

FRANKLIN MOUNTAIN ENERGY

Before the Oil Conservation Division Examiner Hearing August 27th, 2024

Compulsory Pooling Case No. 24196: Ball State Com 303H

Ball State Com 603H

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

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

CASE NO. 24196

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COMPULSORY POOLING APPLICATION CHECKLIST

Case: 24196	APPLICANT'S RESPONSE		
Date	August 27, 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, and, to the Extent Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico.		
Entries of Appearance/Intervenors:	None.		
Well Family	Ball State		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	Bone Spring		
Pool Name and Pool Code (Only if NSP is requested):	N/A		
Well Location Setback Rules (Only if NSP is Requested):	N/A		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320-acres		
Building Blocks:	40-acre		
Orientation:	North/South		
Description: TRS/County	W/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> <u>approval of non-standard unit requested in this application?</u>	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	Exhibit A-4		
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: Ball State Com 303H	API No. <i>Pending</i> SHL: 824' FNL & 690' FEL, (Unit A), Section 32, T18S, R35E BHL: 100' FNL & 1660' FEL, (Unit B) Section 20, T18S, R35E Completion Target: First Bone Spring (Approx. 8,837' TVD) Orientation: North/South		

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Well #1: Ball State Com 603H	API No. <i>Pending</i> SHL: 822' FNL & 2427' FWL, (Unit C), Section 32, T18S, R35E BHL: 100' FNL & 2290' FEL, (Unit B) Section 20, T18S, R35E Completion Target: Third Bone Spring (Approx. 10,026' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000.00
	\$900.00
Production Supervision/Month \$	See Exhibit B Pargraph 21
Justification for Supervision Costs	200%
Requested Risk Charge	
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2 and C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below) N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibit A-6
Cost Estimate to Drill and Complete	Exhibit A-6
Cost Estimate to Equip Well	Exhibit A-6
Cost Estimate for Production Facilities	Exhibit A-6
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B-11
Target Formation	Tab B
HSU Cross Section	Exhibits B-5; B-9
1130 (1035 36(110))	ב-ס, כ-ס גרווווונג ב-ס, ב-ש
Depth Severance Discussion	N/A er Hearing 8-27-24

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Date:	8/19/2024
Signed Name (Attorney or Party Representative):	<u>/s/ Deana M. Bennett</u>
Printed Name (Attorney or Party Representative):	Deana M. Bennett
CERTIFICATION: I hereby certify that the information prov	vided in this checklist is complete and accurate.
Special Provisions/Stipulations	
Additional Information	
Cross Section (including Landing Zone)	Exhibits B-5; B-9
Cross Section Location Map (including wells)	Exhibits B-4; B-8
Structure Contour Map - Subsea Depth	Exhibits B-3; B-7
Well Bore Location Map	Exhibit B-2
General Location Map (including basin)	Exhibit B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-5
Tracts	Exhibit A-4
C-102	Exhibit A-3
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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 24196

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 20 and 29, 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 following wells:
 - a. The Ball State Com 303H well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and
 - b. The Ball State Com 603H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20.
- 3. The producing area for the wells is expected to be orthodox.

4. This proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

- a. A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #001H well (API 30-025-40611); and
- b. A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #003H well (API 30-025-41950).

5. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 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 W/2 E/2 of Sections 20 and 29, 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 wells to be drilled thereon;

OCD Examiner Hearing 8-27-24

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

wells;

E. Approving actual operating charges and costs charged for supervision, together

with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in

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

Respectfully submitted,

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

By:/s/ Deana M. Bennett Earl E. DeBrine, Jr. Deana M. Bennett Yarithza Peña Post Office Box 2168 500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 edebrine@modrall.com deana.bennett@modrall.com yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC **CASE NO.** <u>24196</u>: 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 comprising the W/2 E/2 of Sections 20 and 29, 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 following wells: the **Ball State Com 303H** well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and the **Ball State Com 603H** well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

- A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #001H #001H well (API 30-025-40611); and
- A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #003H well (API 30-025-41950).

Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles West of Hobbs, New Mexico.

OCD Examiner Hearing 8-27-24 No. 24196

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

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

CASE NO. 24196

SELF-AFFIRMED STATEMENT OF DON JOHNSON

Don Johnson hereby states and declares as follows:

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

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

3. I am familiar with the application filed by Franklin in this case, which is attached

as Exhibit A-1.

4. I am familiar with the status of the lands that are subject to the application.

5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.

6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the wells to be drilled in the unit.

7. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit.

Franklin Mountain Energy 3, LLC Case 24196 Exhibit A-2

OCD Examiner Hearing 8-27-24

8. In this case, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising W/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

- 9. This spacing unit will be dedicated to the following wells:
 - a. The Ball State Com 303H well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and
 - b. The Ball State Com 603H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20.

10. Franklin's proposed horizontal spacing unit will partially overlap the following existing Bone Spring spacing units:

- A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #001H well (API 30-025-40611); and
- b. A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #003H well (API 30-025-41950).
- 11. Attached as **Exhibit A-3** are the proposed C-102s for the wells.

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

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13. The wells will develop the WC-025 G-06 S183518A; Bone Spring Pool (Code97930) and the Airstrip; Bone Spring Pool (Code 960).

14. This pool is an oil pool with 40-acre building blocks.

15. This pool is governed by the state-wide horizontal well rules.

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

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

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

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

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

21. Franklin requests overhead and administrative rates of \$9,000.00/month for drilling a well and \$900.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

23. I have conducted a diligent search of the public records in the county where the wells are located, and conducted phone directory and computer searches to locate contact

information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.

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

in Exhibit A-7.

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

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

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

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

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

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

31. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature page follows]

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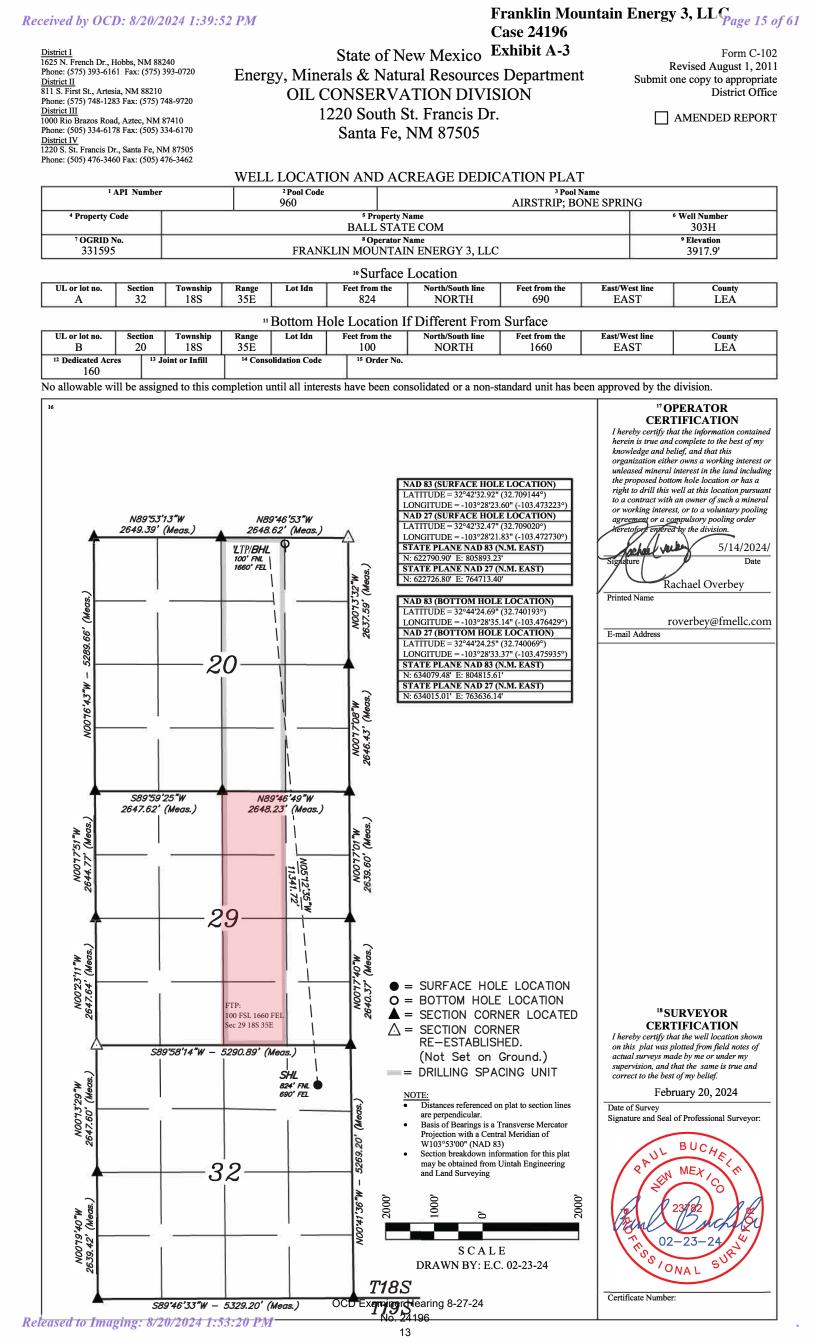
August 20th 2024

