

FRANKLIN MOUNTAIN ENERGY

Before the Oil Conservation Division Examiner Hearing August 22, 2024

Compulsory Pooling Case No. 24456: Norte State Com 704H

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. 24456

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24456	APPLICANT'S RESPONSE		
Date	August 22, 2024		
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		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Wolfcamp		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	Wolfcamp		
Pool Name and Pool Code:	N/A		
Well Location Setback Rules:	N/A		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320-acres		
Building Blocks:	40-acres		
Orientation:	North/South		
Description: TRS/County	E/2 E/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.		
Other Situations			
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	See Exhibit B.3		
Well(s)			
Name & API (if assigned), surface and bottom hole location,			
footages, completion target, orientation, completion status	Add wells as needed		
(standard or non-standard)			
Well #1: Norte State Com 704H	API No. Pending		
	SHL: 678' FSL & 1307' FEL, (Lot 1), Section 3, T19S, R35E		
	BHL: 100' FNL & 1030' FEL, (Unit A) Section 34, T18S, R35E Completion Target: Wolfcamp (Approx. 10,435' TVD)		
	Orientation: North/South		
Horizontal Well First and Last Take Points	See Exhibit B.2		
Completion Target (Formation, TVD and MD)	See Exhibit B.6		
AFE Capex and Operating Costs			
Drilling Supervision/Month \$	\$9,000.00		

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Justification for Supervision Costs	See Exhibit B Pargraph 25
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
(including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B.5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	Exhibit B.6
Cost Estimate to Drill and Complete	Exhibit B.7
Cost Estimate to Equip Well	Exhibit B.7
Cost Estimate for Production Facilities	Exhibit B.7
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Exhibit C.7
Target Formation	Exhibit C.3 to C.6
HSU Cross Section	Exhibit C.4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section Location Map (including wells) Cross Section (including Landing Zone)	Exhibit C.5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided Printed Name (Attorney or Party Representative):	· · · · · · · · · · · · · · · · · · ·
	xa Areanae Mingennett
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Date:	8/15/2024

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

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

CASE NO. 24456

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

AFFIDAVIT OF DON JOHNSON

Don Johnson, being duly sworn, deposes and states 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 B.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, 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.

9. 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.

10. Attached as **Exhibit B.2** is the proposed C-102 for the well.

11. The C-102 identifies 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 Reeves; Wolfcamp, South Pool, (Code 97467).

13. The Reeves; Wolfcamp, South Pool is an oil pool with 40-acre building blocks.

14. The pool is governed by the state-wide horizontal well rules.

15. As currently proposed, the producing area for the well is expected to be unorthodox.

16. To the extent necessary, Franklin will apply administratively for non-standard location approval for the Norte State Com 704H well.

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

18. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.

19. 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.

20. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of the uncommitted mineral interest owners in the proposed well.

21. **Exhibit B.4** is a summary of my contacts with the working interest owners.

22. **Exhibit B.5** is a list of the parties being pooled for this case.

23. **Exhibit B.6** is a sample of the well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.

24. **Exhibit B.7** contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

25. Franklin requests overhead and administrative rates of \$9,000 month for drilling the well and \$900 month for the 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.

26. Franklin requests the maximum cost plus 200% risk charge be assessed against nonconsenting working interest owners.

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

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

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

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

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

[Signature page follows]

Dated: May <u>%</u>, 2024

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Don Johnson

State of <u>Colorade</u>

County of Denver

Dan	This record was acknowledged before me of Johnson.	on May 8th, 2024, by
[Stamp	LONI RAYANN BOGENSCHUTZ NOTARY PUBLIC - STATE OF COLORADO NOTARY ID 20204018559 MY COMMISSION EXPIRES MAY 27, 2024	Notary Public in and for the State of <u>Colorado</u> Commission Number: 2020401855 9
My Co	mmission Expires: $5/27/24$	_

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

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

CASE NO. 24456

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, 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. 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 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.

3. The producing area for the well is expected to be unorthodox.

4. To the extent necessary, Franklin will apply administratively for non-standard location approval for the Norte State Com 703H well.

5. 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 well or to otherwise commit their interests to the well.

6. 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 May 2, 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 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

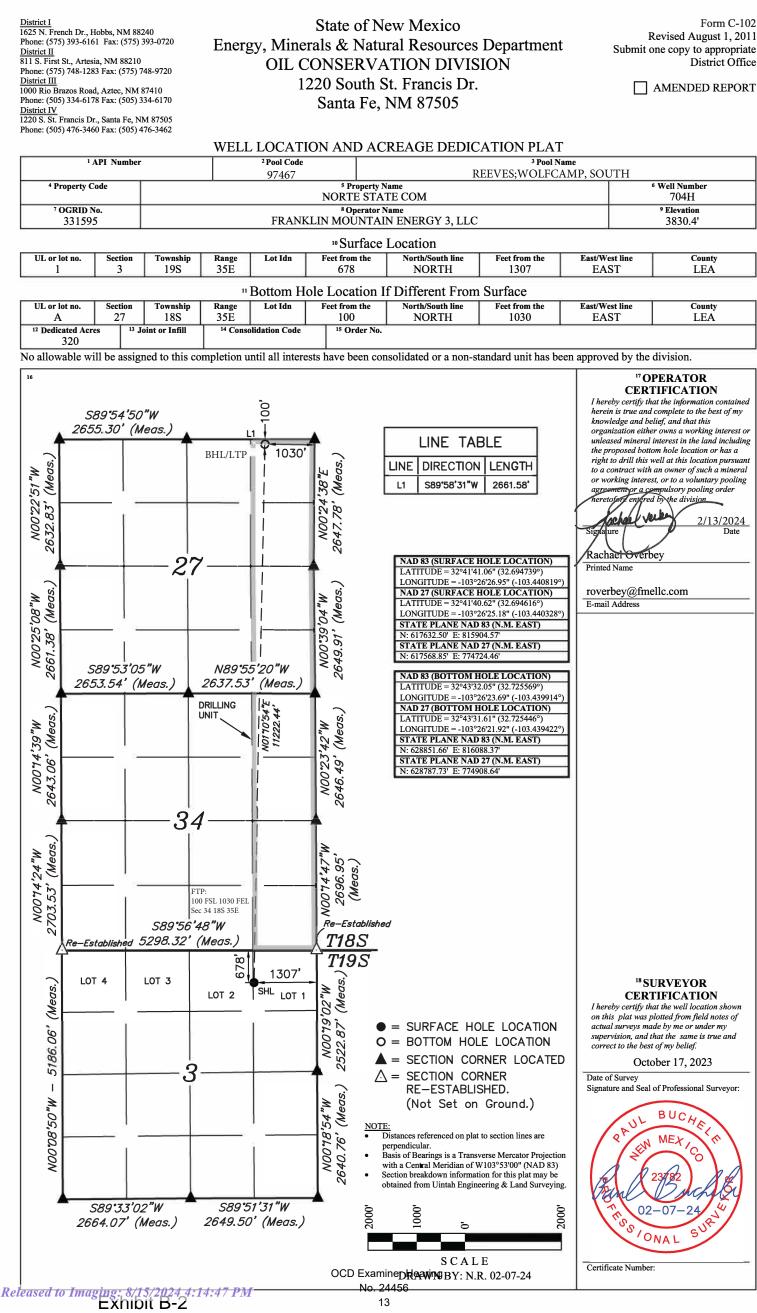
Earl E. DeBrine, Jr. Deana M. Bennett Yarithza Peña Post Office Box 2168 500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800

