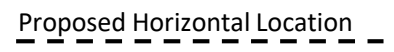
All wells shown

1 mile

# Second Bone Spring Structure Map



 Bone Spring Spacing Unit

 Proposed Horizontal Location

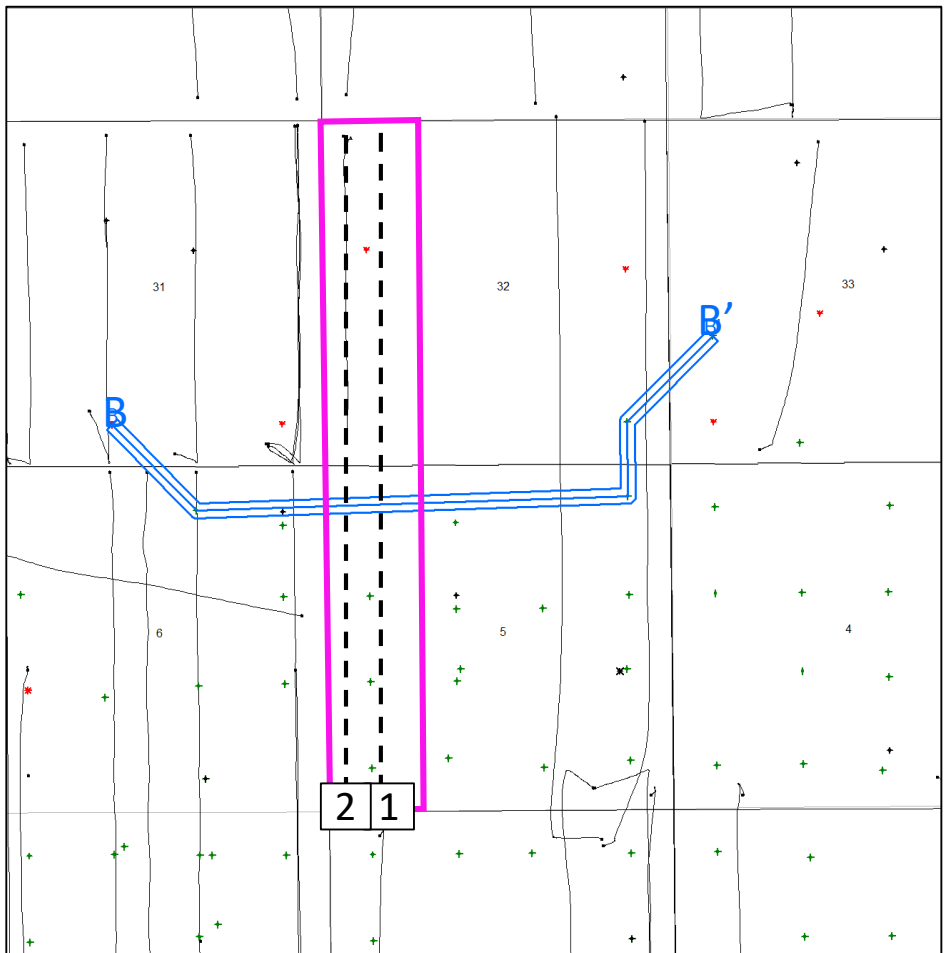
 Foxtail State Com 501H


All wells shown

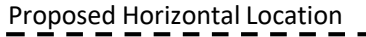
