



# FRANKLIN MOUNTAIN ENERGY

Before the Oil Conservation Division  
Examiner Hearing August 22nd, 2024

Compulsory Pooling

**Case No. 24445: Norte State Com 603H**

**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. 24445**

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

<b>Case: 24445</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>August 15, 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, Lea County, New Mexico.
Entries of Appearance/Intervenors:	XTO Energy, Inc.
Well Family	Norte 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)	320-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	W/2E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit 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
Well #1: Norte State Com 603H	API No. <i>Pending</i> SHL: 678' FNL & 1377' FEL, (Lot 2), Section 3, T19S, R35E FTP: 100' FSL & 1680' FEL, Section 34, T18S, R35E BHL: 100' FNL & 1680' FEL, (Unit B) Section 27, T18S, R35E Completion Target: Third Bone Spring (Approx. 10,059' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-6
<b>AFF Capex and Operating Costs</b>	OCD Examiner Hearing 8-22-24 No. 24445

Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit A Paragraph 21
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/B-7
Target Formation	Tab B
HSU Cross Section	Exhibit B-5
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-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3
Cross Section Location Map (including wells)	Exhibits B-4
Cross Section (including Landing Zone)	Exhibits B-5
<b>Additional Information</b>	
	OCD Examiner Hearing 8-22-24
	No. 24445
	2



<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>	8/15/2024

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. 24445

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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 18 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 **Norte State Com 603H** well to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East.
3. The producing area for the well is expected to be orthodox.
4. 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 well or to otherwise commit their interests to the well.
5. The pooling of all interests in the Bone Spring 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 May 2, 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 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

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

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 well in the event a working interest owner elects not to participate in the well.

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. 24445 : 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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Norte State Com 603H** well, to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

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. 24445

SELF-AFFIRMED DECLARATION 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 well to be drilled in the unit.

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

8. In this case, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

9. This spacing unit will be dedicated to the Norte State Com 603H well to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East.

10. Attached as **Exhibit A.3** are the proposed C-102s for the well.

11. The C-102s identify the proposed surface hole location and the bottom hole location, and the first take point. The C-102 also identifies the pool and pool code.

12. The well will develop the Vacuum; Bone Spring, South Pool, (Code 61900) and the Scharb; Bone Spring Pool, (Code 55610).

13. The Vacuum; Bone Spring, South Pool is an oil pool with 40-acre building blocks and the Scharb; Bone Spring Pool is an oil pool with 80-acre building blocks.

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

15. The unit is standard whether the building blocks are 40-acre tracts or 80-acre tracts.

16. The producing area for the well is expected to be orthodox.

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

18. **Exhibit A.4** includes a lease tract map outlining the unit being pooled.

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

20. **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.

21. 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.

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

23. I have conducted a diligent search of the public records in the county where the well is 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 the Authorizations for Expenditure.

24. 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**.

25. Franklin requests that it be designated operator of the well.

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

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

28. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

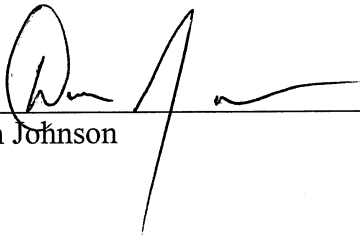
29. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

30. 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]*



Dated: August 14, 2024

  
\_\_\_\_\_  
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: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 61900		<sup>3</sup> Pool Name VACUUM;BONE SPRING, SOUTH	
<sup>4</sup> Property Code		<sup>5</sup> Property Name NORTE STATE COM			<sup>6</sup> Well Number 603H
<sup>7</sup> OGRID No. 331595		<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			<sup>9</sup> Elevation 3828.5'

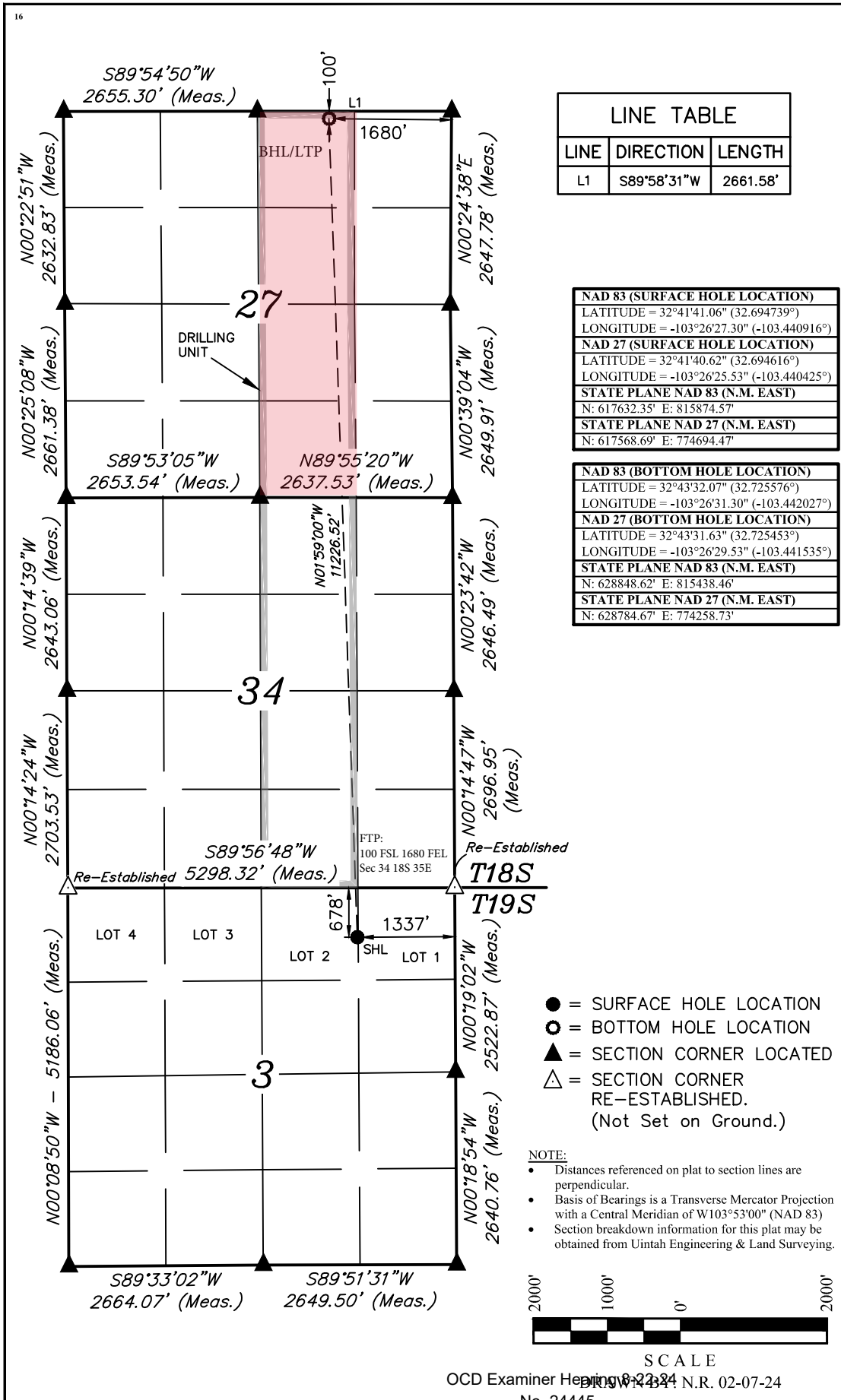
<sup>10</sup> Surface Location

UL or lot no. 2	Section 3	Township 19S	Range 35E	Lot Idn	Feet from the 678	North/South line NORTH	Feet from the 1337	East/West line EAST	County LEA
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. B	Section 27	Township 18S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1680	East/West line EAST	County LEA
<sup>12</sup> Dedicated Acres 160		<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.



LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°58'31"W	2661.58'

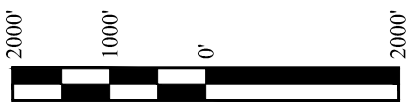
<b>NAD 83 (SURFACE HOLE LOCATION)</b>	
LATITUDE = 32°41'41.06" (32.694739°)	
LONGITUDE = -103°26'27.30" (-103.440916°)	
<b>NAD 27 (SURFACE HOLE LOCATION)</b>	
LATITUDE = 32°41'40.62" (32.694616°)	
LONGITUDE = -103°26'25.53" (-103.440425°)	
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	
N: 617632.35' E: 815874.57'	
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	
N: 617568.69' E: 774694.47'	

<b>NAD 83 (BOTTOM HOLE LOCATION)</b>	
LATITUDE = 32°43'32.07" (32.725576°)	
LONGITUDE = -103°26'31.30" (-103.442027°)	
<b>NAD 27 (BOTTOM HOLE LOCATION)</b>	
LATITUDE = 32°43'31.63" (32.725453°)	
LONGITUDE = -103°26'29.53" (-103.441535°)	
<b>STATE PLANE NAD 83 (N.M. EAST)</b>	
N: 628848.62' E: 815438.46'	
<b>STATE PLANE NAD 27 (N.M. EAST)</b>	
N: 628784.67' E: 774258.73'	

- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

**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.



SCALE

OCD Examiner Hearing # 22-24 N.R. 02-07-24  
No. 24445

<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.

*Rachael Overbey*  
Signature Date 2/13/2024

Rachael Overbey  
Printed Name

roverbey@fmellc.com  
E-mail Address

<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.

October 17, 2023

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<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 NORTE STATE COM			<sup>6</sup> Well Number 603H
<sup>7</sup> OGRID No. 331595		<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			<sup>9</sup> Elevation 3828.5'

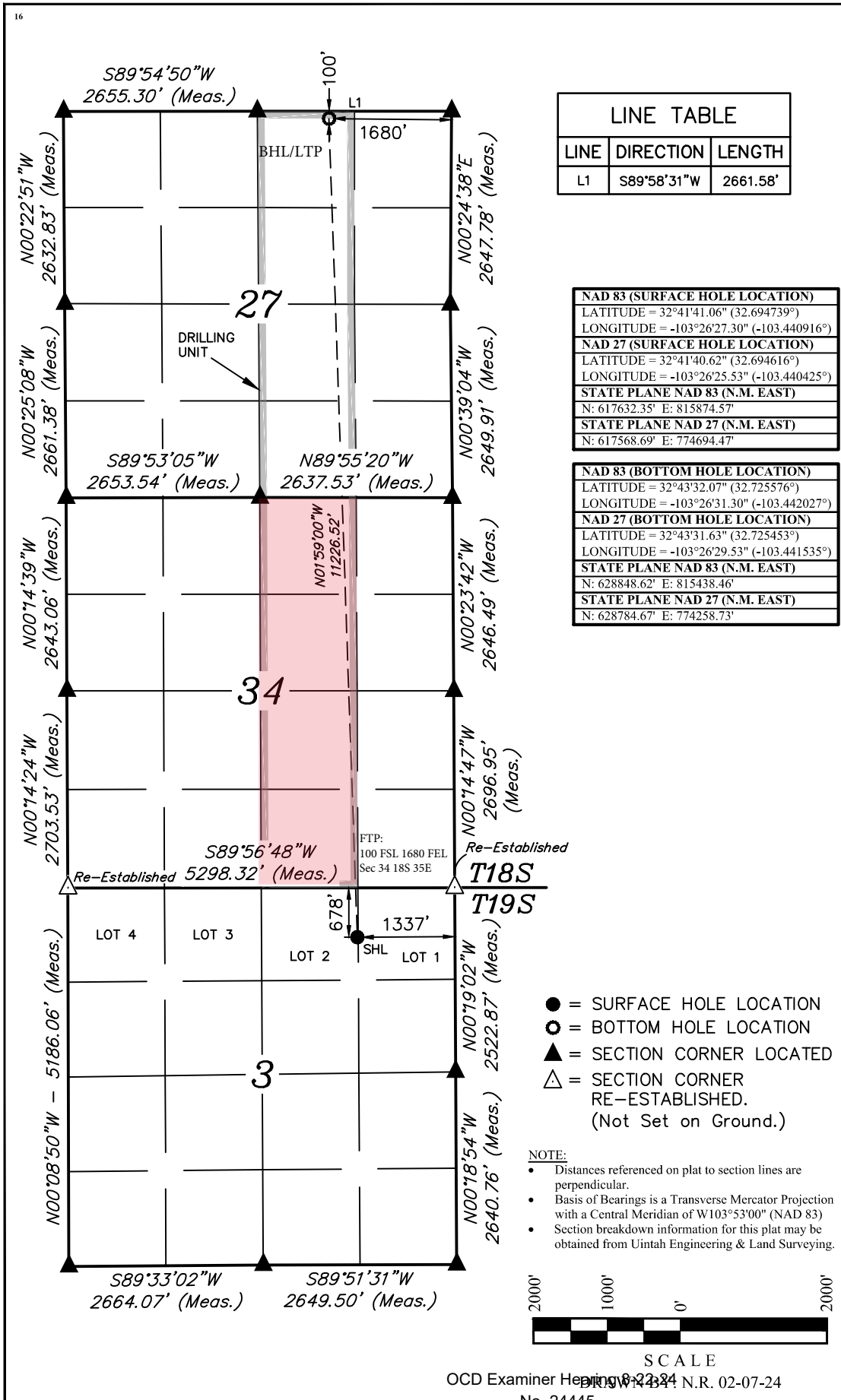
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**<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.

*Rachael Overbey*      2/13/2024  
Signature      Date

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

**<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.

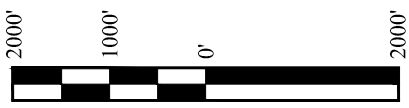
October 17, 2023  
Date of Survey  
Signature and Seal of Professional Surveyor:



- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

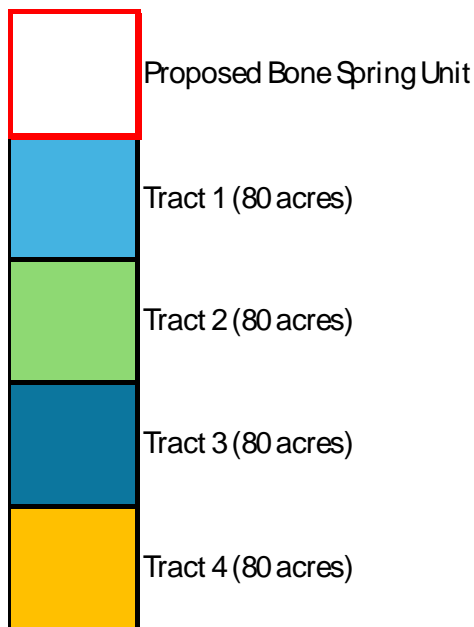
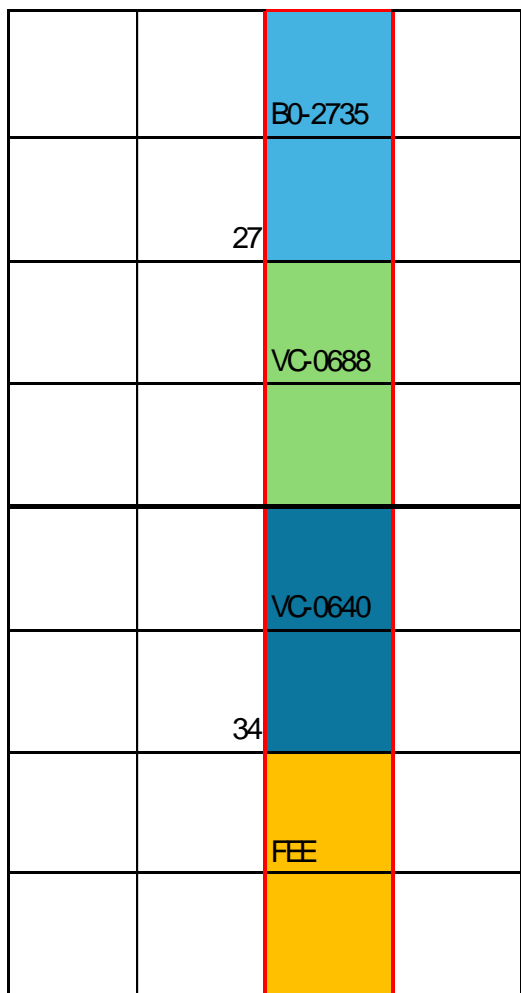
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SCALE  
OCD Examiner Hearing # 22-24  
N.R. 02-07-24  
No. 24445

**Lease Tract Map**  
**Case No. 24445**  
**W/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres**  
**Norte State Com 603H**



**Summary of Interests**  
**Case No. 24445**  
**W/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres**  
**Norte State Com 603H**

<b>Committed Working Interest</b>	
Franklin Mountain Energy 3, LLC	58.333333%
<b>Uncommitted Working Interest</b>	
Yalch Operating, LP	25.000000%
XTO Holdings, LLC	12.500000%
Marshall & Winston, Inc.	4.166667%
Total:	100.000000%



**Unit Recapitulation**  
**Case No. 24445**  
**W/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres**  
**Norte State Com 603H**

		B0-2735	
	27		
		VC-0688	
		VC-0640	
	34		
		FEE	

Committed Working Interest	
Franklin Mountain Energy 3, LLC	58.333333%
Uncommitted Working Interest	
Yalch Operating, LP	25.000000%
XTO Holdings, LLC	12.500000%
Marshall & Winston, Inc.	4.166667%
Total:	100.000000%

Tract	Lease
1	B0-2735
2	VC-0688
3	VC-0640
4	FEE



**Case No. 24445 Parties to Be Pooled**

**Working Interest Owners**

XTO Holdings, LLC  
Marshall & Winston, Inc.  
Yalch Operating, L.P.