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edebrine@modrall.com deana.bennett@modrall.com yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. <u>24456</u>: 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, 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.



Lease Tract Map Case No. 24456 E/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres Norte State Com 704H

	B0-2735		
27			L
			Proposed Wolfcamp Ur
	VC-1239		Tract 1 (80 acres)
			Tract 2 (90 acres)
			Tract 2 (80 acres)
	VC-0640		Tract 3 (80 acres)
 34			Tract 4 (80 acres)
	FEE		



RANKLIN MOUNTAIN

Summary of Interests Case No. 24456 E/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres Norte State Com 704H

Commited Working Inte	rest
Franklin Mountain Energy 3, LLC	83.333333%
Uncommited Working Inte	erest
ХТО Holdings, ШС	12.50000%
Marshall & Winston, Inc.	4.166667%
Total:	100.00000%



FRANKLIN MOUNTAIN ENERGY

Unit Recapitulation Case No. 24456 E/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres Norte State Com 704H

		B0-2735
	27	
		VC-1239
		VC-0640
	34	
		FEE

Tract	Lease
1	B0-2735
2	VC-1239
3	VC-0640
4	Æ

t
83.333333%
st
12.50000%
4.166667%
100.00000%



FRANKLIN MOUNTAIN ENERGY

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.

Summary of Contacts with Working Interest Owners to Be Pooled				
Name	Date Proposal Letter Sent	Proposal Letter Received	Follow Up	
XTO Holdings, LLC	February 27, 2024	March 1, 2024	Multiple emails sent, phone calls, negotiating trade, Term Assignment	
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	

Case No. 24456 Parties to Be Pooled

Working Interest Owners

XTO Holdings, LLC Marshall & Winston, Inc.

ORRI Owners

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



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: E/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 604H	3BS	9,854'	19,854'	Sec. 3- T19S- R35E: 678 FNL 1276 FEL	Sec. 27- T18S- R35E: 100 FNL 360 FEL	\$11,797,546.84	N/A
Norte State Com 704H	WCA	10,388'	20,388'	Sec. 3- T19S- R35E: 678 FNL 1306 FEL	Sec. 27- T18S- R35E: 100 FNL 1030 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 <u>jrutledge@fmellc.com</u> 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

2 Tuttedge

Jon Rutledge Landman



Norte State Com 604H:

 I/We hereby elect to participate in the Norte State Com 604H well.
 I/We hereby elect NOT to participate in the Norte State Com 604H well.

Norte State Com 704H:

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

Owner: XTO Holdings, LLC

By:	 	

Printed Name:

Title:_____

Date:

Exhibit B-7



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

Norte State Com 704H SHL: Sec 3-T19S-R35E 678 FNL 1306 FEL BHL: Sec 27-T18S-R35E 100 FNL 1030 FEL Franklin Mountain Energy 3, LLC Drill and complete a 10,000' WCA well. TVD 10,388', MD 20,388'. Location: **Operator:** Purpose:

Well #: 704H County/State: Lea Co., NM Date Prepared: 2/6/2024 DCE240209 AFE #:

		Intangible Drilling Costs				Intangible Completion Costs		
		Description	Amount \$4,000	Major 240	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$10,300	
225 225	5 10	ADMINISTRATIVE OVERHEAD CASING CREW & EOPT	\$4,000 \$80,000	240 240	5	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$10,300 \$7,500	
225	15	CEMENTING INTERMEDIATE CASING	\$50,000	240	15	CASING CREW & EQPT	\$0	
225	16	CEMENTING PRODUCTION CASING	\$150,000 \$50,000	240 240	20 25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$276,500 \$2,500	
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$40,000	240	30	COMPANY DIRECT LABOR	\$0	
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$32,500	
225 225	34 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$45,000 \$50,000	240 240	45 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$25,000 \$500	
225	40	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$10,000	
225	50	DAYWORK CONTRACT	\$762,300	240	60	ELECTRICAL POWER\GENERATION	\$0 \$3,600	
225 225	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$320,000 \$120,000	240 240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$3,000	
225	65	DRILLING BITS	\$140,000	240	70	FISHING TOOLS / SERVICES	\$0	
225	70	ELECTRICAL POWER\GENERATION	\$0	240	71 72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$110,000 \$544,000	
225 225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$20,000 \$250,000	240 240	72	FUEL, POWER/DIESEL	\$574,000	
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	240	80	HEALTH & SAFETY	\$6,100	
225	85	EQUIPMENT RENTAL	\$50,000 \$0	240 240	85 90	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES	\$9,500 \$500	
225 225	90 95	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$000	
225	100	HOUSING AND SUPPORT SERVICES	\$45,000	240	100	MUD & CHEMICALS	\$1,400	
225	105	INSURANCE	\$1,700 \$15,000	240 240	110 115	P&A/TA COSTS PERFORATING/WIRELINE SERVICE	\$0 \$262,000	
225 225	106 110	INSPECTIONS LEGAL, TITLE SERVICES	\$15,000 \$6,000	240	120	PIPE INSPECTION	\$202,000	
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$11,000	
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,859,000 \$31,000	
225 225	125 130	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000 \$320,000	240 240	135 140	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$31,000 \$96,500	
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$186,500	
225	141		\$0	240	150	TRANSPORTATION/TRUCKING WATER TRANSFER	\$1,000 \$106,000	
225 225	145 150	PERMITS, LICENSES, ETC POWER FUEL & WATER HAULING	\$20,000 \$200,000	240 240	155 160	WATER TRANSFER WELDING SERVICES	\$106,000	
225	150	RIG MOVE & RACKING COSTS	\$91,500	240	165	WELL TESTING/FLOWBACK	\$93,600	
225	160	RIG UP TEAR OUT & STANDBY	\$0 \$10,000	240 240	148 40	TAXES CONTINGENCY COSTS 5%	\$0 \$315,630	
225 225	163 165	SITE RESTORATION STAKING & SURVEYING	\$10,000 \$6,000	240	40	Total Intangible Completion Costs:	\$5,576,130	
225	170	SUPERVISION	\$85,000					
225	175	SUPERVISION - GEOLOGICAL	\$39,000	M	M	Tangible Completion Costs	Amount	
225 225	180 178	TRANSPORTATION/TRUCKING TAXES	\$39,000 \$164,874	Major 245	Minor 5	Description ARTIFICIAL LIFT	\$200,000	
225	35	CONTINGENCY COSTS 5%	\$149,885	245	15	FLOWLINES	\$0	
		Total Intangible Drilling Costs:	\$3,453,259	245	25	FRAC STRING	\$0 \$40,000	
		Tangible Drilling Costs		245 245	40 45	PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER	\$40,000	
Major	Minor	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0	
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$90,000 \$0	
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$790,399	245 245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$60,000	
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$142,700	
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES Total Tangible Completion Costs:	\$29,299 \$561,999	
0.00	40							
230	40	TAXES Total Tangible Drilling Costs:	\$69,844 \$1,339,741				\$301,777	
230	40	Total Tangible Drilling Costs:		Major	Minor	Intangible Facility Costs	Amount	
				Major 265	5	Intangible Facility Costs Description CONSULTING	Amount \$9,500	
Major 270	Minor 10	Total Tangible Drilling Costs: Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS	\$1,339,741 Amount \$147,000	265 265	5 12	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR	Amount \$9,500 \$0	
Major 270 270	Minor 10 15	Total Tangible Drilling Costs: Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	\$1,339,741 Amount \$147,000 \$0	265 265 265	5 12 20	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	Amount \$9,500 \$0 \$12,700	
Major 270	Minor 10	Total Tangible Drilling Costs: Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS	\$1,339,741 Amount \$147,000	265 265	5 12	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900	
Major 270 270 270 270 270 270	Minor 10 15 25 30 50	Total Tangible Drilling Costs: Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$1,339,741 <u>Amount</u> \$147,000 \$0 \$0 \$14,400 \$76,000	265 265 265 265 265 265 265	5 12 20 22 25 40	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000	
Major 270 270 270 270 270 270 270	Minor 10 15 25 30 50 60	Total Tangible Drilling Costs: Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$0	265 265 265 265 265 265 265 265	5 12 20 22 25 40 45	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,900 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	
Major 270 270 270 270 270 270 270 270	Minor 10 15 25 30 50 60 65	Total Tangible Drilling Costs: Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$1,339,741 <u>Amount</u> \$147,000 \$0 \$0 \$14,400 \$76,000	265 265 265 265 265 265 265	5 12 20 22 25 40	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000	
Major 270 270 270 270 270 270 270	Minor 10 15 25 30 50 60	Total Tangible Drilling Costs: Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$1,339,741 Amount \$147,000 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$94,800 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	Amount \$9,500 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$3,000 \$800 \$800 \$800 \$800 \$800 \$800 \$800	
Major 270 270 270 270 270 270 270 270 270 270	Minor 10 15 25 30 50 60 65 66 75 86	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT PACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SPARATION EQUIPMENT READI/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$0 \$0 \$50 \$0 \$24,800 \$0 \$0 \$0 \$0 \$0 \$0 \$76,000 \$0 \$0 \$76,000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	Amount \$9,500 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$3,000 \$800 \$4,120	
Major 270	Minor 10 15 25 30 50 60 65 66 75 86 90	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM HOMENT	\$1,339,741 \$147,000 \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,41,200 \$3,745	
Major 270 270 270 270 270 270 270 270 270 270	Minor 10 15 25 30 50 60 65 66 75 86	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$0 \$54,400 \$75,400 \$4,000 \$57,000 \$47,600	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$3,000 \$800 \$4,120	
Major 270	Minor 10 15 25 30 50 60 65 66 75 86 90 100 110 130	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION FOCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$94,800 \$0 \$94,800 \$0 \$75,400 \$4,000 \$57,5400 \$4,000 \$47,600 \$117,800	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,41,200 \$3,745	