Date

Don Johnson

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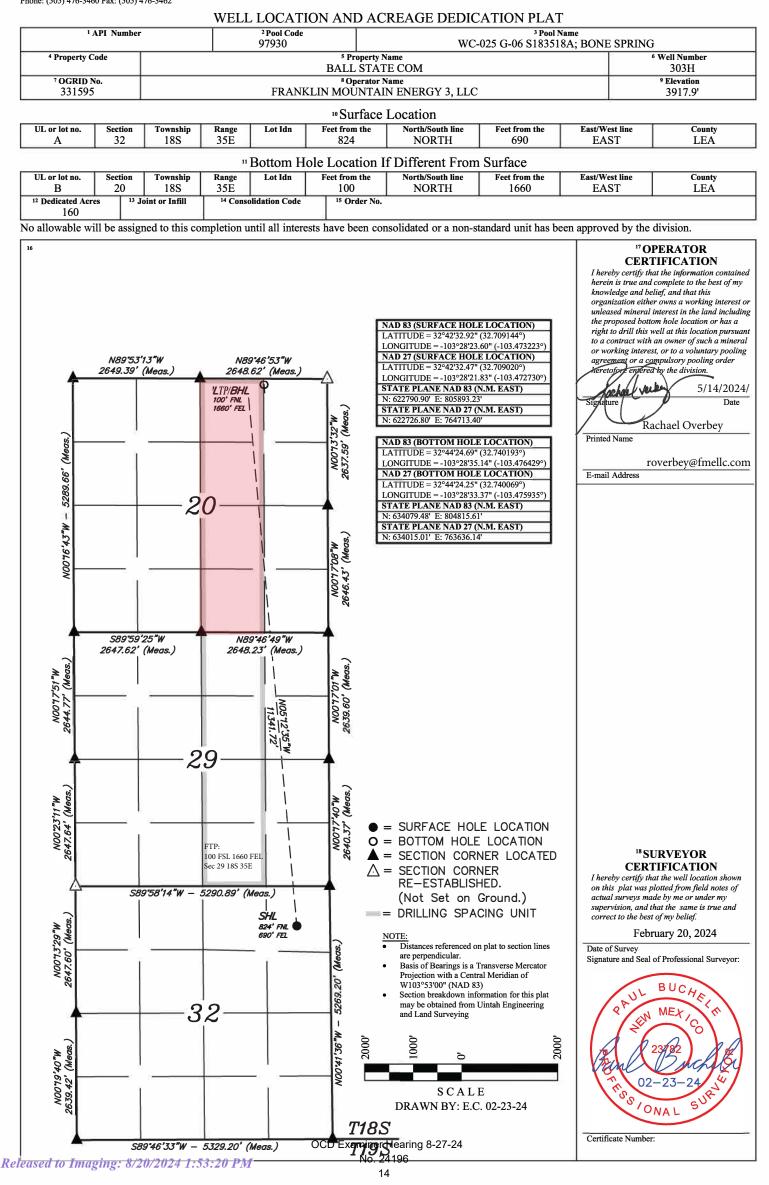
District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis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

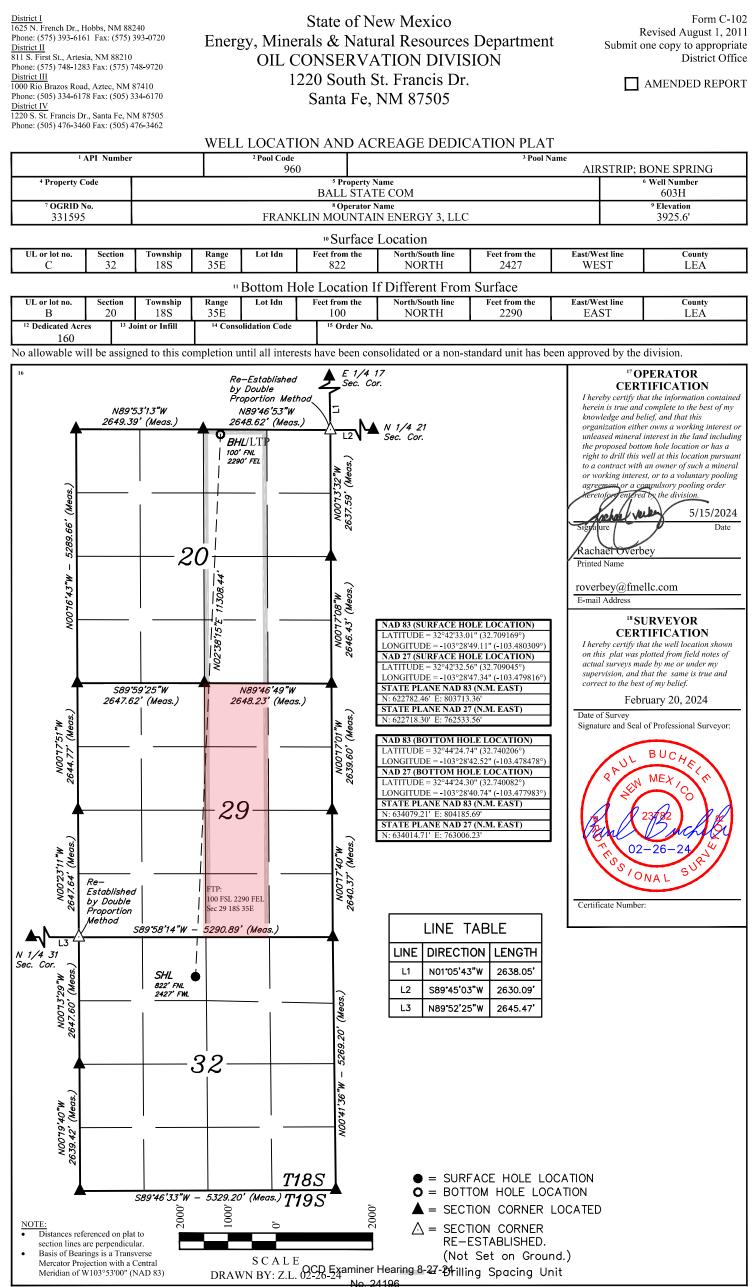
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED REPORT

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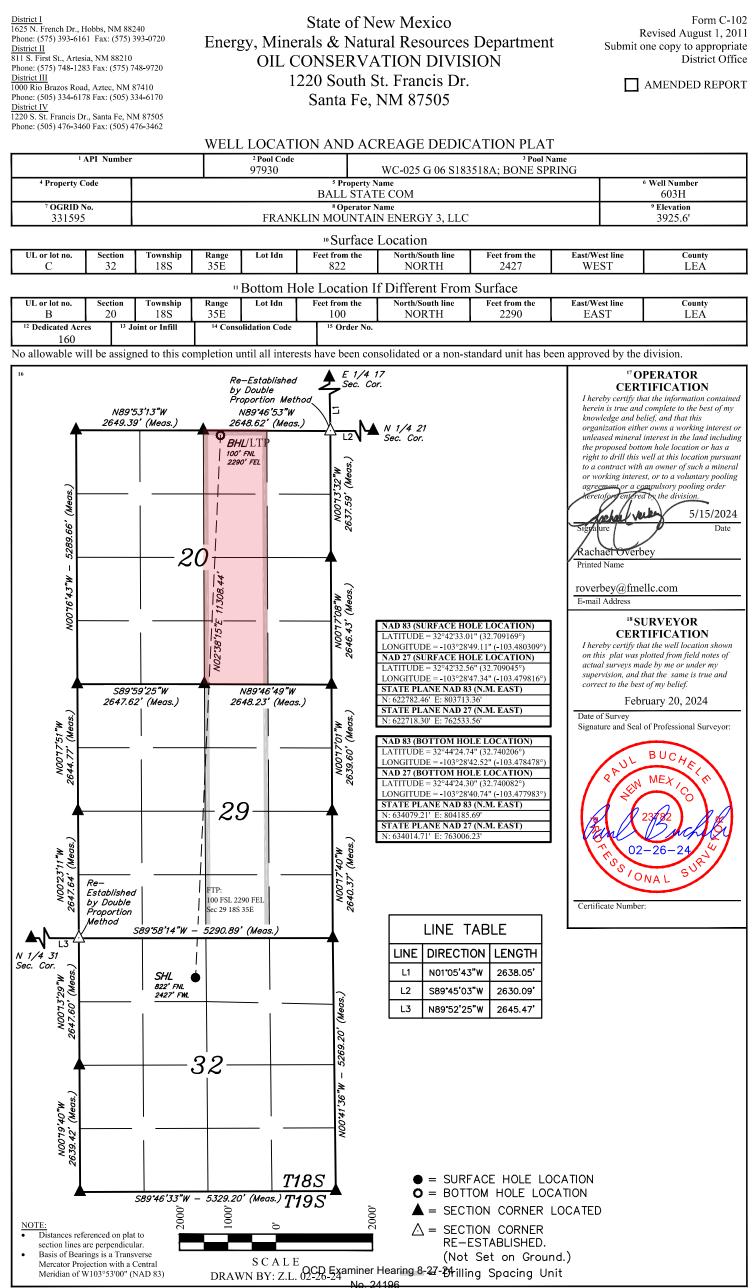


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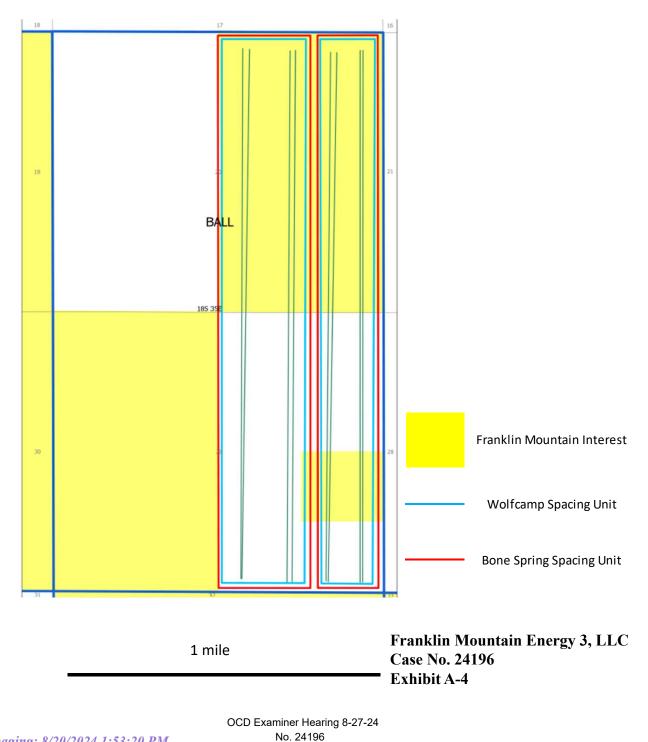


