



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

Compulsory Pooling

Case No. 24197: Ball State Com 704H
Ball State Com 804H

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24197

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

Case: 24197	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, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Ball State
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (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	E/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 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 704H	API No. <i>Pending</i> SHL: 824' FNL & 510' FEL, (Unit A), Section 32, T18S, R35E BHL: 100' FNL & 360' FEL, (Unit A) Section 20, T18S, R35E Completion Target: Wolfcamp A (Approx. 10,498' TVD) Orientation: North/South

Franklin Mountain Energy 3, LLC
Case 24197
Exhibit A

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Well #1: Ball State Com 804H	API No. <i>Pending</i> SHL: 824' FNL & 600' FEL, (Unit A), Section 32, T18S, R35E BHL: 100' FNL & 925' FEL, (Unit A) Section 20, T18S, R35E Completion Target: Wolfcamp B (Approx. 10,932' 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
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Paragraph 20
Requested Risk Charge	200%
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
Depth Severance Discussion	N/A

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

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

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

CASE NO. 24197

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 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 **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.
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 E/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: /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. 24197 : **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 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, 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.

**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. 24197

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. 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.

**Franklin Mountain Energy 3, LLC
Case 24197
Exhibit A-2**

8. In this case, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising E/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 **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.

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

11. 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.

12. The wells will develop the Scharb; Wolfcamp Pool (Code 55640).

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

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

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

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

17. **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.

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

19. **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.

20. 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.

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

22. 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.

23. 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**.

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

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

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

27. 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.


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

29. 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.

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

[Signature page follows]

August 20th 2024
Date


Don Johnson

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 55640		³ Pool Name SCHARB; WOLFCAMP	
⁴ Property Code		⁵ Property Name BALL STATE COM			⁶ Well Number 704H
⁷ OGRID No. 331595		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			⁹ Elevation 3917.9'

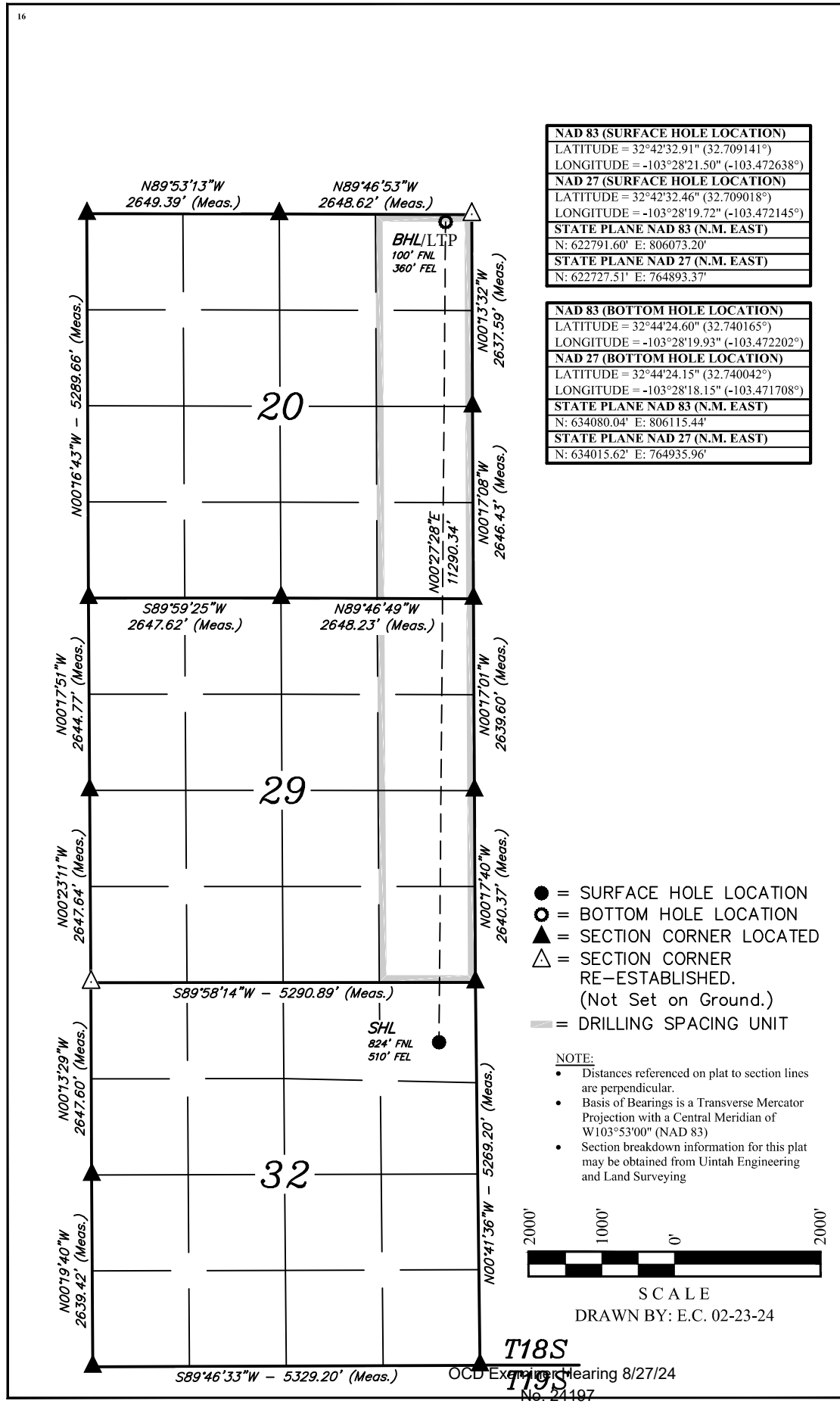
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	18S	35E		824	NORTH	510	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	18S	35E		100	NORTH	360	EAST	LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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



¹⁷ OPERATOR CERTIFICATION

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

Signature: *Rachael Overbey* Date: 5/14/2024

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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

February 20, 2024

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 55640		³ Pool Name SCHARB; WOLFCAMP	
⁴ Property Code		⁵ Property Name BALL STATE COM			⁶ Well Number 804H
⁷ OGRID No. 331595		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			⁹ Elevation 3918.3'

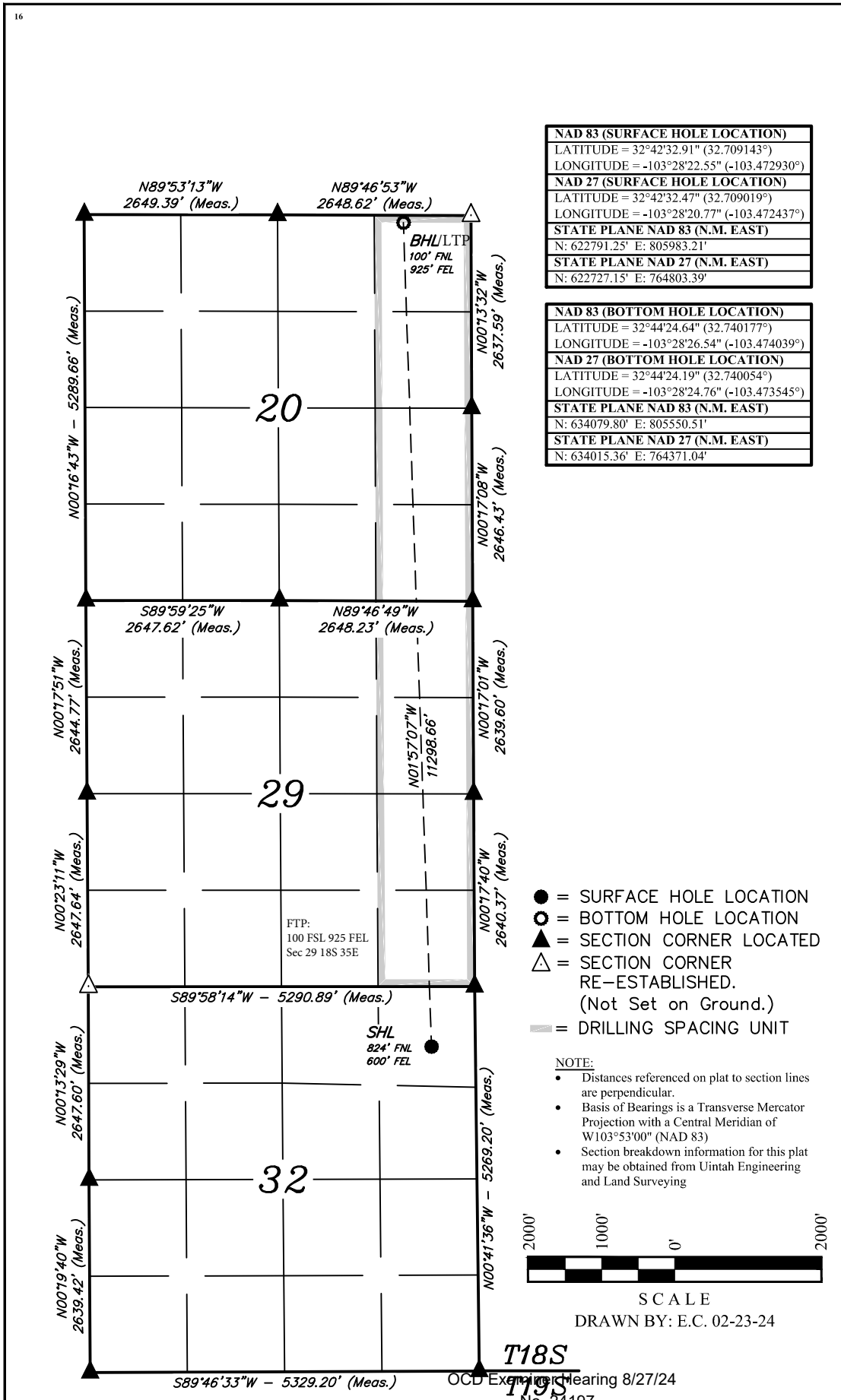
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	18S	35E		824	NORTH	600	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	18S	35E		100	NORTH	925	EAST	LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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



