



FRANKLIN MOUNTAIN ENERGY

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

Compulsory Pooling

Case Nos. 24205, 24206, 24199, 24198

Ball W/2 Wolfcamp/Bone Spring

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

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

CASE NOS. 24198, 24206

**APPLICATIONS 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 NOS. 24199, 24205

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 24367-24368

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR APPROVAL COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 24369-24370

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 - Exhibit B-16-b: Lease Tract Map and Summary of Interests
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 - Exhibit B-16-d: Pooled Parties

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 - Exhibit B-17-b: Lease Tract Map and Summary of Interests
 - Exhibit B-17-c: Well Proposal Letter and AFES
 - Exhibit B-17-d: Pooled Parties

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 - Exhibit B-18-a: C-102s
 - Exhibit B-18-b: Lease Tract Map and Summary of Interests
 - Exhibit B-18-c: Well Proposal Letter and AFES
 - Exhibit B-18-d: Pooled Parties

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Tab A: Compulsory Pooling Checklists

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

| Case: 24198 | APPLICANT'S RESPONSE |
|--|--|
| Hearing 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: | MRC Permian Company |
| Well Family | Ball State Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Wolfcamp |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Wolfcamp |
| Pool Name and Pool Code: | Scharb; Wolfcamp Pool (Pool Code 55640) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320-acres |
| Building Blocks: | 40-acres |
| Orientation: | North/South |
| Description: TRS/County | E/2W/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 and is approval of non-standard unit requested in this application? | Yes. |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B.18.b |
| 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 702H | API No. <i>Pending</i> SHL: 822' FNL & 2397' FWL, (Unit C), Section 32, T18S, R35E BHL: 100' FNL & 2290' FWL, (Unit C) Section 20, T18S, R35E Completion Target: Wolfcamp A (Approx. 10,524' TVD) Orientation: North/South |
| Well #2: Ball State Com 802H | API No. <i>Pending</i> SHL: 822' FNL & 2307' FWL, (Unit C), Section 32, T18S, R35E BHL: 100' FNL & 1660' FWL, (Unit C) Section 20, T18S, R35E Completion Target: Wolfcamp D (Approx. 11,067' TVD) Orientation: North/South |
| Horizontal Well First and Last Take Points | See Exhibit B.18.a |

| | |
|--|----------------------------|
| Completion Target (Formation, TVD and MD) | See Exhibit B.18.c |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Paragraph 75 |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit B.18 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E.1 to E.3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E.4 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit B.18.b |
| Tract List (including lease numbers and owners) | Exhibit B.18.b |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice | N/A |
| Pooled Parties (including ownership type) | Exhibit B.18.d |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit B.18.c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-18.b |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B.14 |
| Overhead Rates In Proposal Letter | Exhibit B.18.c |
| Cost Estimate to Drill and Complete | Exhibit B.18.c |
| Cost Estimate to Equip Well | Exhibit B.18.c |
| Cost Estimate for Production Facilities | Exhibit B.18.c |
| Geology | |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C.1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B.4 |
| Well Orientation (with rationale) | Exhibit C.2 |
| Target Formation | Exhibit C.4 |
| HSU Cross Section | Exhibit C.4.b; C.4.e |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit B.18.a |
| Tracts | Exhibit B.18.b |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit B.18.b |
| General Location Map (including basin) | Exhibit C.1 |
| Well Bore Location Map | Exhibit C.2 |
| Structure Contour Map - Subsea Depth | Exhibit C.4.a; C.4.d |
| Cross Section Location Map (including wells) | Exhibit C.4.a; C.4.d |

| | |
|--|----------------------|
| Cross Section (including Landing Zone) | Exhibit C.4.b; C.4.e |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Deana M. Bennett |
| Signed Name (Attorney or Party Representative): | /s/ Deana M. Bennett |
| Date: | 8/20/2024 |

COMPULSORY POOLING APPLICATION CHECKLIST

| ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS | |
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| Case: 24199 | APPLICANT'S RESPONSE |
| Hearing 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 Extend Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico. |
| Entries of Appearance/Intervenors: | MRC Permian Company |
| Well Family | Ball State Com |
| 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: | Airstrip, Bone Spring (Pool Code 960) and WC-025 G-06 S183518A; Bone Spring (Pool Code 97930) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320-acres |
| Building Blocks: | 40-acres |
| Orientation: | North/South |
| Description: TRS/County | E/2W/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 and is approval of non-standard unit requested in this application? | Yes. |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B.17.b |
| 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 302H | API No. Pending SHL: 822' FNL & 2367' FWL, (Unit C), Section 32, T18S, R35E BHL: 100' FNL & 2290' FWL, (Unit C) Section 20, T18S, R35E Completion Target: First Bone Spring (Approx. 8,859' TVD) Orientation: North/South |
| Well #2: Ball State Com 602H | API No. Pending SHL: 822' FNL & 2277' FWL, (Unit C), Section 32, T18S, R35E BHL: 100' FNL & 1660' FWL, (Unit C) Section 20, T18S, R35E Completion Target: Third Bone Spring (Approx. 10,046' TVD) Orientation: North/South |

OCD Examiner Hearing 8-27-24

No. 24205, 24206, 24199, 24198

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| Horizontal Well First and Last Take Points | See Exhibit B.17.a |
| Completion Target (Formation, TVD and MD) | See Exhibit B.17.c |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Paragraph 68 |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit B.17 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E.1 to E.3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E.4 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit B.17.b |
| Tract List (including lease numbers and owners) | Exhibit B.17.b |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice | N/A |
| Pooled Parties (including ownership type) | Exhibit B.17.d |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & | N/A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit B.17.c |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B.17.b |
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| Cost Estimate for Production Facilities | Exhibit B.17.c |
| Geology | |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C.1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B.4 |
| Well Orientation (with rationale) | Exhibit C.2 |
| Target Formation | Exhibit C.3 |
| HSU Cross Section | Exhibit C.3.b; C.3.e |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit B.17.a |
| Tracts | Exhibit B.17.b |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit B.17.b |
| General Location Map (including basin) | Exhibit C.1 |
| Well Bore Location Map | Exhibit C.2 |
| Structure Contour Map - Subsea Depth | Exhibit C.3.a; C.3.d |