Major 270 270 270 270 270 270 270 270 270 270	Minor 10 15 25 30 50 60 65 66 75 86 90 100 110 130 132	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD El&C BATTERY BUILD	\$1,339,741 Amount \$147,000 \$00 \$14,400 \$76,000 \$00 \$94,800 \$00 \$50 \$00 \$50 \$00 \$57,5400 \$4,000 \$4,000 \$47,000 \$47,000	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,41,200 \$3,745	
Major 270	Minor 10 15 25 30 50 60 65 66 75 86 90 100 110 130 132 134 136	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI& CANTERY BUILD CONTROL SAND SCADA BATTERY BUILD	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$57,000 \$47,600 \$47,600 \$117,800 \$47,600 \$117,800 \$47,600 \$117,800 \$47,600 \$15,100	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$12,700 \$30,000 \$13,900 \$5,000 \$5,000 \$3,000 \$800 \$800 \$800 \$4,120 \$3,745	
Major 270	Minor 10 15 25 30 50 60 65 66 75 86 90 100 130 132 134 136 138	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD EI&C BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$94,800 \$94,800 \$0 \$575,400 \$4,000 \$4,000 \$4,000 \$47,000 \$117,800 \$117,800 \$117,800 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$40,0000 \$40,0000 \$40,0000 \$40,0000 \$40,000000	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,41,200 \$3,745	
Major 270	Minor 10 15 25 30 50 60 65 66 75 86 90 100 110 130 132 134 136	Tangible Facility Costs Tangible Facility Costs FACIL.ITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SAFETY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD Ei&C BATTERY BUILD CONTROL AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$57,000 \$47,600 \$47,600 \$117,800 \$47,600 \$117,800 \$47,600 \$117,800 \$47,600 \$15,100	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,41,200 \$3,745	
Major 270	Minor 10 15 25 30 60 65 66 75 86 90 100 110 130 132 134 136 138 140	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD El&C BATTERY BUILD El&C ATTERY BUILD FILOWLINE INSTALLATION SIGNAGE	\$1,339,741 \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$57,000 \$4,000 \$4,000 \$117,800 \$4,000 \$117,800 \$4,000 \$4,000 \$57,000 \$4,0000 \$4,0000 \$4,0000 \$4,0000 \$4,0000 \$4,0000 \$4,0000	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,41,200 \$3,745	
Major 270	Minor 10 15 25 30 60 65 66 75 86 90 100 110 130 132 134 136 138 140	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$4,000 \$4,000 \$4,000 \$4,000 \$117,800 \$4,000 \$15,100 \$43,500 \$40,854 \$783,654	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$12,700 \$30,000 \$13,900 \$5,000 \$5,000 \$3,000 \$800 \$800 \$800 \$4,120 \$3,745	
Major 270	Minor 10 15 25 30 50 60 65 75 86 90 110 130 132 134 136 138 140 125 125	Tangible Facility Costs Tangible Facility Costs FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP HOE CONTAINMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT RE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELOWLINE INSTALLATION SIGNAGE FASE Total Tangible Facility Costs:	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$94,800 \$0 \$94,800 \$0 \$57,5400 \$4,000 \$44,000 \$47,600 \$47,600 \$47,600 \$47,600 \$47,600 \$47,600 \$47,515,100 \$43,500 \$43,500 \$40,854 \$783,654 \$4,792,999.84	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$12,700 \$30,000 \$13,900 \$5,000 \$5,000 \$3,000 \$800 \$800 \$800 \$4,120 \$3,745	
Major 270	Minor 10 15 25 30 60 65 86 90 100 130 132 134 136 138 140 125 II: mpletio	Tangible Facility Costs Tangible Facility Costs FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP HOE CONTAINMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT RE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELOWLINE INSTALLATION SIGNAGE FASE Total Tangible Facility Costs:	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$4,000 \$4,000 \$4,000 \$4,000 \$117,800 \$4,000 \$15,100 \$43,500 \$40,854 \$783,654	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$12,700 \$30,000 \$13,900 \$5,000 \$5,000 \$3,000 \$800 \$800 \$800 \$4,120 \$3,745	
Major 270	Minor 10 15 25 30 50 60 65 66 90 100 132 134 136 138 140 125 II: mpletio ility: T Intang	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT RAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&CONTROL SAND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs: Intervention ible: Low	\$1,339,741 Amount \$147,000 \$0 \$0 \$144,000 \$76,000 \$0 \$94,800 \$50 \$54,000 \$4,000 \$117,800 \$4,000 \$117,800 \$47,600 \$117,800 \$47,600 \$15,100 \$43,500 \$40,854 \$783,654 \$783,654 \$4,792,999,84 \$6,138,128,50 \$86,6418,50 \$9,029,388,50	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,41,200 \$3,745	
Major 270	Minor 10 15 25 30 50 60 65 66 90 100 132 134 136 138 140 125 II: mpletio ility: T Intang	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT RAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&CONTROL SAND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs: Intervention ible: Low	\$1,339,741 Amount \$147,000 \$00 \$14,400 \$76,000 \$00 \$94,800 \$00 \$75,400 \$40,000 \$41,000 \$40,000 \$40,000 \$47,000 \$43,500 \$40,000 \$43,500 \$40,0000 \$40,0000 \$40,0000 \$40,0000	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,41,200 \$3,745	
Major. 270	Minor 10 15 25 30 50 60 65 66 75 86 90 100 110 132 134 134 136 138 140 125 141 125 134 140 125 140 140 125 140 140 125 140 140 125 140 140 125 140 140 125 140 140 125 140 140 125 140 140 125 140 140 140 125 140 140 140 145 140 145 140 145 140 145 140 145 140 145 147 147 147 147 147 147 147 147	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT RAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&CONTROL SAND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs: Intervention ible: Low	\$1,339,741 Amount \$147,000 \$0 \$0 \$144,000 \$76,000 \$0 \$94,800 \$0 \$75,400 \$44,000 \$57,000 \$44,000 \$117,800 \$44,000 \$117,800 \$44,000 \$15,100 \$43,500 \$40,854 \$783,654 \$4,138,128,50 \$866,418,50 \$9,029,388,50 \$1,901,739,84	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	Amount \$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$3,000 \$800 \$30,000 \$30,000 \$30,000 \$30,000 \$30,745 \$3,745	
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Major. 270	Minor 10 15 25 30 60 65 66 75 86 90 100 130 132 134 140 125 138 138 140 138 140 125 144 140 125 157 167 188 197 197 197 197 197 197 197 197	Tangible Facility Costs Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD El&C BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs: In: Ible: Ible: Ible: Ivanual Monoptain Epergy 3, LLC Ivanual Monoptain Epergy 3, LLC Traig R. Waltge Ivanual	\$1,339,741 Amount \$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$4,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,000 \$47,540 \$4,000 \$47,540 \$4,000 \$47,000 \$47,540 \$4,000 \$47,000 \$47,540 \$4,000 \$47,000 \$47,540 \$4,000 \$47,540 \$4,000 \$47,546,841 \$11,797,546,841	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83 10	Intangible Facility Costs Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only: OUR PROPORTINATE SHARE OF THE ACTUAL INVO	Amount \$9,500 \$12,700 \$30,000 \$13,900 \$5,000 \$800 \$3,000 \$800 \$3,4120 \$3,745 \$82,765	