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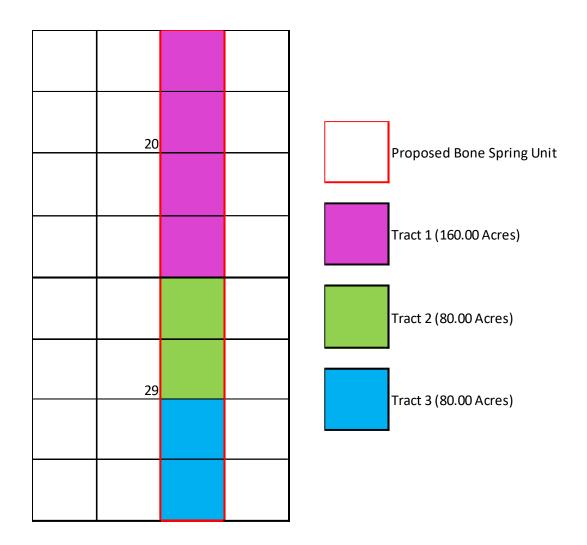
Development Overview

Case Nos. 24196



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Lease Tract Map Case No. 24196 W/2E/2 of Sections 20 & 29-T18S-R35E 320.00 Acres Ball State Com 303H Ball State Com 603H



FRANKLIN MOUNTAIN ENERGY

Summary of Interests Case No. 24196 W/2E/2 of Sections 20 & 29-T18S-R35E 320.00 Acres Ball State Com 303H Ball State Com 603H

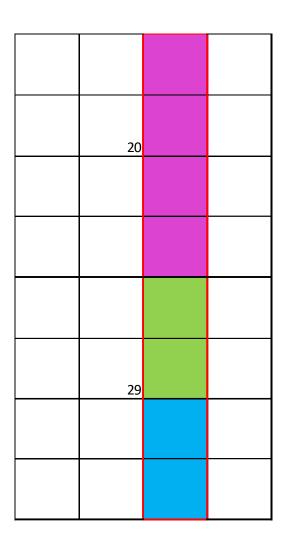
Commited Working Intere	st
Franklin Mountain Energy 3, LLC	50.00000%
Uncommited Working Inter	est
Marathon Oil Permian, LLC	50.00000%
Total:	100.000000%

FRANKLIN MOUNTAIN ENERGY

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Unit Recapitulation Case No. 24196 W/2E/2 of Sections 20 & 29-T18S-R35E 320.00 Acres Ball State Com 303H Ball State Com 603H



Commited Working Interes	t
Franklin Mountain Energy 3, LLC	50.000000%
Uncommited Working Intere	est
Marathon Oil Permian, LLC	50.000000%
Total:	100.00000%

Tract	Lease	%
1	VB-1374	50.0000%
2	A0-4096	25.0000%
3	VB-1878	25.0000%

FRANKLIN MOUNTAIN ENERGY

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Franklin Mountain Energy 3, LLC Case No. 24196 Exhibit A-5

Case No. 24196 W/2E/2 Bone Spring Case

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

Marathon Oil Permian, LLC

ORRI to Be Pooled

Thomaston, LLC Zunis Energy, LLC Luckaloy Limited Company William J. McCaw Good News Minerals, LLC Bryan L. Rankin Rachel E. White Blue Ox Partners LLC Crown Oil Partners, LP Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts Heidi Huckabee William Fredrick Madison, Jr. Revocable Living Trust, William Fredrick Madison, Jr., Trustee Rfort Mineral Properties, LLC TLG, LLC Post Oak Crown IV-B, LLC Post Oak Crown IV, LLC Collins & Jones Investments, LLC Post Oak Mavros II, LLC LMC Energy LLC H. Jason Wacker Oak Valley Mineral and Land, LP David W. Cromwell Sortida Resources, LLC Mike Moylett Kaleb Smith Deane Durham

> Franklin Mountain Energy 3, LLC Case 24196 Exhibit A-5



Sent via USPS: 9405536105536070901920

January 4, 2024

T.H. McElvain Oil & Gas, LLLP 1819 Denver West Drive, Suite 260 Lakewood, CO 80401 Attn: Land Dept, Permian Basin

RE: Well Proposals Township 18 South, Range 35 East Section 20: W2E2 Section 29: W2E2 Lea County, New Mexico 320.00 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
Ball State Com 303H	1BS	8,837'	17,837'	Sec 32- T18S- R35E 575 FNL 690 FEL	Sec 20- T18S- R35E 100 FNL 1660 FEL	\$11,183,950.44	N/A
Ball State Com 603H	3BS	10,026'	20,026'	Sec 32- T18S- R35E 575 FNL 2310 FWL	Sec 20- T18S- R35E 100 FNL 2290 FEL	\$11,797,546.84	N/A
Ball State Com 703H	WCA	10,509'	20,509'	Sec 32- T18S- R35E 575 FNL 660 FEL	Sec 20- T18S- R35E 100 FNL 1660 FEL	\$11,797,546.84	N/A
Ball State Com 803H	WCB	11,001'	21,001'	Sec 32- T18S- R35E 575 FNL 2460 FWL	Sec 20- T18S- R35E 100 FNL 2290 FEL	\$12,164,281.44	N/A

Franklin Mountain Energy 3, LLC

44 Cook Street | Suite 1000 | Denver, CO 80206 Case No. 24196 OCD Examiner Hearing 8-27-24 Exhibit A-6

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

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

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

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

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

-

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

Please return your signed documents to Jon Rutledge at <u>jrutledge@fmellc.com</u> or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Nutledge

Jon Rutledge Landman

44 Cook Street | Suite 1000 | Denver, CO 80206 OCD Examiner Hearing 8-27-24 No. 24196



Ball State Com 303H:

_____ I/We hereby elect to participate in the **Ball State Com 303H** well. ______ I/We hereby elect **NOT** to participate in the **Ball State Com 303H** well.

Ball State Com 603H:

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

Ball State Com 703H:

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

Ball State Com 803H:

_____ I/We hereby elect to participate in the **Ball State Com 803H** well. _____ I/We hereby elect **NOT** to participate in the **Ball State Com 803H** well.

Owner: T.H. McElvain Oil & Gas, LLLP

By: _____

Printed Name: _____

Title:_____

Date:_____

Location: Operator: Purpose:



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

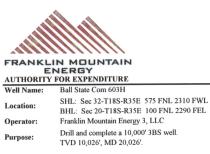
FOR EXPENDITURE		
Ball State Com 303H	Well #:	303H
SHL: Sec 32-T18S-R35E 575 FNL 690 FEL BHL: Sec 20-T18S-R35E 100 FNL 1660 FEL	County/State:	Lea Co., NM
Franklin Mountain Energy 3, LLC	Date Prepared:	10/25/2023
Drill and complete a 10,000' IBS well. TVD 8,837', MD 17,837'.	AFE #:	DCE231028