OCD Examiner Hearing 8-27-24

No. 24205, 24206, 24199, 24198

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| Cross Section Location Map (including wells) | Exhibit C.3.a; C.3.d |
| Cross Section (including Landing Zone) | Exhibit C.3.b; C.3.e |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Deana M. Bennett |
| Signed Name (Attorney or Party Representative): | /s/ Deana M. Bennett |
| Date: | 8/20/2024 |

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

| Case: 24205 | APPLICANT'S RESPONSE |
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| Hearing Date | August 27, 2024 |
| Applicant | Franklin Mountain Energy 3, LLC |
| Designated Operator & OGRID (affiliation if applicable) | Franklin Mountain Energy 3, LLC OGRID No. 331595 |
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| Entries of Appearance/Intervenors: | MRC Permian Company |
| Well Family | Ball State Com |
| 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: | Airstrip, Bone Spring (Pool Code 960) and WC-025 G-06 S183518A; Bone Spring (Pool Code 97930) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320-acres |
| Building Blocks: | 40-acres |
| Orientation: | North/South |
| Description: TRS/County | W/2W/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 and is approval of non-standard unit requested in this application? | Yes. |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B.15.b |
| 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 301H | API No. Pending SHL: 821' FNL & 389' FWL, (Unit D), Section 32, T18S, R35E BHL: 100' FNL & 965' FWL, (Unit D) Section 20, T18S, R35E Completion Target: First Bone Spring (Approx. 8,888' TVD) Orientation: North/South |
| Well #2: Ball State Com 601H | API No. Pending SHL: 820' FNL & 326' FWL, (Unit D), Section 32, T18S, R35E BHL: 100' FNL & 360' FWL, (Unit C) Section 20, T18S, R35E Completion Target: Third Bone Spring (Approx. 10,065' TVD) Orientation: North/South |

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|--|----------------------------|
| Horizontal Well First and Last Take Points | See Exhibit B.15.a |
| Completion Target (Formation, TVD and MD) | See Exhibit B.15.c |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Paragraph 54 |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit B.15 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E.1 to E.3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E.4 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit B.15.b |
| Tract List (including lease numbers and owners) | Exhibit B.15.b |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice | N/A |
| Pooled Parties (including ownership type) | Exhibit B.15.d |
| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & | N/A |
| Joinder | |
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| Geology | |
| Summary (including special considerations) | Exhibit C |
| Spacing Unit Schematic | Exhibit C.1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B.4 |
| Well Orientation (with rationale) | Exhibit C.2 |
| Target Formation | Exhibit C.3 |
| HSU Cross Section | Exhibit C.3.b; C.3.e |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit B.15.a |
| Tracts | Exhibit B.15.b |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit B.15.b |
| General Location Map (including basin) | Exhibit C.1 |
| Well Bore Location Map | Exhibit C.2 |
| Structure Contour Map - Subsea Depth | Exhibit C.3.a; C.3.d |

| | |
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| Cross Section Location Map (including wells) | Exhibit C.3.a; C.3.d |
| Cross Section (including Landing Zone) | Exhibit C.3.b; C.3.e |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Deana M. Bennett |
| Signed Name (Attorney or Party Representative): | /s/ Deana M. Bennett |
| Date: | 8/20/2024 |

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

| Case: 24206 | APPLICANT'S RESPONSE |
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| Hearing 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. |
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| Entries of Appearance/Intervenors: | MRC Permian Company |
| Well Family | Ball State Com |
| Formation/Pool | |
| Formation Name(s) or Vertical Extent: | Wolfcamp |
| Primary Product (Oil or Gas): | Oil |
| Pooling this vertical extent: | Wolfcamp |
| Pool Name and Pool Code: | Scharb; Wolfcamp Pool (Pool Code 55640) |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 320-acres |
| Building Blocks: | 40-acres |
| Orientation: | North/South |
| Description: TRS/County | W/2W/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 and is approval of non-standard unit requested in this application? | Yes. |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | N/A |
| Proximity Tracts: If yes, description | N/A |
| Proximity Defining Well: if yes, description | N/A |
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| Well #2: Ball State Com 801H | API No. Pending SHL: 821' FNL & 356' FWL, (Unit D), Section 32, T18S, R35E BHL: 100' FNL & 360' FWL, (Unit D) Section 20, T18S, R35E Completion Target: Wolfcamp D (Approx. 11,132' TVD) Orientation: North/South |
| Horizontal Well First and Last Take Points | See Exhibit B.16.a |

OCD Examiner Hearing 8-27-24

No. 24205, 24206, 24199, 24198

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| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$9,000.00 |
| Production Supervision/Month \$ | \$900.00 |
| Justification for Supervision Costs | See Exhibit B Paragraph 61 |
| Requested Risk Charge | 200% |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit B.16 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit E.1 to E.3 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit E.4 |
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| Unlocatable Parties to be Pooled | N/A |
| Ownership Depth Severance (including percentage above & | N/A |
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| Target Formation | Exhibit C.4 |
| HSU Cross Section | Exhibit C.4.b; C.4.e |
| Depth Severance Discussion | N/A |
| Forms, Figures and Tables | |
| C-102 | Exhibit B.16.a |
| Tracts | Exhibit B.16.b |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit B.16.b |
| General Location Map (including basin) | Exhibit C.1 |
| Well Bore Location Map | Exhibit C.2 |
| Structure Contour Map - Subsea Depth | Exhibit C.4.a; C.4.d |
| Cross Section Location Map (including wells) | Exhibit C.4.a; C.4.d |

