



**FRANKLIN MOUNTAIN
ENERGY**

Before the Oil Conservation Division
Examiner Hearing August 22, 2024

Compulsory Pooling

Case No. 24454: Norte State Com 703H

**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. 24454

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

| Case: 24454 | 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 | W/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 (standard or non-standard) | Add wells as needed |
| Well #1: Norte State Com 703H | API No. <i>Pending</i> SHL: 678' FSL & 1367' FEL, (Lot 2), Section 3, T19S, R35E BHL: 100' FNL & 2330' FEL, (Unit B) 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 |
| Production Supervision/Month \$ | \$900.00 |

OCD Examiner Hearing 8-22-24

No. 24454

| | |
|--|--|
| Justification for Supervision Costs | See Exhibit B Paragraph 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 & below) | 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 (including Landing Zone) | Exhibit C.5 |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | OCD Examiner Hearing 8-22-24 Deana M. Bennett |
| Signed Name (Attorney or Party Representative): | No. 2446 Deana M. Bennett |

Date:

8/15/2024

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

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

CASE NO. 24454

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 W/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

9. This spacing unit will be dedicated to the Norte State Com 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.

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 703H 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 non-consenting 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 8, 2024

Don Johnson
Don Johnson

State of Colorado

County of Denver

This record was acknowledged before me on May 8th, 2024, by Don Johnson.

[Stamp]



[Signature]
Notary Public in and for the
State of Colorado
Commission Number: 20204018559

My Commission Expires: 5/27/24

**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. 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.

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
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edebrine@modrall.com

deana.bennett@modrall.com

yarithza.pena@modrall.com

Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24454 : 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.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

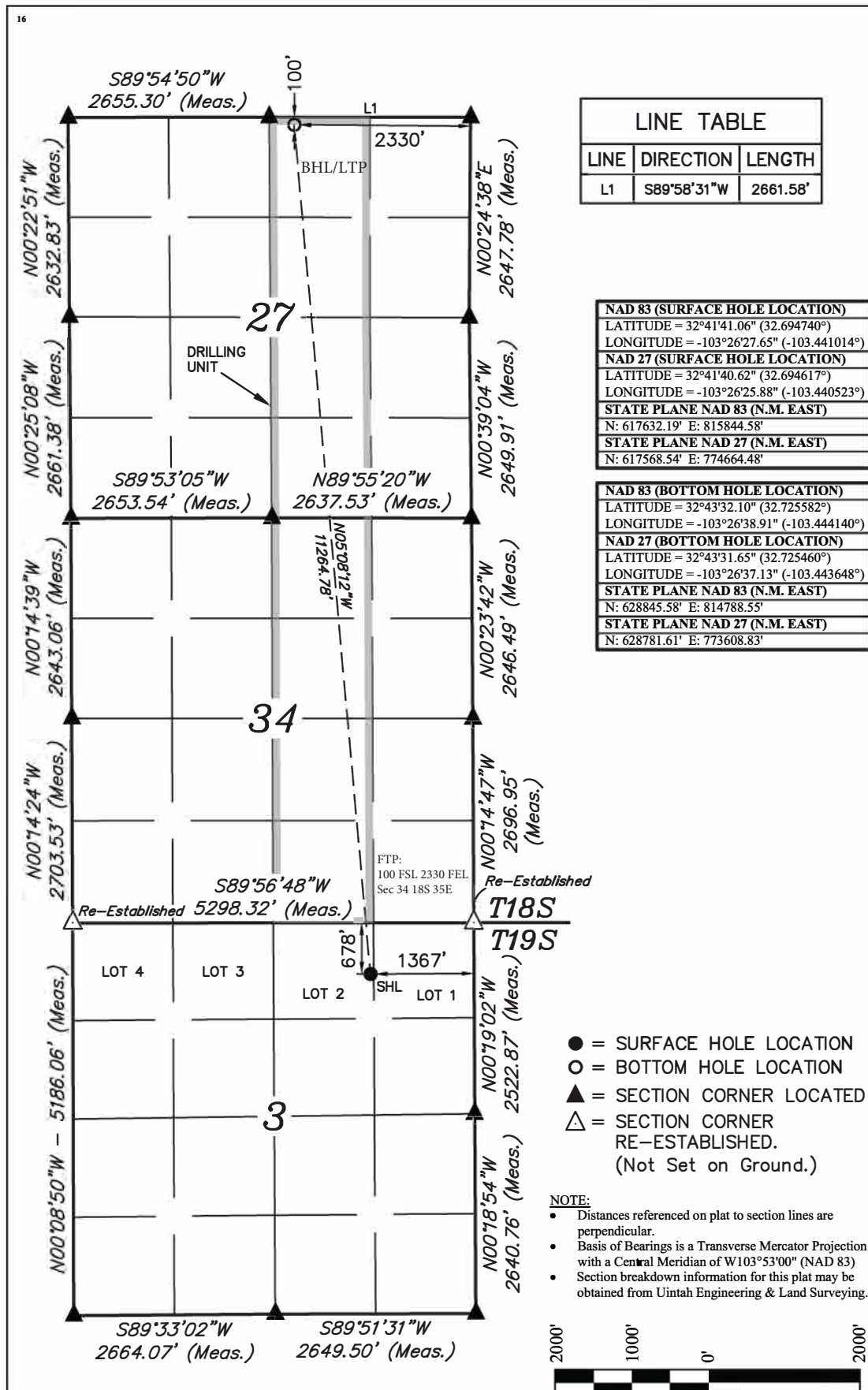
WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County. Includes sub-table for Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

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



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

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°41'41.06" (32.694740°)
LONGITUDE = -103°26'27.65" (-103.441014°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°41'40.62" (32.694617°)
LONGITUDE = -103°26'25.88" (-103.440523°)
STATE PLANE NAD 83 (N.M. EAST)
N: 617632.19' E: 815844.58'
STATE PLANE NAD 27 (N.M. EAST)
N: 617568.54' E: 774664.48'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°43'32.10" (32.725582°)
LONGITUDE = -103°26'38.91" (-103.444140°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°43'31.65" (32.725460°)
LONGITUDE = -103°26'37.13" (-103.443648°)
STATE PLANE NAD 83 (N.M. EAST)
N: 628845.58' E: 814788.55'
STATE PLANE NAD 27 (N.M. EAST)
N: 628781.61' E: 773608.83'