Dist.	841	Intangible Drilling Costs		Mali	M41	Intangible Completion Costs	
Major 225	Minor 5	r Description ADMINISTRATIVE OVERHEAD	Amount \$4,000	Major 240	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$10,300
225	10	CASING CREW & EQPT	\$80,000	240	10	CASED HOLE LOGS & SURVEYS	\$7,500
225	15	CEMENTING INTERMEDIATE CASING	\$50,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	\$150,000	240	20	COILED TUBING/SNUBBING UNIT	\$276,500
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$50,000 \$40,000	240 240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	\$2,500 \$0
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$32,500
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$25,000
225	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$500
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$10,000
225	50	DAYWORK CONTRACT	\$653,000	240	60	ELECTRICAL POWER\GENERATION	\$0
225 225	55 60	DRILLING - DIRECTIONAL	\$300,000 \$120,000	240 240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$3,600 \$0
225	65	DRILLING - FOOTAGE DRILLING BITS	\$120,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER\GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$110,000
225	75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$544,000
225	80	ENVIRONMENTAL SERVICES	\$250,000	240	75	FUEL, POWER/DIESEL	\$495,500
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	240	80 85	HEALTH & SAFETY	\$6,100
225 225	85 90	EQUIPMENT RENTAL FISHING TOOLS/SERVICES	\$50,000 \$0	240 240	90	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES	\$9,500 \$500
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$45,000	240	100	MUD & CHEMICALS	\$1,400
225	105	INSURANCE	\$1,700	240	110	P&A/TA COSTS	\$0
225	106	INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$262,000
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225 225	115 120	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$5,000	240 240	125 130	ROAD, LOCATIONS REPAIRS STIMULATION	\$11,000 \$2,365,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$31,000
225	130	MUD & CHEMICALS	\$320,000	240	140	SUPERVISION	\$96,500
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$186,500
225	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$1,000
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$106,000
225 225	150 155	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$200,000 \$91,500	240 240	160 165	WELDING SERVICES WELL TESTING/FLOWBACK	\$0 \$93,600
225	155	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$91,500	240	165	TAXES	\$93,600 \$0
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$281,280
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$4,969,280
225	170	SUPERVISION	\$85,000				
225	175	SUPERVISION - GEOLOGICAL	\$39,000			Tangible Completion Costs	
225 225	180 178	TRANSPORTATION/TRUCKING TAXES	\$39,000 \$165,506	Major 245	Minor 5	Description ARTIFICIAL LIFT	Amount \$200,000
225	35	CONTINGENCY COSTS 5%	\$150,460	243	15	FLOWLINES	\$200,000
l		Total Intangible Drilling Costs:	\$3,325,166	245	25	FRAC STRING	\$0
				245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$40,000
		Tangible Drilling Costs		245	45	PRODUCTION LINER	\$0
Major		· Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$380,000	245	55	PRODUCTION TUBING	\$90,000
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$699,177	245 245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$0 \$60,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$142,700
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$29,299
230	40	TAXES	\$76,170			Total Tangible Completion Costs:	\$561,999
1		Total Tangible Drilling Costs:	\$1,461,087			Intangible Facility Costs	
						Intangible Facility Costs	
		Tangible Facility Costs		Major	Minor	Description	Amount
Major	Minor	Tangible Facility Costs	Amount	Major 265		Description CONSULTING	Amount \$9,500
Major 270	Minor 10	Tangible Facility Costs Description FACILITY PIPE/VALVES/FITTINGS	Amount \$147,000	Major 265 265	Minor 5 12	Description CONSULTING COMPANY DIRECT LABOR	Amount \$9,500 \$0
	********	Description		265	5	CONSULTING	\$9,500
270 270 270	10 15 25	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION	\$147,000 \$0 \$0	265 265 265 265	5 12 20 22	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$9,500 \$0 \$12,700 \$30,000
270 270 270 270 270	10 15 25 30	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS	\$147,000 \$0 \$0 \$14,400	265 265 265 265 265 265	5 12 20 22 25	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$9,500 \$0 \$12,700 \$30,000 \$13,900
270 270 270 270 270 270	10 15 25 30 50	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$147,000 \$0 \$0 \$14,400 \$76,000	265 265 265 265 265 265 265	5 12 20 22 25 40	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000
270 270 270 270 270 270 270	10 15 25 30 50 60	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$147,000 \$0 \$14,400 \$76,000 \$0	265 265 265 265 265 265 265 265	5 12 20 22 25 40 45	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$0
270 270 270 270 270 270 270 270	10 15 25 30 50 60 65	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$147,000 \$0 \$14,400 \$76,000 \$0 \$94,800	265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$3,000
270 270 270 270 270 270 270	10 15 25 30 50 60	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$147,000 \$0 \$14,400 \$76,000 \$0	265 265 265 265 265 265 265 265	5 12 20 22 25 40 45	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$0
270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$147,000 \$0 \$14,400 \$76,000 \$94,800 \$0 \$94,800 \$0 \$0 \$75,400	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$9,500 \$0 \$12,700 \$330,000 \$13,900 \$5,000 \$0 \$3,000 \$800 \$800 \$800 \$800 \$800 \$800 \$800
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$0 \$0 \$75,400 \$4,000	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$9,500 \$00 \$12,700 \$30,000 \$13,900 \$5,000 \$00 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$0 \$75,400 \$4,000 \$57,000	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$9,500 \$0 \$12,700 \$330,000 \$13,900 \$5,000 \$0 \$3,000 \$800 \$800 \$800 \$800 \$800 \$800 \$800
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$0 \$75,400 \$4,000 \$57,000 \$4,000 \$57,000	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$00 \$12,700 \$30,000 \$13,900 \$5,000 \$00 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$57,000 \$47,600 \$117,800	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$47,600 \$117,800 \$47,000	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130 132	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$57,000 \$47,600 \$117,800	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$00 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD EI&C BATTERY BUILD FLOWLINE INSTALLATION	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$47,000 \$47,000 \$17,800 \$17,800 \$17,800 \$47,000 \$15,100 \$43,500	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$00 \$12,700 \$30,000 \$13,900 \$5,000 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 110 130 132 134 136 138 140	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$47,000 \$47,600 \$117,800 \$47,000 \$117,800 \$47,000 \$47,000 \$47,000 \$15,100 \$43,500 \$600	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$57,000 \$47,600 \$117,800 \$47,600 \$117,800 \$47,600 \$15,100 \$43,500 \$40,854	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 110 130 132 134 136 138 140	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$47,000 \$47,600 \$117,800 \$47,000 \$117,800 \$47,000 \$47,000 \$47,000 \$15,100 \$43,500 \$600	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 110 130 132 134 136 138 140	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$57,000 \$47,600 \$117,800 \$47,600 \$117,800 \$43,500 \$44,854	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 130 132 134 136 138 140 125	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$57,000 \$47,600 \$117,800 \$47,600 \$117,800 \$47,600 \$15,100 \$43,500 \$40,854 \$783,654 \$783,654	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$3,000 \$800 \$800 \$4,120 \$3,745
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 110 130 132 134 136 132 134 136 125	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$4,000 \$17,800 \$47,600 \$117,800 \$47,000 \$47,600 \$117,800 \$44,000 \$44,000 \$44,5553 \$40,854 \$783,6554	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$0 \$3,000 \$800 \$800 \$4,120 \$3,745
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270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 66 75 86 90 100 130 132 134 136 138 140 125 HI: mpletion Thiss Al	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs: Die: le:	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$47,600 \$117,800 \$47,600 \$117,800 \$47,000 \$47,600 \$15,100 \$43,500 \$43,500 \$40,854 \$783,653 \$40,854 \$783,653 \$44,855 \$15,1278,50 \$866,418,50 \$8,294,446,00 \$2,023,085,94	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83 10	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$800 \$0 \$4,120 \$3,745 \$82,765 \$82,765 \$82,765 \$82,765
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 75 86 67 75 86 100 130 132 134 136 138 140 125 III: mpletion III: Trangib E: III: HIS AI	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs: Die: le:	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$47,600 \$117,800 \$47,600 \$117,800 \$47,000 \$47,600 \$15,100 \$43,500 \$43,500 \$40,854 \$783,653 \$40,854 \$783,653 \$44,855 \$15,1278,50 \$866,418,50 \$8,294,446,00 \$2,023,085,94	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83 10	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$5,000 \$800 \$0 \$4,120 \$3,745 \$82,765 \$82,765 \$82,765 \$82,765
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270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 130 132 134 134 134 134 134 135 140 125 18 18 140 125 18 18 140 125 18 18 140 125 18 18 140 125 18 18 140 125 18 18 18 140 125 18 18 18 18 18 18 18 18 18 18 18 18 18	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs: Die: le:	\$147,000 \$0 \$0 \$14,400 \$76,000 \$0 \$94,800 \$0 \$75,400 \$47,600 \$117,800 \$47,600 \$117,800 \$47,000 \$47,600 \$15,100 \$43,500 \$43,500 \$40,854 \$783,653 \$40,854 \$783,653 \$44,855 \$15,1278,50 \$866,418,50 \$8,294,446,00 \$2,023,085,94	265 265 265 265 265 265 265 265 265 265	5 12 20 22 25 40 45 60 80 85 83 10	CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	\$9,500 \$0 \$12,700 \$30,000 \$13,900 \$3,000 \$800 \$0 \$4,120 \$3,745 \$82,765

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3

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

Well #: "L County/St L Date Prep AFE #:

 Well #:
 603H

 County/State:
 Lea Co., NM

 Date Prepared:
 1/2/2024

 AFE #:
 DCE240105

		Intangible Drilling Costs				Intangible Completion Costs	
Major		Description	Amount \$4,000	Major 240	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$10,30
225 225	5 10	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$4,000 \$80,000	240	5 10	CASED HOLE LOGS & SURVEYS	\$7,50
225	15	CEMENTING INTERMEDIATE CASING	\$50,000	240	15	CASING CREW & EQPT	\$
225	16	CEMENTING PRODUCTION CASING	\$150,000	240	20 25	COILED TUBING/SNUBBING UNIT	\$276,50 \$2,50
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$50,000 \$40,000	240 240	30	COMMUNICATIONS COMPANY DIRECT LABOR	\$2,50
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$32,50
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$25,00
225	40	CONTRACT LABOR	\$50,000	240 240	50 55	DAMAGES/RECLAMATION DISPOSAL SOLIDS	\$50 \$10,00
225 225	45 50	DAMAGES DAYWORK CONTRACT	\$15,000 \$762,300	240	60	ELECTRICAL POWER\GENERATION	\$10,00
225	55	DRILLING - DIRECTIONAL	\$320,000	240	62	ENGINEERING	\$3,60
225	60	DRILLING - FOOTAGE	\$120,000	240	65	ENVIRONMENTAL/CLEANUP	\$
225	65	DRILLING BITS	\$140,000 \$0	240 240	70 71	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	\$ \$110,00
225 225	70 75	ELECTRICAL POWER\GENERATION ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$544,00
225	80	ENVIRONMENTAL SERVICES	\$250,000	240	75	FUEL, POWER/DIESEL	\$574,00
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	240	80	HEALTH & SAFETY	\$6,10 \$9,50
225 225	85 90	EQUIPMENT RENTAL FISHING TOOLS/SERVICES	\$50,000 \$0	240 240	85 90	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES	\$9,50 \$50
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$
225	100	HOUSING AND SUPPORT SERVICES	\$45,000	240	100	MUD & CHEMICALS	\$1,40
225	105	INSURANCE	\$1,700	240	110	P&A/TA COSTS PERFORATING/WIRELINE SERVICE	\$ \$262,00
225 225	106 110	INSPECTIONS LEGAL, TITLE SERVICES	\$15,000 \$6,000	240 240	115 120	PIPE INSPECTION	\$202,00
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$11,00
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,859,00
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000 \$320,000	240 240	135 140	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$31,00 \$96,50
225 225	130 140	MUD & CHEMICALS OPENHOLE LOGGING	\$320,000 \$0	240	140	SURFACE EQUIP RENTAL	\$186,50
225	140	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$1,00
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$106,00
225	150	POWER FUEL & WATER HAULING	\$200,000	240 240	160 165	WELDING SERVICES WELL TESTING/FLOWBACK	\$ \$93,60
225 225	155 160	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$91,500 \$0	240	165	TAXES	\$93,00
225	160	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$315,63
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$5,576,13
225 225	170 175	SUPERVISION SUPERVISION - GEOLOGICAL	\$85,000 \$39,000			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$39,000	Major	Minor	r Description	Amount
225	178	TAXES	\$164,874	245	5	ARTIFICIAL LIFT	\$200,00
225	35	CONTINGENCY COSTS 5%	\$149,885	245	15	FLOWLINES FRAC STRING	\$ \$
		Total Intangible Drilling Costs:	\$3,453,259	245 245	25 40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$40,00
		Tangible Drilling Costs		245	45	PRODUCTION LINER	\$10,00
Major	Minor	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$90,00
230	20	PACKERS/SLEEVES/PLUGS	\$66,000 \$790,399	245 245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$ \$60,00
230 230	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$142,70
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$29,29
230	40	TAXES Total Tangible Drilling Costs:	\$69,844 \$1,339,741			Total Tangible Completion Costs:	\$561,99
		Total Tangible Druting Cosis.	\$1,557,741			Intangible Facility Costs	
		Tangible Facility Costs		Major		r Description CONSULTING	Amount \$9,50
Major 270		Description FACILITY PIPE/VALVES/FITTINGS	Amount \$147,000	265 265	5 12	COMPANY DIRECT LABOR	\$9,50
270	15	CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$12,70
270	25	DEHYDRATION	\$0	265	22	PAD/ROAD CONSTRUCTION	\$30,00
270	30	PRIMARY POWER MATERIALS	\$14,400	265		ENGINEERING / SCIENCE	
270	50		\$76.000	265	25	HEATTH/SAFETY/ENVIRONMENTAL	\$13,90
	50 60	FLOWLINES / PIPELINE / HOOKUP	\$76,000 \$0	265 265	40	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$13,90 \$5,00 \$
270 270	50 60 65	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$76,000 \$0 \$94,800	265 265 265		HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD	\$5,00
270 270 270	60 65 66	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$0 \$94,800 \$0	265 265 265	40 45 60 80	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS	\$5,00 \$ \$3,00 \$80
270 270 270 270	60 65 66 75	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$94,800 \$0 \$0	265 265 265 265	40 45 60 80 85	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$5,00 \$ \$3,00 \$80 \$80 \$80
270 270 270 270 270	60 65 66 75 86	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$0 \$94,800 \$0 \$0 \$75,400	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$5,00 \$ \$3,00 \$80 \$ \$ \$4,12
270 270 270 270	60 65 66 75	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$94,800 \$0 \$0	265 265 265 265	40 45 60 80 85	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$5,00 \$ \$3,00 \$80 \$80 \$80
270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$0 \$94,800 \$0 \$75,400 \$4,000 \$57,000 \$47,600	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$0 \$94,800 \$0 \$75,400 \$47,600 \$47,600 \$117,800	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 132	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$0 \$94,800 \$0 \$75,400 \$4,000 \$77,000 \$47,600 \$117,800 \$47,000	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$0 \$94,800 \$0 \$75,400 \$47,600 \$47,600 \$117,800	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 132 134 136 138	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/JOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$0 \$94,800 \$0 \$75,400 \$47,600 \$117,800 \$47,600 \$117,800 \$147,600 \$15,100 \$15,100 \$43,500	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 132 134 136 138 140	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE	\$0 \$94,800 \$0 \$75,400 \$4,000 \$17,800 \$117,800 \$47,600 \$147,600 \$15,100 \$44,500 \$45,500 \$600	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 132 134 136 138	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/JOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$0 \$94,800 \$0 \$75,400 \$47,600 \$117,800 \$47,600 \$117,800 \$147,600 \$15,100 \$15,100 \$43,500	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 132 134 136 138 140	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	\$0 \$94,800 \$0 \$75,400 \$47,600 \$47,600 \$47,600 \$47,000 \$47,000 \$47,000 \$47,5100 \$43,500 \$15,100 \$43,500 \$600	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 132 134 136 138 140 125	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	\$0 \$94,800 \$0 \$75,400 \$47,600 \$17,800 \$47,600 \$17,800 \$47,000 \$2,600 \$15,100 \$43,500 \$40,854 \$783,654	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 132 134 136 138 140 125	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$0 \$94,800 \$0 \$75,400 \$47,600 \$47,600 \$47,600 \$47,000 \$47,000 \$47,000 \$47,5100 \$43,500 \$15,100 \$43,500 \$600	265 265 265 265 265	40 45 60 80 85 83	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$5,00 \$ \$3,00 \$80 \$ \$ \$ \$4,12 \$3,74
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ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3

Summary of Contacts (Case No. 24196)

- 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 January 4, 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 uncommitted 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.

Name	Ownership Type	Date Proposal Letter Sent	Proposal Letter Received	Follow Up
Marathon Oil Permian, LLC	WI	1/4/2024	1/11/2024	No contact. FME followed up with email.

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. 24196

SELF-AFFIRMED STATEMENT OF BEN KESSEL

Ben Kessel hereby states and declares as follows:

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

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

Mexico.

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

4. Exhibit B-1 is a locator map showing the approximate location of the proposed unit

in relation to the Capitan Reef.

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

6. Exhibit B-3 through Exhibit B-6 are the geology study I prepared for the Ball State Com 303H well, which will target the First Bone Spring formation.

7. **Exhibit B-3** is a structure map of the First Bone Spring formation. The proposed spacing unit is identified by a pink box. The Ball State Com 303H well proposed in this case is

Franklin Mountain Energy 3, LLC Case 24196 Exhibit B

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

8. **Exhibit B-4** is a cross-section reference map that identifies five wells in the vicinity of the proposed Ball State Com 303H well, shown by a line of cross-section running from A to A'.

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

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

11. Exhibit B-7 through Exhibit B-10 are the geology study I prepared for the Ball State Com 603H well, which will target the Third Bone Spring formation.

12. **Exhibit B-7** is a structure map of the Third Bone Spring formation. The proposed spacing unit is identified by a pink box. The Ball State Com 603H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the south.

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

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

2

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

- 16. I conclude from the geology studies referenced above that:
 - a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the proposed unit will contribute more or less equally to production.

17. **Exhibit B-11** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

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

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

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

21. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

[Signature page follows]

3

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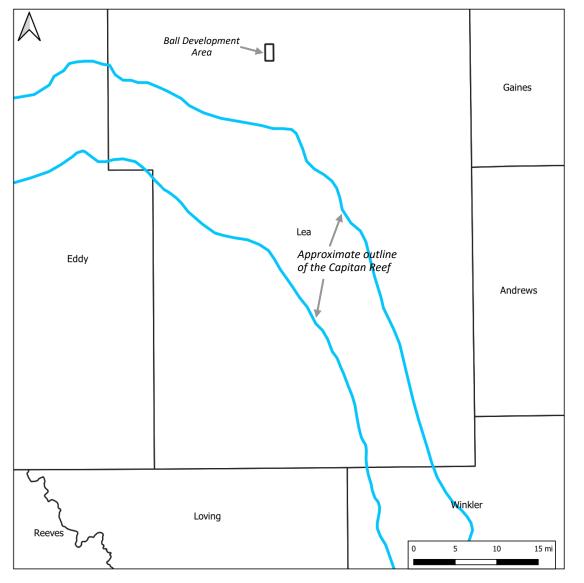
Dated: August 19, 2024

Ben Kessel

Received by OCD: 8/20/2024 1:39:52 PM Ball Development



Locator Map



OCD Examiner Hearing 8-27-24 https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanRaef/Einal%20Revised%20 Related 200 Jmagwigsa&/201/2024 1:53:20 PM

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

Franklin Mountain Energy 3, LLC Case 24196 **Exhibit B-1**



• Proposed Lateral ²⁴¹⁹⁶₃₃

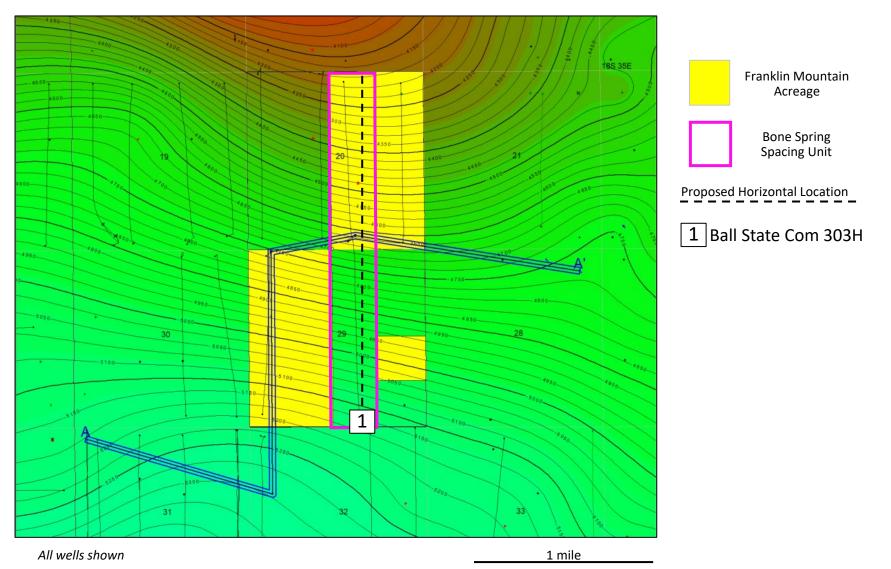
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Bone Spring Spacing Unit Exhibit B-2