1 mile



**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit B-7**

# Cross Section Reference Map



 Bone Spring Spacing Unit

 Proposed Horizontal Location

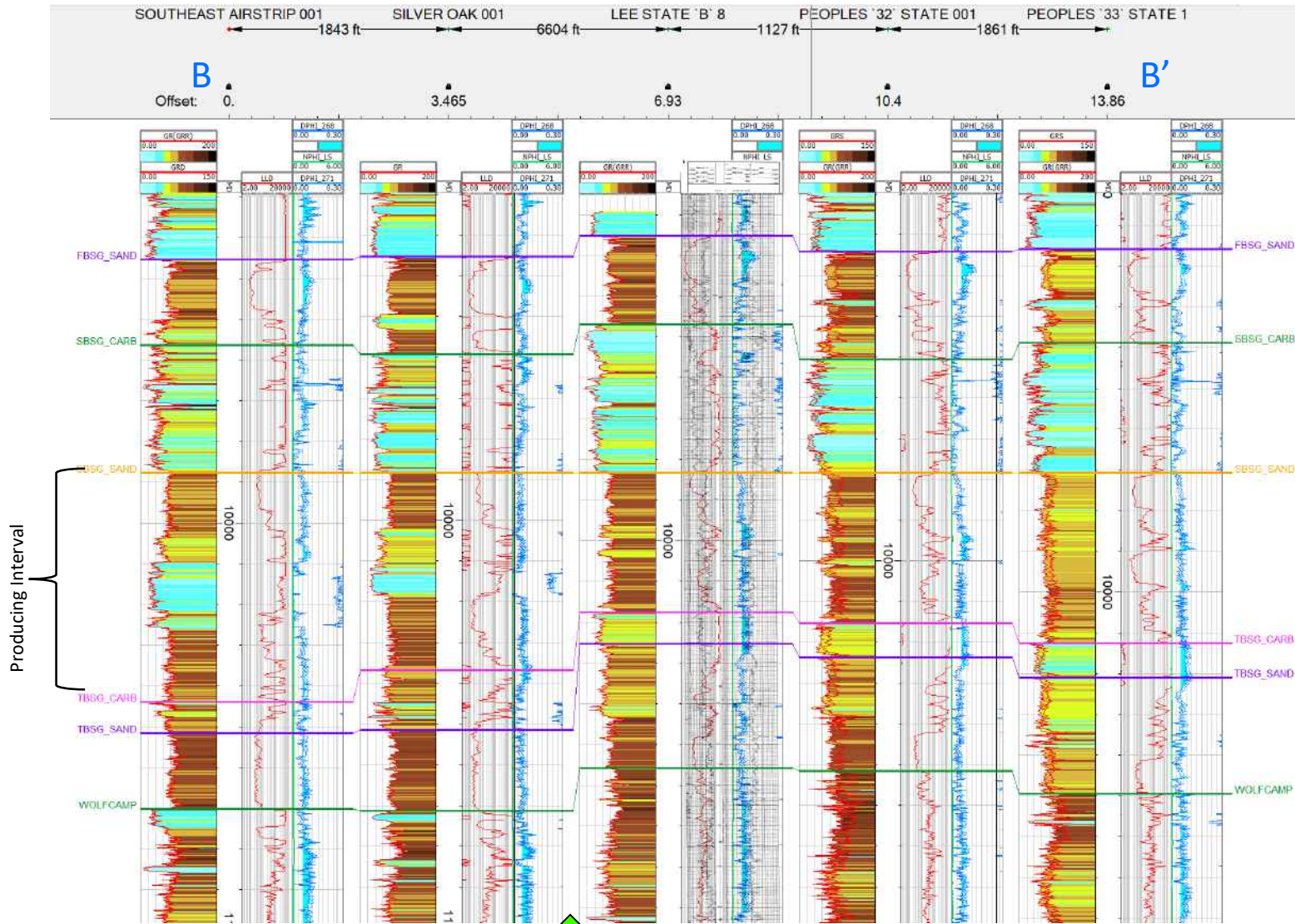
-  Foxtail State Com 301H
-  Foxtail State Com 501H