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

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

CASE NO. 24456

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

AFFIDAVIT OF BEN KESSEL

Ben Kessel, being duly sworn, deposes and states 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 C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.

5. **Exhibit C.2** is a wellbore schematic showing Franklin's development plan.

6. **Exhibit C.3** through **Exhibit C.6** are the geology study I prepared for the Norte State Com 704H well, which will target the Wolfcamp A.

7. **Exhibit C.3** is a structure map of the Wolfcamp A formation. The proposed spacing unit is identified by a green box. The Norte State Com 704H 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 C.4** is a cross-section reference map that identifies four wells in the vicinity of the proposed Norte State Com 704H well, shown by a line of cross-section running from A to A'.

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

10. **Exhibit C.6** an Isochore map of the Wolfcamp A formation. The gross interval thickness increases slightly to the southwest.

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.

Exhibit C.7 provides an overview of the stress orientation in the area based on the
 2018 Snee-Zoback paper.

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

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

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

[Signature page follows]

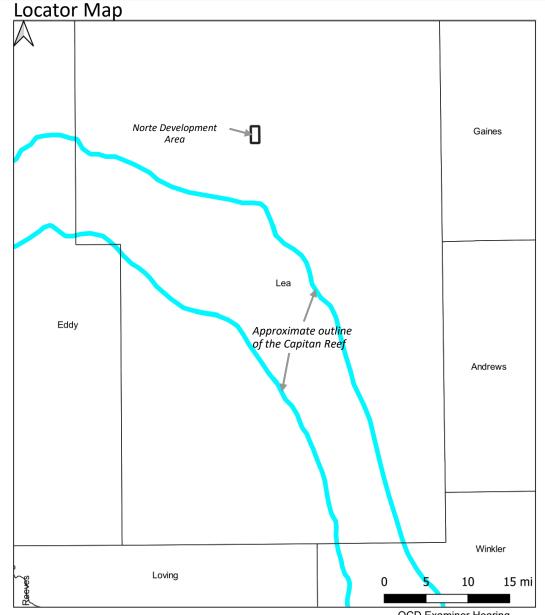
Dated: May 1, 2024

Dated: May	<u> </u> , 2024	
		Ben Kessel
State of <u>C</u>	plarado	
County of	Derver	
This Ber Le	record was acknowledged before	e me on <u>May</u> <u>9</u> , 2024, by
[Stamp]	CRYSTAL MCCLAIN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20234007312 MY COMMISSION EXPIRES FEBRUARY 23, 2027	Notary Public in and for the State of <u>Colorado</u> Commission Number: <u>2023400</u> 73/2
My Commis	sion Expires: 2/23/27	/ J/ «

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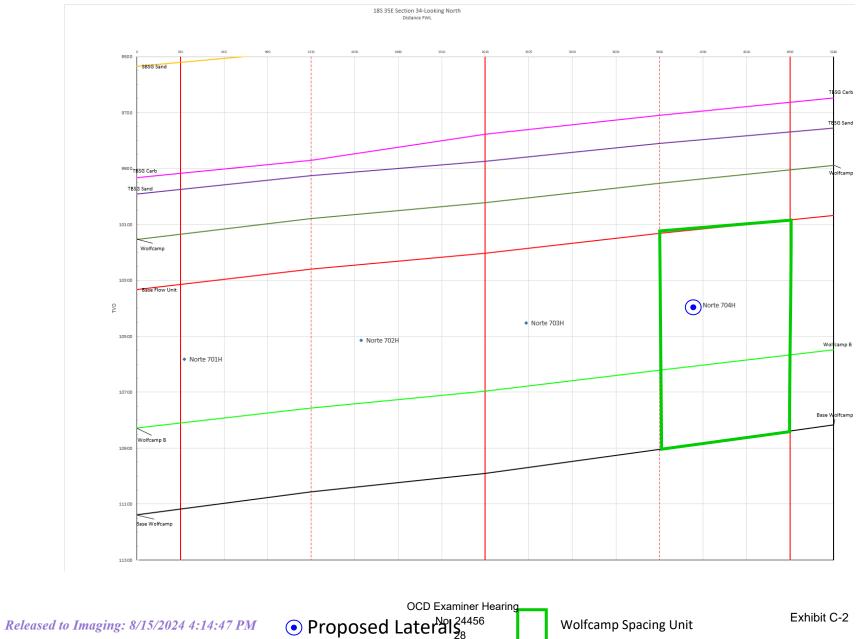
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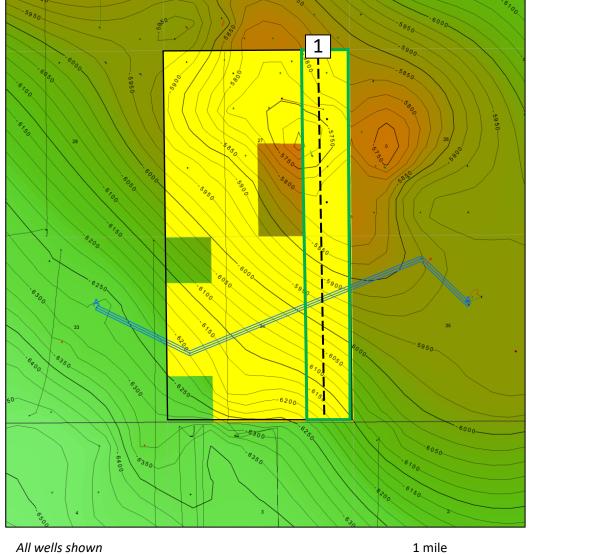
- Black box shows the location of ٠ Norte development area
- Planned wells are located outside of ٠ the eastern edge of the Capitan Reef