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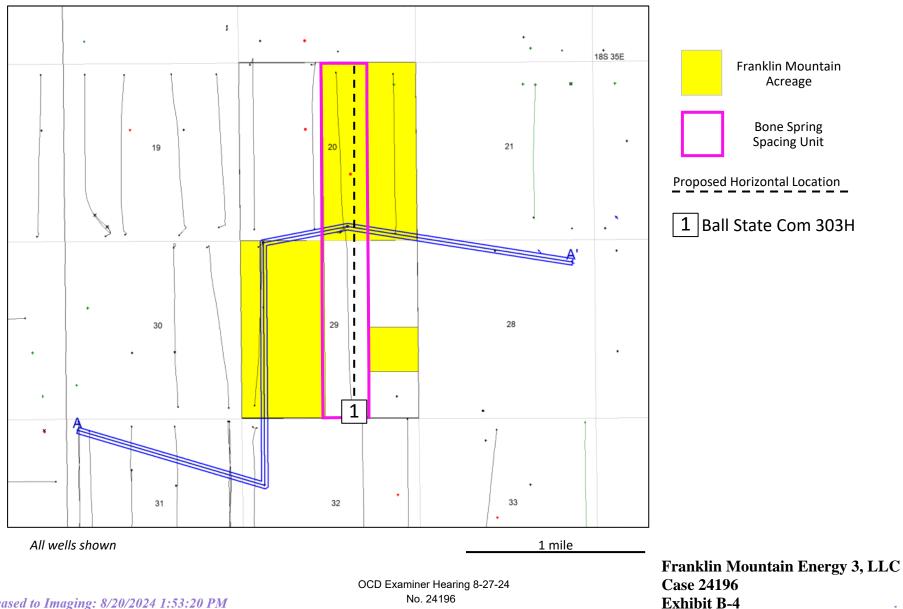




OCD Examiner Hearing 8-27-24

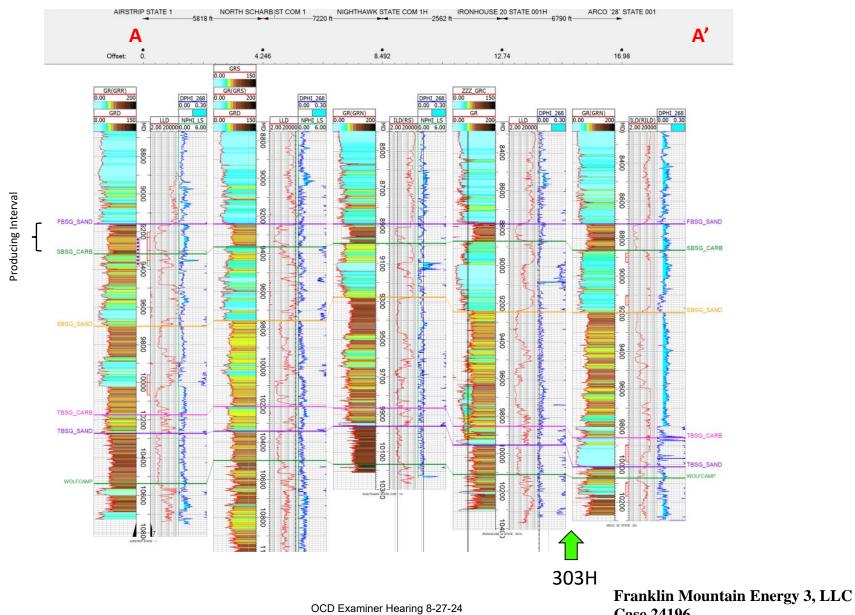
Franklin Mountain Energy 3, LLC Case 24196 Exhibit B-3





First Bome Spring Gross Section



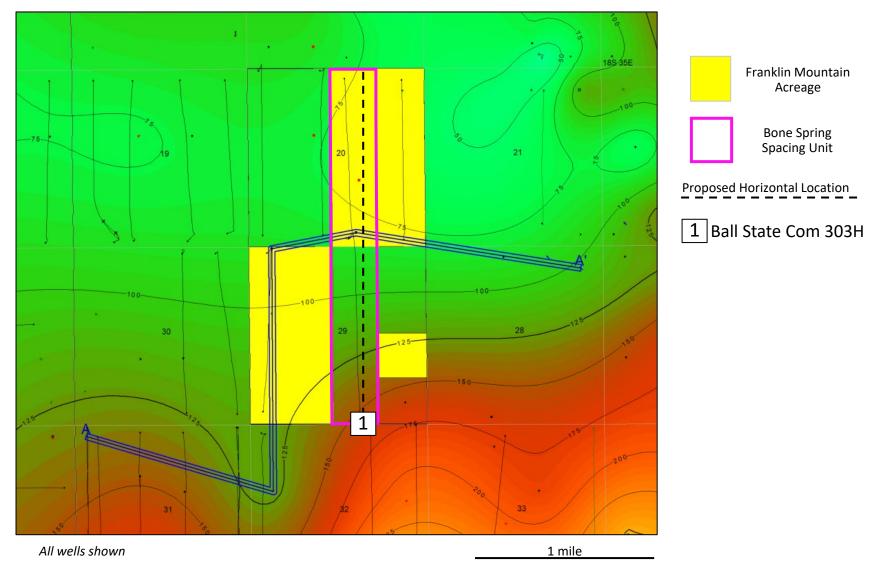


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OCD Examiner Hearing 8-27-24 No. 24196 Case 24196 Exhibit B-5

Pirst Bone Spring Sand Isopach

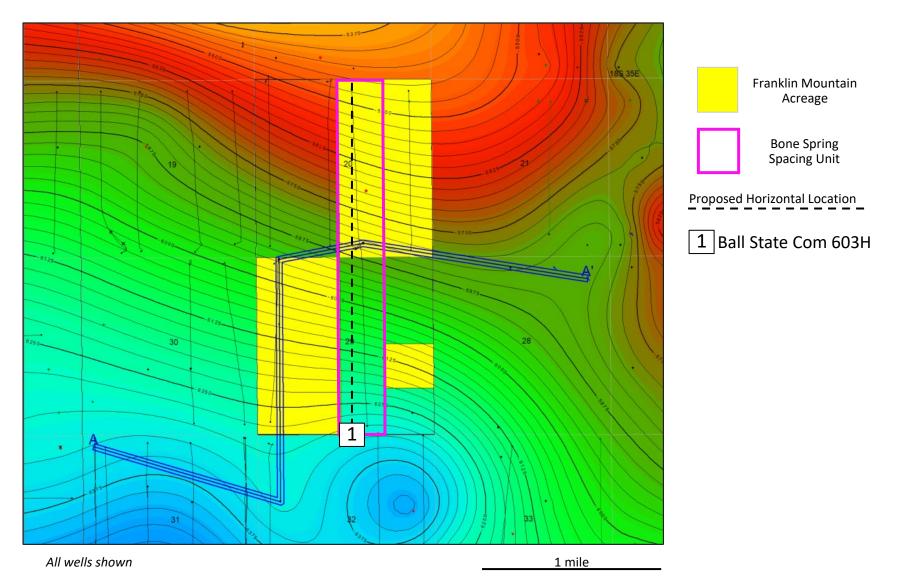




Franklin Mountain Energy 3, LLC Case 24196 Exhibit B-6

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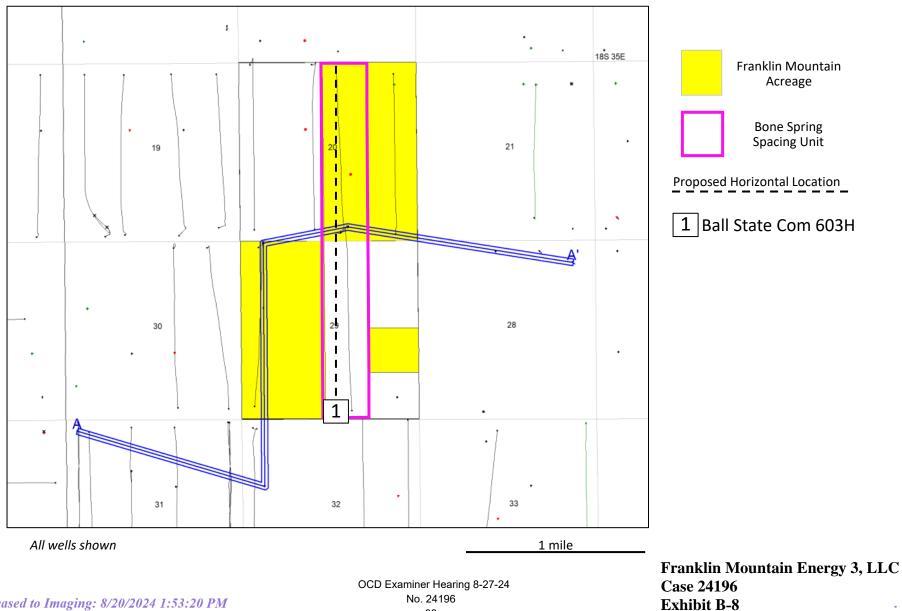




Franklin Mountain Energy 3, LLC Case 24196 Exhibit B-7

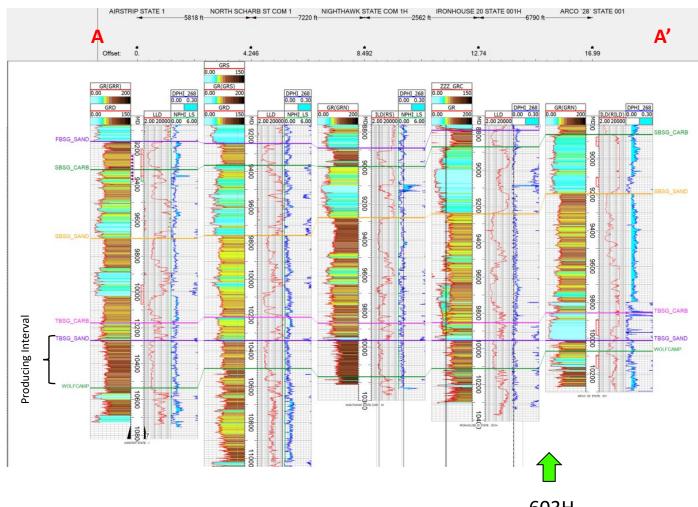
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Thereon Bone Sporting Cross Section