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Signature: Rachael Overbey Date: 2/13/2024

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

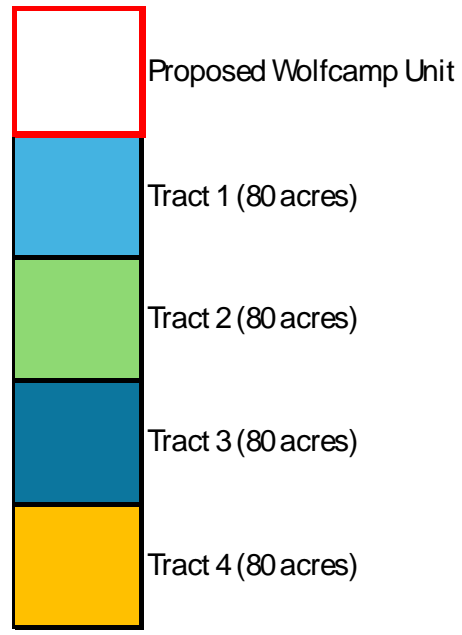
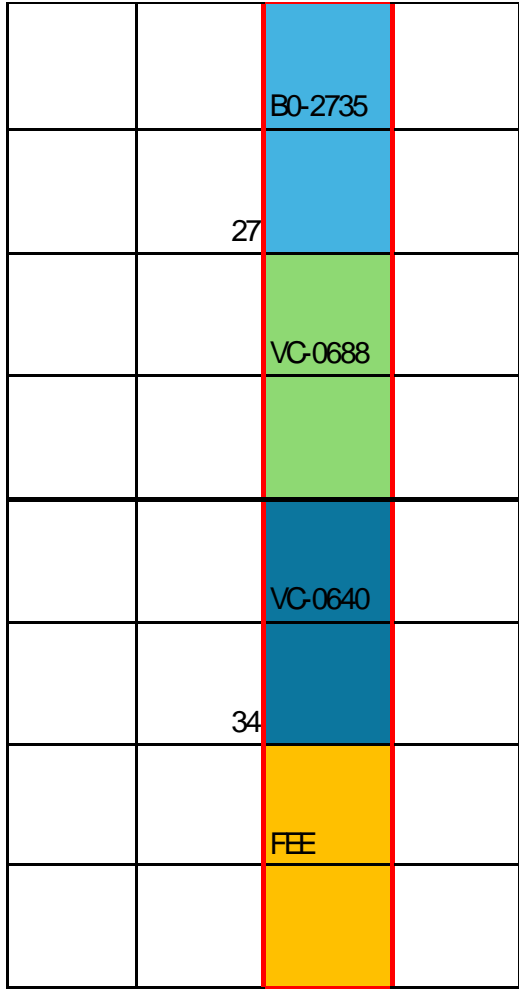
18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
October 17, 2023
Date of Survey

Signature and Seal of Professional Surveyor:



SCALE
OCD Examiner Hearing Room 2284
1100 N. R. 02-07-24
No. 24454

Lease Tract Map
Case No. 24454
W/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres
Norte State Com 703H



Summary of Interests
Case No. 24454
W/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres
Norte State Com 703H

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



Unit Recapitulation
Case No. 24454
W/2E/2 of Sections 27 & 34-T18S-R35E, 320 Acres
Norte State Com 703H

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

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

| Committed Working Interest | |
|---------------------------------|---------------------|
| Franklin Mountain Energy 3, LLC | 58.3333333% |
| | |
| Uncommitted Working Interest | |
| Yalch Operating, LP | 25.0000000% |
| XTO Holdings, LLC | 12.5000000% |
| Marshall & Winston, Inc. | 4.166667% |
| | |
| Total: | 100.0000000% |



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. 24454 Parties to Be Pooled

Working Interest Owners

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

ORRI Owners

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

Exhibit B.5



Sent via USPS: 9405536105536456872103

February 27, 2024

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

RE: **Well Proposals**
 Township 18 South, Range 35 East:
 Sections 27 & 34: W/2E/2
 Lea County, New Mexico
 320 acres, more or less

Dear Working Interest Owner:

Franklin Mountain Energy 3, LLC (“FME3”), as Operator, hereby proposes the drilling and completion of the following wells:

| Well Name | Target Formation | Total Vertical Depth | Measured Depth | SHL | BHL | Total AFE | Order |
|----------------------|------------------|----------------------|----------------|------------------------------------|-------------------------------------|-----------------|-------|
| Norte State Com 603H | 3BS | 9,920' | 19,920' | Sec. 3-T19S-R35E: 678 FNL 1336 FEL | Sec. 27-T18S-R35E: 100 FNL 1680 FEL | \$11,797,546.84 | N/A |
| Norte State Com 703H | WCA | 10,453' | 20,453' | Sec. 3-T19S-R35E: 678 FNL 1366 FEL | Sec. 27-T18S-R35E: 100 FNL 2330 FEL | \$11,797,546.84 | N/A |

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

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

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



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

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

- \$2250 per net leasehold acre consideration
- Delivering an NRI of 75%, proportionately reduced

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

Please return your signed documents to Jon Rutledge at jrutledge@fmelc.com or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC



Jon Rutledge
Landman



Norte State Com 603H:

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

Norte State Com 703H:

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

Owner: XTO Holdings, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____



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

AUTHORITY FOR EXPENDITURE

Well Name: Norte State Com 703H
Location: SHL: Sec 3-T19S-R35E 678 FNL 1366 FEL
 BHL: Sec 27-T18S-R35E 100 FNL 2330 FEL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' WCA well.
 TVD 10,453', MD 20,453'