**ORRI Owners**

Bozoil, Inc.  
Michael T. Horn  
David J. Plaisance  
Supero Oil & Gas, Inc.  
Thomaston, LLC  
Ostrich Oil and Gas  
Cuthbert Royalties LLC  
Yalch Operating, L.P.  
XTO Holdings, LLC

Exhibit A.5



Sent via USPS: 9405536105536456872103

February 27, 2024

XTO Holdings, LLC  
 22777 Springwoods Village Pkwy  
 Spring, TX 77389  
 Attn: Land Dept. Permian Basin

RE: **Well Proposals**  
 Township 18 South, Range 35 East:  
 Sections 27 & 34: W/2E/2  
 Lea County, New Mexico  
 320 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
Norte State Com 603H	3BS	9,920'	19,920'	Sec. 3-T19S-R35E: 678 FNL 1336 FEL	Sec. 27-T18S-R35E: 100 FNL 1680 FEL	\$11,797,546.84	N/A
Norte State Com 703H	WCA	10,453'	20,453'	Sec. 3-T19S-R35E: 678 FNL 1366 FEL	Sec. 27-T18S-R35E: 100 FNL 2330 FEL	\$11,797,546.84	N/A

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

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

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





Should you be interested in participating under an Operating Agreement, with your unleased minerals, 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 to lease your minerals at the following terms:

The forgoing 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@fmelc.com](mailto:jrutledge@fmelc.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



**Norte State Com 603H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Norte State Com 603H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Norte State Com 603H** well.

**Norte State Com 703H:**

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

Owner: XTO Holdings, LLC

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

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

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

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



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

**AUTHORITY FOR EXPENDITURE**

**Well Name:** Norte State Com 603H **Well #:** 603H  
**Location:** SHL: Sec 3-T19S-R35E 678 FNL 1336 FEL  
 BHL: Sec 27-T18S-R35E 100 FNL 1680 FEL **County/State:** Lea Co., NM  
**Operator:** Franklin Mountain Energy 3, LLC **Date Prepared:** 2/6/2024  
**Purpose:** Drill and complete a 10,000' 3BS well. **AFE #:** DCE240206  
 TVD 9,920', MD 19,920'.

**Intangible Drilling Costs**

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,000
225	10	CASING CREW & EQPT	\$80,000
225	15	CEMENTING INTERMEDIATE CASING	\$50,000
225	16	CEMENTING PRODUCTION CASING	\$150,000
225	20	CEMENTING SUFACE CASING	\$50,000
225	25	COMMUNICATIONS	\$40,000
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	\$762,300
225	55	DRILLING - DIRECTIONAL	\$320,000
225	60	DRILLING - FOOTAGE	\$120,000
225	65	DRILLING BITS	\$140,000
225	70	ELECTRICAL POWER/GENERATION	\$0
225	75	ENGINEERING	\$20,000
225	80	ENVIRONMENTAL SERVICES	\$250,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000
225	85	EQUIPMENT RENTAL	\$50,000
225	90	FISHING TOOLS/SERVICES	\$0
225	95	HEALTH & SAFETY	\$7,000
225	100	HOUSING AND SUPPORT SERVICES	\$45,000
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	\$320,000
225	140	OPENHOLE LOGGING	\$0
225	141	CASED HOLE LOGGING	\$0
225	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$200,000
225	155	RIG MOVE & RACKING COSTS	\$91,500
225	160	RIG UP TEAR OUT & STANDBY	\$0
225	163	SITE RESTORATION	\$10,000
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$85,000
225	175	SUPERVISION - GEOLOGICAL	\$39,000
225	180	TRANSPORTATION/TRUCKING	\$39,000
225	178	TAXES	\$164,874
225	35	CONTINGENCY COSTS 5%	\$149,885
<b>Total Intangible Drilling Costs:</b>			<b>\$3,453,259</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	\$790,399
230	35	SURFACE CASING & ATTACHMENTS	\$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$69,844
<b>Total Tangible Drilling Costs:</b>			<b>\$1,339,741</b>

**Tangible Facility Costs**

Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$147,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0
270	30	PRIMARY POWER MATERIALS	\$14,400
270	50	FLOWLINES / PIPELINE / HOOKUP	\$76,000
270	60	H2S TREATING EQUIPMENT	\$0
270	65	SEPARATION EQUIPMENT	\$94,800
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0
270	75	PRE-FABRICATED SKIDS	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$75,400
270	90	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$57,000
270	110	TANKS & WALKWAYS	\$47,600
270	130	MECHANICAL BATTERY BUILD	\$117,800
270	132	EI&C BATTERY BUILD	\$47,000
270	134	CONTROLS AND SCADA BATTERY BUILD	\$2,600
270	136	PRIMARY POWER BUILD	\$15,100
270	138	FLOWLINE INSTALLATION	\$43,500
270	140	SIGNAGE	\$600
270	125	TAXES	\$40,854
<b>Total Tangible Facility Costs:</b>			<b>\$783,654</b>

**Intangible Completion Costs**

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	\$10,300
240	10	CASED HOLE LOGS & SURVEYS	\$7,500
240	15	CASING CREW & EQPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$276,500
240	25	COMMUNICATIONS	\$2,500
240	30	COMPANY DIRECT LABOR	\$0
240	35	COMPLETION/WORKOVER RIG	\$32,500
240	45	CONTRACT LABOR/ROUSTABOUTS	\$25,000
240	50	DAMAGES/RECLAMATION	\$500
240	55	DISPOSAL SOLIDS	\$10,000
240	60	ELECTRICAL POWER/GENERATION	\$0
240	62	ENGINEERING	\$3,600
240	65	ENVIRONMENTAL/CLEANUP	\$0
240	70	FISHING TOOLS / SERVICES	\$0
240	71	FLUIDS/HAULING/DISPOSAL	\$110,000
240	72	FRAC WATER/COMPLETION FLUID	\$544,000
240	75	FUEL, POWER/DIESEL	\$574,000
240	80	HEALTH & SAFETY	\$6,100
240	85	HOUSING AND SUPPORT SERVICES	\$9,500
240	90	MATERIALS & SUPPLIES	\$500
240	95	MISCELLANEOUS	\$0
240	100	MUD & CHEMICALS	\$1,400
240	110	P&A/TA COSTS	\$0
240	115	PERFORATING/WIRELINE SERVICE	\$262,000
240	120	PIPE INSPECTION	\$0
240	125	ROAD, LOCATIONS REPAIRS	\$11,000
240	130	STIMULATION	\$2,859,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$31,000
240	140	SUPERVISION	\$96,500
240	145	SURFACE EQUIP RENTAL	\$186,500
240	150	TRANSPORTATION/TRUCKING	\$1,000
240	155	WATER TRANSFER	\$106,000
240	160	WELDING SERVICES	\$0
240	165	WELL TESTING/FLOWBACK	\$93,600
240	148	TAXES	\$0
240	40	CONTINGENCY COSTS 5%	\$315,630
<b>Total Intangible Completion Costs:</b>			<b>\$5,576,130</b>

**Tangible Completion Costs**

Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$200,000
245	15	FLOWLINES	\$0
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$40,000
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$90,000
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$60,000
245	75	WELLHEAD EQUIPMENT	\$142,700
245	70	TAXES	\$29,299
<b>Total Tangible Completion Costs:</b>			<b>\$561,999</b>

**Intangible Facility Costs**

Major	Minor	Description	Amount
265	5	CONSULTING	\$9,500
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$12,700
265	22	PAD/ROAD CONSTRUCTION	\$30,000
265	25	ENGINEERING / SCIENCE	\$13,900
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$5,000
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$3,000
265	80	SURVEY / PLATS / STAKINGS	\$800
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$4,120
265	10	CONTINGENCY COSTS 5%	\$3,745
<b>Total Intangible Facility Costs:</b>			<b>\$82,765</b>