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| Cross Section (including Landing Zone) | Exhibit C.4.b; C.4.e |
| Additional Information | |
| Special Provisions/Stipulations | N/A |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Deana M. Bennett |
| Signed Name (Attorney or Party Representative): | /s/ Deana M. Bennett |
| Date: | 8/20/2024 |

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

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

CASE NOS. 24198, 24206

**APPLICATIONS 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 NOS. 24199, 24205

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 24367-24368

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR APPROVAL COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

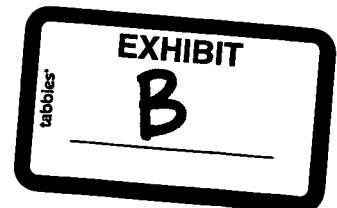
CASE NOS. 24369-24370

SELF-AFFIRMED STATEMENT OF DON JOHNSON

Don Johnson hereby states and declares as follows:

BACKGROUND

1. I am a Landman with Franklin Mountain Energy 3, LLC (“FME3”), over the age of 18, and have personal knowledge of the matters stated herein.
2. I have testified before the New Mexico Oil Conservation Division (the “Division”) and my credentials were accepted as a matter of record.



3. My work for FME3 includes the area of Lea County in New Mexico. I am involved in title, ownership, and leasing.

4. I am familiar with the applications FME3 filed in Case Nos.24198, 24199, 24205, and 24206. I am also familiar with the applications filed by MRC Permian Company (“MRC”) in Case Numbers 24367-24370. I am familiar with the land matters involved in these cases.

5. My testimony and exhibits addresses the information common to all cases and then addresses case specific information on a case-by-case basis.

TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES

6. These cases involve competing applications for a 640-acre development comprised of Bone Spring and Wolfcamp horizontal spacing units underlying the W/2 of Sections 20 and 29, Township 18 South, Range 35 East. With respect to the W/2 acreage, FME3 has proposed a total of eight wells, known as its Ball State Com wells. MRC has proposed a total of four wells, known as its Condor wells. FME3 also has proposed eight Ball wells in the E/2 of Sections 20 and 29, in Case Nos. 24195-24197, and 24207, and those cases are uncontested.

7. In its four cases, FME3 is seeking orders from the Division for compulsory pooling of interest owners who have refused to voluntarily pool their interests for the proposed Bone Spring and Wolfcamp horizontal spacing units described below, and in the wells to be drilled in the horizontal spacing units. FME3 also is requesting that it be designated operator of the wells. FME3 requests, to the extent necessary, approval of overlapping spacing units. Finally, FME3 requests that the Division deny MRC’s competing pooling applications.

8. The purpose of my testimony is to demonstrate, from a land perspective, why FME3 should be designated operator of the acreage at issue in the cases, which I refer to as the Ball West

Development Area, and why FME3's development plan for the Ball West Development Area is superior to MRC's plan.

9. There are several reasons, from a land perspective, that FME3 should be designated operator of this acreage. First, as I will discuss in more detail, FME3 has the highest working interest in the proposed units. Second, FME3's development plan will reduce surface facilities and surface impacts. Third, FME3 is a prudent operator, with the ability to develop the surface and is planning on developing this acreage in the near term. FME3 has extensive experience in developing this area and in investing in the infrastructure required for water management and gas takeaway necessary to support the development.

10. **Exhibit B-1** is a map showing the general location and the spacing units at issue.

11. **Exhibit B-2** is a summary overview of why FME3's applications should be granted and why MRC's applications should be denied. Each of the factors will be discussed by FME3's witnesses as relevant to each witness' area of expertise. I will be focusing on ownership, FME3's ability to prudently and timely drill, complete and operate the wells in development area and prevent waste.

12. **Exhibit B-3** provides an overview of working interest ownership within the Ball West Development Area and an overview of the Ball West Development Plan.

13. As shown on **Exhibit B-3**, FME3 has 50% working interest ownership in the W/2W/2 and in the E/2W/2 for both the Bone Spring and the Wolfcamp.

14. Conversely, MRC only has 25% working interest ownership in the W/2W/2 and in the E/2W/2 and, to my knowledge, does not have the support of any working interest owners.

15. FME3 seeks to develop acreage where it owns most of the working interest or has majority interest control as it has done and plans to do in this area.

16. FME3 has the highest working interest and should be awarded operatorship.

17. **Exhibit B-4** provides a comparison of FME3's development plans as compared to MRC's. As you can see from Exhibit B-4, in the W/2, FME3 is planning four Bone Spring wells and four Wolfcamp wells (total of 8 wells) in the W/2 Ball West Development Area whereas MRC proposes only two Bone Spring wells and only two Wolfcamp wells (total of 4 wells).

18. FME3's Wolfcamp B and MRC's Wolfcamp D are targeting the same formation.

19. FME3's development plan includes targeting the Third Bone Spring. Significantly, MRC's applications do not include the Third Bone Spring, which will result in waste and will negatively impact correlative rights.

20. FME3's development plan includes targeting the Wolfcamp A. Significantly, MRC's applications do not include the Wolfcamp A, which will result in waste and will negatively impact correlative rights.

21. In addition, FME3 is proposing a similar development plan in the E/2 of Sections 20 and 29, with an additional 8 wells proposed following the same development plan.

22. Because FME3 is targeting two benches that MRC is excluding, FME3 should be awarded operatorship.

23. Because FME3's Ball West Development Plan encompasses both the W/2 and the E/2 of Sections 20 and 29, FME3's development plan allows for more efficiencies, which, in turn reduces surface impacts and costs.

24. I will now discuss FME3's ability to prudently operate the property and, thereby, prevent waste and FME3's ability to timely locate well sites and to operate on the surface.

25. **Exhibit B-5** is a map showing the Ball West Development Plan.