Well #: 703H
County/State: Lea Co., NM
Date Prepared: 2/6/2024
AFE #: DCE240208

Intangible Drilling Costs

| Major | Minor | Description | Amount |
|---|-------|-------------------------------|--------------------|
| 225 | 5 | ADMINISTRATIVE OVERHEAD | \$4,000 |
| 225 | 10 | CASING CREW & EQPT | \$80,000 |
| 225 | 15 | CEMENTING INTERMEDIATE CASING | \$50,000 |
| 225 | 16 | CEMENTING PRODUCTION CASING | \$150,000 |
| 225 | 20 | CEMENTING SURFACE CASING | \$50,000 |
| 225 | 25 | COMMUNICATIONS | \$40,000 |
| 225 | 30 | COMPLETION FLUIDS | \$6,000 |
| 225 | 34 | CONSTRUCTION/LOCATION & ROAD | \$45,000 |
| 225 | 40 | CONTRACT LABOR | \$50,000 |
| 225 | 45 | DAMAGES | \$15,000 |
| 225 | 50 | DAYWORK CONTRACT | \$762,300 |
| 225 | 55 | DRILLING - DIRECTIONAL | \$320,000 |
| 225 | 60 | DRILLING - FOOTAGE | \$120,000 |
| 225 | 65 | DRILLING BITS | \$140,000 |
| 225 | 70 | ELECTRICAL POWER/GENERATION | \$0 |
| 225 | 75 | ENGINEERING | \$20,000 |
| 225 | 80 | ENVIRONMENTAL SERVICES | \$250,000 |
| 225 | 84 | EQUIPMENT RENTAL DOWNHOLE | \$60,000 |
| 225 | 85 | EQUIPMENT RENTAL | \$50,000 |
| 225 | 90 | FISHING TOOLS/SERVICES | \$0 |
| 225 | 95 | HEALTH & SAFETY | \$7,000 |
| 225 | 100 | HOUSING AND SUPPORT SERVICES | \$45,000 |
| 225 | 105 | INSURANCE | \$1,700 |
| 225 | 106 | INSPECTIONS | \$15,000 |
| 225 | 110 | LEGAL, TITLE SERVICES | \$6,000 |
| 225 | 115 | MATERIALS & SUPPLIES | \$5,000 |
| 225 | 120 | MISCELLANEOUS | \$5,000 |
| 225 | 125 | MOUSE/RATHOLE/CONDUCT PIPE | \$31,000 |
| 225 | 130 | MUD & CHEMICALS | \$320,000 |
| 225 | 140 | OPENHOLE LOGGING | \$0 |
| 225 | 141 | CASED HOLE LOGGING | \$0 |
| 225 | 145 | PERMITS, LICENSES, ETC | \$20,000 |
| 225 | 150 | POWER FUEL & WATER HAULING | \$200,000 |
| 225 | 155 | RIG MOVE & RACKING COSTS | \$91,500 |
| 225 | 160 | RIG UP TEAR OUT & STANDBY | \$0 |
| 225 | 163 | SITE RESTORATION | \$10,000 |
| 225 | 165 | STAKING & SURVEYING | \$6,000 |
| 225 | 170 | SUPERVISION | \$85,000 |
| 225 | 175 | SUPERVISION - GEOLOGICAL | \$39,000 |
| 225 | 180 | TRANSPORTATION/TRUCKING | \$39,000 |
| 225 | 178 | TAXES | \$164,874 |
| 225 | 35 | CONTINGENCY COSTS 5% | \$149,885 |
| Total Intangible Drilling Costs: | | | \$3,453,259 |

Tangible Drilling Costs

| Major | Minor | Description | Amount |
|---------------------------------------|-------|-----------------------------------|--------------------|
| 230 | 10 | INTERMEDIATE CASING & ATTACHMENTS | \$173,758 |
| 230 | 20 | PACKERS/SLEEVES/PLUGS | \$66,000 |
| 230 | 25 | PRODUCTION CASING & ATTACHMENTS | \$790,399 |
| 230 | 35 | SURFACE CASING & ATTACHMENTS | \$169,740 |
| 230 | 45 | WELLHEAD EQUIPMENT/CASING BOWL | \$70,000 |
| 230 | 40 | TAXES | \$69,844 |
| Total Tangible Drilling Costs: | | | \$1,339,741 |

Tangible Facility Costs

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

Intangible Completion Costs

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

Tangible Completion Costs

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

Intangible Facility Costs

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

Office Use Only:

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

Total AFE: \$11,797,546.84

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

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

Date: 2/6/2024

WI Owner: _____

Approved By: _____

Date: _____

Printed Name: _____

Title: _____

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

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. 24454

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 703H 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 703H 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 703H 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 cross-section 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.

12. **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 induced fracture propagation. This is because the S_{Hmax} is at approximately 255 degrees ENE in this area of Lea County.

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 9th, 2024

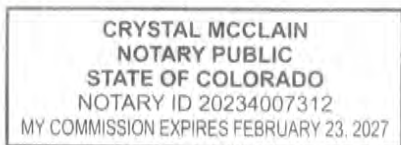
[Signature]
Ben Kessel

State of Colorado

County of Denver

This record was acknowledged before me on May 9, 2024, by Ben Kessel.

[Stamp]