All wells shown

1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit B-8**

# Second Bone Spring Cross Section



501H

OCD Examiner Hearing 8-8-24

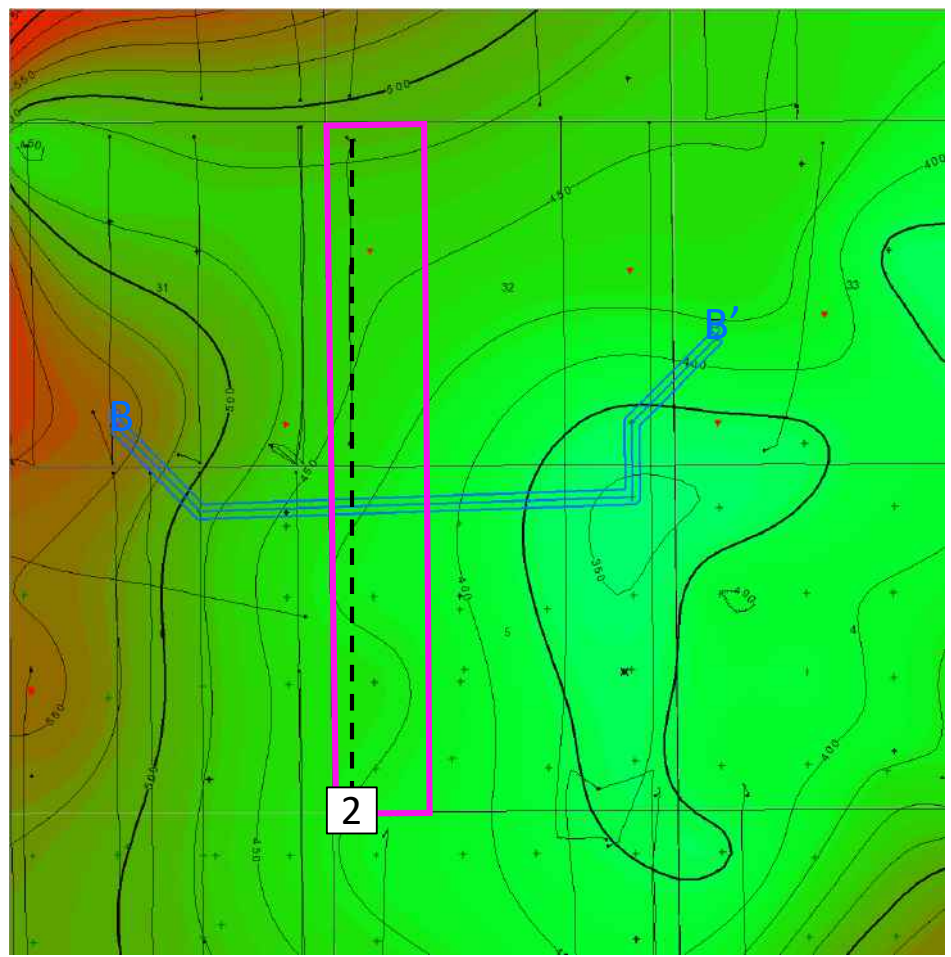
No. 24662


38

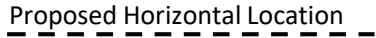
Franklin Mountain Energy 3, LLC  
Case No. 24662  
Exhibit B-9



# Second Bone Spring Isochore Map



 Bone Spring Spacing Unit

 Proposed Horizontal Location

 Foxtail State Com 501H

All wells shown

1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit B-10**

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

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

**CASE NO. 24661**

**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**

**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 letter, dated July 2, 2024, and attached hereto, as Exhibit C.1. An additional letter dated July 16, 2024 was sent to notify continuance of hearing date to August 8, 2024.
- 2) Exhibit C.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on July 2, 2024, and mailing list showing additional letter was mailed July 16, 2024.
- 3) Exhibit C.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 C.4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the July 25, 2024 hearing was published on July 7, 2024.
- 5) 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.

**Franklin Mountain Energy 3, LLC  
Case No. 24662  
Exhibit C**

Dated: August 1, 2024

*Deana M. Bennett*

---

Deana M. Bennett



MODRALL SPERLING  
LAWYERS

July 2, 2024

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

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

**CASE NO. 24661**

**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**

**TO: AFFECTED PARTIES**

This letter is to advise you that Franklin Mountain Energy 3, LLC (“Franklin Mountain Energy 3”) has filed the enclosed applications.