26. **Exhibit B-6** outlines how FME3's development plan minimizes surface disturbance and reduces waste. FME3's plan reduces waste because the Ball W/2 development shares a central tank battery (CTB) with the Ball E/2 development. FME3's plan reduces waste as the Ball W/2 development shares a drill pad with the Ball E/2 development.

27. Conversely, under MRC's plans, additional surface disturbance will be required for drilling pads and CTB.

28. **Exhibit B-7** discusses other benefits of FME3's plan. FME3's development plan provides the ability to decommission an old tank battery and to P&A an older horizontal well, including fully reclaiming the well pad.

29. Consolidation of Ball W/2 production into the Ball CTB with Ball E/2 production creates a single point for Third Party connections

30. When compared to MRC's plan, on a per well basis, FME3's plan is superior because there is less equipment needed by third parties; less pipeline infrastructure and disturbance by third parties; and helps prevent third-party waste

31. FME3 understands the take-away constraints in this area and is taking steps to proactively address them.

32. **Exhibit B-8** provides an overview of the operational and logistical constraints in this area, as well as an overview of FME3's plans to address those constraints. **Exhibits B-9 to 11** provide greater detail on the constraints and FME3's proactive approach to resolve them.

33. **Exhibit B-9** discusses water takeaway constraints and steps FME3 is taking to address those constraints, including investing \$24 million of capital. FME3 is investing to expand the pipeline system to increase capacity, including approximately 25 miles of pipeline infrastructure. Approximately 17 miles of new pipeline infrastructure has been placed into service

over the last 12 months and the remaining approximately 8 miles have a target in service date of late Q3 2024.

34. **Exhibit B-10** discusses gas takeaway constraints and FME3's approach to address them. FME3 is investing approximately \$20 million to address the gas takeaway constraints. FME3 is investing in gathering to gather gas to a single point, which has several benefits. It increases the appeal for third-party midstream operators and allows multiple third parties to connect, increasing flow assurance to prevent waste. FME3 is proposing to construct approximately 16 miles of pipeline infrastructure. FME3 already has or is securing the rights-of-way in place for those pipelines. Approximately 8 miles of new pipeline infrastructure and two H2S central treatment points have been placed in service over last 12 months with the remaining approximately 8 miles having a targeted in service date late Q3 2024.

35. FME3 also signed an acreage dedication with Northwind to facilitate Northwind's buildout to reach FME3's operated acreage.

36. **Exhibit B-11** demonstrates FME3's reliable oil pipeline solution. FME3 signed an acreage dedication with Plains to ensure oil pipeline takeaway would be in place day one for FME3's new development projects, including Ball.

37. **Exhibit B-12** outlines FME3's recent activity in this area. FME3 has been active in the area and is committed to developing its acreage in this area. FME3 has turned on production 18 wells between October 2023 and June 2024.

38. FME3 has 2 drilling rigs on the Alpha (6) well project as of August 2024. FME3 will start completions on the Satellite (9) well project October 2024.

39. Conversely, MRC's last well drilled and completed in this area was in 2019 and MRC has no active permits within this six mile radius.

40. FME3 has been diligently working to develop this area. **Exhibit B-13** identifies the timeline and future target dates.

41. As indicated on B-13, FME3 acquired its initial lease in this area in December 2022 and FME3 has continued to acquire leases.

42. FME3 sent out proposal letters in January 2024. FME3 originally filed its pooling cases in February 2024, and anticipates commencing drilling operations in December 2024.

43. Significantly, FME3 has a term assignment expiration in January 2025.

44. Prior to filing its applications, FME3 made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells. To locate interest owners, FME3 conducted a diligent search of the public records in the county where the wells will be located and conducted phone directory and computer searches to locate contact information for parties entitled to notification. I mailed all working interest owners well proposals and an Authorization for Expenditure, and a form of Operating Agreement upon request.

45. FME3 sent its well proposal letters to the working interest owners and unleased mineral interest owners in January 2024.

46. **Exhibit B-14** is a summary of FME3's communications with working interest owners and unleased mineral interest owners, including MRC.

47. FME3 negotiated with the uncommitted interest owners in good faith.

48. I now provide specific testimony and exhibits for each of the Ball State Com cases.

CASE NO. 24205 SPECIFIC TESTIMONY AND EXHIBITS

49. Below is a brief description of the facts and exhibits for Case No. 24205.

50. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 320.00-acre, more or less, Bone Spring horizontal spacing unit

comprising the W/2W/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 301H and Ball State Com 501H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24205 is attached as **Exhibit B-15**.

51. Attached as **Exhibit B-15-a** are the C-102s for the wells proposed in Case No. 24205. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and WC-025 G-06 S183518A;Bone Spring (Pool Code 97930).

52. The producing area for the wells will be orthodox.

53. Attached as **Exhibit B-15-b** is a lease tract map for Case No. 24205. This map shows the ownership breakdown and again confirms that FME3 has higher working interest ownership than MRC. FME3 has 50% working interest. MRC only has 25% working interest.

54. Attached as **Exhibit B-15-c** is an example proposal letter and the Authorizations for Expenditure (“AFEs”) for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

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

56. **Exhibit B-15-d** is a list of the parties to be pooled in Case 24205.

CASE NO. 24206 SPECIFIC TESTIMONY AND EXHIBITS

57. Below is a brief description of the facts and exhibits for Case No. 24206.

58. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 320.00-acre, more or less, Wolfcamp horizontal spacing unit comprising

the W/2W/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 701H and Ball State Com 801H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24205 is attached as **Exhibit B-16**.

59. Attached as **Exhibit B-16-a** are the C-102s for the wells proposed in Case No. 24206. The wells will develop the Scharb; Wolfcamp Pool (Pool Code 55640). The producing area for the wells will be orthodox.

60. Attached as **Exhibit B-16-b** is a lease tract map for Case No. 24205. This map shows the ownership breakdown and again confirms that FME3 has higher working interest ownership than MRC. FME3 has 50% working interest. MRC only has 25% working interest.