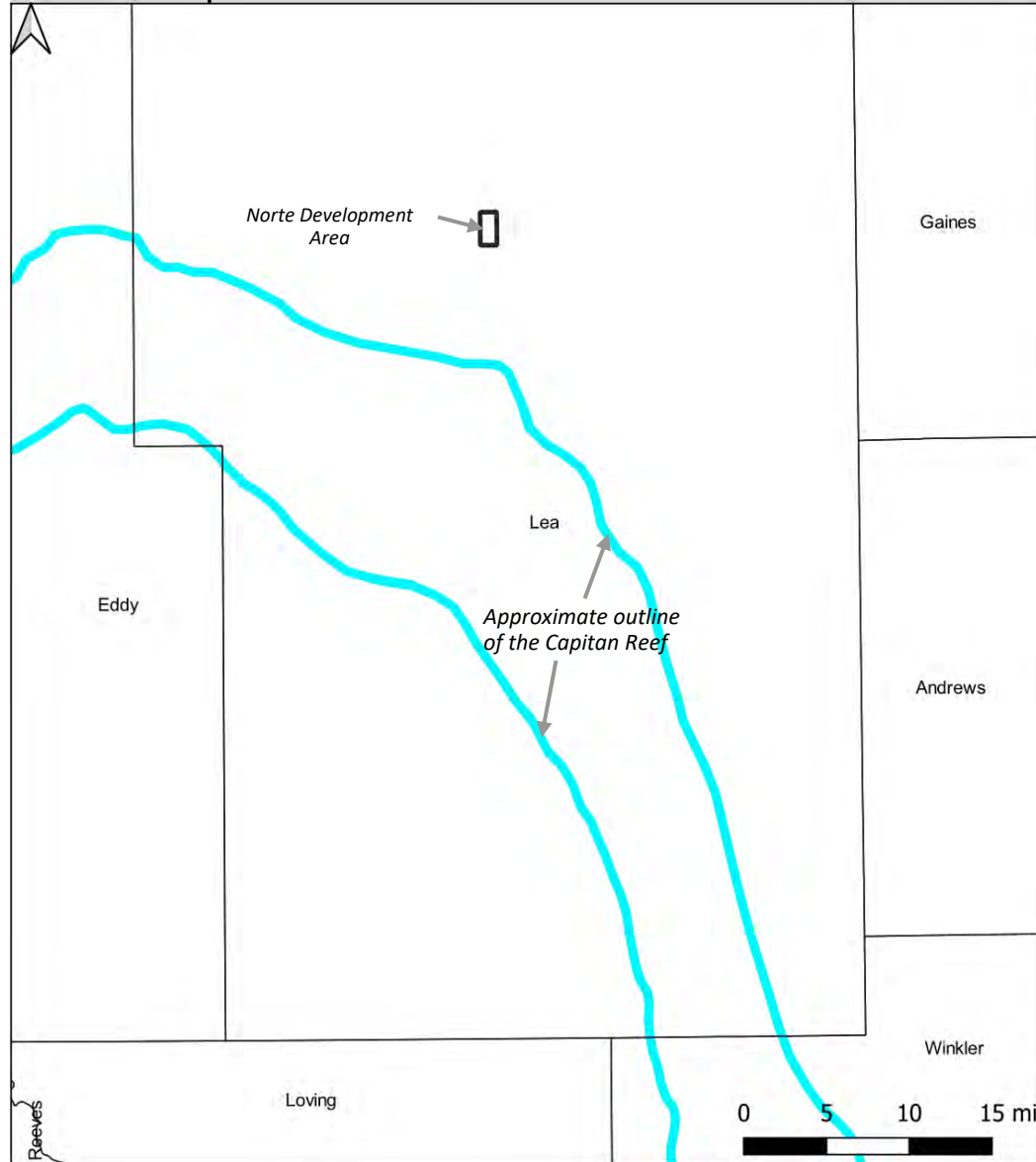
[Signature]
Notary Public in and for the
State of Colorado
Commission Number: 20234007312