¹⁷ OPERATOR CERTIFICATION

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

Rachael Overbey
Signature Date 5/14/2024

Rachael Overbey

Printed Name

roverbey@fmellc.com

E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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

February 20, 2024

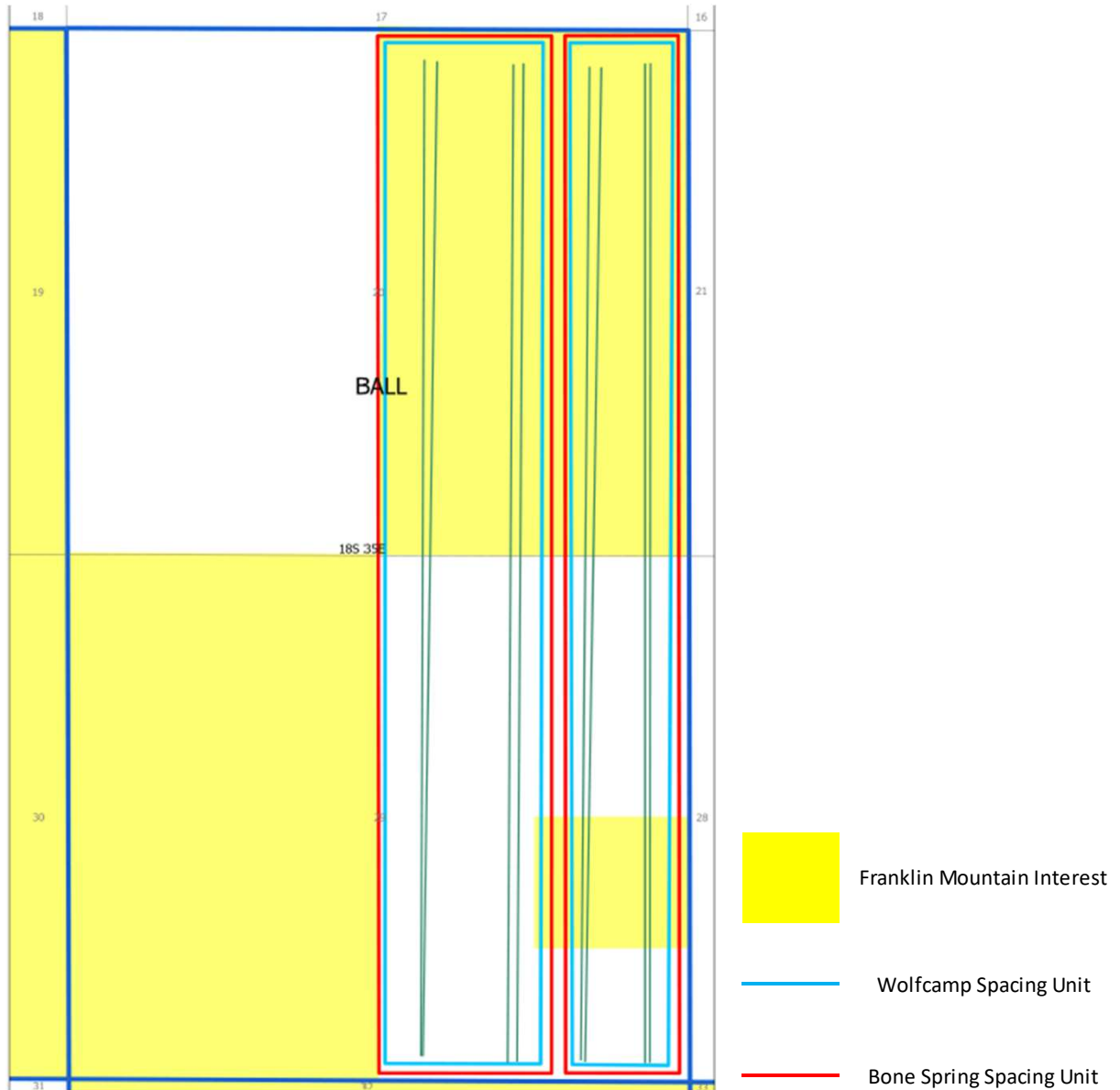
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

Development Overview

Case Nos. 24197



**Franklin Mountain Energy 3, LLC
Case No. 24197
Exhibit A-4**

Lease Tract Map
Case No. 24197
E/2E/2 of Sections 20 & 29-T18S-R35E
320.00 Acres
Ball State Com 704H
Ball State Com 804H



Summary of Interests
Case No. 24197
E/2E/2 of Sections 20 & 29-T18S-R35E
320.00 Acres
Ball State Com 704H
Ball State Com 804H

Committed Working Interest	
Franklin Mountain Energy 3, LLC	62.500000%
Uncommitted Working Interest	
Marathon Oil Permian, LLC	37.500000%
Total:	100.000000%



**Unit Recapitulation
Case No. 24197
E/2E/2 of Sections 20 & 29-T18S-R35E
320.00 Acres
Ball State Com 704H
Ball State Com 804H**

		20	
		29	

Committed Working Interest	
Franklin Mountain Energy 3, LLC	62.500000%
Uncommitted Working Interest	
Marathon Oil Permian, LLC	37.500000%
Total:	100.000000%

Tract	Lease	%
1	VB-1374	50.0000%
2	A0-4096	25.0000%
3	FEE	12.5000%
4	VB-1878	12.5000%

**Franklin Mountain Energy 3, LLC
Case No. 24197
Exhibit A-5**



Case No. 24197 E/2E/2 Wolfcamp Case

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

Marathon Oil Permian, LLC

ORRI to Be Pooled

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 & 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 24197
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: E2E2
 Section 29: E2E2
 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 304H	1BS	8,792’	17,792’	Sec 32-T18S-R35E 575 FNL 540 FEL	Sec 20-T18S-R35E 100 FNL 360 FEL	\$11,183,950.44	N/A
Ball State Com 604H	3BS	10,005’	20,005’	Sec 32-T18S-R35E 575 FNL 630 FEL	Sec 20-T18S-R35E 100 FNL 925 FEL	\$11,797,546.84	N/A
Ball State Com 704H	WCA	10,498’	20,498’	Sec 32-T18S-R35E 575 FNL 510 FEL	Sec 20-T18S-R35E 100 FNL 360 FEL	\$11,797,546.84	N/A
Ball State Com 804H	WCB	10,932’	20932’	Sec 32-T18S-R35E 575 FNL 600 FEL	Sec 20-T18S-R35E 100 FNL 925 FEL	\$12,164,281.44	N/A

Franklin Mountain Energy 3, LLC
Case No. 24197
Exhibit A-6

44 Cook Street | Suite 1000 | Denver, CO 80206
 OCD Examiner Hearing 8/27/24

No. 24197



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 jrutledge@fmellc.com or to the address provided below at your earliest convenience.

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

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

Respectfully,

Franklin Mountain Energy 3, LLC

Jon Rutledge
Landman



Ball State Com 304H:

_____ I/We hereby elect to participate in the **Ball State Com 304H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 304H** well.

Ball State Com 604H:

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

Ball State Com 704H:

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

Ball State Com 804H:

_____ I/We hereby elect to participate in the **Ball State Com 804H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 804H** well.

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

By: _____

Printed Name: _____

Title: _____

Date: _____



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

FRANKLIN MOUNTAIN ENERGY
AUTHORITY FOR EXPENDITURE

Well Name: Ball State Com 704H
Location: SHL: Sec 32-T18S-R35E 575 FNL 510 FEL
 BHL: Sec 20-T18S-R35E 100 FNL 360 FEL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' WCA well.
 TVD 10,498', MD 20,498'.

