

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

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

**CASE NOS. 24467, 24469,
24470**

**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. 24468

CONSOLIDATED PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

FRANKLIN MOUNTAIN ENERGY 3, LLC

OTHER PARTIES

**XTO Energy, Inc.; and
Apache Corporation (in Case No. 24468)**

ATTORNEY

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STATEMENT OF CASES

APPLICANT:

In **Case No. 24467**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 439.38-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 504H** well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 14. 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 14 miles west of Hobbs, New Mexico.

In **Case No. 24468**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 439.50-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 4, SW/4 NW/4, and the W/2 SW/4 of irregular Section 2 (W/2 W/2 equivalent), the W/2 W/2 of Section 11, and the W/2 NW/4 and NW/4 SW/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the **Nexus Fed Com 501H** well, to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Lot 4) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14. 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 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 2, dedicated to Caza Operating LLC's Gateway 2 State Com #002H well (API 30-025-41096). 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 14 miles west of Hobbs, New Mexico.

In **Case No. 24469**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 439.46-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 3, SE/4 NW/4, and the E/2 SW/4 of irregular Section 2 (E/2 W/2

equivalent), the E/2 W/2 of Section 11, and the E/2 NW/4 and NE/4 SW/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 502H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 14. 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 14 miles west of Hobbs, New Mexico.

In **Case No. 24470**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 439.42-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 503H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 14. 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 14 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Jon Rutledge	Approx. 10 minutes	Approx. 10
Geologist: Ben Kessel	Approx. 10 minutes	Approx. 15

PROCEDURAL ISSUES

If there are no objections to these matters, Franklin intends to present these cases by affidavit.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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Attorneys for Franklin Mountain Energy 3, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on August 15, 2024.

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

QUESTIONS

Action 374412

QUESTIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 374412
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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