61. Attached as **Exhibit B-16-c** is an example proposal letter and the Authorizations for Expenditure (“AFEs”) for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

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

63. **Exhibit B-16-d** is a list of the parties to be pooled in Case 24206.

CASE NO. 24199 SPECIFIC TESTIMONY AND EXHIBITS

64. Below is a brief description of the facts and exhibits for Case No. 24199.

65. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 320.00-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/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 302H and Ball State Com 502H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24199 is attached as **Exhibit B-17**.

66. Attached as **Exhibit B-17-a** are the C-102s for the wells proposed in Case No. 24199. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and WC-025 G-06 S183518A; Bone Spring (Pool Code 97930). The producing area for the wells will be orthodox.

67. Attached as **Exhibit B-17-b** is a lease tract map for Case No. 24199. This map shows the ownership breakdown and again confirms that FME3 has higher working interest ownership than MRC. FME3 has 50% working interest. MRC only has 25% working interest.

68. Attached as **Exhibit B-17-c** is an example proposal letter and the Authorizations for Expenditure (“AFEs”) for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

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

70. **Exhibit B-17-d** is a list of the parties to be pooled in Case 24199.

CASE NO. 24198 SPECIFIC TESTIMONY AND EXHIBITS

71. Below is a brief description of the facts and exhibits for Case No. 24198.

72. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 320.00-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/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 702H and Ball**

State Com 802H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24198 is attached as **Exhibit B-18**.

73. Attached as **Exhibit B-18-a** are the C-102s for the wells proposed in Case No. 24198. The wells will develop the Scharb; Wolfcamp Pool (Pool Code 55640). The producing area for the wells will be orthodox.

74. Attached as **Exhibit B-18-b** is a lease tract map for Case No. 24199. This map shows the ownership breakdown and again confirms that FME3 has higher working interest ownership than MRC. FME3 has 50% working interest. MRC only has 25% working interest.

75. Attached as **Exhibit B-18-c** is an example proposal letter and the Authorizations for Expenditure (“AFEs”) for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.

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

77. **Exhibit B-18-d** is a list of the parties to be pooled in Case 24198.

ADDITIONAL TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES

78. FME3 requests overhead and administrative rates of \$9,000/month during drilling and \$900/month while producing. 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 and consistent with the rates awarded by the Division in recent compulsory pooling orders. FME3 requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

79. FME3 requests the maximum cost plus 200% risk charge be assessed against non-consenting pooled working interest owners.

80. FME3 requests that it be designated operator of the wells.

81. FME3 requests that overriding royalty interest owners be pooled.

82. To the extent necessary, FME3 requests approval of overlapping spacing units.

83. I provided Modrall with the names and addresses of uncommitted interest owners and overriding royalty interests owners of record in the Ball units. I also provided information regarding operators or working interest owners in any of the in any of the spacing units the Ball applications will overlap.


84. Based upon my knowledge of the land matters involved in these cases, education and training, it is my expert opinion that FME3's development plan will protect correlative rights and prevent waste.

85. The attachments to my Declaration were prepared by me or compiled from company business records.

86. 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



Don Johnson



Location Map – Lea County, NM



 Ball Development Area

T18S-R35E

Section 20: All

Section 29: All

Containing 1280.00 Acres

E2: Uncontested

W2: Contested by MRC Permian





Comparison of Operator’s Development Plans – FME3 vs. MRC

| Factor | FME3 | MRC | Comments |
|--------------------------------|------|-----|---|
| Working Interest Control | ✓ | ✗ | <ul style="list-style-type: none"> FME3 has highest working interest. FME3 has leasehold and working interest ownership of 50% in the units compared to MRC’s 25%. |
| Risk | ✓ | ✗ | <ul style="list-style-type: none"> FME3’s plan is vetted, thorough, and proven. Based on seismic, other review. |
| Surface Factor | ✓ | ✗ | <ul style="list-style-type: none"> FME3’s development plan and demonstrated pace of development proves we plan to timely drill these assets. FME3 can develop the Ball development area with minimal surface impacts. FME3 has pooling hearings for the E2 of the Ball Unit and pooling orders under advisement in the Foxtail unit direction to the south. FME3 has permits necessary to commence drilling and third-party contracts in place demonstrating readiness. Ball State Com wells are on FME3’s plan to develop in 2024 to meet leasehold expirations. FME3 has ~77,000 acres under executed Surface Use Agreements in the area. |
| Prudent Operator/Prevent Waste | ✓ | ✗ | <ul style="list-style-type: none"> FME3 has existing operations in the area. FME3 has been active in this area since 2022 whereas MRC hasn’t been since 2019. FME3’s plan is part of a holistic development in this area, is efficient, thoughtful and reduces overall footprint and disturbance. |
| Infrastructure | ✓ | ✗ | <ul style="list-style-type: none"> FME3 is actively solving for gas and water constraints to support larger developments. FME3 is investing significant capital on infrastructure to ensure gas and water are on pipe. |
| Geologic/Reservoir Evidence | ✓ | ✗ | <ul style="list-style-type: none"> FME3’s (4)Third Bone Spring & Wolfcamp A wells will add reserves MRC’s development plan overlooks. FME3’s well placement and density is proven. |
| Cost Estimates | ✓ | ✗ | <ul style="list-style-type: none"> FME3’s cost estimates are lower than MRC’s. |





Ownership Comparison Table – Bone Spring & Wolfcamp Overview

| | Interest by Slot | |
|---------------------------------|------------------|------|
| | W2W2 | E2W2 |
| Franklin Mountain Energy 3, LLC | 50% | 50% |
| MRC Permian Company | 25% | 25% |

FME3 WI

| | | | |
|--|-----------|----|--|
| | | | |
| | | | |
| | FME3-0% | 20 | |
| | | | |
| | | | |
| | | | |
| | FME3-100% | 29 | |
| | | | |
| | | | |