Well #: 704H
County/State: Lea Co., NM
Date Prepared: 1/2/2024
AFE #: DCE240110

Intangible Drilling Costs

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

Intangible Completion Costs

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

Tangible Completion Costs

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

Tangible Drilling Costs

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

Tangible Facility Costs

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

Intangible Facility Costs

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

Office Use Only:

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Total Drill:	\$4,792,999.84
Total Completion:	\$6,138,128.50
Total Facility:	\$866,418.50
Total DC Intangible:	\$9,029,388.50
Total DC Tangible:	\$1,901,739.84
Total AFE:	\$11,797,546.84

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

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

Date: 1/2/2024

WI Owner: _____
 Approved By: _____
 Printed Name: _____

Date: _____
 Title: _____

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



FRANKLIN MOUNTAIN ENERGY AUTHORITY FOR EXPENDITURE

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

Well Name: Ball State Com 804H
Well #: 804H
Location: SHL: Sec 32-T18S-R35E 575 FNL 600 FEL
County/State: Lea Co., NM
Operator: Franklin Mountain Energy 3, LLC
Date Prepared: 1/2/2024
Purpose: Drill and complete a 10,000' WCB well.
AFE #: DCE240114

Intangible Drilling Costs table with columns: Major, Minor, Description, Amount. Rows include ADMINISTRATIVE OVERHEAD, CASING CREW & EQPT, CEMENTING INTERMEDIATE CASING, etc. Total Intangible Drilling Costs: \$3,598,459.

Intangible Completion Costs table with columns: Major, Minor, Description, Amount. Rows include ADMINISTRATIVE OVERHEAD, CASED HOLE LOGS & SURVEYS, CASING CREW & EQPT, etc. Total Intangible Completion Costs: \$5,771,700.

Tangible Drilling Costs table with columns: Major, Minor, Description, Amount. Rows include INTERMEDIATE CASING & ATTACHMENTS, PACKERS/SLEEVES/PLUGS, etc. Total Tangible Drilling Costs: \$1,365,706.

Tangible Completion Costs table with columns: Major, Minor, Description, Amount. Rows include ARTIFICIAL LIFT, FLOWLINES, FRAC STRING, etc. Total Tangible Completion Costs: \$561,999.

Tangible Facility Costs table with columns: Major, Minor, Description, Amount. Rows include FACILITY PIPE/VALVES/FITTINGS, CONTAINMENT, DEHYDRATION, etc. Total Tangible Facility Costs: \$783,654.

Intangible Facility Costs table with columns: Major, Minor, Description, Amount. Rows include CONSULTING, COMPANY DIRECT LABOR, DAMAGES/ROW/PERMITS, ETC, etc. Total Intangible Facility Costs: \$82,765.

Office Use Only table. Empty table box.

Summary table with rows: Total Drill: \$4,964,164.44; Total Completion: \$6,333,698.50; Total Facility: \$866,418.50; Total DC Intangible: \$9,370,158.50; Total DC Tangible: \$1,927,704.44; Total AFE: \$12,164,281.44.

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

Operator: Franklin Mountain Energy 3, LLC
Approved By: [Signature]
Craig Walters
Chief Executive Officer

Date: 1/2/2024

WI Owner:
Approved By:
Printed Name:

Date:
Title:

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

Summary of Contacts (Case No. 24197)

- 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.

**Franklin Mountain Energy3, LLC
Case No. 24197
Exhibit A-7**

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

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

CASE NO. 24197

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 704H well**, which will target the Wolfcamp A.
7. **Exhibit B-3** is a structure map of the Wolfcamp A formation. The proposed spacing unit is identified by a blue box. The Ball State Com 704H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

**Franklin Mountain Energy 3, LLC
Case 24197
Exhibit B**

8. **Exhibit B-4** is a cross-section reference map that identifies five wells in the vicinity of the proposed Ball State Com 704H well, shown by a line of cross-section running from A to A'.

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

10. **Exhibit B-6** an Isopach map of the Wolfcamp A 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 804H well**, which will target the Wolfcamp B.

12. **Exhibit B-7** is a structure map of the Wolfcamp B formation. The proposed spacing unit is identified by a blue box. The Ball State Com 804H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

13. **Exhibit B-8** is a cross-section reference map that identifies five wells in the vicinity of the proposed Ball State Com 804H 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 cross-section give a representative sample of the Wolfcamp B 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.

15. **Exhibit B-10** is an Isopach map of the Wolfcamp B formation. The gross interval thickness increases slightly to the east.

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

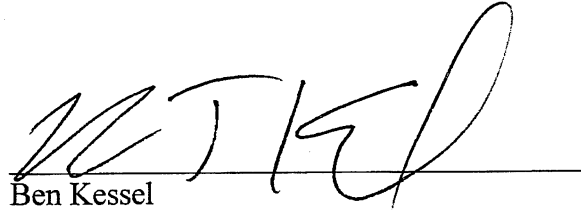
19. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

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.

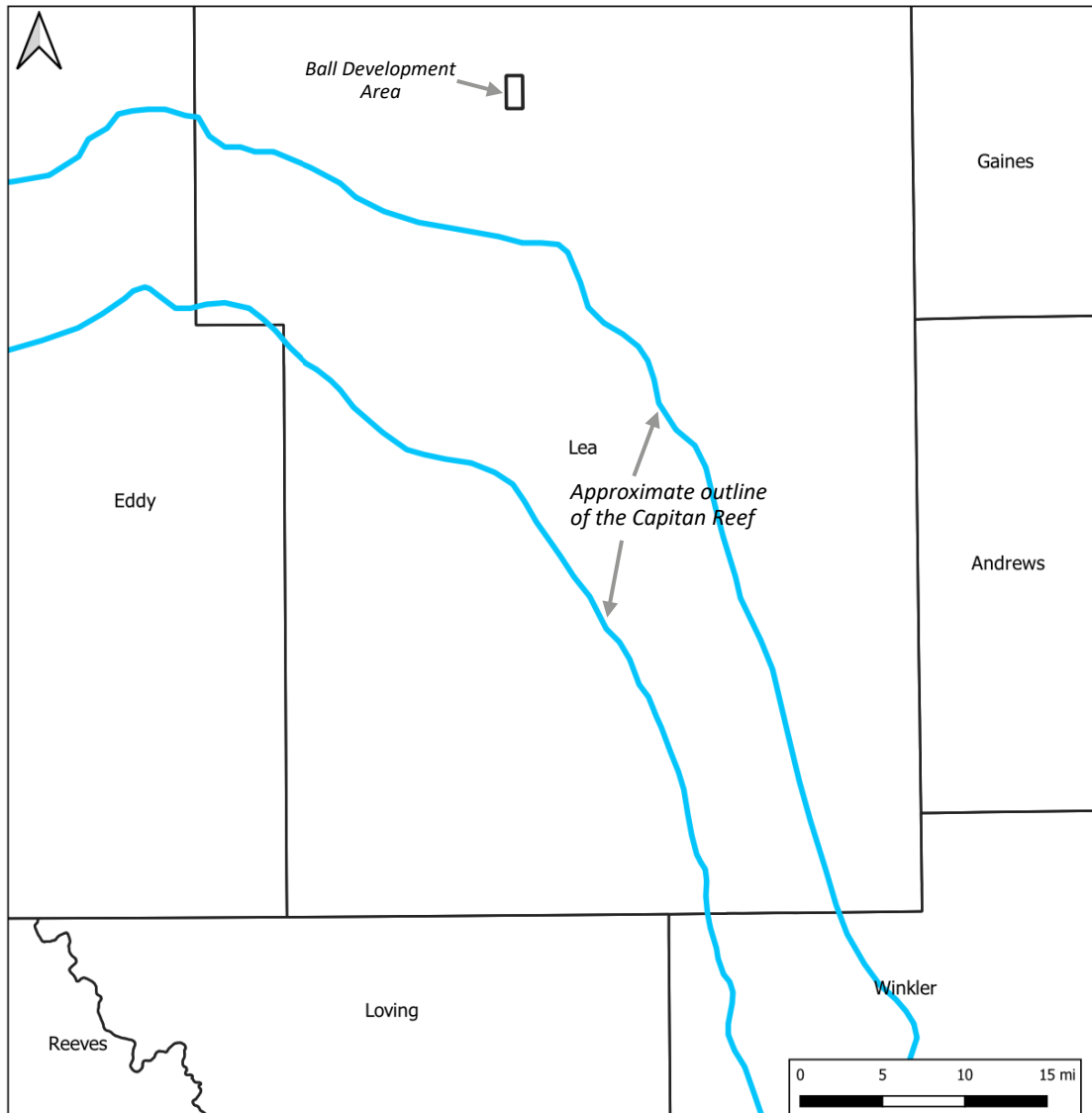
[Signature page follows]