**Office Use Only:**

Total Drill:	\$4,792,999.84
Total Completion:	\$6,138,128.50
Total Facility:	\$866,418.50
Total DC Intangible:	\$9,029,388.50
Total DC Tangible:	\$1,901,739.84

**Total AFE:** \$11,797,546.84

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

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

Date: 2/6/2024

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

## 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 February 27, 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 in to 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>
XTO Holdings, LLC	February 27, 2024	March 1, 2024	Multiple emails sent, phone calls, negotiating trade, Term Assignment or JOA
Yalch Operating, LP	February 27, 2024	March 1, 2024	Multiple emails and phone calls sent, negotiating, JOA and election
Marshall & Winston, Inc.	February 27, 2024	March 2, 2024	Elected to Participate, negotiating trade agreement

Exhibit A.7

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. 24445

SELF-AFFIRMED STATEMENT OF BEN KESSEL

Ben Kessel hereby states and declares as follows:

1. I am over the age of 18, I am the Director of Geology 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 Norte State Com 603H well, which will target the Third Bone Spring formation.
7. **Exhibit B.3** is a structure map of the Third Bone Spring formation. The proposed spacing unit is identified by a blue box. The Norte State Com 603H 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.

8. **Exhibit B.4** is a cross-section reference map that identifies four wells in the vicinity of the proposed Norte State Com 603H well, shown by a line of cross-section running from A to A'.

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

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

11. 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.

12. 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.

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

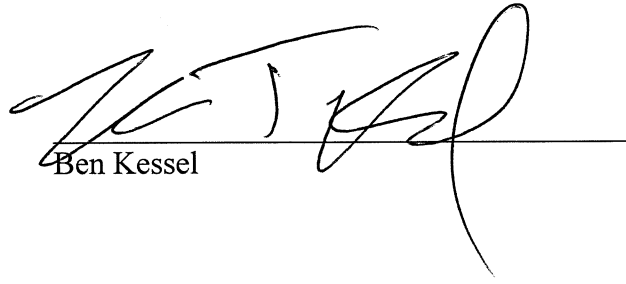
14. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.