In Case No. 24661, Franklin Mountain Energy 3 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 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

Modrall Spierling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com

**Franklin Mountain Energy 3, LLC**

**Case No. 24662**

OCD Examiner Hearing 8-8-24

No. **Exhibit C-1**

Page 2

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.

**The hearing is set for July 27, 2024 beginning at 8:30 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1<sup>st</sup> Floor, Santa Fe, NM 87505 and via a 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

*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,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 24661

**APPLICATION**

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application 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 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. 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 spacing unit 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.
3. The producing area for the wells is expected to be orthodox.
4. 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.

5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024 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/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;

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

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

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

E. 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  
Telephone: 505.848.1800

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[deana.bennett@modrall.com](mailto:deana.bennett@modrall.com)  
[yarithza.pena@modrall.com](mailto:yarithza.pena@modrall.com)  
*Attorneys for Franklin Mountain Energy 3, LLC*



**CASE NO. 24661 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico.** Applicant 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.

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

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application 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 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. 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 spacing unit 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.
3. The producing area for the wells is expected to be orthodox.
4. This 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).

5. 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.

6. 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.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on July 11, 2024 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/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;

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

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*Attorneys for Franklin Mountain Energy 3, LLC*

**CASE NO. 24662** : **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 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.



MODRALL SPERLING

L A W Y E R S

July 16, 2024

Deana M. Bennett  
505.848.1834  
[dmb@modrall.com](mailto:dmb@modrall.com)

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

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

**CASE NO. 24661**

**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. 24663**

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

**CASE NO. 24664**

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

**CASE NO. 24665**

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

**CASE NO. 24666**

Modrall Spierling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
[www.modrall.com](http://www.modrall.com)

Page 2

TO: AFFECTED PARTIES

This letter is to advise you that the hearing for Franklin Mountain Energy 3, LLC (“Franklin Mountain Energy 3”) applications listed above, which you were previously sent notice letters for, has been reset.

**The hearing is now set for August 8, 2024 beginning at 8:30 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1<sup>st</sup> Floor, Santa Fe, NM 87505 and via a 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  
*Attorney for Applicant*

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
07/02/2024

Firm Mailing Book ID: 268533

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0123 0789 97	Occidental Permian Limited Partnership 5 Greenway Plaza, Ste 110 Houston TX 77046	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
2	9314 8699 0430 0123 0790 00	VPD New Mexico, LLC C/O Titanium Exploration Partners LLC 101 Summit Ave, Suite 400 Fort Worth TX 76102	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
3	9314 8699 0430 0123 0790 17	T.H. McElvain Oil & Gas LLLP 1819 West Dr., Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
4	9314 8699 0430 0123 0790 24	Thomaston, LLC 1819 West Dr., Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
5	9314 8699 0430 0123 0790 31	Wing Resources VII, LLC 2100 McKinney Ave Dallas TX 75201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
6	9314 8699 0430 0123 0790 48	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
7	9314 8699 0430 0123 0790 55	Charles A. Stoddard 7911 Chevy Chase Drive Houston TX 77063	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
8	9314 8699 0430 0123 0790 62	SLVL, Ltd. 2320 Rock Ridge Court Allen TX 75002	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
9	9314 8699 0430 0123 0790 79	T.H. McElvain Oil & Gas LLLP 1819 West Dr., Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
10	9314 8699 0430 0123 0790 86	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
11	9314 8699 0430 0123 0790 93	Occidental Permian Limited Partnership 5 Greenway Plaza, Ste 110 Houston TX 77046	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
12	9314 8699 0430 0123 0791 09	J&L Exploration LLC P.O. Box 51067 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
13	9314 8699 0430 0123 0791 16	Northern Oil and Gas Inc. 4350 Baker Road, Ste 400 Minnetonka MN 55343	\$1.63	\$4.40	\$2.32	\$0.00	10154.0011.24661,62. Notice
<b>Totals:</b>			<b>\$21.19</b>	<b>\$57.20</b>	<b>\$30.16</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$108.55</b>	



List Number of Pieces Listed by Sender: 13  
 Total Number of Pieces Received at Post Office: 13  
 Postmaster: Name of receiving employee  
 Dated:

**Franklin Mountain Energy 3, LLC**  
**Case No. 24662**  
**Exhibit C-2**

OCD Examiner Hearing 8-8-24  
 No. 24662



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  
 07/16/2024

Firm Mailing Book ID: 269145

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0123 5820 50	Occidental Permian Limited Partnership 5 Greenway Plaza, Ste 110 Houston TX 77046	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
2	9314 8699 0430 0123 5820 67	BMD Exploration, LLC 33 Yale Street Williston Park NY 11596	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
3	9314 8699 0430 0123 5820 74	Charles A. Stoddard 2320 Rock Ridge Court Allen TX 75002	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
4	9314 8699 0430 0123 5820 81	Charles A. Stoddard 7911 Chevy Chase Drive Houston TX 77063	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
5	9314 8699 0430 0123 5820 98	Coert Holdings 1, LLC 60 Arch Street Greenwich CT 06830	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
6	9314 8699 0430 0123 5821 04	Colgate Energy Management, LLC 300 N. Marienfeld Street, Ste 1000 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
7	9314 8699 0430 0123 5821 11	Drew R. Scott Family Minerals, LLC P.O. Box 9143 Midland TX 79708	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
8	9314 8699 0430 0123 5821 28	Great Western Drilling LTD P.O. Box 1659 Midland TX 79702	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
9	9314 8699 0430 0123 5821 35	J&G Enterprise Ltd., Co 703 East Main Artesia NM 88210	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
10	9314 8699 0430 0123 5821 42	J&L Exploration LLC P.O. Box 51067 Midland TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
11	9314 8699 0430 0123 5821 59	J. T. Jackson and Associates 2302 Sierra Vista Road Artesia NM 88210	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
12	9314 8699 0430 0123 5821 66	James Adelson & Family 2015 Trusts 15 East 5th Street, Suite 3300 Tulsa OK 74103	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
13	9314 8699 0430 0123 5821 73	Jean Ann Pepper Johnson 401 North Broad Street Galesburg IL 61401	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
14	9314 8699 0430 0123 5821 80	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
15	9314 8699 0430 0123 5821 97	Marshall & Winston Inc. P.O. Box 50880 Midland TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice

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  
 07/16/2024

Firm Mailing Book ID: 269145

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0123 5822 03	Mary Louise Galbreath, as her separate property 3416 San Joaquin Plaza Newport Beach CA 92660	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
17	9314 8699 0430 0123 5822 10	McCombs Energy, Ltd. 755 East Mulberry Ave, Ste 600 San Antonio TX 78212	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
18	9314 8699 0430 0123 5822 27	Mewbourne and Daughters, LTD P.O. Box 7698 Tyler TX 75701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
19	9314 8699 0430 0123 5822 34	Northern Oil and Gas Inc. 4350 Baker Road, Ste 400 Minnetonka MN 55343	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
20	9314 8699 0430 0123 5822 41	Occidental Permian Limited Partnership 5 Greenway Plaza, Ste 110 Houston TX 77046	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
21	9314 8699 0430 0123 5822 58	Pegasus Resources II, LLC P.O. Box 470698 Fort Worth TX 76147	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
22	9314 8699 0430 0123 5822 65	PRP Delaware Basin, LLC 2021 McKinney Ave., Suite 1250 Dallas TX 75201	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
23	9314 8699 0430 0123 5822 72	SLVL, Ltd. 2320 Rock Ridge Court Allen TX 75002	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
24	9314 8699 0430 0123 5822 89	SLVL, Ltd. 7911 Chevy Chase Drive Houston TX 77063	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
25	9314 8699 0430 0123 5822 96	T.H. McElvain Oil & Gas LLLP 1819 West Dr., Ste 260 Lakewood CO 80401	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
26	9314 8699 0430 0123 5823 02	The Brady Family Trust, U/D June 1, 1994 P.O. Box 8695 Springdale AR 72766	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
27	9314 8699 0430 0123 5823 19	Thomaston, LLC 1819 West Dr., Ste 260 Lakewood CO 80401	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
28	9314 8699 0430 0123 5823 26	Tres Primo Partners, LLC P.O. Box 1938 Roswell NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
29	9314 8699 0430 0123 5823 33	VPD New Mexico, LLC c/o Titanium Exploration Partners 101 Summit Ave, Suite 400 Fort Worth TX 76102	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
30	9314 8699 0430 0123 5823 40	Wing Resources VII, LLC 2100 McKinney Ave Dallas TX 75201	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice

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  
07/16/2024

Firm Mailing Book ID: 269145

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fcc	Reference Contents
31	9314 8699 0430 0123 5823 57	Zunis Energy, LLC 15 East 5th Street, Suite 3300 Tulsa OK 74103	\$1.77	\$4.85	\$2.62	\$0.00	10154.0011foxtail Notice
<b>Totals:</b>			<b>\$54.87</b>	<b>\$150.35</b>	<b>\$81.22</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$286.44</b>	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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31

Transaction Report Details - CertifiedPro.net  
 Firm Mail Book ID= 268533  
 Generated: 8/1/2024 8:37:49 AM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300123079116	2024-07-02 9:36 AM	10154.0011.24661,62.	Northern Oil and Gas Inc.		Minnetonka	MN	55343	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300123079109	2024-07-02 9:36 AM	10154.0011.24661,62.	J&L Exploration LLC		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-10 3:57 PM
9314869904300123079093	2024-07-02 9:36 AM	10154.0011.24661,62.	Occidental Permian Limited Partnership		Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300123079086	2024-07-02 9:36 AM	10154.0011.24661,62.	State of New Mexico		Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-08 7:15 AM
9314869904300123079079	2024-07-02 9:36 AM	10154.0011.24661,62.	T.H. McElvain Oil & Gas LLLP		Lakewood	CO	80401	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300123079062	2024-07-02 9:36 AM	10154.0011.24661,62.	SLVL, Ltd.		Allen	TX	75002	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-06 12:26 PM
9314869904300123079055	2024-07-02 9:36 AM	10154.0011.24661,62.	Charles A. Stoddard		Houston	TX	77063	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300123079048	2024-07-02 9:36 AM	10154.0011.24661,62.	Marathon Oil Permian, LLC		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-10 1:43 PM
9314869904300123079031	2024-07-02 9:36 AM	10154.0011.24661,62.	Wing Resources VII, LLC		Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-10 10:55 AM
9314869904300123079024	2024-07-02 9:36 AM	10154.0011.24661,62.	Thomaston, LLC		Lakewood	CO	80401	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300123079017	2024-07-02 9:36 AM	10154.0011.24661,62.	T.H. McElvain Oil & Gas LLLP		Lakewood	CO	80401	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300123079000	2024-07-02 9:36 AM	10154.0011.24661,62.	VPD New Mexico, LLC	C/O Titanium Exploration Partners LLC	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-08 2:10 PM
9314869904300123078997	2024-07-02 9:36 AM	10154.0011.24661,62.	Occidental Permian Limited Partnership		Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	