Dated: August 19th, 2024


Ben Kessel

Ball Development

Locator Map

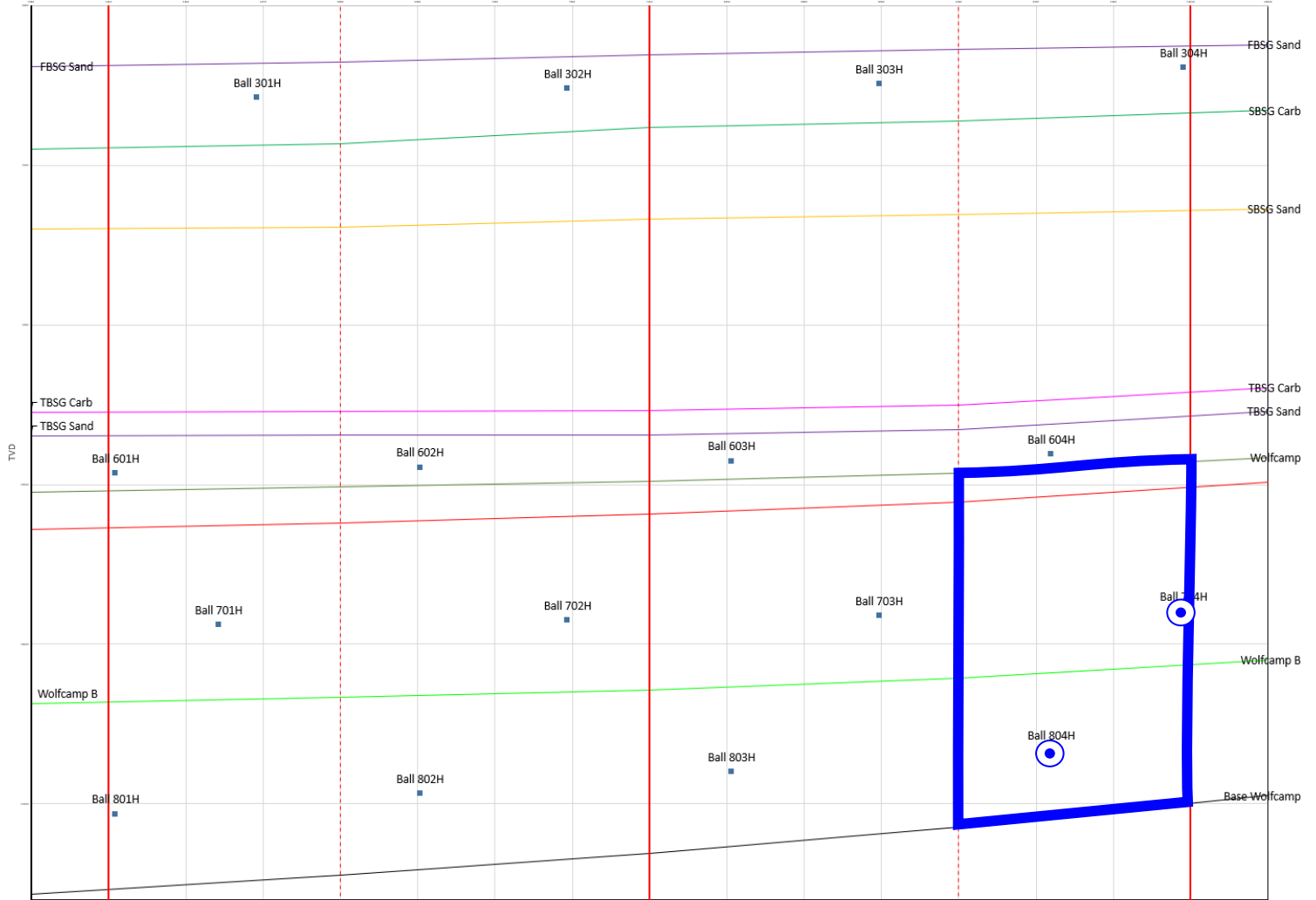


- Black box shows the location of the Ball development area
- Planned wells are located outside of the eastern edge of the Capitan Reef