15. 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]*

Dated: August 14<sup>th</sup>, 2024

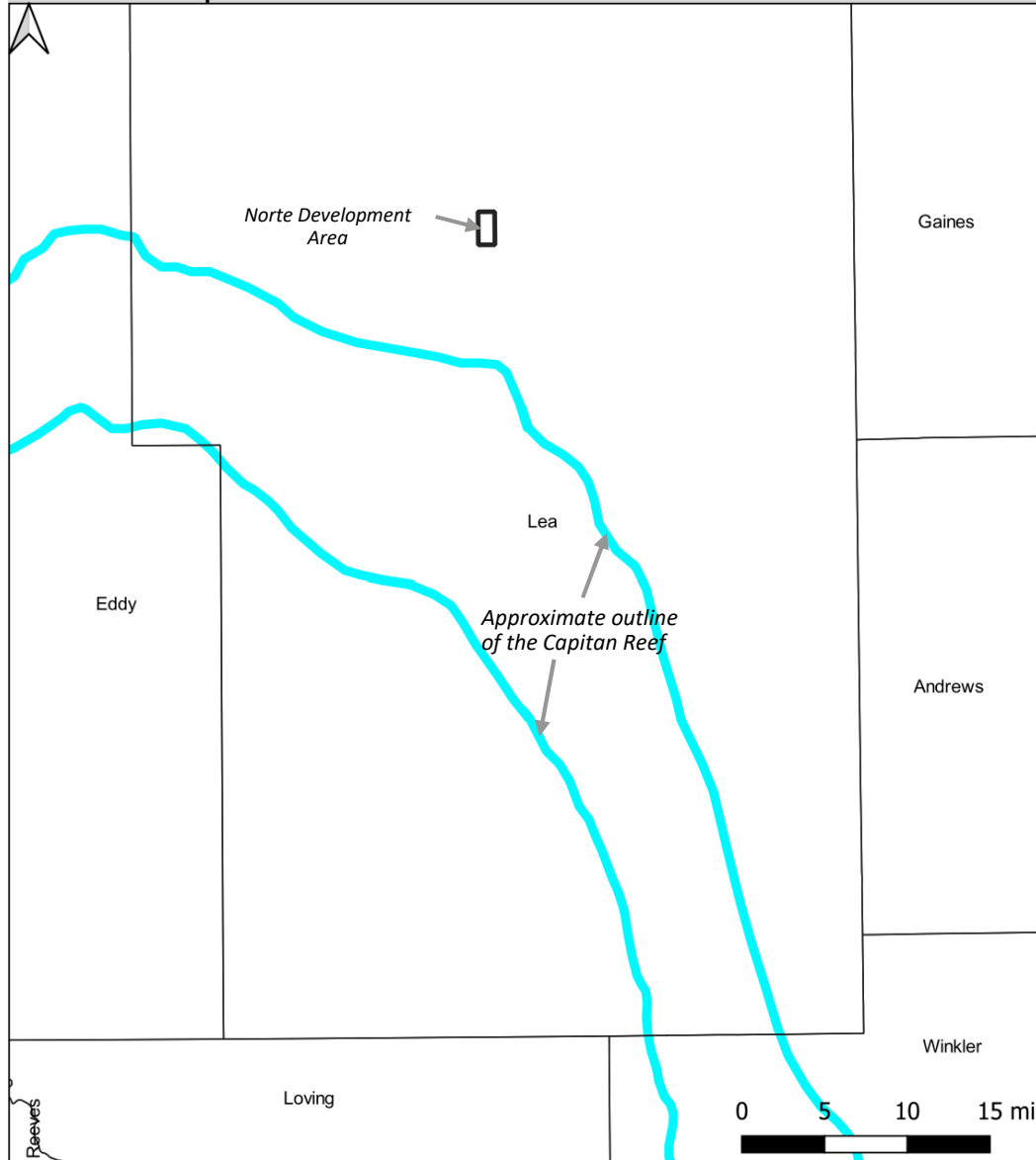


Ben Kessel



# Norte Development

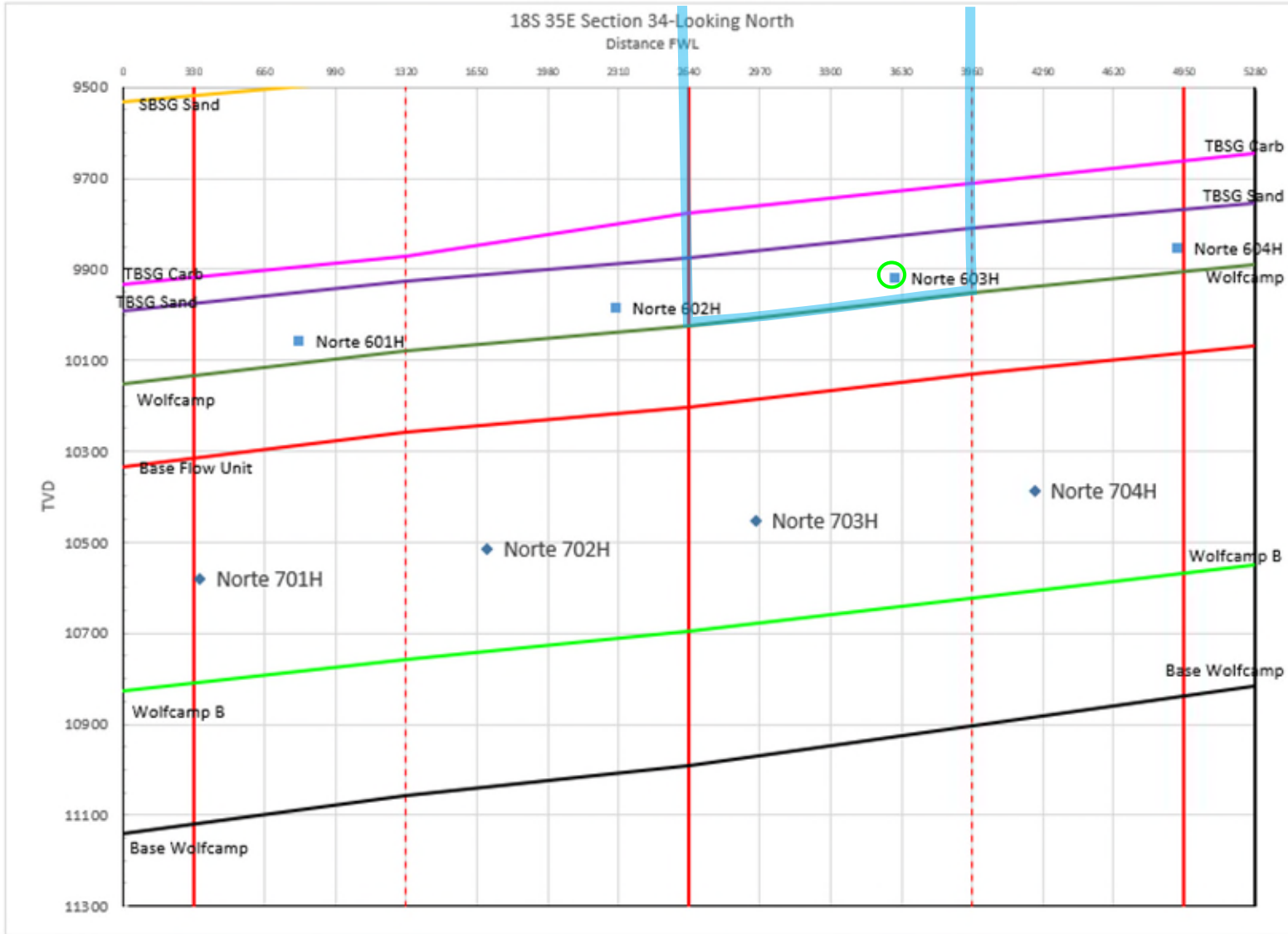
## Locator Map



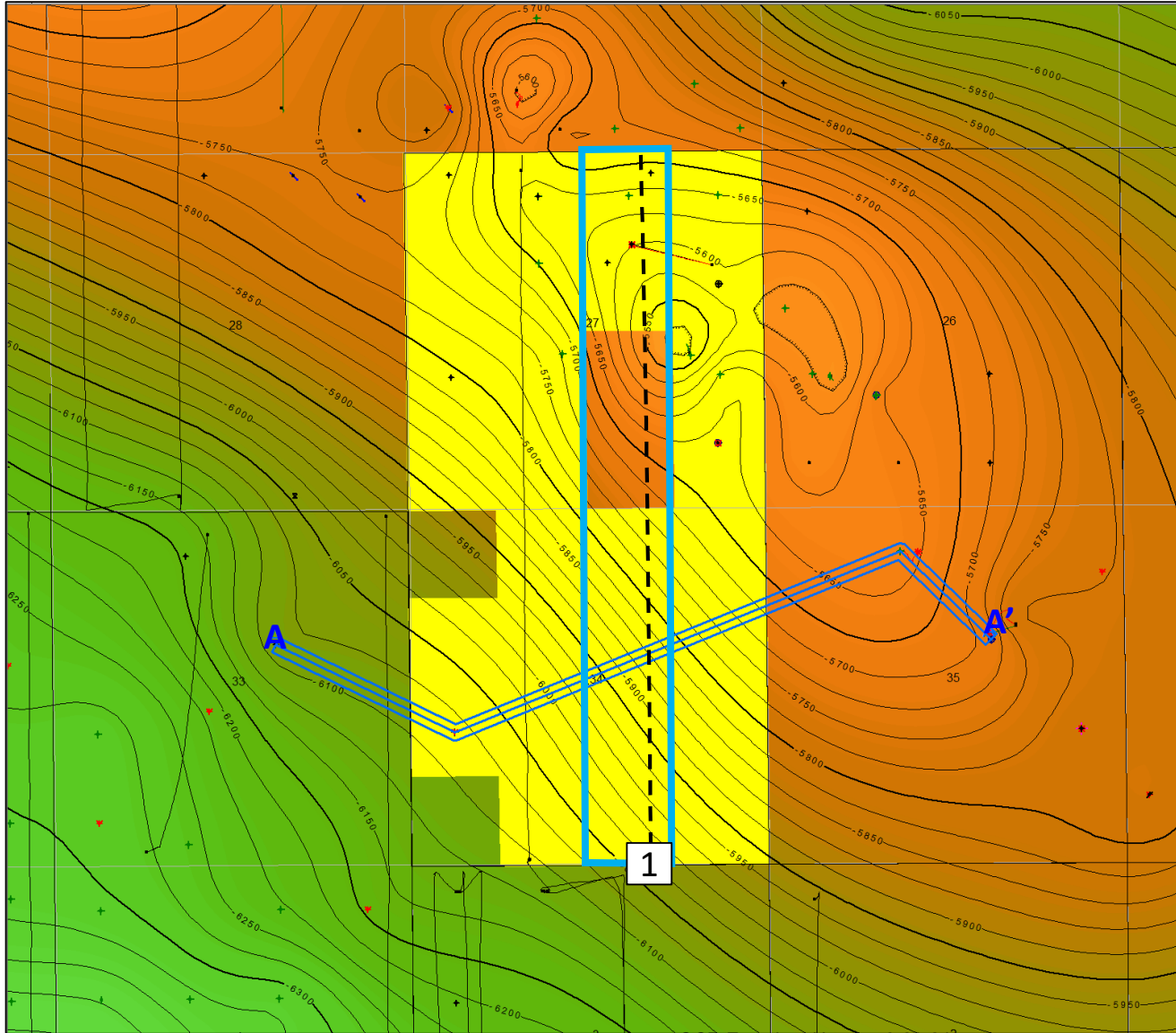
- Black box shows the location of Norte development area
- Planned wells are located outside of the eastern edge of the Capitan Reef