Transaction Report Details - CertifiedPro.net  
 Firm Mail Book ID= 269145  
 Generated: 8/1/2024 8:40:11 AM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300123582357	2024-07-16 2:14 PM	10154.0011foxtail	Zunis Energy, LLC		Tulsa	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-23 12:03 PM
9314869904300123582340	2024-07-16 2:14 PM	10154.0011foxtail	Wing Resources VII, LLC		Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-24 10:36 AM
9314869904300123582333	2024-07-16 2:14 PM	10154.0011foxtail	VPD New Mexico, LLC	c/o Titanium Exploration Partners	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-22 1:01 PM
9314869904300123582326	2024-07-16 2:14 PM	10154.0011foxtail	Tres Primo Partners, LLC		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-22 10:40 AM
9314869904300123582319	2024-07-16 2:14 PM	10154.0011foxtail	Thomaston, LLC		Lakewood	CO	80401	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300123582302	2024-07-16 2:14 PM	10154.0011foxtail	The Brady Family Trust, U/D June 1, 1994		Springdale	AR	72766	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300123582296	2024-07-16 2:14 PM	10154.0011foxtail	T.H. McElvain Oil & Gas LLLP		Lakewood	CO	80401	Undelivered	Return Receipt - Electronic, Certified Mail	
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9314869904300123582265	2024-07-16 2:14 PM	10154.0011foxtail	PRP Delaware Basin, LLC		Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-24 11:34 AM
9314869904300123582258	2024-07-16 2:14 PM	10154.0011foxtail	Pegasus Resources II, LLC		Fort Worth	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-22 8:24 AM
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9314869904300123582234	2024-07-16 2:14 PM	10154.0011foxtail	Northern Oil and Gas Inc.		Minnetonka	MN	55343	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300123582227	2024-07-16 2:14 PM	10154.0011foxtail	Mewbome and Daughters, LTD		Tyler	TX	75701	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-22 12:15 PM
9314869904300123582210	2024-07-16 2:14 PM	10154.0011foxtail	McCombs Energy, Ltd.		San Antonio	TX	78212	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-19 9:43 AM
9314869904300123582203	2024-07-16 2:14 PM	10154.0011foxtail	Mary Louise Galbreath, as her separate property		Newport Beach	CA	92660	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300123582197	2024-07-16 2:14 PM	10154.0011foxtail	Marshall & Winston Inc.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-19 11:04 AM
9314869904300123582180	2024-07-16 2:14 PM	10154.0011foxtail	Marathon Oil Permian, LLC		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-24 12:58 PM
9314869904300123582173	2024-07-16 2:14 PM	10154.0011foxtail	Jean Ann Pepper Johnson		Galesburg	IL	61401	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300123582166	2024-07-16 2:14 PM	10154.0011foxtail	James Adelson & Family 2015 Trusts		Tulsa	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-22 12:46 PM
9314869904300123582159	2024-07-16 2:14 PM	10154.0011foxtail	J. T. Jackson and Associates		Artesia	NM	88210	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-19 5:00 PM
9314869904300123582142	2024-07-16 2:14 PM	10154.0011foxtail	J&L Exploration LLC		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-26 4:59 PM
9314869904300123582135	2024-07-16 2:14 PM	10154.0011foxtail	J&G Enterprise Ltd., Co		Artesia	NM	88210	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300123582128	2024-07-16 2:14 PM	10154.0011foxtail	Great Western Drilling LTD		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-24 11:11 AM
9314869904300123582111	2024-07-16 2:14 PM	10154.0011foxtail	Drew R. Scott Family Minerals, LLC		Midland	TX	79708	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-20 8:38 AM
9314869904300123582104	2024-07-16 2:14 PM	10154.0011foxtail	Colgate Energy Management, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-19 12:06 PM
9314869904300123582098	2024-07-16 2:14 PM	10154.0011foxtail	Coert Holdings I, LLC		Greenwich	CT	06830	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300123582081	2024-07-16 2:14 PM	10154.0011foxtail	Charles A. Stoddard		Houston	TX	77063	Delivered	Return Receipt - Electronic, Certified Mail	2024-07-24 4:05 PM
9314869904300123582074	2024-07-16 2:14 PM	10154.0011foxtail	Charles A. Stoddard		Allen	TX	75002	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300123582067	2024-07-16 2:14 PM	10154.0011foxtail	BMD Exploration, LLC		Williston Park	NY	11596	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300123582050	2024-07-16 2:14 PM	10154.0011foxtail	Occidental Permian Limited Partnership		Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail	


LEGAL NOTICE  
July 7, 2024

### Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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

Beginning with the issue dated  
July 07, 2024  
and ending with the issue dated  
July 07, 2024.

  
Publisher

Sworn and subscribed to before me this  
7th day of July 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, Law 1937 and payment of fees for said public has been made.