Franklin Mountain Energy 3, LLC
Case 24197
Exhibit B-1

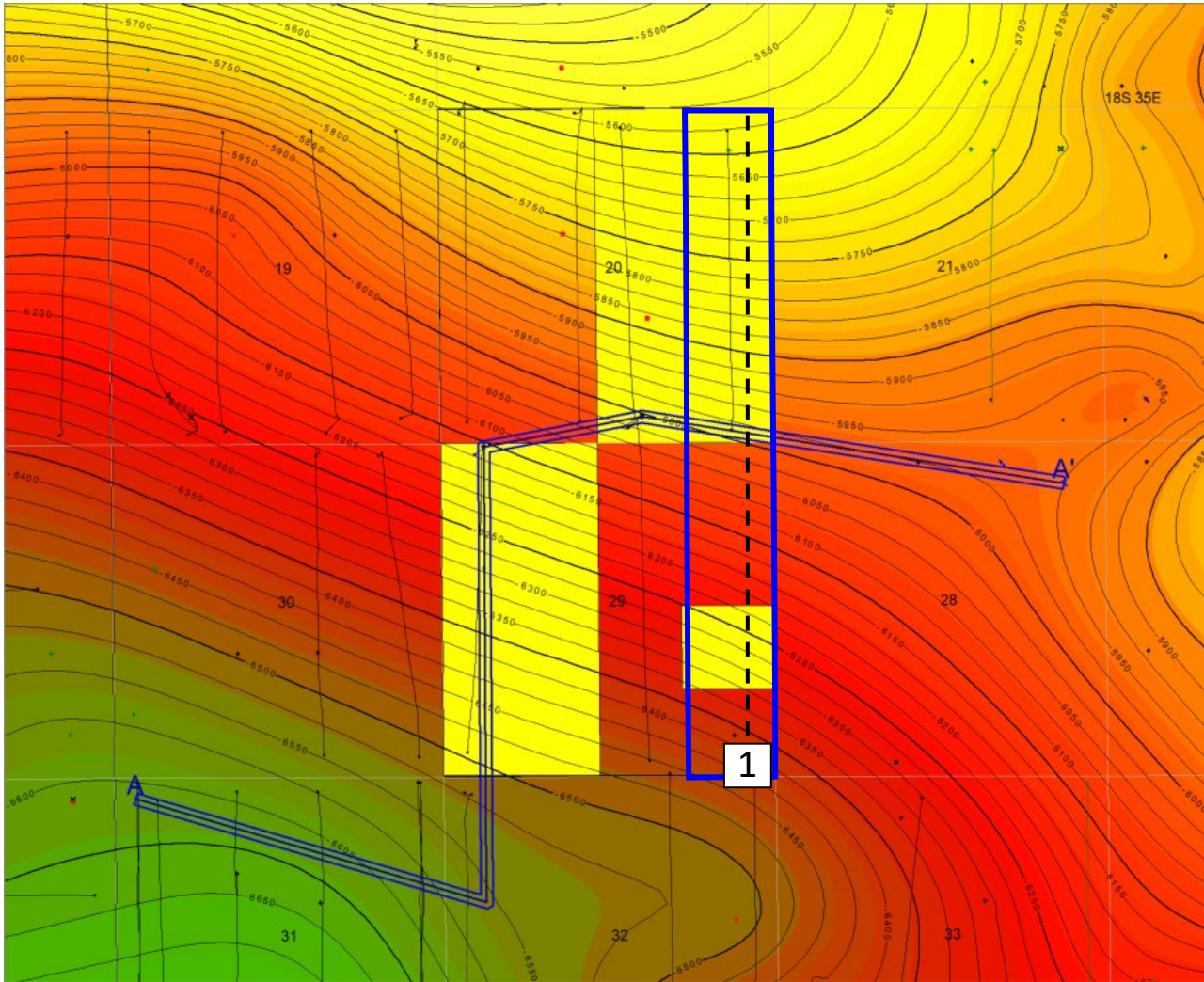
Wellbore Schematic

18S 35E Section 29-Looking North
Distance FWL



OCD Examiner Hearing 8/27/24





- Franklin Mountain Acreage
- Wolfcamp Spacing Unit

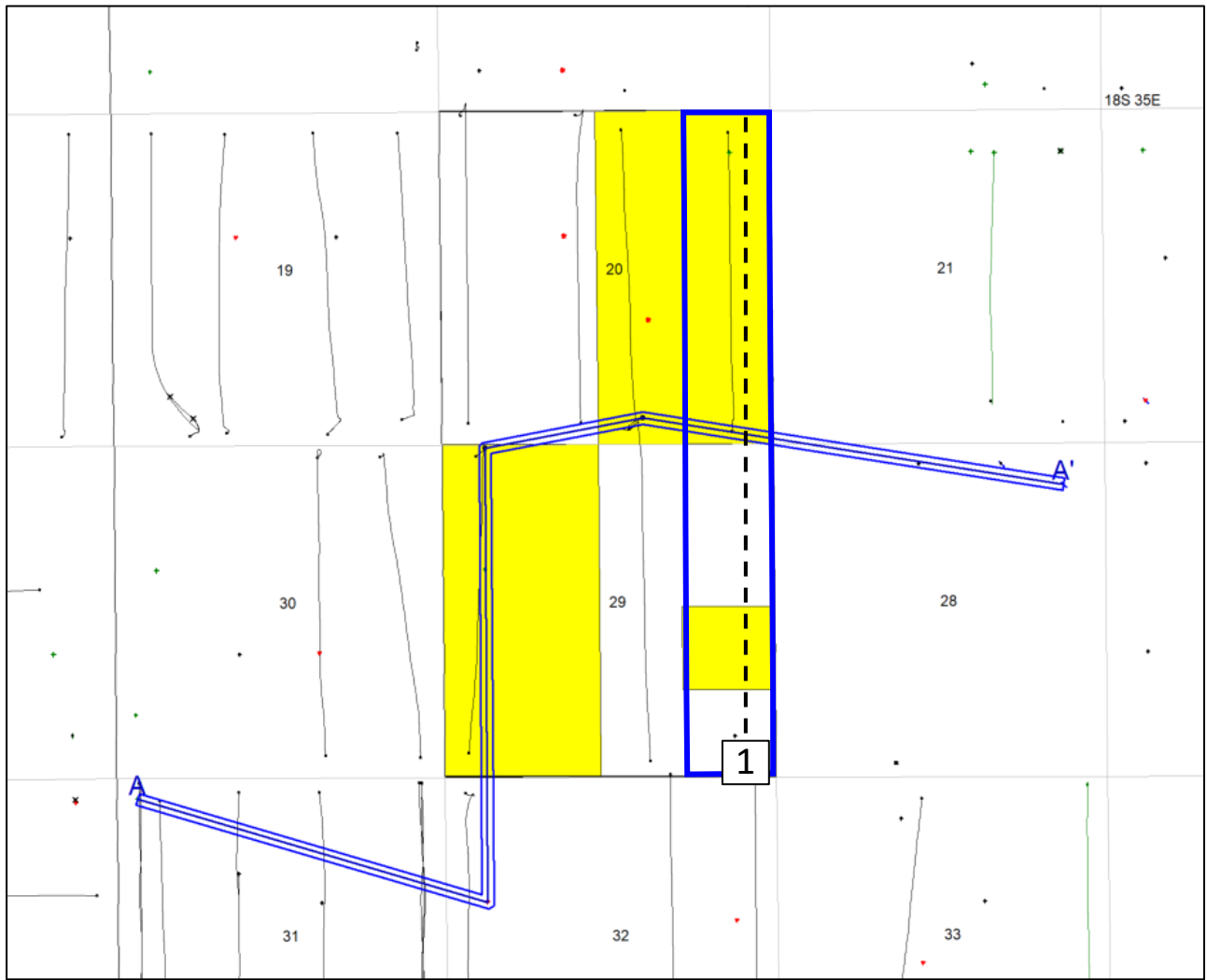
Proposed Horizontal Location

1 Ball State Com 704H

All wells shown

1 mile

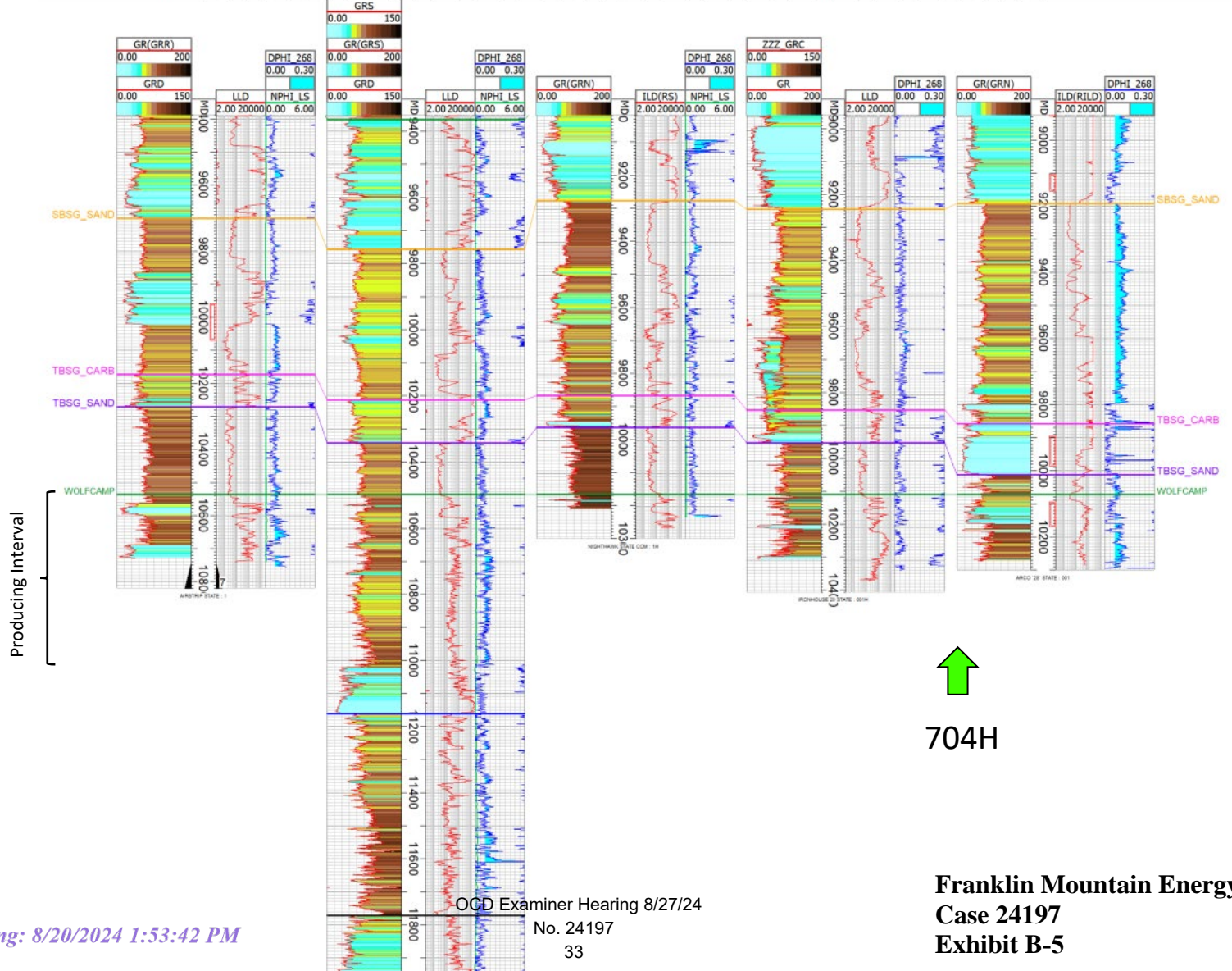
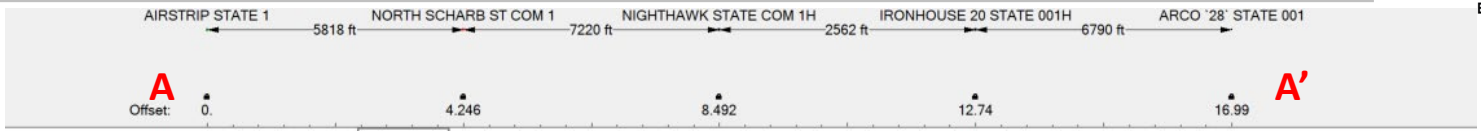
Cross Section Reference Map



- Franklin Mountain Acreage
- Wolfcamp Spacing Unit
- Proposed Horizontal Location
- 1 Ball State Com 704H