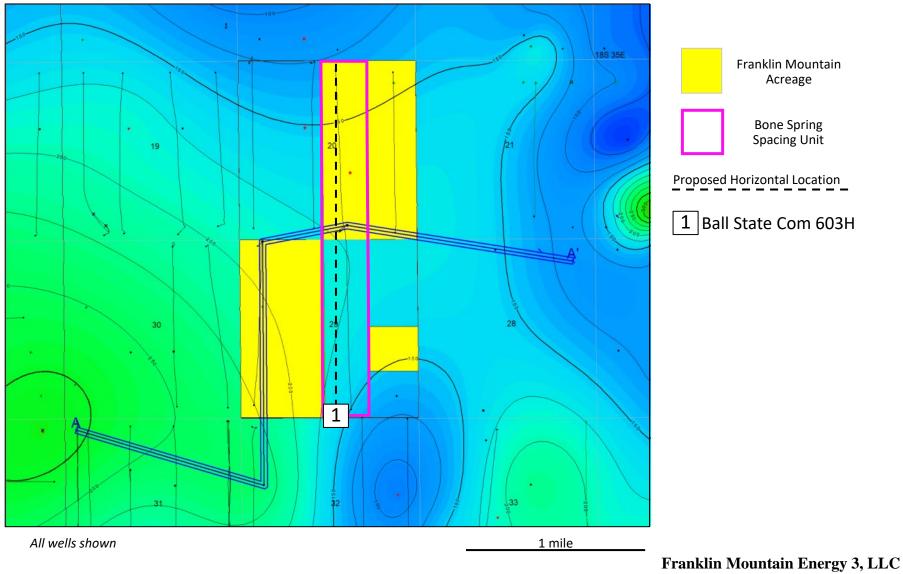


603H

OCD Examiner Hearing 8-27-24 No. 24196 Franklin Mountain Energy 3, LLC Case 24196 Exhibit B-9

Third Bone Spring Sand Isopach

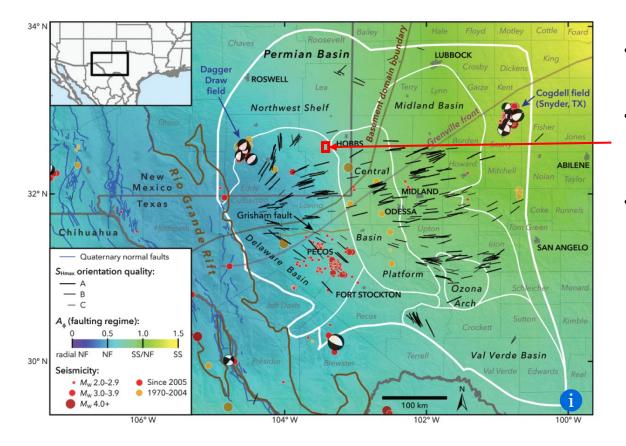




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OCD Examiner Hearing 8-27-24 No. 24196 41 Franklin Mountain Energy 3, LLC Case 24196 Exhibit B-10





- Red box shows the approximate location of the Ball development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- The Ball State wells are planned to drill N-S, nearly orthogonal to S_{hmax}, optimal for induced fracture propagation

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

http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArtic le.action?articleId=1331603#articleId1331603

Franklin Mountain Energy 3, LLC Case 24196 Exhibit B-11

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No. 24196 42

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. 24195

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. 24196

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 February 15,

2024, and attached hereto, as Exhibit C.1.

- 2) Exhibit C.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on February 15, 2024.
 - 3) Exhibit C.3 is the certified mailing tracking information, which is automatically complied

by CertifiedPro, the software Modrall uses to track the mailings. This shows the names and addresses of the parties to whom notice was sent and proof of delivery.

4) Exhibit C.4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the March 7, 2024 hearing was published on February 22, 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 20, 2024

Dema M. Bennett

Deana M. Bennett



February 15, 2024

Deana M. Bennett 505.848.1834 dmb@modrall.com

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

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

CASE NO. 24195

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. 24196

TO: AFFECTED PARTIES

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

In Case No. 24195, 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 comprising the W/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to following wells: the Ball State Com 703H well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and the Ball State Com 803H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com

OCD Examiner Hearing 8-27-24 No. 24196 45 Page 2

In Case No. 24196, 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 comprising the W/2 E/2 of Sections 20 and 29, 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 following wells: the **Ball State Com 303H** well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and the **Ball State Com 603H** well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

- A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #001H #001H well (API 30-025-40611); and
- A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #003H well (API 30-025-41950).

Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles West of Hobbs, New Mexico.

The hearing is set for March 7, 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 3

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,

Deona M. Bennett

Deana M. Bennett Attorney for Applicant

Page 1 of 4

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. 24195

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 20 and 29, 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 following wells:
 - a. The Ball State Com 703H well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and
 - b. The Ball State Com 803H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20.
- 3. The producing area for the wells is expected to be orthodox.

4. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

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

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 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 W/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

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

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

E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:<u>/s/ Deana M. Bennett</u> Earl E. DeBrine, Jr. Deana M. Bennett Yarithza Peña Post Office Box 2168

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Received by OCD: 8/20/2024 1:39:52 PM

Received by OCD: 2/6/2024 9:22:15 AM

Page 3 of 4

500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 <u>edebrine@modrall.com</u> <u>deana.bennett@modrall.com</u> <u>yarithza.pena@modrall.com</u> *Attorneys for Franklin Mountain Energy 3, LLC*

Received by OCD: 2/6/2024 9:22:15 AM

Page 4 of 4

CASE NO. 24195 : 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 comprising the W/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to following wells: the **Ball State Com 703H** well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and the **Ball State Com 803H** well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

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Page 1 of 4

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. 24196

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 20 and 29, 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 following wells:
 - a. The Ball State Com 303H well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and
 - b. The Ball State Com 603H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20.
- 3. The producing area for the wells is expected to be orthodox.

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4. This proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

- a. A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #001H well (API 30-025-40611); and
- b. A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #003H well (API 30-025-41950).

5. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 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 W/2 E/2 of Sections 20 and 29, 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 wells to be drilled thereon;

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

wells;

E. Approving actual operating charges and costs charged for supervision, together

with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in

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

Respectfully submitted,

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

By:/s/ Deana M. Bennett Earl E. DeBrine, Jr. Deana M. Bennett Yarithza Peña Post Office Box 2168 500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 edebrine@modrall.com deana.bennett@modrall.com yarithza.pena@modrall.com Attorneys for Franklin Mountain Energy 3, LLC CASE NO. <u>24196</u>: 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 comprising the W/2 E/2 of Sections 20 and 29, 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 following wells: the **Ball State Com 303H** well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20; and the **Ball State Com 603H** well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

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Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles West of Hobbs, New Mexico.

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 02/15/2024

Firm Mailing Book ID: 260665

line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Contents
1	9314 8699 0430 0117 4827 79	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
2	9314 8699 0430 0117 4827 86	T.H. McElvain Oil & Gas LLLP 1819 Denver West Dr., Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
3	9314 8699 0430 0117 4827 93	Thomaston, LLC 1050 17TH STREET, SUITE 2500 DENVER CO 80265	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
4	9314 8699 0430 0117 4828 09	Zunis Energy, LLC 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
5	9314 8699 0430 0117 4828 16	Luckaloy Limited Company 88 WEST COMPRESS ROAD ARTESIA NM 88210	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
6	9314 8699 0430 0117 4828 23	William J. McCaw PO BOX 376 ARTESIA NM 88211	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
7	9314 8699 0430 0117 4828 30	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
8	9314 8699 0430 0117 4828 47	Bryan L. Rankin PO BOX 340520 AUSTIN TX 78754	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
9	9314 8699 0430 0117 4828 54	Rachel E. White 608 14TH, NORTH WEST ALBUQUERQUE NM 87104	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
10	9314 8699 0430 0117 4828 61	Blue Ox Partners LLC 1123 SOUTH HURON STREET, UNIT V DENVER CO 80223	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
11	9314 8699 0430 0117 4828 78	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
12	9314 8699 0430 0117 4828 85	Susannah D. Adelson, Trustee of James Adelson & Family 2015 Trusts 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
13	9314 8699 0430 0117 4828 92	Heidi Huckabee 1006 WEST COLLEGE ROSWELL NM 88201	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
14	9314 8699 0430 0117 4829 08	William Fredrick Madison, Jr. Rev. Living Tust, NA William F Madison, Jr., Trustee	12-1	\$4.40	\$2.32	\$0.00	No. 24195,24196 Notice
		RIBERA NM 87560	2/2/				
15	9314 8699 0430 0117 4829 15	RIBERA NM 87560 Rfort Mineral Properties, LLC 9716 ADMIRAL EVERSON AVENUE NFEB ALBUQUERQUE NM 87111	\$1.63	\$4.40 Fr e	\$2.32	ountain Energy 3	- No. 24195,24196 Notice
		OCD Examinant No. 24	Ranng 8-27-24		se 24196	ountain Energy S	2024 Walz Ce

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

20 5

PS Form 3877

Type of Mailing: CERTIFIED MAIL 02/15/2024

Firm Mailing Book ID: 260665

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0117 4829 22	TLG, LLC PO BOX 97 ROSWELL NM 88202	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
17	9314 8699 0430 0117 4829 39	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
18	9314 8699 0430 0117 4829 46	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
19	9314 8699 0430 0117 4829 53	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
20	9314 8699 0430 0117 4829 60	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
21	9314 8699 0430 0117 4829 77	LMC Energy LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
22	9314 8699 0430 0117 4829 84	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
23	9314 8699 0430 0117 4829 91		\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
24	9314 8699 0430 0117 4830 04		\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
25	9314 8699 0430 0117 4830 11		\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
26	9314 8699 0430 0117 4830 28	Mike Moylett PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
27	9314 8699 0430 0117 4830 35	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
28	9314 8699 0430 0117 4830 42	Deane Durham PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
29	9314 8699 0430 0117 4830 59	210 Old Santa Es Trail	\$1.63	\$4.40	\$2.32	\$0.00	No. 24195,24196. Notice
		Santa Fe NM 87501	otals: 547.27	\$127.60 Grand	\$67.28 I Total:	\$0.00 \$242.15	
Number of d by Send			U.S. Contract				
29			er Hearing 8-27-24 . 24196				2024 Walz Cert