OCD Examiner Hearing https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20 Beleased for Integrating State 5/2024 4:14:47 PM



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Wolfoamp Gross Section



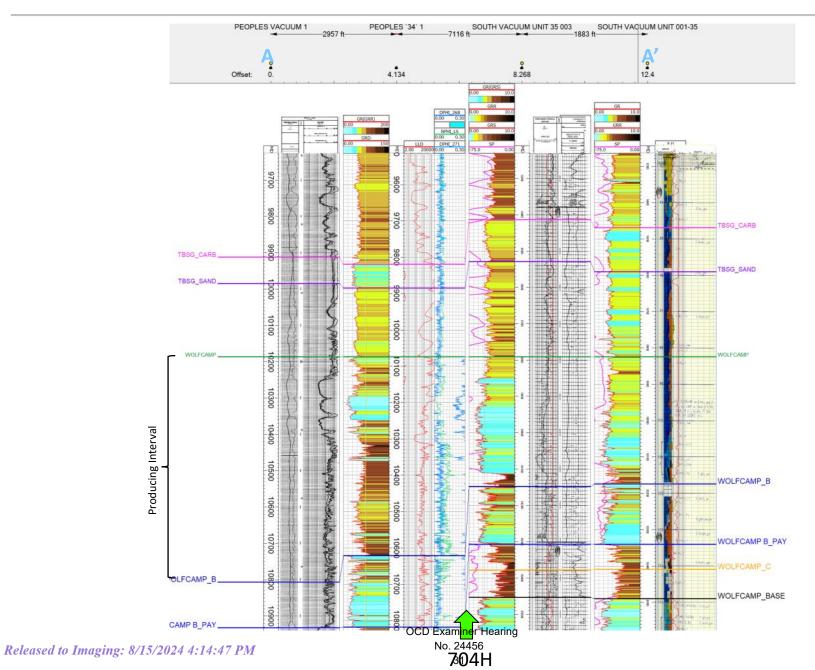
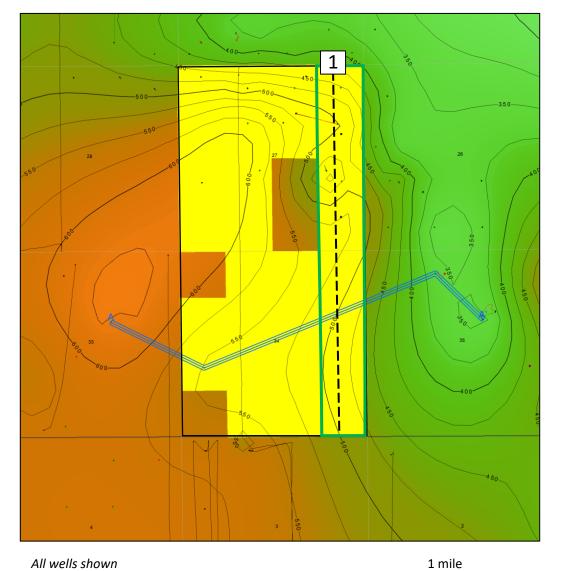


Exhibit C-5







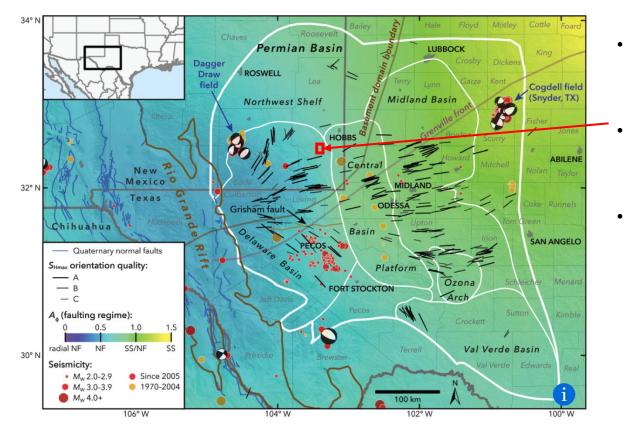


OCD Examiner Hearing No. 24456 32

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Exhibit C-6





- Red box shows the approximate location of the Norte development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- The Norte State Com wells are planned to drill N-S, 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/MobilePagedArtic le.action?articleId=1331603#articleId1331603

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. 24454, 24456

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:

The above-referenced Applications were provided under notice letter, dated April 22,
 2024, and attached hereto, as Exhibit D.1.

2) Exhibit D.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on April 22, 2024.

3) Exhibit D.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 D.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 1, 2024

Deona M. Bennett

Deana M. Bennett



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 Sperling 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

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

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

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

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

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the

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

Sincerely,

Dema M. Bennett

Deana M. Bennett Attorney for Applicant

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 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 <u>edebrine@modrall.com</u> <u>deana.bennett@modrall.com</u> <u>yarithza.pena@modrall.com</u> Attorneys for Franklin Mountain Energy 3, LLC

2

CASE NO. <u>24443</u>: 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.