All wells shown

1 mile



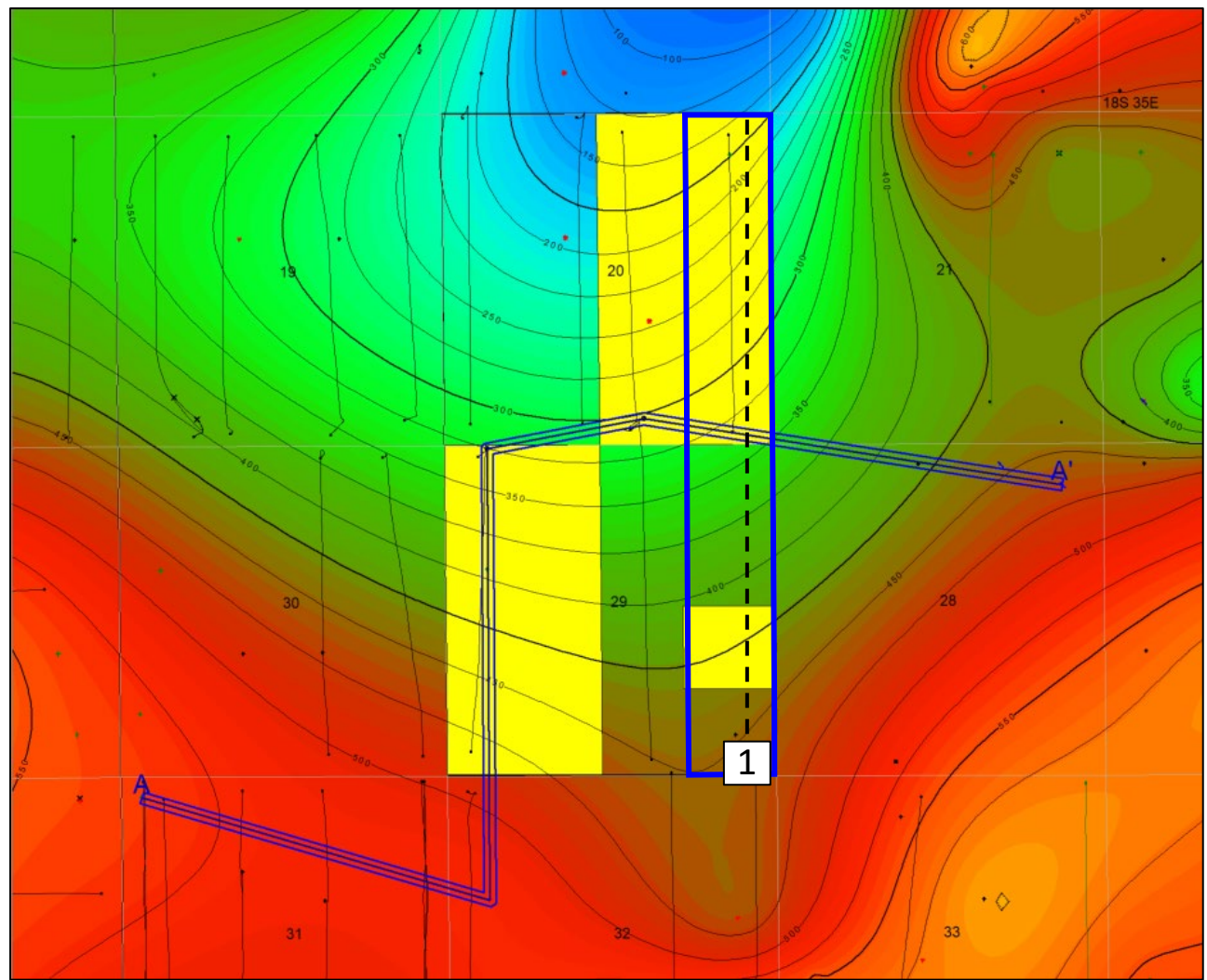
704H



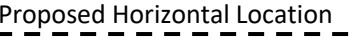

OCD Examiner Hearing 8/27/24

No. 24197

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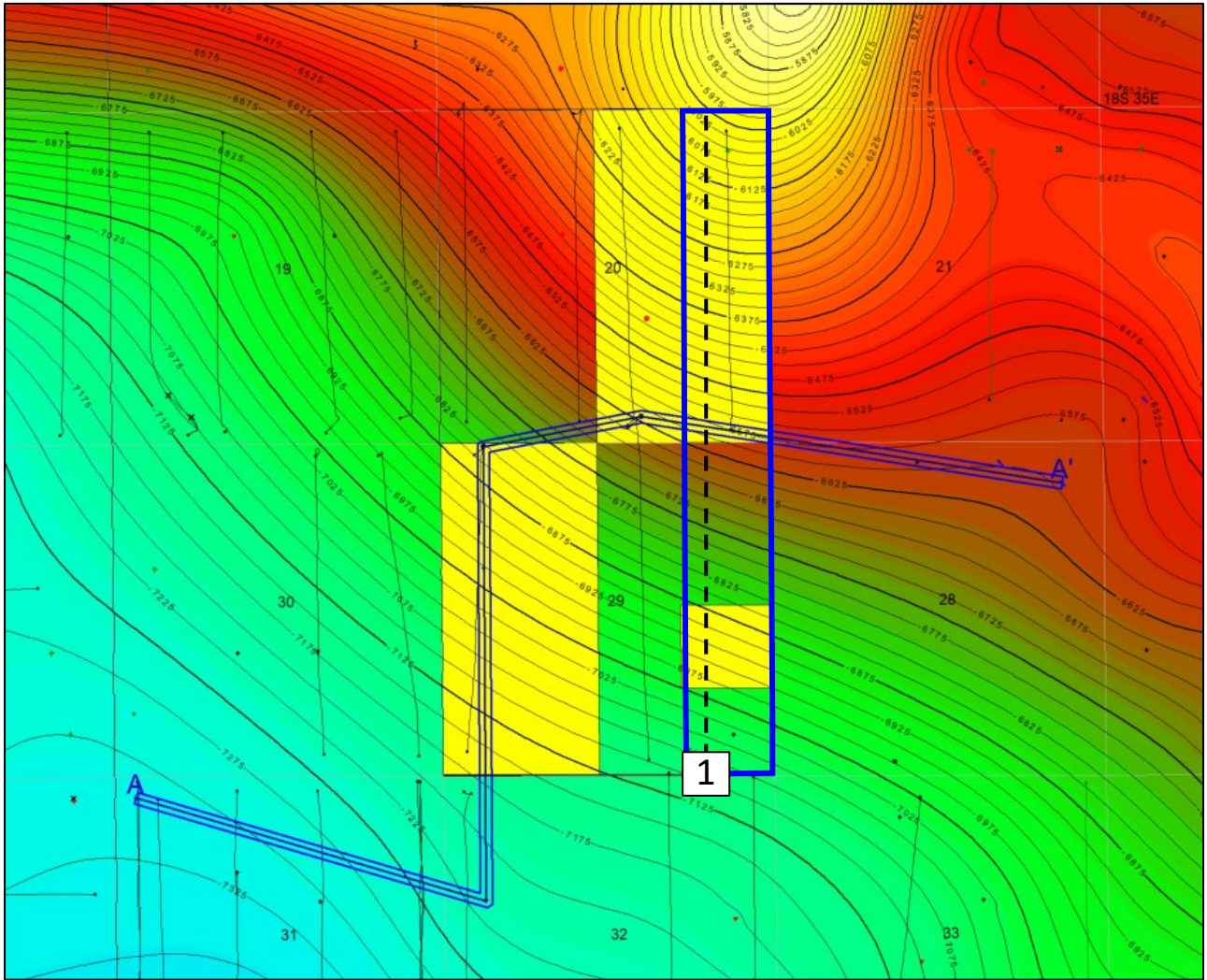
Franklin Mountain Energy 3, LLC
Case 24197
Exhibit B-5



-  Franklin Mountain Acreage
-  Wolfcamp Spacing Unit
-  Proposed Horizontal Location
-  1 Ball State Com 704H

All wells shown

1 mile



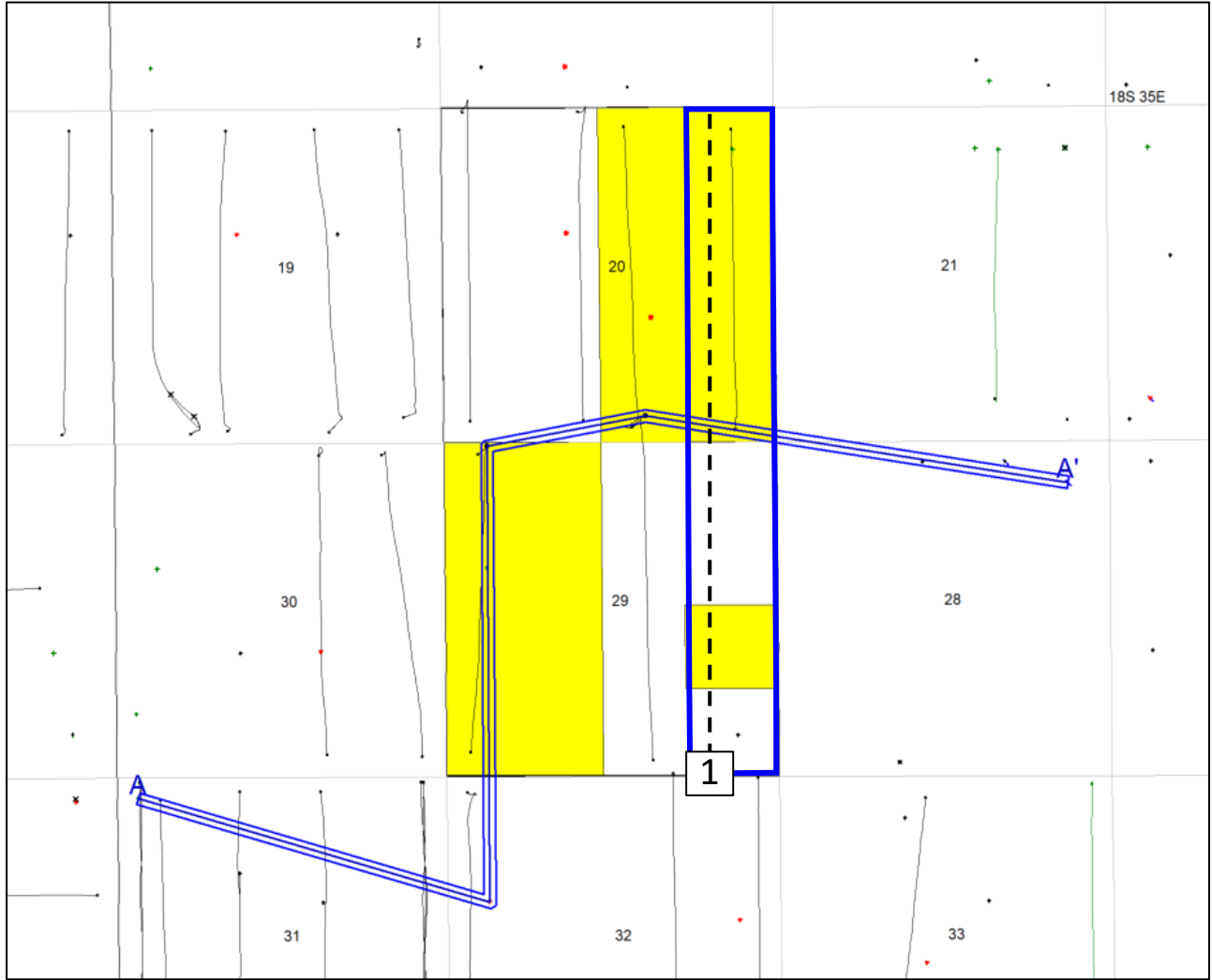
- Franklin Mountain Acreage
- Wolfcamp Spacing Unit
- Proposed Horizontal Location
- 1 Ball State Com 804H