MRC WI

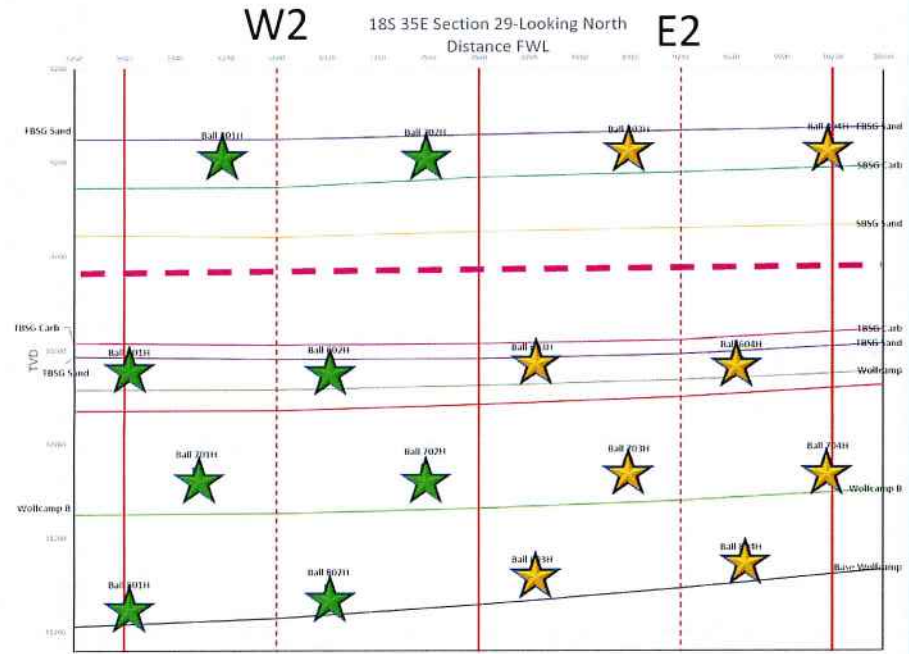
| | | | |
|--|---------|----|--|
| | | | |
| | | | |
| | MRC-50% | 20 | |
| | | | |
| | | | |
| | | | |
| | MRC-0% | 29 | |
| | | | |
| | | | |





Development Comparison: FME3's Development Plan Is Superior

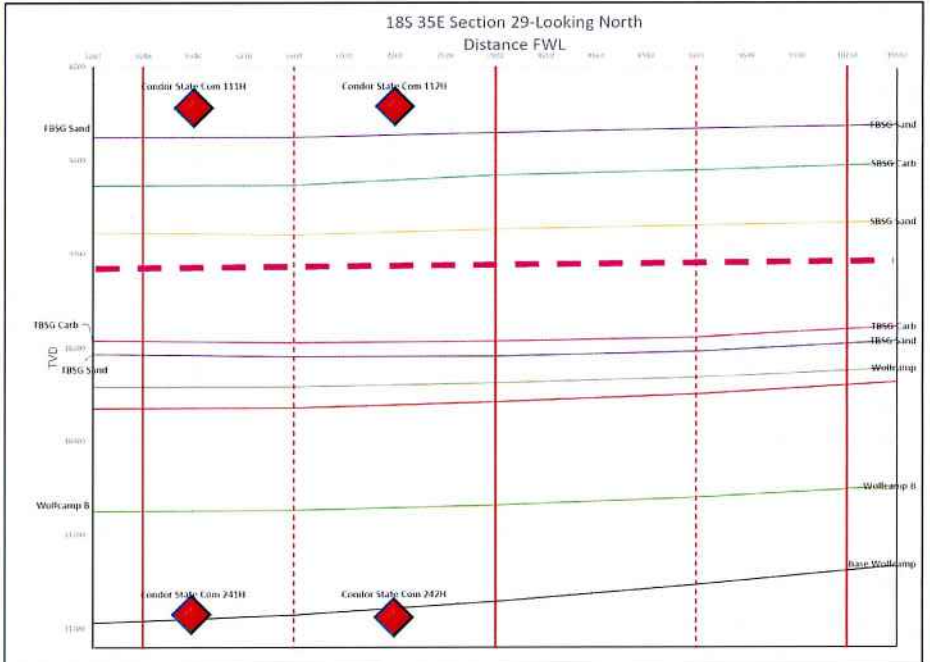
FME3 Ball Unit



★ Ball West- Well Proposals
 ★ Ball East- Well Proposals
 - - - Existing HZs

- Ball W2 is part of FME3's full development of proven geologic targets
- FME3 is targeting the 1st Bone Spring, 3rd Bone Spring, Wolfcamp A and Wolfcamp B formations

MRC Condor



◆ Well Proposals
 - - - Existing HZs

- MRC Permian not targeting 3rd Bone Spring
- MRC Permian is not targeting Wolfcamp A