			Transaction Report Details - CertifiedPro	o.net					
			Firm Mail Book ID= 260665 Generated: 3/4/2024 1:12:23 PM						
			Generated: 3/4/2024 1:12:23 PW						
USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300117483059	2024-02-15 1:20 PM	No. 24195,24196.	State of New Mexico	Santa Fe	NM .	87501	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 6:29 AM
9314869904300117483042	2024-02-15 1:20 PM	No. 24195,24196.	Deane Durham	MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AM
9314869904300117483035	2024-02-15 1:20 PM	No. 24195,24196.	Kaleb Smith	MIDLAND	тх	79710	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300117483028	2024-02-15 1:20 PM	No. 24195,24196.	Mike Moylett	MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AM
9314869904300117483011	2024-02-15 1:20 PM	No. 24195,24196.	Sortida Resources, LLC	MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AM
9314869904300117483004	2024-02-15 1:20 PM	No. 24195,24196.	David W. Cromwell	MIDLAND	тх	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 10:52 AM
9314869904300117482991	2024-02-15 1:20 PM	No. 24195,24196.	Oak Valley Mineral and Land, LP	MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AM
9314869904300117482984	2024-02-15 1:20 PM	No. 24195,24196.	H. Jason Wacker	MIDLAND	ТΧ	79707	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300117482977	2024-02-15 1:20 PM	No. 24195,24196.	LMC Energy LLC	MIDLAND	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300117482960	2024-02-15 1:20 PM	No. 24195,24196.	Post Oak Mavros II, LLC	HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 3:39 PM
9314869904300117482953	2024-02-15 1:20 PM	No. 24195,24196.	Collins & Jones Investments, LLC	MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 3:41 PM
9314869904300117482946	2024-02-15 1:20 PM	No. 24195,24196.	Post Oak Crown IV, LLC	HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 3:39 PM
9314869904300117482939	2024-02-15 1:20 PM	No. 24195,24196.	Post Oak Crown IV-B, LLC	HOUSTON	TX X	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 11:30 AM
9314869904300117482922	2024-02-15 1:20 PM	No. 24195,24196.	TLG, LLC	ROSWELL	NM	88202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300117482915	2024-02-15 1:20 PM	No. 24195,24196.	Rfort Mineral Properties, LLC	ALBUQUERQUE	NM	87111	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 3:57 PM
9314869904300117482908	2024-02-15 1:20 PM	No. 24195,24196.	William Fredrick Madison, Jr. Rev. Living Trust, William F Madison, Jr., Trustee	RIBERA	NM	87560	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 2:17 PM
9314869904300117482892	2024-02-15 1:20 PM	No. 24195,24196.	Heidi Huckabee	ROSWELL	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 8:42 AM
9314869904300117482885	2024-02-15 1:20 PM	No. 24195,24196.	Susannah D. Adelson, Trustee of James Adelson & Family 2015 Trusts	TULSA	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 12:36 PM
9314869904300117482878	2024-02-15 1:20 PM	No. 24195,24196.	Crown Oil Partners, LP	MIDLAND	TX.	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AM
9314869904300117482861	2024-02-15 1:20 PM	No. 24195,24196.	Blue Ox Partners LLC	DENVER	co	80223	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-26 3:57 PM
9314869904300117482854	2024-02-15 1:20 PM	No. 24195,24196.	Rachel E. White	ALBUQUERQUE	NM	87104	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300117482847	2024-02-15 1:20 PM	No. 24195,24196.	Bryan L. Rankin	AUSTIN	TX	78754	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 4:58 PM
9314869904300117482830	2024-02-15 1:20 PM	No. 24195,24196.	Good News Minerals, LLC	MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300117482823	2024-02-15 1:20 PM	No. 24195,24196.	William J. McCaw	ARTESIA	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 9:55 AM
9314869904300117482816	2024-02-15 1:20 PM	No. 24195,24196.	Luckaloy Limited Company	ARTESIA	NM	88210	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300117482809	2024-02-15 1:20 PM	No. 24195,24196.	Zunis Energy, LLC	TULSA	ок	74103	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 12:36 PM
9314869904300117482793	2024-02-15 1:20 PM	No. 24195,24196.	Thomaston, LLC	DENVER	co	80265	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300117482786	2024-02-15 1:20 PM	No. 24195,24196.	T.H. McElvain Oil & Gas LLLP	Lakewood	co	80401	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-01 12:33 PM
9314869904300117482779	2024-02-15 1:20 PM	No. 24195,24196.	Marathon Oil Permian, LLC	Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 1:35 PM
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Franklin Mountain Energy 3, LLC Case 24196 Exhibit C-3

Released to Imaging: 8/20/2024 1:53:20 PM

OCD Examiner Hearing 8-27-24 No. 24196

February 22, 2024 and ending with the issue dated February 22, 2024.

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Publisher

Sworn and subscribed to before me this 22nd day of February 2024.

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Business Manager

My commission expires anuary 29,72027OF NEW MEXICO (Seal) 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 publicatior has been made.

Franklin Mountain Energy 3, LLC Case 24196 Exhibit C-4 Released to Imaging: 8/20/2024 1:53:20 PM LEGAL NOTICE February 22, 2024

Affidavit of Publicatio
 Asternan, LC; Thomaston, LC; Zunis Energy, LLC; Luckaloy Limited Company; William J. McCaw; Gondrews Minerals, LLC; Bryan L. Rankin; Rachel E. White; Bile OX Partners LLC; Crown OI Permian, LLC; Thomaston, LLC; Zunis Energy, LLC; Luckaloy Limited Company; William J. McCaw; Gondrews Minerals, LLC; Bryan L. Rankin; Rachel E. White; Bile OX Partners LLC; Crown OI Permian, LLC; Thomaston, LLC; Zunis Energy, LLC; Luckaloy Limited Company; William J. McCaw; Gondrews Minerals, LLC; Bryan L. Rankin; Rachel E. White; Bile OX Partners LLC; Crown OI Pertners, LP; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts; Heidison, Jr. Trustee; Rfort Mineral Properties, LLC; TLG, LLC; Post Oak Korrow IV-B, LLC; Post Oak Crown IV-B, LLC; Post Oak Crown IV-B, LLC; Post Oak Crown IV-C, Collins & Jones Investments, LLC; Post Oak Marros II, LLC; LMC Energy LLC; H. Jason Wacker; Oak Valley Mineral and Land, LP; David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smith; Dean Durhan; 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 55 a.m. on March 7, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendel Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87506 and via the WebEx virtual meeting platform. To participate In the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emntcl.mcdm.gov/cod/hearing-info/. Applicant seeks an order from the Division pooling at uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the WE2E2 of Sections 20 and 29. Township 18 South, Range 35 East, N.M.P.M. Lea Counth, New Mexico.
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Hobbs, New Mexico. CASE NO. 24196: Notice to all affected parties, as well as heirs and devisees of: Marathon Oil Permian, LLC; T.H. McElvain Oil & Gas LLLP; Thomaston, LLC; Zunis Energy, LLC; Luckaloy Limited Company; William J. McCaw; Good News Minerals, LLC; Bryan L. Rankin; Rachel E. White; Blue Ox Partners LLC; Crown Oil Partners, LP; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts; Heidi Huckabee; William Fredrick Madison, Jr. Revocable Living Trust, William Fredrick Madison, Jr., Trustee; Rfort Mineral Properties, LLC; TLG, LLC; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy LLC; H. Jason Wacker; Oak Valley Mineral and Land, LP; David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smith; Dean Durham; State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 7, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit. This spacing unit will be dedicated to the following wells: the Ball State Com 303H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 20. T

units: • A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #001H #001H well (API 30-025- 40611); and • A 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #003H well (API 30-025-41950). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles West of Hobbs, New Mexico.

approximately 17 miles West of Hobbs, New Mexico. CASE NO. 24197: Notice to all affected parties, as well as heirs and devisees of: Marathon Oil Permian, LLC; Thomaston, LLC; Zunis Energy, LLC; Luckaloy Limited Company; William J. McCaw; Good News Minerals, LLC; Blue Ox Partners, LLC; Crown Oil Partners, LP; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins and Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy LLC; H. Jason Wacker; Oak Valley Mineral and Land, LP; David W. Cromwell; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Deane Durham; 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 March 7, 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 comprising the E/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 704H and Ball State Com 804H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells,

approximately 17 miles west of Hobbs, New Mexico. CASE NO. 24207: Notice to all affected parties, as well as heirs and devisees of: Marathon Oli Permian, LLC; T.H. McElvain Oli & Gas LLLP; Thomaston, LLC; Zunis Energy, LLC; Luckaloy Limited Company; William J. McCaw; Good News Minerals, LLC; Blue Ox Partners, LLC; Crown Oli Partners, LP; Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins and Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy LLC; H. Jason Wacker; Oak Valley Mineral and Land, LP; David W. Cromwell; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Deane Durham; State of New Mexico of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 7, 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.emnd.nm.gov/ocd/hearing-info/. Applicant seeks an order from the Division pooling anil uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit. This spacing unit will be dedicated to the Ball State Com 304H and Ball State Com 604H wells to be horizontal spacing unit. New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 304H and Ball State Com 604H wells to be horizontal spacing unit. Net AKE/4 (Unit A) of Section 20. The producing area for t

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No. 24196 59