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. 24444

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 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. 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 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.

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

4. This 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).

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 well or to otherwise commit their interests to the well.

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 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 E/2 W/2 of Sections 27 and 34, Township 18 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 well to be drilled thereon;

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

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

Respectfully submitted,

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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 edebrine@modrall.com deana.bennett@modrall.com yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC CASE NO. ²⁴⁴⁴⁴ : 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 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.

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

CASE NO. <u>24445</u>

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 <u>edebrine@modrall.com</u> <u>deana.bennett@modrall.com</u> <u>yarithza.pena@modrall.com</u> Attorneys for Franklin Mountain Energy 3, LLC CASE NO. <u>24445</u>: 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.

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

CASE NO. 24447

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 W/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 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.

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 W/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:<u>/s/ Deana M. Bennett</u>

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 edebrine@modrall.com deana.bennett@modrall.com yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC

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CASE NO. 24447 : 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 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.

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

CASE NO. 24450

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, 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. 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 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.

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 Wolfcamp 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 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 May 2, 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 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 edebrine@modrall.com deana.bennett@modrall.com yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC

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CASE NO. <u>24450</u>: 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, 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.

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

CASE NO. 24454

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, Wolfcamp 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 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.

3. The producing area for the well is expected to be unorthodox.

4. To the extent necessary, Franklin will apply administratively for non-standard location approval for the Norte State Com 703H well. 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 well or to otherwise commit their interests to the well.

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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 May 2, 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 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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edebrine@modrall.com deana.bennett@modrall.com yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC CASE NO. <u>24454</u>: 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, Wolfcamp 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 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.

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

CASE NO. 24456

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, 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. 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.

 Franklin seeks to dedicate the spacing unit 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.

3. The producing area for the well is expected to be unorthodox.

4. To the extent necessary, Franklin will apply administratively for non-standard location approval for the Norte State Com 703H well.

5. 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 well or to otherwise commit their interests to the well.

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6. 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 May 2, 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 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

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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edebrine@modrall.com deana.bennett@modrall.com yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC

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CASE NO. <u>24456</u>: 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, 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.

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

Type of Mailing: CERTIFIED MAIL 04/22/2024

Firm Mailing Book ID: 264846

Contents	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice	10154.0001Norte Notice
Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RR Fee	\$2.32	\$2.32	\$2.32	\$2.32	E. M.	\$2.22	262432	S232	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32
Service Fee	\$4.40	\$4.40	\$4.40	\$4.40	SA-40-ROUE S2.32	\$4.40	\$4.40 2 2	84.40 \$2/32	\$4.40	\$4.40	\$4.40	\$4.40	\$4.40	\$4.40	\$4.40
Postage	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83	\$2.83
Name, Street, City, State, Zip	Yalch Operating, LP P.O. Box 10458 Midland TX 79702	SITL Energy, LLC 308 N. Colorado, Ste 200 Midland TX 79701	3904 Maggies Meadow	Arizona Holding Corporation PO Box 543 1.a Grance TX 78945	Barbe Development, LLC PO Box 2107	PO Box 1757	Koswell NM 88202 Old World Oil II, LLC P.O. Box 8274	Horseshoe Bay 1 A 76057 Sharp Image Energy, Inc. PO Box 1888 Pi- Service TV 70751	big sping 1 × 77/21 Knox Resources, LLC 11902 N. Penn Ave, Ste C-1 Oklahoma Citv OK 73120	RLS Land Services, LLC 305 West Pittsburgh St. Gransharr PA 15601	Clarke C. Coll PO Box 1818 PO Box 1818	Coll Brothers Oil PO Box 1818 Document NM 88202	Crain Properties L.L.C. Crain Properties L.L.C. 1206 West Chochiti	Thomas M. Johnson PO Box 1059	La Grange 1 A 70945 Big Horn Investments, Inc. 2902 Diamond A Dr Rosswell NM 88201
USPS Article Number	9314 8699 0430 0120 2517 37	9314 8699 0430 0120 2517 44	9314 8699 0430 0120 2517 51	9314 8699 0430 0120 2517 68	9314 8699 0430 0120 2517 75	9314 8699 0430 0120 2517 82	9314 8699 0430 0120 2517 99	9314 8699 0430 0120 2518 05	9314 8699 0430 0120 2518 12	9314 8699 0430 0120 2518 29	9314 8699 0430 0120 2518 36	9314 8699 0430 0120 2518 43	9314 8699 0430 0120 2518 50	9314 8699 0430 0120 2518 67	9314 8699 0430 0120 2518 74
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OCD Examiner Hearing Exhibit D-2 No. 24456 65 Page 1 2024 Walz CertifiedPro.net

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

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	R Fee	Rest.Del.Fee	Kelerence 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
8	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	Bozoii, Inc. 10290 MONROE DRIVE, SUITE 301 DALLAS TX 75229	\$2.83		\$2.32	\$0.00	10154.0001Norte Notice
20	9314 8699 0430 0120 2519 28	Michael T. Hom 4006 DUNKIRK MIDLAND TX 79707	82.83.UE, NM 84.40		\$2.32	\$0.00	10154.0001Norte Notice
21	9314 8699 0430 0120 2519 35	David J. Plaisance 4254 ROYAL RIDGE DRIVE DALLAS TX 75229	حز / \$2.83 • • • • • • • • • •		\$2.32	\$0.00	10154.0001Norte Notice
22	9314 8699 0430 0120 2519 42	Supero Oil & Gas, Inc. PO BOX 33 MIDLAND TX 79702	A \$\$2.83. 4		\$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 MAIN OFFIC		\$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		\$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
			Totals: \$73.58	\$114.40 \$60.3 Grand Total:	121	\$0.00 \$248.30	

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OCD Examiner Hearing No. 24456