My Commission Expires: 2/23/27



Norte Development

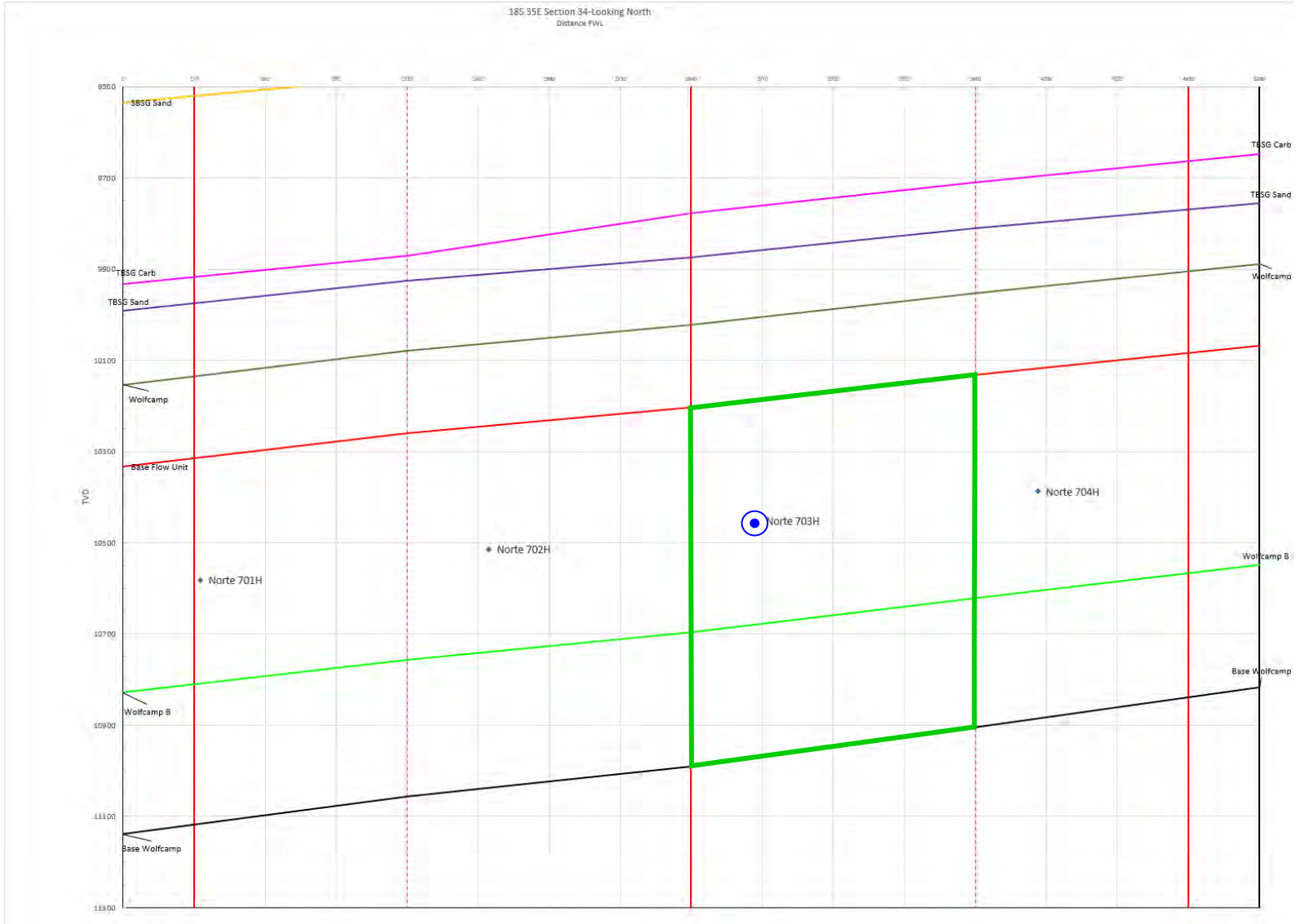
Locator Map



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

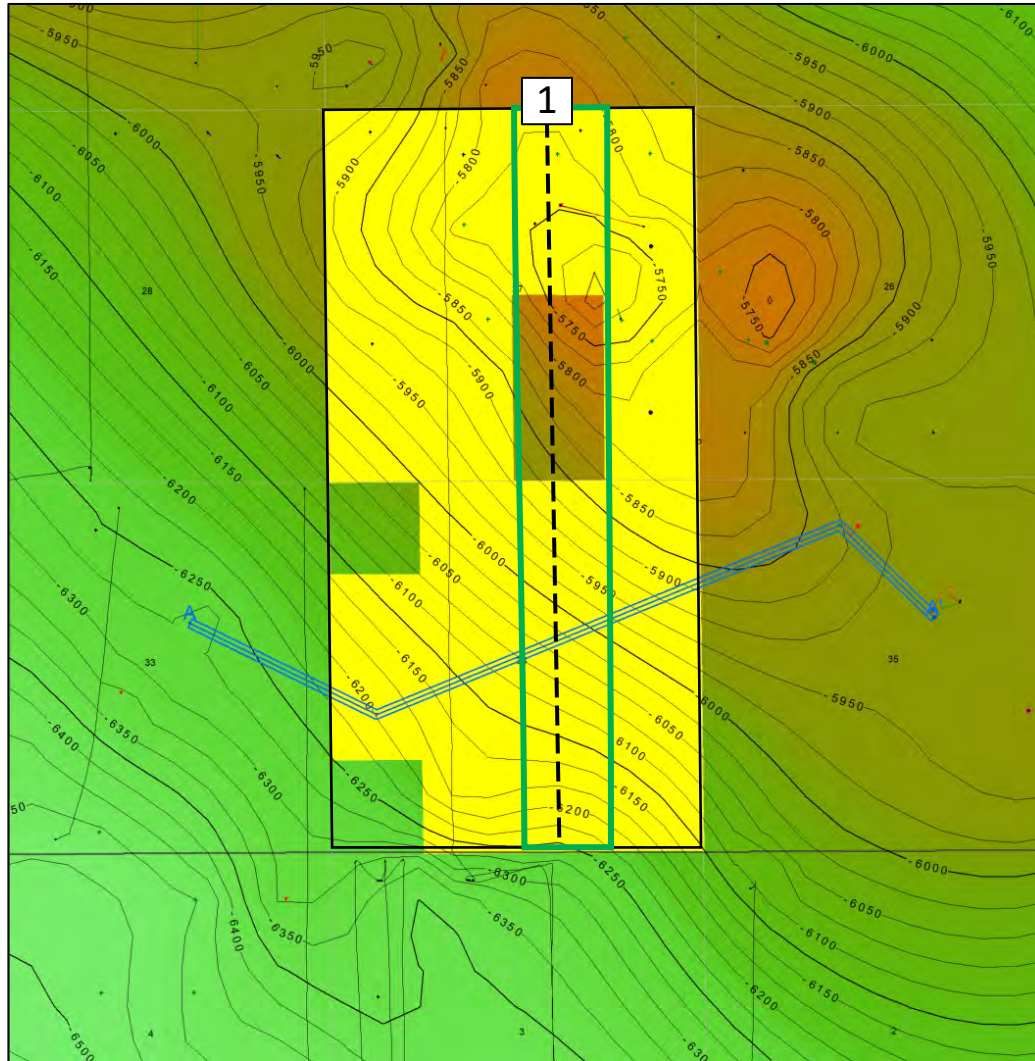
Exhibit C-1



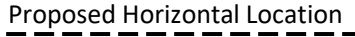
Wellbore Schematic



OCD Examiner Hearing 8-22-24





-  Franklin Mountain Acreage
-  Wolfcamp Spacing Unit
-  Proposed Horizontal Location