All wells shown

1 mile

**Franklin Mountain Energy 3, LLC
Case 24197
Exhibit B-7**

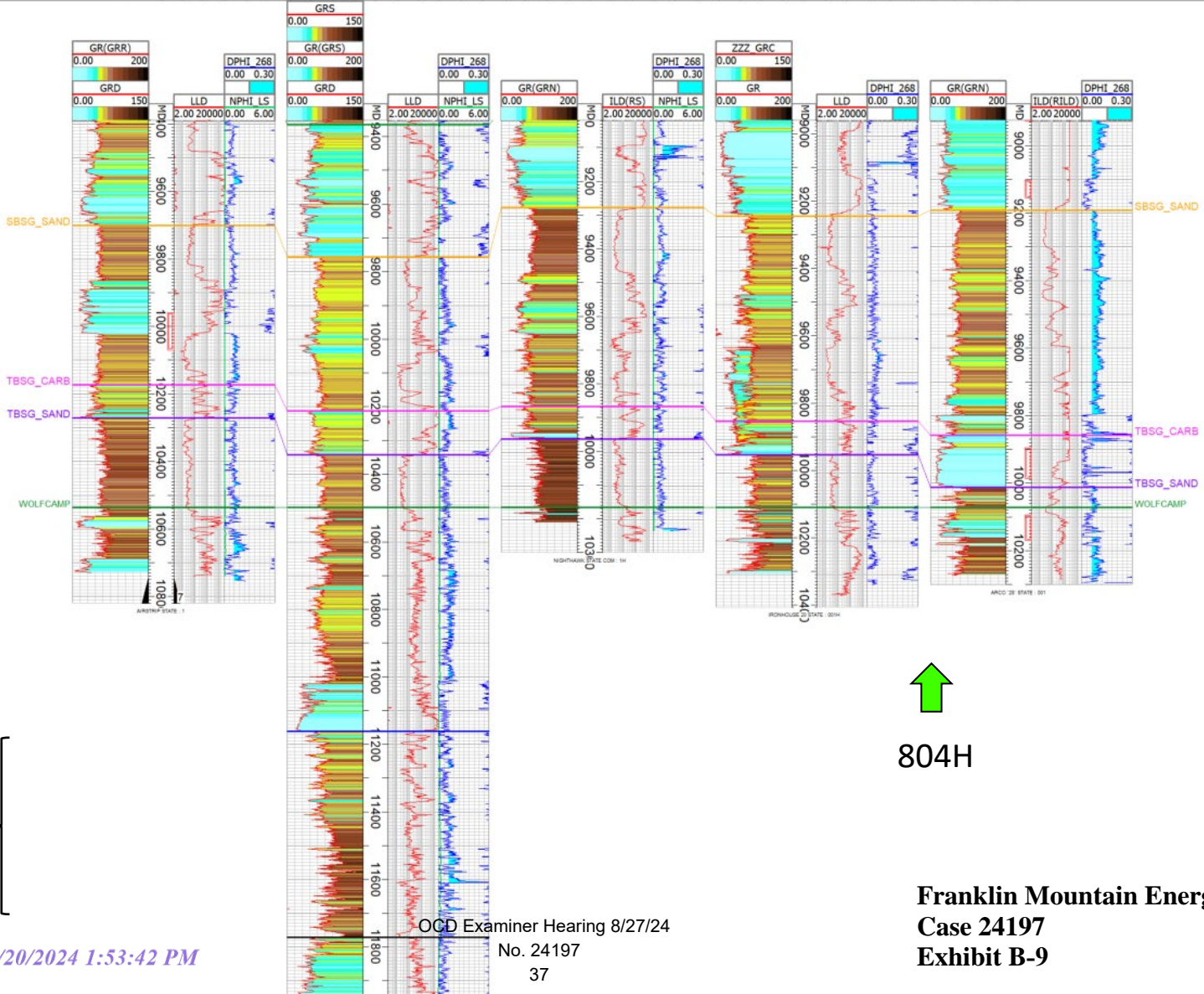
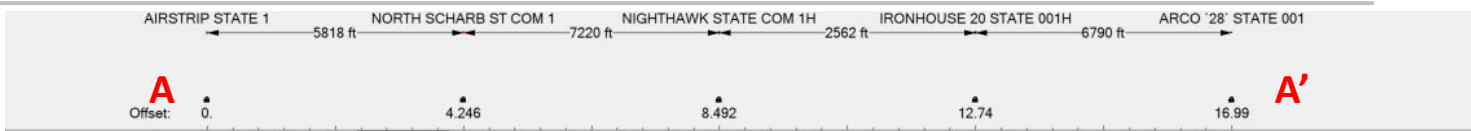
Cross Section Reference Map



- Franklin Mountain Acreage
- Wolfcamp Spacing Unit
- Proposed Horizontal Location
- 1 Ball State Com 804H

All wells shown

1 mile



Producing Interval



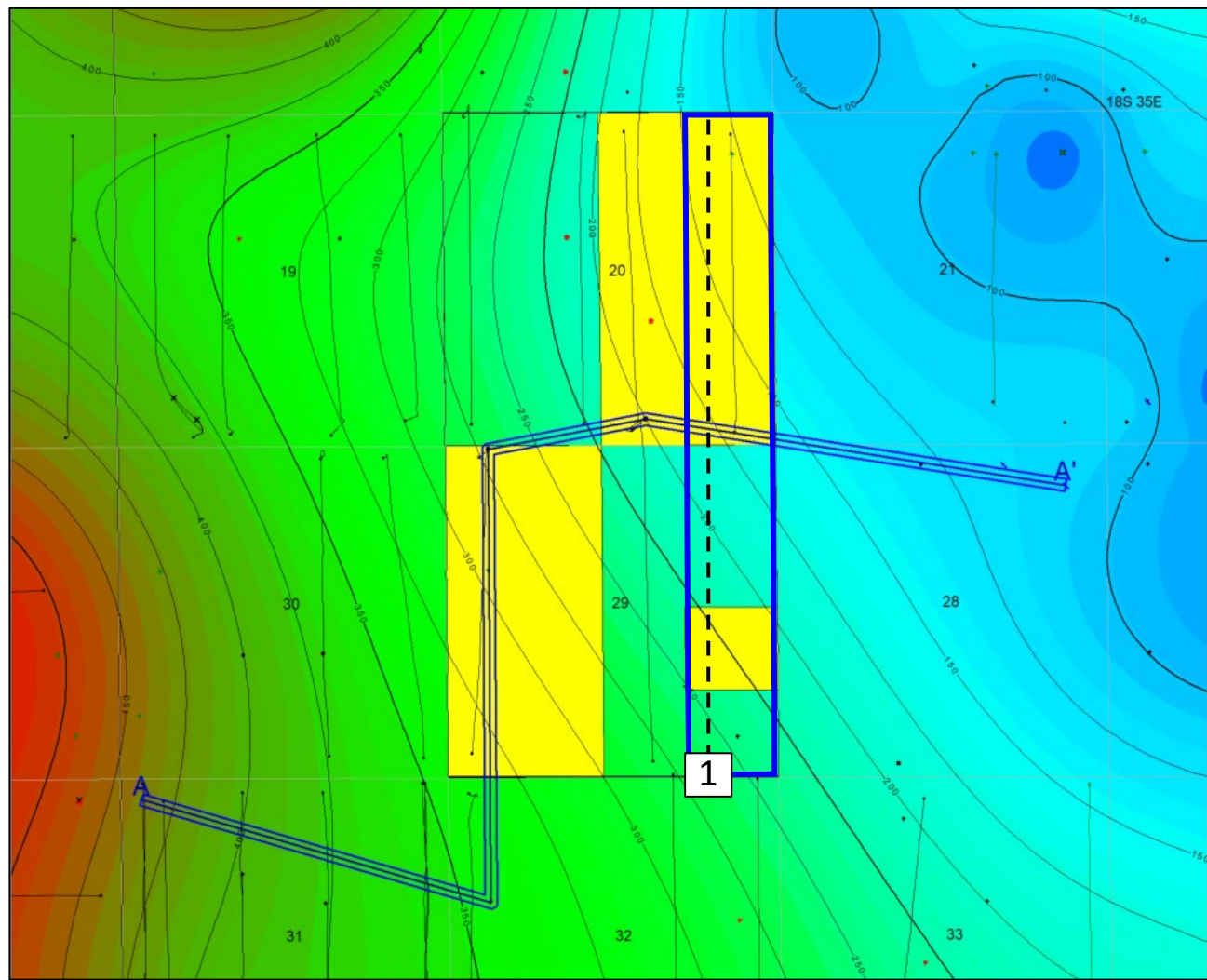
804H



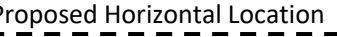

OCD Examiner Hearing 8/27/24

No. 24197

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Franklin Mountain Energy 3, LLC
Case 24197
Exhibit B-9