Exhibit B.1

# Wellbore Schematic



OCD Examiner Hearing 8-22-24



Franklin Mountain Acreage

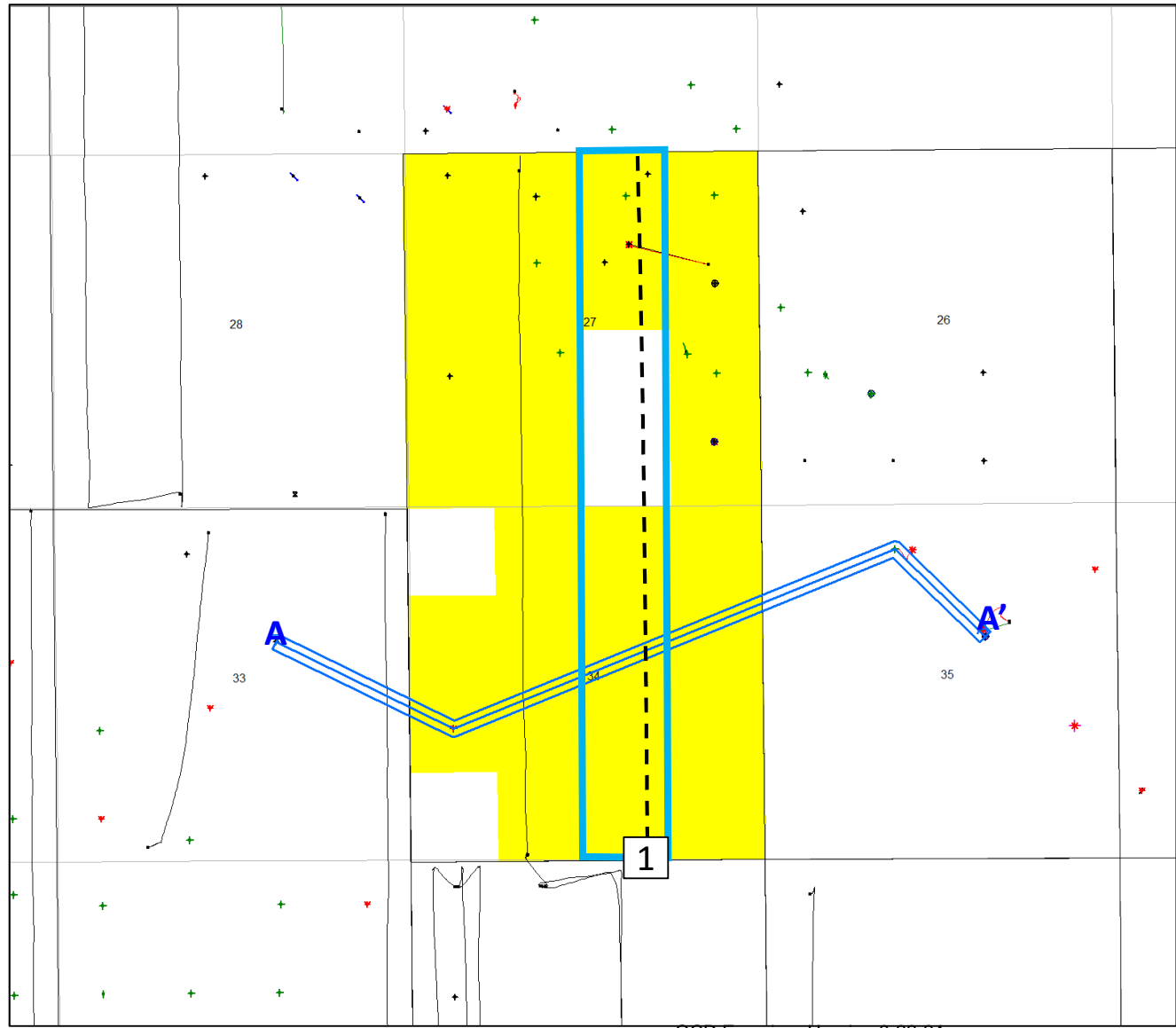
Bone Spring Spacing Unit


Proposed Horizontal Location


1 Norte State Com 603H

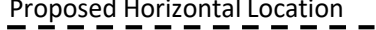
Exhibit B.3

# Cross Section Reference Map



 Franklin Mountain Acreage

 Bone Spring Spacing Unit

 Proposed Horizontal Location

**1** Norte State Com 603H

**Exhibit B.4**

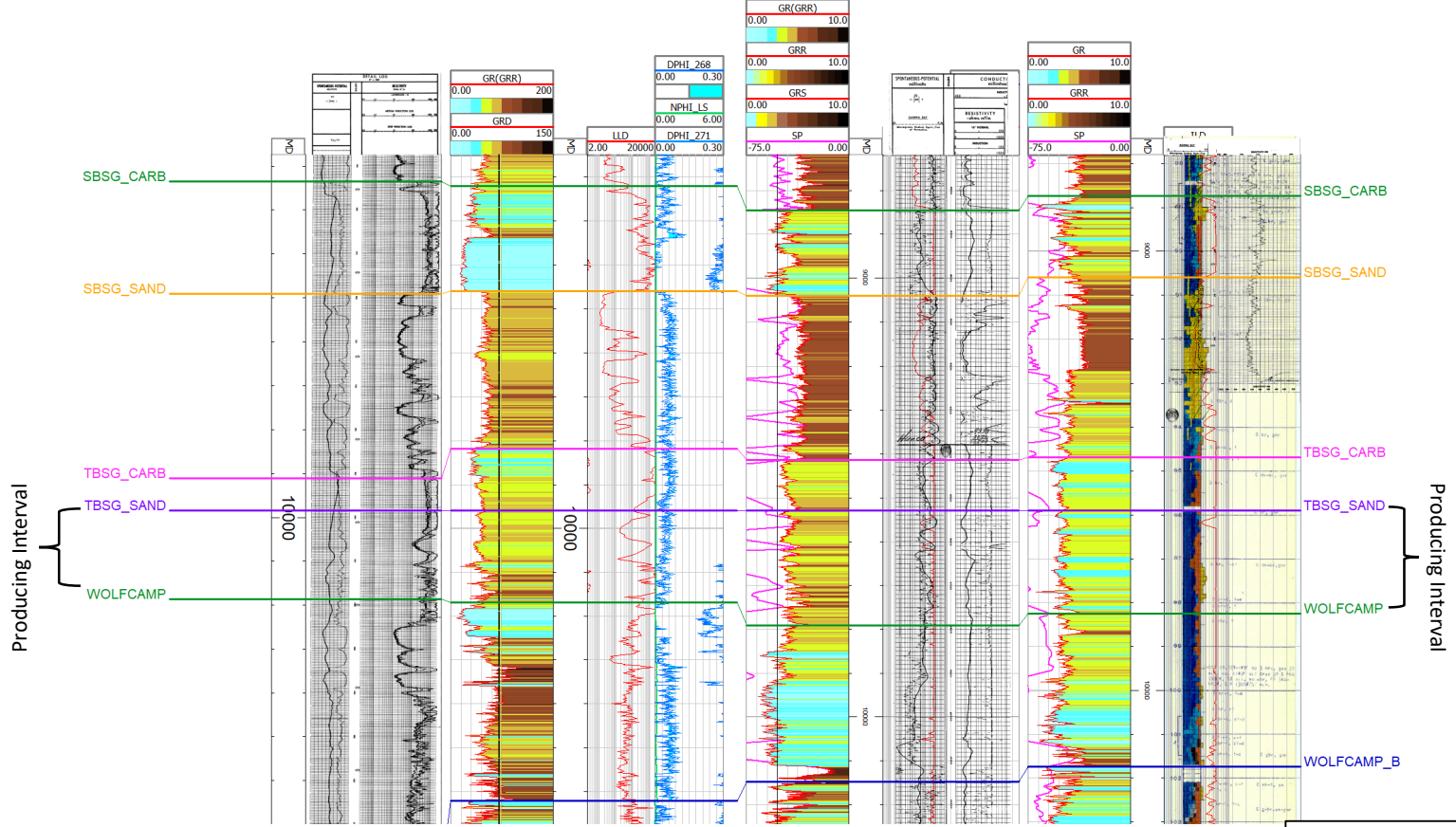
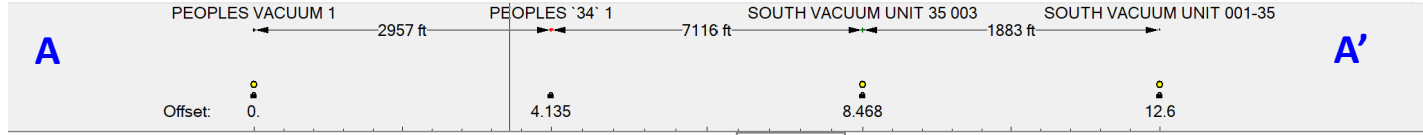
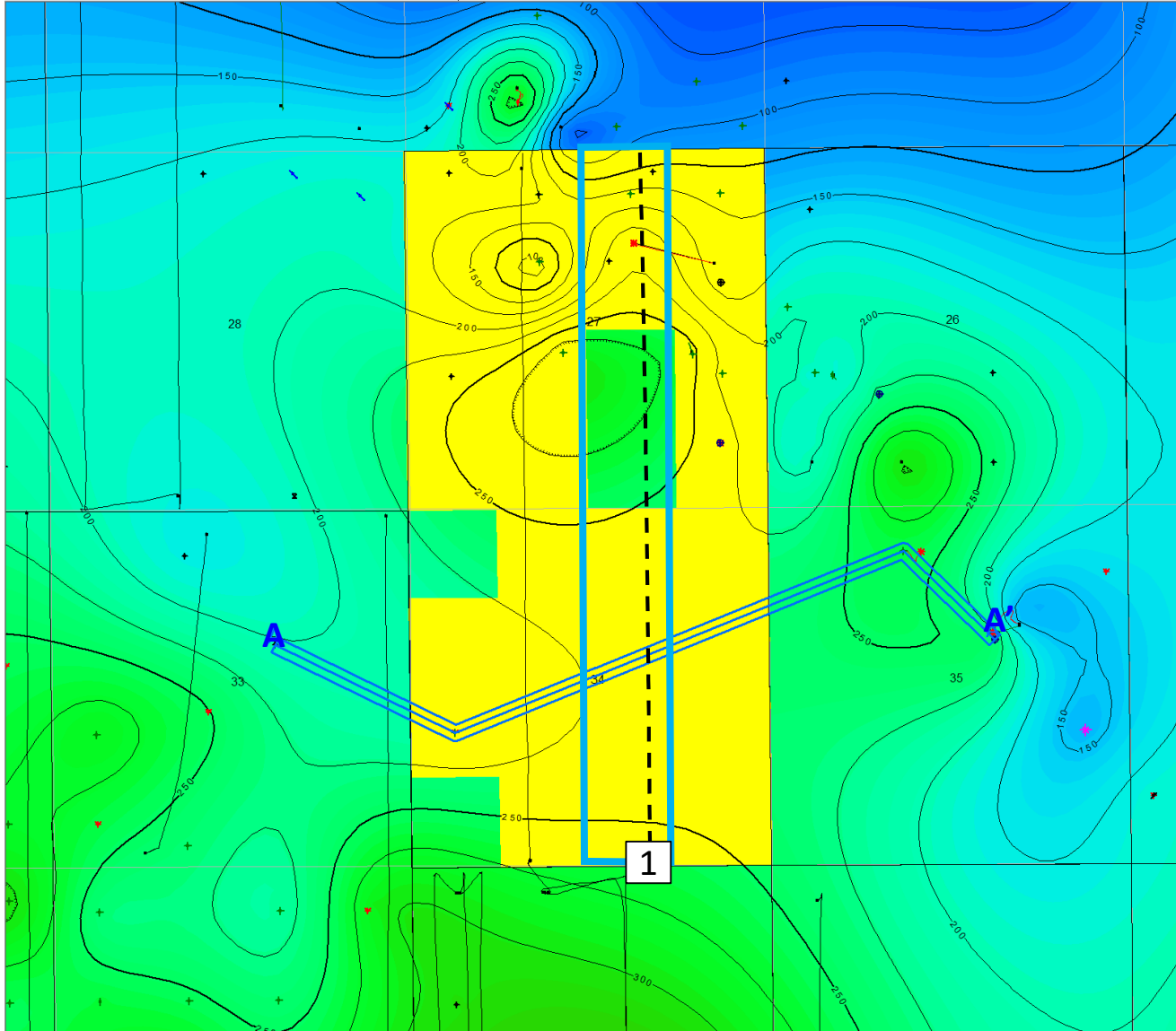