1 Norte State Com 703H

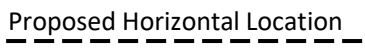
All wells shown

1 mile



 Franklin Mountain Acreage

 Wolfcamp Spacing Unit

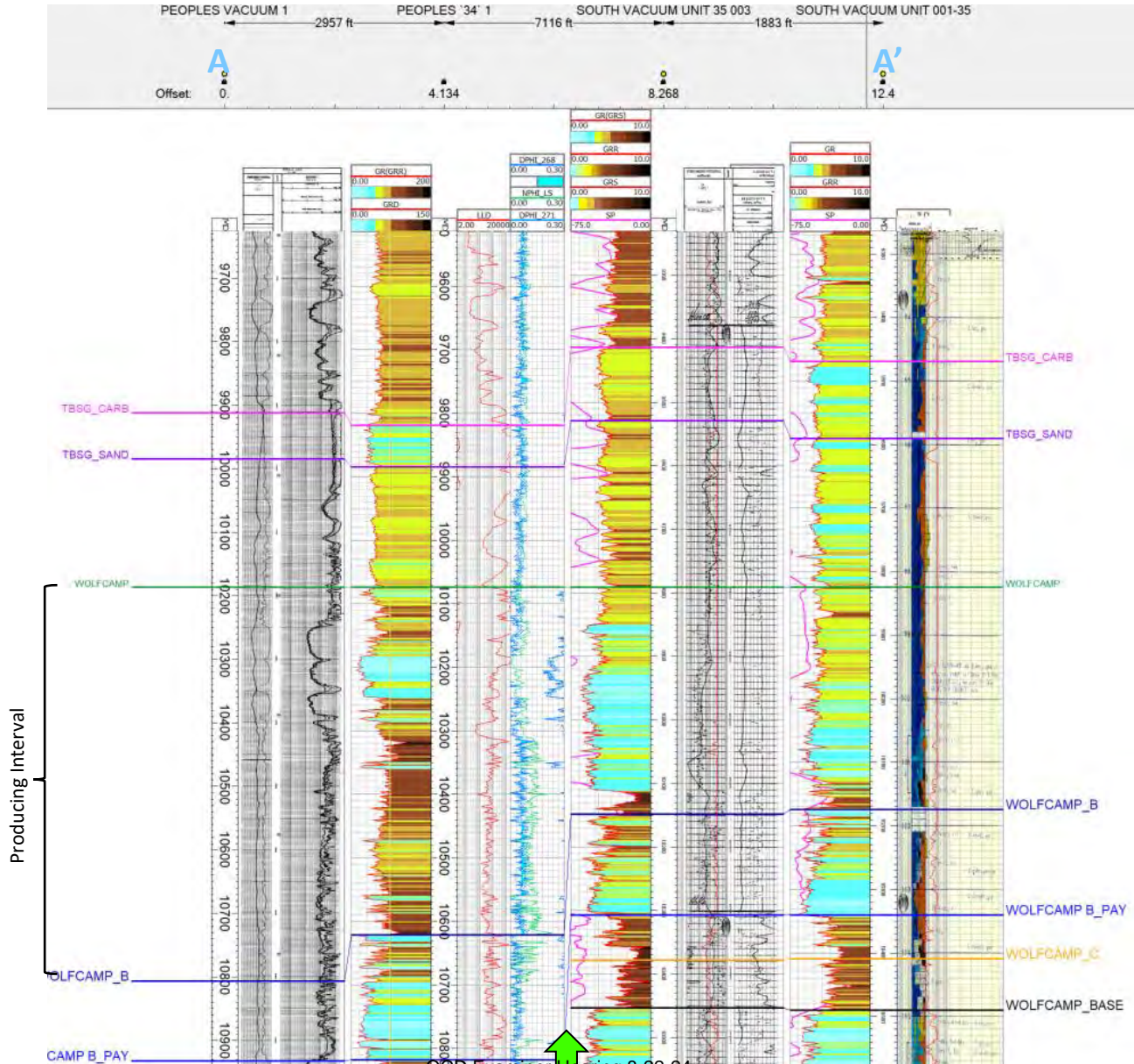
 Proposed Horizontal Location

 Norte State Com 703H

All wells shown

1 mile

Wolfcamp Cross Section

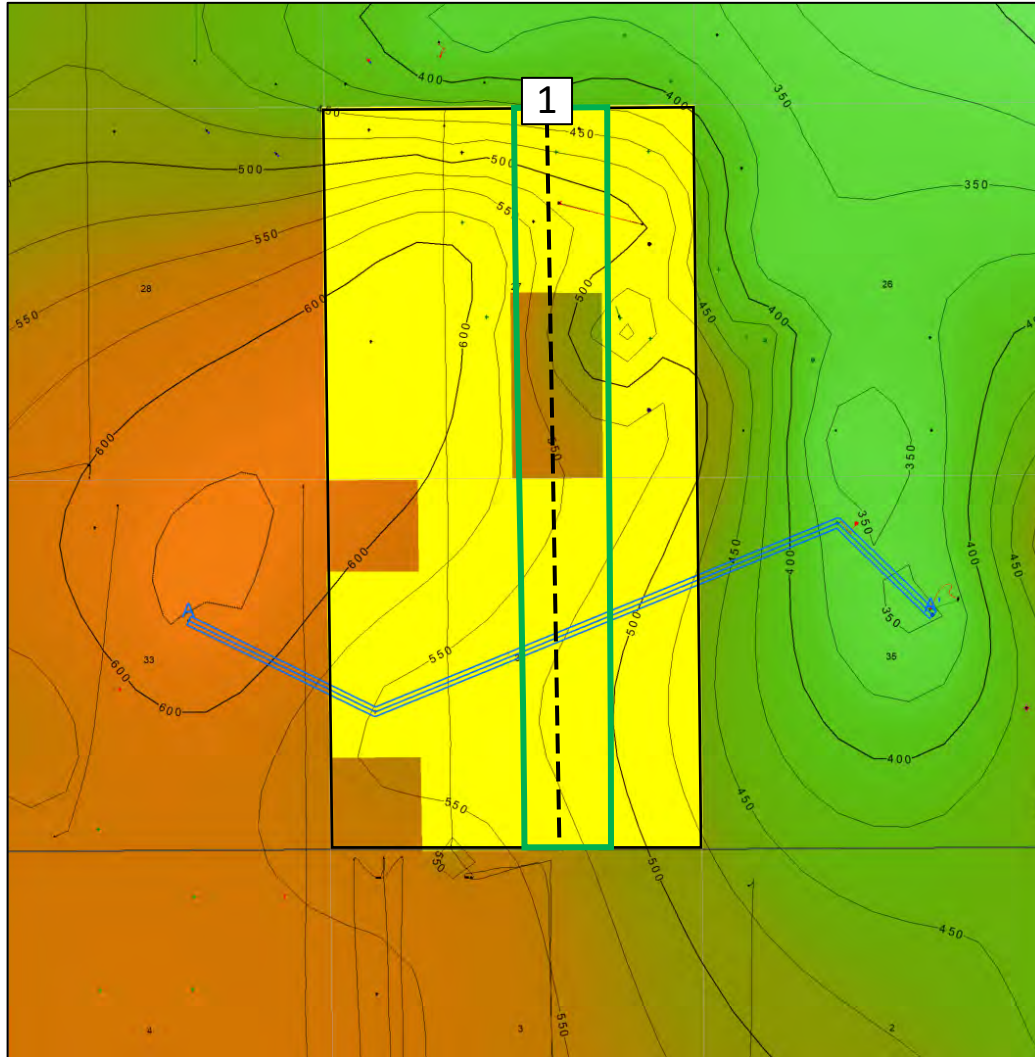



OCD Examiner Hearing 8-22-24

No. 24454
703H

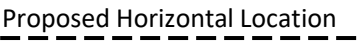
Exhibit C-5

Wolfcamp A Isochore Map



 Franklin Mountain Acreage

 Wolfcamp Spacing Unit

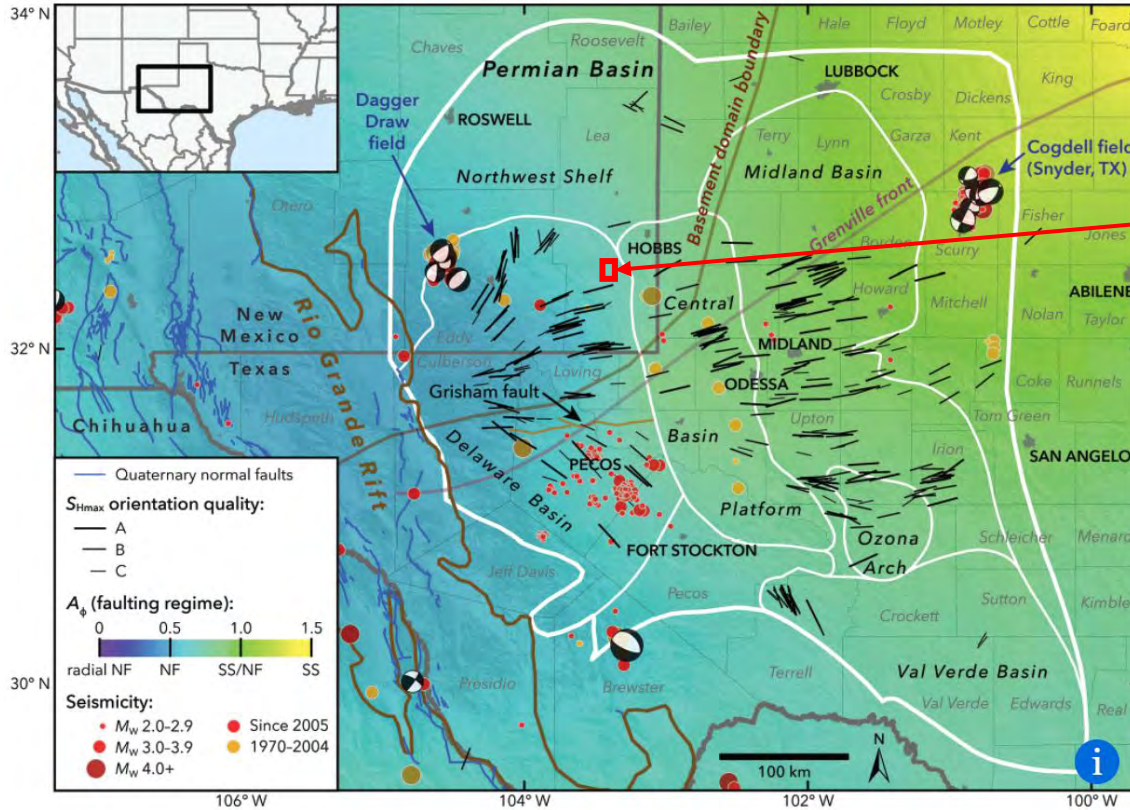
 Proposed Horizontal Location

 1 Norte State Com 703H

All wells shown

1 mile

Regional Stress



- Red box shows the approximate location of the Norte development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- 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/MobilePagedArticle.action?articleId=1331603#articleId1331603

Exhibit C-7

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

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

CASE NOS. 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:

- 1) 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



Deana M. Bennett



MODRALL SPERLING
LAWYERS

April 22, 2024

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 24443

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

CASE NO. 24444

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

CASE NO. 24445

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

CASE NO. 24447

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

CASE NO. 24450

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

CASE NO. 24454

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

CASE NO. 24456

Modrall Spierling
Roehl Harris & Sisk P.A.

500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

Page 2

TO: AFFECTED PARTIES

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

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

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

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

Page 3

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

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

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

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

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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

Page 5

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

Sincerely,



Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. 24443

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the spacing unit to the Norte State Com 604H well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 27, Township 18 South, Range 35 East.
3. The producing area for the well is expected to be orthodox.
4. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.
5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2024 and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
- B. Designating Franklin as operator of this unit and the well to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the well;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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 Attorneys for Franklin Mountain Energy 3, LLC

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

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

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
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,

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

By: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.

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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.

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

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

CASE NO. 24445

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the spacing unit to the Norte State Com 603H well to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3, Township 19 South, Range 35 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 27, Township 18 South, Range 35 East.
3. The producing area for the well is expected to be orthodox.
4. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.
5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2024 and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 E/2 of Sections 27 and 34, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
- B. Designating Franklin as operator of this unit and the well to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the well;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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Attorneys for Franklin Mountain Energy 3, LLC

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

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

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

CASE NO. 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: /s/ Deana M. Bennett

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 Attorneys for Franklin Mountain Energy 3, LLC

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.

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. 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

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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24450 : 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.

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. 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.

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
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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24454 : 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.

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
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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24456 : 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.