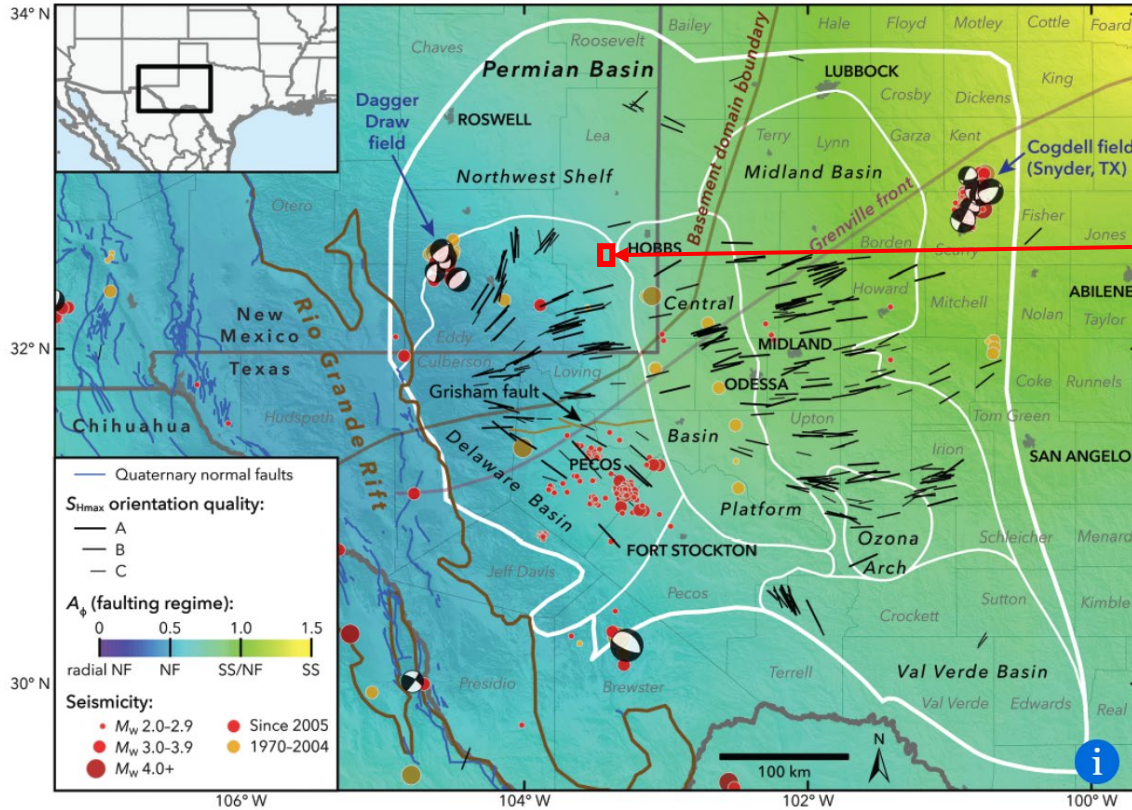


-  Franklin Mountain Acreage
-  Wolfcamp Spacing Unit
-  Proposed Horizontal Location
-  Ball State Com 803H

All wells shown

1 mile

Regional Stress



- 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/MobilePagedArticle.action?articleId=1331603#articleId1331603

**Franklin Mountain Energy 3, LLC
Case 24197
Exhibit B-11**

**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. 24197

**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. 24207

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

A handwritten signature in blue ink that reads "Deana M. Bennett". The signature is written in a cursive style and is positioned above a horizontal line.

Deana M. Bennett



MODRALL SPERLING

L A W Y E R S

February 15, 2024

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re:

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

CASE NO. 24197

**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. 24207

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. 24197, 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 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, 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.

In Case No. 24207, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more

Modrall Spierling
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Franklin Mountain Energy 3, LLC

OCD Examiner Head Case 24197

No. 24197 **Exhibit C-1**

Page 2

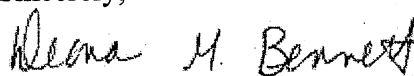
or less, Bone Spring horizontal spacing unit comprising the E/2 E/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the **Ball State Com 304H** and **Ball State Com 604H** wells to be 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. The proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #002H well (API 30-025-40748). 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 Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett
Attorney for Applicant

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

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

CASE NO. 24197

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 E/2 of Sections 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 **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.
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 E/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: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.

Deana M. Bennett

Yarithza Peña

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Albuquerque, New Mexico 87103-2168

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deana.bennett@modrall.com

yarithza.pena@modrall.com

Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24197 : 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 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, 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.

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. 24207

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 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 **Ball State Com 304H** and **Ball State Com 604H** 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.
3. The producing area for the wells is expected to be orthodox.
4. This proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC’s Ironhouse 20 State #002H well (API 30-025-40748).

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 E/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

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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24207 : 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 E/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 **Ball State Com 304H** and **Ball State Com 604H** 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. The proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #002H well (API 30-025-40748). 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.

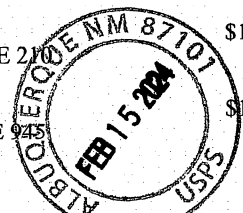
Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
02/15/2024

Firm Mailing Book ID: 260679

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0117 4911 46	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
2	9314 8699 0430 0117 4911 53	T.H. McElvain Oil & Gas LLLP 1819 Denver West Dr., Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
3	9314 8699 0430 0117 4911 60	Thomaston, LLC 1050 17TH STREET, SUITE 2500 DENVER CO 80265	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
4	9314 8699 0430 0117 4911 77	Zunis Energy, LLC 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
5	9314 8699 0430 0117 4911 84	Luckaloy Limited Company 88 WEST COMPRESS ROAD ARTESIA NM 88210	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
6	9314 8699 0430 0117 4911 91	William J. McCaw PO BOX 376 ARTESIA NM 88211	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
7	9314 8699 0430 0117 4912 07	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
8	9314 8699 0430 0117 4912 14	Blue Ox Partners LLC 1123 SOUTH HURON STREET, UNIT V DENVER CO 80223	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
9	9314 8699 0430 0117 4912 21	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
10	9314 8699 0430 0117 4912 38	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	No24197,24207. Notice
11	9314 8699 0430 0117 4912 45	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
12	9314 8699 0430 0117 4912 52	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
13	9314 8699 0430 0117 4912 69	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
14	9314 8699 0430 0117 4912 76	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
15	9314 8699 0430 0117 4912 83	LMC Energy LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice



OCD Examiner Hearing 8/27/24
No. 24197

Franklin Mountain Energy 3, LLC
Case 24197
Exhibit C-2

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

PS Form 3877

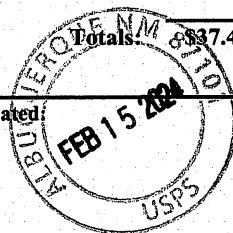
Type of Mailing: CERTIFIED MAIL
02/15/2024

Firm Mailing Book ID: 260679

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0117 4912 90	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
17	9314 8699 0430 0117 4913 06	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
18	9314 8699 0430 0117 4913 13	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
19	9314 8699 0430 0117 4913 20	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
20	9314 8699 0430 0117 4913 37	Mike Moylett PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
21	9314 8699 0430 0117 4913 44	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
22	9314 8699 0430 0117 4913 51	Deane Durham PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
23	9314 8699 0430 0117 4913 68	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.63	\$4.40	\$2.32	\$0.00	No24197,24207. Notice
Totals			\$37.49	\$101.20	\$53.36	\$0.00	
Grand Total:						\$192.05	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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23



Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 260679
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9314869904300117491146	2024-02-15 2:20 PM	No24197,24207.	Marathon Oil Permian, LLC		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 1:34 PM

Franklin Mountain Energy 3, LLC
Case 24197
Exhibit C-3

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

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



Publisher

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



Business Manager

My commission expires

January 29, 2027 OF 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 publication has been made.

Franklin Mountain Energy 3, LLC
Case 24197
Exhibit C-4

LEGAL NOTICE February 22, 2024

CASE NO. 24195: 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; 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, 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 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.

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: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit 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.

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, 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.

CASE NO. 24207: 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; 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 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.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit 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. 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 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. The proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 20 dedicated to Franklin Mountain Energy 3, LLC's Ironhouse 20 State #002H well (API 30-025-40748). 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. 24197