**CASE NO. 24661: Notice to all affected parties, as well as heirs and devisees of: Occidental Permian Limited Partnership; VPD New Mexico, LLC c/o Titanium Exploration Partners, LLC; T.H. McElvain Oil & Gas LLLP; Thomaston, LLC; Wing Resources VII, LLC; Marathon Oil Permian, LLC; Charles A. Stoddard; SLVL, Ltd.; J&L Exploration LLC; Northern Oil and Gas Inc.; and State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, 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 July 25, 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 a 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 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 **Foxhall State Com 701H and Foxhall 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.

**CASE NO. 24662: Notice to all affected parties, as well as heirs and devisees of: Occidental Permian Limited Partnership; VPD New Mexico, LLC c/o Titanium Exploration Partners, LLC; T.H. McElvain Oil & Gas LLLP; Thomaston, LLC; Wing Resources VII, LLC; Marathon Oil Permian, LLC; Charles A. Stoddard; SLVL, Ltd.; J&L Exploration LLC; Northern Oil and Gas Inc.; and State of New Mexico 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 July 25, 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 a 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 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 **Foxhall State Com 301H and Foxhall 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 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 30-025-40636). 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.

**CASE NO. 24663: Notice to all affected parties, as well as heirs and devisees of: VPD New Mexico, LLC c/o Titanium Exploration Partners, LLC; T.H. McElvain Oil & Gas LLLP; Thomaston, LLC; Wing Resources VII, LLC; Marathon Oil Permian, LLC; Charles A. Stoddard; SLVL, Ltd.; and State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, 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 July 25, 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 a 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 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 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin seeks to dedicate the spacing unit to the **Foxhall State Com 302H, Foxhall State Com 502H, and Foxhall 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.

**CASE NO. 24664: Notice to all affected parties, as well as heirs and devisees of: VPD New Mexico, LLC c/o Titanium Exploration Partners, LLC; T.H. McElvain Oil & Gas LLLP; Thomaston, LLC; Wing Resources VII, LLC; Marathon Oil Permian, LLC; Charles A. Stoddard; SLVL, Ltd.; and State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, 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 July 25, 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 a 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 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 **Foxhall State Com 702H and Foxhall 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.

**CASE NO. 24665: Notice to all affected parties, as well as heirs and devisees of: Northern Oil and Gas, Inc.; Great Western Drilling LTD; Mary Louise Galbreath, as her separate property; Coert Holdings 1, LLC; Jean Ann Pepper Johnson; The Brady Family Trust, U/D June 1, 1994; Curtis W. Newbourne; Trustee; Thomaston, LLC; Wing Resources VII, LLC; Marathon Oil Permian, LLC; Colgate Energy Management, LLC; McCombs Energy, Ltd.; PRP Delaware Basin, LLC; Marshall & Winston Inc.; BMD Exploration, LLC; Drew R. Scott Family Minerals, LLC; SLVL, Ltd.; Charles A. Stoddard; and State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, 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 July 25, 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 a 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 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 **Foxhall State Com 303H and Foxhall 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.

**CASE NO. 24666: Notice to all affected parties, as well as heirs and devisees of: Northern Oil and Gas, Inc.; Great Western Drilling LTD; Mary Louise Galbreath, as her separate property; Coert Holdings 1, LLC; Jean Ann Pepper Johnson; The Brady Family Trust, U/D June 1, 1994; Newbourne and Daughters, LTD; Thomaston, LLC; Wing Resources VII, LLC; Marathon Oil Permian, LLC; Marshall & Winston, Inc.; BMD Exploration, LLC; Drew R. Scott Family Minerals, LLC; Zunle Energy, LLC; James Adelson & Family 2015 Trusts; Tres Primo Partners, LLC; Pegasus Resources II, LLC; J.T. Jackson and Associates; J&G Enterprise Ltd., Co.; and State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, 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 July 25, 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 a 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 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 **Foxhall State Com 304H and Foxhall 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.

#00192020

Franklin Mountain Energy 3, LLC

Case No. 24662

Exhibit C-4

OCD Examiner Hearing 8-8-24

No. 24662