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
04/22/2024

Firm Mailing Book ID: 264846

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest. Del. Fee | Reference Contents |
|------|-----------------------------|---|---------|-------------|--------|----------------|----------------------------|
| 1 | 9314 8699 0430 0120 2517 37 | Yaich Operating, LP P.O. Box 10458 Midland TX 79702 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 2 | 9314 8699 0430 0120 2517 44 | SITL Energy, LLC 308 N. Colorado, Ste 200 Midland TX 79701 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 3 | 9314 8699 0430 0120 2517 51 | Asher Enterprises Ltd. Co. 3904 Maggies Meadow Denton TX 76210 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 4 | 9314 8699 0430 0120 2517 68 | Arizona Holding Corporation PO Box 543 La Grange TX 78945 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 5 | 9314 8699 0430 0120 2517 75 | Barbe Development, LLC PO Box 2107 Roswell NM 88202 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 6 | 9314 8699 0430 0120 2517 82 | Bill Fenn PO Box 1757 Roswell NM 88202 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 7 | 9314 8699 0430 0120 2517 99 | Old World Oil II, LLC P.O. Box 8274 Horseshoe Bay TX 78657 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 8 | 9314 8699 0430 0120 2518 05 | Sharp Image Energy, Inc. PO Box 1888 Big Spring TX 79721 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 9 | 9314 8699 0430 0120 2518 12 | Knox Resources, LLC 11902 N. Penn Ave, Ste C-1 Oklahoma City OK 73120 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 10 | 9314 8699 0430 0120 2518 29 | RLS Land Services, LLC 305 West Pittsburgh St. Greensburg PA 15601 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 11 | 9314 8699 0430 0120 2518 36 | Clarke C. Coll PO Box 1818 Roswell NM 88202 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 12 | 9314 8699 0430 0120 2518 43 | Coll Brothers Oil PO Box 1818 Roswell NM 88202 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 13 | 9314 8699 0430 0120 2518 50 | Crain Properties L.L.C. 1206 West Chochiti Hobbs NM 88240 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 14 | 9314 8699 0430 0120 2518 67 | Thomas M. Johnson PO Box 1059 La Grange TX 78945 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |
| 15 | 9314 8699 0430 0120 2518 74 | Big Horn Investments, Inc. 2902 Diamond A Dr Roswell NM 88201 | \$2.83 | \$4.40 | \$2.32 | \$0.00 | 10154.0001 Norte Notice |



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
04/22/2024

Firm Mailing Book ID: 264846

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



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

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 264846
Generated: 7/22/2024 1:56:13 PM

| 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 | NM | 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 | 2024-04-25 7:49 AM |
| 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 12:34 PM |
| 9314869904300120251959 | 2024-04-22 1:45 PM | 10154.0001Norte | Thomaston, LLC | | LAKEWOOD | CO | 80401 | Delivered | Return Receipt - Electronic, Certified Mail | |
| 9314869904300120251942 | 2024-04-22 1:45 PM | 10154.0001Norte | Supero Oil & Gas, Inc. | | MIDLAND | TX | 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 | TX | 79707 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-04-26 3:37 PM |
| 9314869904300120251911 | 2024-04-22 1:45 PM | 10154.0001Norte | Bozoi, Inc. | | DALLAS | TX | 75229 | Lost | Return Receipt - Electronic, Certified Mail | |
| 9314869904300120251904 | 2024-04-22 1:45 PM | 10154.0001Norte | XTO Holdings, LLC | | Spring | TX | 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. w/o Joe Fleh Fenn | Roswell | NM | 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 | NM | 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 | TX | 78945 | Lost | Return Receipt - Electronic, Certified Mail | |
| 9314869904300120251850 | 2024-04-22 1:45 PM | 10154.0001Norte | Crain Properties L.L.C. | | Hobbs | NM | 88240 | Lost | Return Receipt - Electronic, Certified Mail | |
| 9314869904300120251843 | 2024-04-22 1:45 PM | 10154.0001Norte | Coll Brothers Oil | | Roswell | NM | 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 | NM | 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 | OK | 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 | TX | 78657 | Lost | Return Receipt - Electronic, Certified Mail | |
| 9314869904300120251782 | 2024-04-22 1:45 PM | 10154.0001Norte | Bill Fenn | | Roswell | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-04-30 10:03 AM |
| 9314869904300120251775 | 2024-04-22 1:45 PM | 10154.0001Norte | Barbe Development, LLC | | Roswell | NM | 88202 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-04-30 12:16 PM |
| 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 | Yaich 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.



Publisher

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



Business Manager

My commission expires
January 29, 2027
(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526

COMMISSION EXPIRES 01/29/2027
This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

CASE NO. 24450: Notice to all affected parties, as well as heirs and devisees of: Yalch Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oil II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oil; Crain Properties LLC; Thomas M. Johnson; Big Horn Investments, Inc.; Bill Fenn as Trustee, Residuary Trust est. u/w/o Joe Flen Fenn; Marshall & Winston, Inc.; XTO Holdings, LLC; Bozoll, Inc.; Michael T. Horn; David J. Plaisance; Supero Oil & Gas, Inc.; Thomaston, LLC; Ostrich Oil and Gas; Cuthbert Royalties, LLC; State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico.
The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on **May 16, 2024** to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, 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.

CASE NO. 24454: Notice to all affected parties, as well as heirs and devisees of: Yalch Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oil II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oil; Crain Properties LLC; Thomas M. Johnson; Big Horn Investments, Inc.; Bill Fenn as Trustee, Residuary Trust est. u/w/o Joe Flen Fenn; Marshall & Winston, Inc.; XTO Holdings, LLC; Bozoll, Inc.; Michael T. Horn; David J. Plaisance; Supero Oil & Gas, Inc.; Thomaston, LLC; Ostrich Oil and Gas; Cuthbert Royalties, LLC; State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico.
The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on **May 16, 2024** to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, 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.

CASE NO. 24456: Notice to all affected parties, as well as heirs and devisees of: Yalch Operating, LP; SITL Energy, LLC; Asher Enterprises Ltd. Co.; Arizona Holding Corporation; Barbe Development, LLC; Bill Fenn; Old World Oil II, LLC; Sharp Image Energy, Inc.; Knox Resources, LLC; RLS Land Services, LLC; Clarke C. Coll; Coll Brothers Oil; Crain Properties LLC; Thomas M. Johnson; Big Horn Investments, Inc.; Bill Fenn as Trustee, Residuary Trust est. u/w/o Joe Flen Fenn; Marshall & Winston, Inc.; XTO Holdings, LLC; Bozoll, Inc.; Michael T. Horn; David J. Plaisance; Supero Oil & Gas, Inc.; Thomaston, LLC; Ostrich Oil and Gas; Cuthbert Royalties, LLC; State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico.
The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on **May 16, 2024** to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, 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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DOLORES SERNA
MODRALL, SPERLING, ROEHL, HARRIS &
P. O. BOX 2168
ALBUQUERQUE, NM 87103-2168