Exhibit B.5



Franklin Mountain Acreage

Bone Spring Spacing Unit

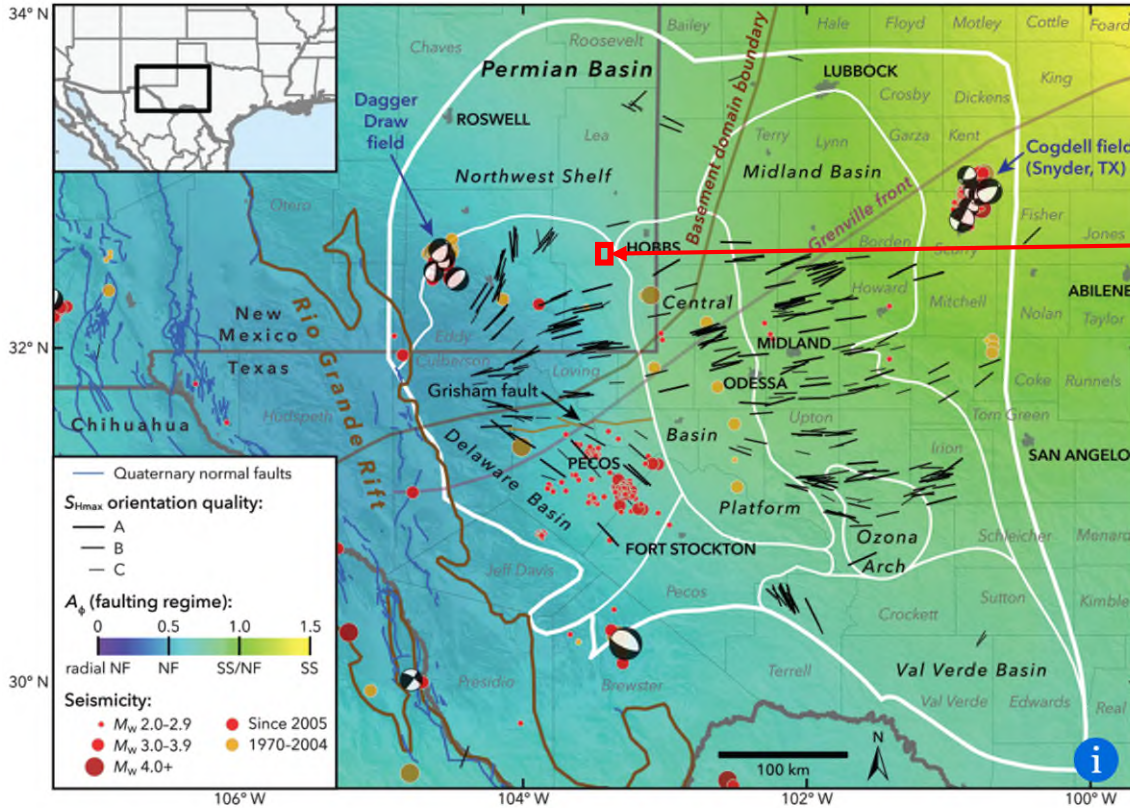
Proposed Horizontal Location

1 Norte State Com 603H

Exhibit B.6



# Regional Stress



- Red box shows the approximate location of the Norte development
- Reported local  $S_{Hmax}$  (Snee and Zoback, 2018) direction is ENE, around  $255^\circ$
- The Norte State Com 603H well are planned to drill S-N, nearly orthogonal to  $S_{Hmax}$ , optimal for induced fracture propagation

Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2

[http://www.tleonline.org/theleadingedge/february\\_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603](http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603)

Exhibit B.7

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

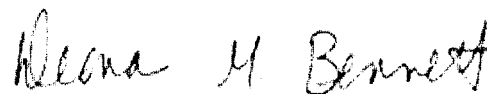
CASE NOS. 24443, 24445,

**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 April 22, 2024, and attached hereto, as Exhibit C.1.
- 2) Exhibit C.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on April 22, 2024.
- 3) Exhibit C.3 is the certified mailing tracking information, which is automatically complied 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 May 16, 2024 hearing was published on April 28, 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.

Dated: August 15, 2024



\_\_\_\_\_  
Deana M. Bennett





MODRALL SPERLING  
LAWYERS

April 22, 2024

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

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

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

**CASE NO. 24443**

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

**CASE NO. 24444**

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

**CASE NO. 24445**

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

**CASE NO. 24447**

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

**CASE NO. 24450**

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

**CASE NO. 24454**

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

**CASE NO. 24456**

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



OCD Examiner Hearing 8-22-24  
No. 24445

Page 2

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. 24443, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 604H well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

In Case No. 24444, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Norte State Com 602H well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NE/4 SW/4 (Unit K) of Section 27, dedicated to Franklin Mountain Energy 3, LLC's Hamon State #001H well (API 30-025-03140). Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

In Case No. 24445, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of

Page 3

Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 603H well, to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

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

In Case No. 24450, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 W/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 701H well, to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Lot 4) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

In Case No. 24454, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 E/2 of

Page 4

Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 703H well, to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be unorthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

In Case No. 24456, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 704H well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be unorthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

The hearing is set for May 16, 2024 beginning at 8:15 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1<sup>st</sup> Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in these cases, 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

Page 5

Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in black ink that reads "Deana M. Bennett". The signature is written in a cursive style with a large initial 'D'.

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. 24443

**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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 18 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 **Norte State Com 604H** well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 27, Township 18 South, Range 35 East.
3. The producing area for the well is expected to be orthodox.
4. 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 well or to otherwise commit their interests to the well.
5. The pooling of all interests in the Bone Spring 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 May 2, 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 E/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
- B. Designating Franklin as operator of this unit and the well to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the well;
- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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 Yarithza Peña  
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 Attorneys for Franklin Mountain Energy 3, LLC

**CASE NO. 24443** : **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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Norte State Com 604H** well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.



**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. 24445

**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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 18 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 **Norte State Com 603H** well to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East.
3. The producing area for the well is expected to be orthodox.
4. 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 well or to otherwise commit their interests to the well.
5. The pooling of all interests in the Bone Spring 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 May 2, 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 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
- B. Designating Franklin as operator of this unit and the well to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the well;
- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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 Deana M. Bennett  
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 Attorneys for Franklin Mountain Energy 3, LLC

**CASE NO. 24445 : 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 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Norte State Com 603H** well, to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

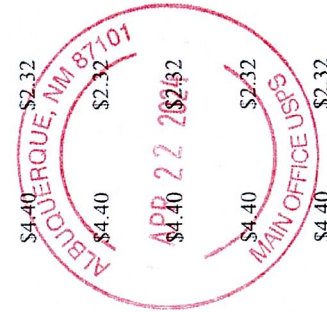
Karlene Schuman  
Modrall Sperlberg Roehl Harris & Sisk P.A.  
500 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
04/22/2024