tabbles

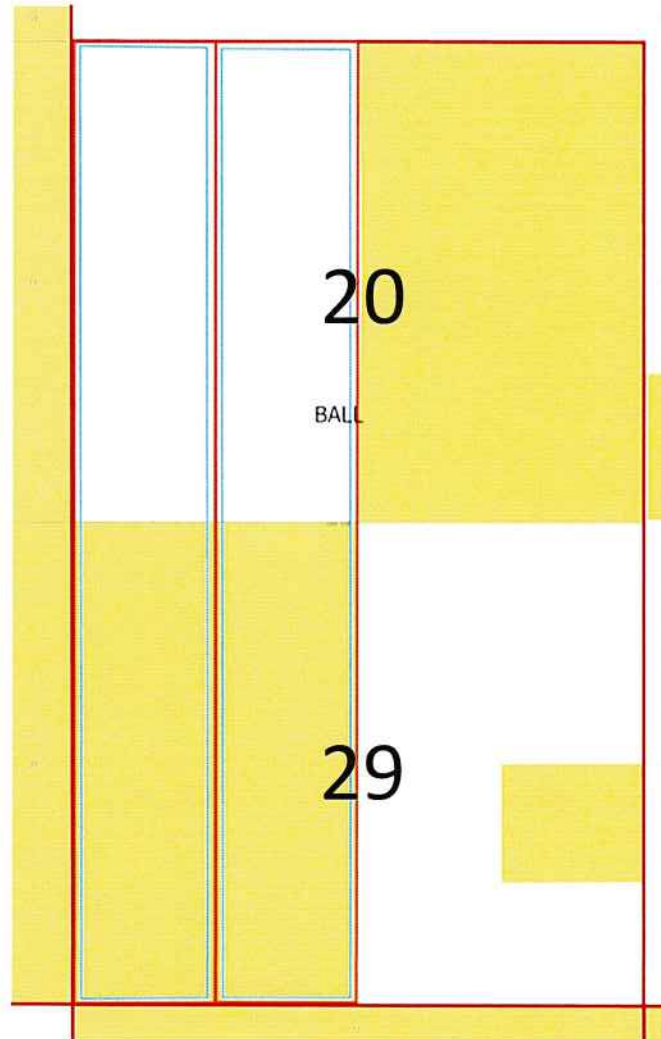
EXHIBIT
B.4



Ball State Com Unit Case Overview

T18S-R35E Sec. 20 & 29: W2 – 640.00 acres

- **Case No. 24205-** T18S-R35E Sec. 20 & 29: W2W2 320.00 acres
 - Bone Spring
 - Ball State Com 301H
 - Ball State Com 601H
- **Case No. 24206-** T18S-R35E Sec. 20 & 29: W2W2 320.00 acres
 - Wolfcamp
 - Ball State Com 701H
 - Ball State Com 801H
- **Case No. 24199-** T18S-R35E Sec. 20 & 29: E2W2 320.00 acres
 - Bone Spring
 - Ball State Com 302H
 - Ball State Com 602H
- **Case No. 24198-** T18S-R35E Sec. 20 & 29: E2W2 320.00 acres
 - Wolfcamp
 - Ball State Com 702H
 - Ball State Com 802H



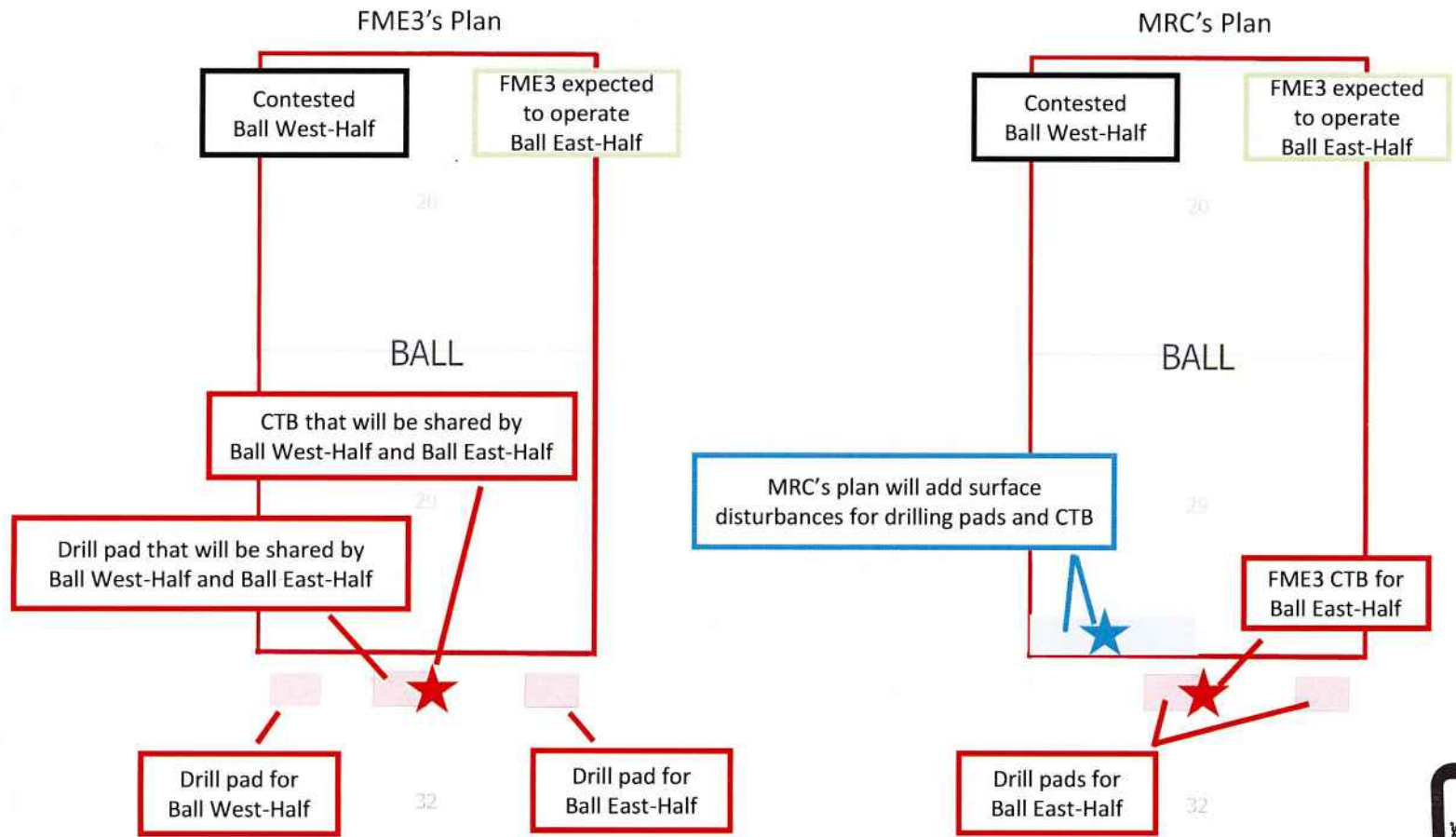
- FME3's Interest
- Bone Spring Spacing Units
- Wolfcamp Spacing Units