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			Transac	Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 264846 Generated: 7/22/2024 1:56:13 PM	o.net					
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300120251980	2024-04-22 1:45 PM	10154.0001Norte	State of New Mexico		Santa Fe	MN	87501	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 12:55 PM
9314869904300120251973	2024-04-22 1:45 PM	10154.0001Norte	Cuthbert Royalties LLC		MIDLAND	TX	79710	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300120251966	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
9314869904300120251959	2024-04-22 1:45 PM	10154.0001Norte	Thomaston, LLC		LAKEWOOD	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 12:34 PM
9314869904300120251942	2024-04-22 1:45 PM	10154.0001Norte	Supero Oil & Gas, Inc.		MIDLAND	ΤX	79702	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300120251935	2024-04-22 1:45 PM	10154.0001Norte	David J. Plaisance		DALLAS	TX	75229	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300120251928	2024-04-22 1:45 PM	10154.0001Norte	Michael T. Horn		MIDLAND	ΤX	79707	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 3:37 PM
9314869904300120251911	2024-04-22 1:45 PM	10154.0001Norte	Bozoil, Inc.		DALLAS	TX	75229	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300120251904	2024-04-22 1:45 PM	10154.0001Norte	XTO Holdings, LLC		Spring	XT	77389	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 8:20 AM
9314869904300120251898	2024-04-22 1:45 PM	10154.0001Norte	Marshall & Winston Inc.		Midland	TX	79710	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300120251881	2024-04-22 1:45 PM	10154.0001Norte	Bill Fenn as Trustee, Residuary	Trust Est u/w/o Joe Flen Fenn	Roswell	MN	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-30 10:03 AM
9314869904300120251874	2024-04-22 1:45 PM	10154.0001Norte	Big Horn Investments, Inc.		Roswell	MN	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 3:32 PM
9314869904300120251867	2024-04-22 1:45 PM	10154.0001Norte	Thomas M. Johnson		La Grange	Τ	78945	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300120251850	2024-04-22 1:45 PM	10154.0001Norte	Crain Properties L.L.C.		Hobbs	MN	88240	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300120251843	2024-04-22 1:45 PM	10154.0001Norte	Coll Brothers Oil		Roswell	MN	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 4:44 PM
9314869904300120251836	2024-04-22 1:45 PM	10154.0001Norte	Clarke C. Coll		Roswell	MM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 4:44 PM
9314869904300120251829	2024-04-22 1:45 PM	10154.0001Norte	RLS Land Services, LLC		Greensberg	PA	15601	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 2:05 PM
9314869904300120251812	2024-04-22 1:45 PM	10154.0001Norte	Knox Resources, LLC		Oklahoma City	ОК	73120	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 2:50 PM
9314869904300120251805	2024-04-22 1:45 PM	10154.0001Norte	Sharp Image Energy, Inc.		Big Spring	TX	79721	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 10:56 AM
9314869904300120251799	2024-04-22 1:45 PM	10154.0001Norte	Old World Oil II, LLC		Horseshoe Bay	ΤX	78657	Lost	Return Receipt - Electronic, Certified Mail	
9314869904300120251782	2024-04-22 1:45 PM	10154.0001Norte	Bill Fenn		Roswell	MN	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-30 10:03 AM
9314869904300120251775	2024-04-22 1:45 PM	10154.0001Norte	Barbe Development, LLC		Roswell	MM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-30 12:16 PM
9314869904300120251768	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
9314869904300120251751	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
9314869904300120251744	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
9314869904300120251737	2024-04-22 1:45 PM	10154.0001Norte	Yalch Operating, LP		Midland	TX	79702	Lost	Return Receipt - Electronic, Certified Mail	

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 26, 2024 and ending with the issue dated April 26, 2024.

lund

Publisher

Sworn and subscribed to before me this 26th day of April 2024.

MARCH Business Manager

My commission expires January 29, 2027 (Seal)

STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION FXPIBES 01/22/2023 ublish

legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE April 26, 2024

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April 26, 2024 CASE NO. 24450: Notice to all affected parties, as well as heirs and devisees of: Yaich Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oll II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C: Coll; Coll Brothers Oll; Crain Properties LLC; Thomas M. Johnson; Big Horn Investments, Inc.; Bill Fenn as Trustee, Residuary Trust est. u/w/o Joe Fien Fenn; Marshall & Winston, Inc.; XTO Holdings, LLC; Bozoll, Inc.; Michael T. Horn; David J. Plaisance; Supero Oll & Gas, Inc.; Thomaston, LLC; Ostrich Oll and Gas; Cuthbert Royalties, LLC; State of New Mexico of the e Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oll 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 Erlergy. 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.emmrd.nm.gov/ocd/hearing-info/. Applicant seeks an order from the Division pooling all uncommitted mineral Interests within a 320-ace, 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 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 27, Township 18 South,

Hobbs, New Mexico. CASE NO: 24454: Notice to all affected parties, as well as heirs and devisees of: Yaich Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oll II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oll; 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 Oll & Gas, Inc.; Thomaston, LLC; Ostrich Oll 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 Oll 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: <u>https://www.emmid.nm.gov/ocd/hearing-info/</u>. Applicant 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 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, the abotom hole location in the NW/4 NE/4 (Lot 2) of Section 7, Township 18 South, Range 35 East, the bottom hole location in the NW/4 NE/4 (Lot 2) of Sectio

New Mexico. CASE NO. 24456: Notice to all affected parties, as well as heirs and devisees of: Yaich Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd, Co.; Arizona Holding Corporation: Barbe Development, LLC; Bill Fenn; Old World Oll II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oll; 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 Oll & Gas, Inc.; Thomaston, LLC; Ostrich Oll and Gas; Cuthbert Royalites, 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 Oll 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 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, the abotom hole location in the NE/4 NE/4 (Lot 1) of Section 3, Township 19 South, Range 35 East, the obtom hole location 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, #00289566

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DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168