Firm Mailing Book ID: 264846

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest. Del. Fee	Reference Contents
1	9314 8699 0430 0120 2517 37	Yalch Operating, LP P.O. Box 10458 Midland TX 79702	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
2	9314 8699 0430 0120 2517 44	SITL Energy, LLC 308 N. Colorado, Ste 200 Midland TX 79701	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
3	9314 8699 0430 0120 2517 51	Asher Enterprises Ltd. Co. 3904 Maggies Meadow Denton TX 76210	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
4	9314 8699 0430 0120 2517 68	Arizona Holding Corporation PO Box 543 La Grange TX 78945	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
5	9314 8699 0430 0120 2517 75	Barbe Development, LLC PO Box 2107 Roswell NM 88202	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
6	9314 8699 0430 0120 2517 82	Bill Fenn PO Box 1757 Roswell NM 88202	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
7	9314 8699 0430 0120 2517 99	Old World Oil II, LLC P.O. Box 8274 Horseshoe Bay TX 78657	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
8	9314 8699 0430 0120 2518 05	Sharp Image Energy, Inc. PO Box 1888 Big Spring TX 79721	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
9	9314 8699 0430 0120 2518 12	Knox Resources, LLC 11902 N. Penn Ave, Ste C-1 Oklahoma City OK 73120	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
10	9314 8699 0430 0120 2518 29	RLS Land Services, LLC 305 West Pittsburgh St. Greensburg PA 15601	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
11	9314 8699 0430 0120 2518 36	Clarke C. Coll PO Box 1818 Roswell NM 88202	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
12	9314 8699 0430 0120 2518 43	Coll Brothers Oil PO Box 1818 Roswell NM 88202	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
13	9314 8699 0430 0120 2518 50	Crain Properties L.L.C. 1206 West Chochiti Hobbs NM 88240	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
	9314 8699 0430 0120 2518 67	Thomas M. Johnson PO Box 1059 La Grange TX 78945	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice
	9314 8699 0430 0120 2518 74	Big Horn Investments, Inc. 2902 Diamond A Dr Roswell NM 88201	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001 Norte Notice



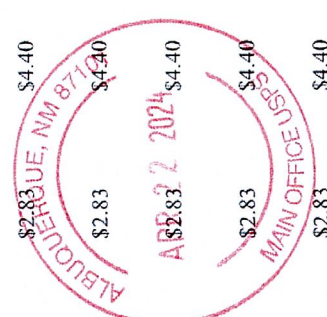
Karlene Schuman  
Modrall Sperlberg Roehl Harris & Sisk P.A.  
500 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
04/22/2024

Firm Mailing Book ID: 264846

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0120 2518 81	Bill Fenn as Trustee, Residuary Trust Est u/w/o Joe Flen Fenn PO Box 1757 Roswell NM 88202	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
17	9314 8699 0430 0120 2518 98	Marshall & Winston Inc. P.O. Box 50880 Midland TX 79710	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
18	9314 8699 0430 0120 2519 04	XTO Holdings, LLC 22777 Springwoods Village Pkwy Spring TX 77389	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
19	9314 8699 0430 0120 2519 11	Bozoi, Inc. 10290 MONROE DRIVE, SUITE 301 DALLAS TX 75229	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
20	9314 8699 0430 0120 2519 28	Michael T. Horn 4006 DUNKIRK MIDLAND TX 79707	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
21	9314 8699 0430 0120 2519 35	David J. Plaisance 4254 ROYAL RIDGE DRIVE DALLAS TX 75229	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
22	9314 8699 0430 0120 2519 42	Supero Oil & Gas, Inc. PO BOX 33 MIDLAND TX 79702	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
23	9314 8699 0430 0120 2519 59	Thomaston, LLC 1819 DENVER WEST DRIVE, SUITE 260 LAKEWOOD CO 80401	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
24	9314 8699 0430 0120 2519 66	Ostrich Oil and Gas 405 NORTH MARIENFELD, SUITE 250 MIDLAND TX 79701	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
25	9314 8699 0430 0120 2519 73	Cuthbert Royalties LLC PO BOX 50573 MIDLAND TX 79710	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
26	9314 8699 0430 0120 2519 80	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$2.83	\$4.40	\$2.32	\$0.00	10154.0001Norte Notice
<b>Totals:</b>			<b>\$73.58</b>	<b>\$114.40</b>	<b>\$60.32</b>	<b>\$0.00</b>	<b>\$248.30</b>



List Number of Pieces Received at Post Office: 26  
Postmaster: Name of receiving employee  
Dated:



Transaction Report Details - CertifiedPro.net  
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USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
93114869904300120251980	2024-04-22 1:45 PM	10154.0001Norte	State of New Mexico		Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 12:55 PM
93114869904300120251973	2024-04-22 1:45 PM	10154.0001Norte	Cuthbert Royalties LLC		MIDLAND	TX	79710	Lost	Return Receipt - Electronic, Certified Mail	
93114869904300120251966	2024-04-22 1:45 PM	10154.0001Norte	Ostrich Oil and Gas		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 7:49 AM
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93114869904300120251928	2024-04-22 1:45 PM	10154.0001Norte	Michael T. Horn		MIDLAND	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 3:37 PM
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93114869904300120251782	2024-04-22 1:45 PM	10154.0001Norte	Bill Fenn		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-30 10:03 AM
93114869904300120251775	2024-04-22 1:45 PM	10154.0001Norte	Barbe Development, LLC		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-30 12:16 PM
93114869904300120251768	2024-04-22 1:45 PM	10154.0001Norte	Arizona Holding Corporation		La Grange	TX	78945	Delivered	Return Receipt - Electronic, Certified Mail	2024-05-01 11:01 AM
93114869904300120251751	2024-04-22 1:45 PM	10154.0001Norte	Asher Enterprises Ltd. Co.		Denton	TX	76210	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 2:12 PM
93114869904300120251744	2024-04-22 1:45 PM	10154.0001Norte	SITL Energy, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 9:37 AM
93114869904300120251737	2024-04-22 1:45 PM	10154.0001Norte	Yalch Operating, LP		Midland	TX	79702	Lost	Return Receipt - Electronic, Certified Mail	






LEGAL NOTICE  
April 28, 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  
April 28, 2024  
and ending with the issue dated  
April 28, 2024.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
28th day of April 2024.

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

My commission expires  
January 29, 2027

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

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

**CASE NO. 24443: Notice to all affected parties, as well as heirs and devisees of: Yalch Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oil II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oil; Crain Properties LLC; Thomas M. Johnson; Big Horn Investments, Inc.; Bill Fenn as Trustee, Residuary Trust est. u/w/o Joe Flen Fenn; Marshall & Winston, Inc.; XTO Holdings, LLC; Bozoll, Inc.; Michael T. Horn; David J. Plaisance; Supero Oil & Gas, Inc.; Thomaston, LLC; Ostrich Oil and Gas; Cuthbert Royalties, LLC; 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 8:15 a.m. on May 16, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 604H well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

**CASE NO. 24444: Notice to all affected parties, as well as heirs and devisees of: Yalch Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oil II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oil; Crain Properties LLC; Thomas M. Johnson; Big Horn Investments, Inc.; Bill Fenn as Trustee, Residuary Trust est. u/w/o Joe Flen Fenn; Marshall & Winston, Inc.; XTO Holdings, LLC; Bozoll, Inc.; Michael T. Horn; David J. Plaisance; Supero Oil & Gas, Inc.; Thomaston, LLC; Ostrich Oil and Gas; Cuthbert Royalties, LLC; 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 8:15 a.m. on May 16, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Norte State Com 602H well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Bone Spring spacing unit dedicated to a 40-acre vertical spacing unit comprised of the NE/4 SW/4 (Unit K) of Section 27, dedicated to Franklin Mountain Energy 3, LLC's Hamon State #001H well (API 30-025- 03140). Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

**CASE NO. 24445: Notice to all affected parties, as well as heirs and devisees of: Yalch Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oil II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oil; Crain Properties LLC; Thomas M. Johnson; Big Horn Investments, Inc.; Bill Fenn as Trustee, Residuary Trust est. u/w/o Joe Flen Fenn; Marshall & Winston, Inc.; XTO Holdings, LLC; Bozoll, Inc.; Michael T. Horn; David J. Plaisance; Supero Oil & Gas, Inc.; Thomaston, LLC; Ostrich Oil and Gas; Cuthbert Royalties, LLC; 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 8:15 a.m. on May 16, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 603H well, to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

**CASE NO. 24447: Notice to all affected parties, as well as heirs and devisees of: Yalch Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oil II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oil; Crain Properties LLC; Thomas M. Johnson; Big Horn Investments, Inc.; Bill Fenn as Trustee; Residuary Trust est. u/w/o Joe Flen Fenn; Marshall & Winston, Inc.; XTO Holdings, LLC; Bozoll, Inc.; Michael T. Horn; David J. Plaisance; Supero Oil & Gas, Inc.; Thomaston, LLC; Ostrich Oil and Gas; Cuthbert Royalties, LLC; 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 8:15 a.m. on May 16, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Norte State Com 601H well, to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Lot 4) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 27, Township 18 South, Range 35 East. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.  
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**EXHIBIT**  
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