FME3's Development Plan Minimizes Surface Disturbances

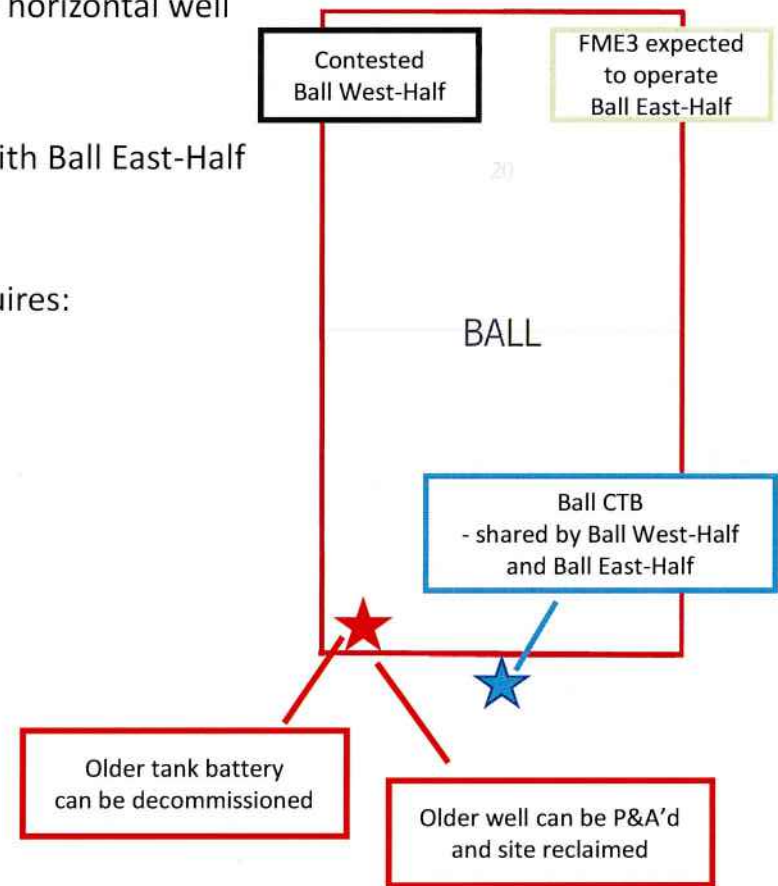
- FME3's plan reduces waste as the Ball West-Half development shares a CTB with the Ball East-Half development
- FME3's plan reduces waste as the Ball West-Half development shares a drill pad with the Ball East-Half development
- MRC's plan will result in waste
 - Additional surface disturbances will be required for drilling pads and CTB





FME3's Development Plan Cleans Up Asset and Reduces 3rd Party Surface Disturbances

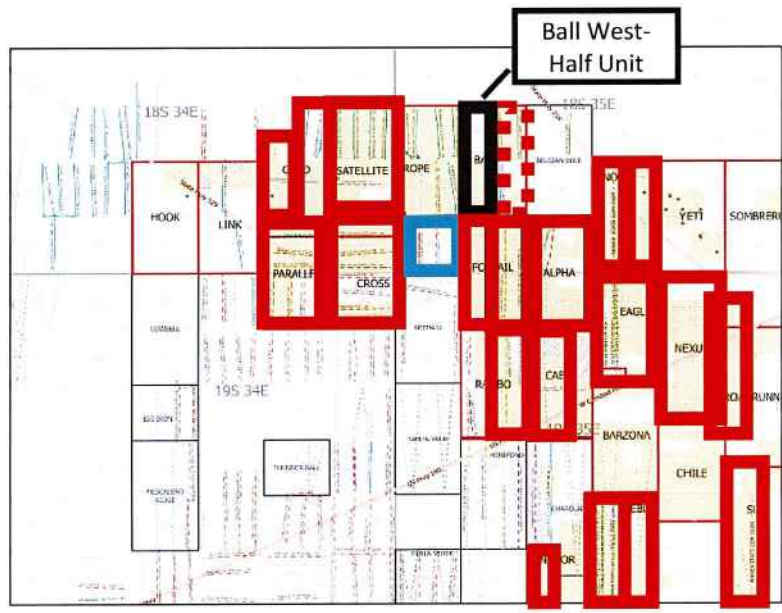
- FME3's development plan provides the ability to decommission an old tank battery
- FME3's development plan provides the ability to P&A an older horizontal well
 - Well pad can be fully reclaimed
- Consolidation of Ball West-Half production into the Ball CTB with Ball East-Half production creates a single point for 3rd Party connections
- When compared to MRC, on a per well basis, FME3's plan requires:
 - Less equipment by 3rd parties
 - Less pipeline infrastructure and disturbance by 3rd parties
 - Reduces 3rd party surface disturbances





FME3 Is Addressing Gas and Water Takeaway Constraints

- FME3 is investing significant capital into gas and water infrastructure to ensure pipeline solutions are in place
 - \$44mm of approved projects
 - 2024 budget of \$37mm
 - \$34mm invested to date, \$44mm by the end of 2024
 - FME3's consolidated position supports FME3's significant investment in infrastructure
- Existing infrastructure is not sized to support a 16-well horizontal project
 - Investments in pipelines are necessary
- 3rd party gas and water midstream companies are reluctant to spend the necessary capital
 - Operators need to be willing to help with the solution to foster development and prevent waste



= MRC Operated Project



= FME3 Operated Projects



= Unit expected to be taken under advisement in Aug 2024

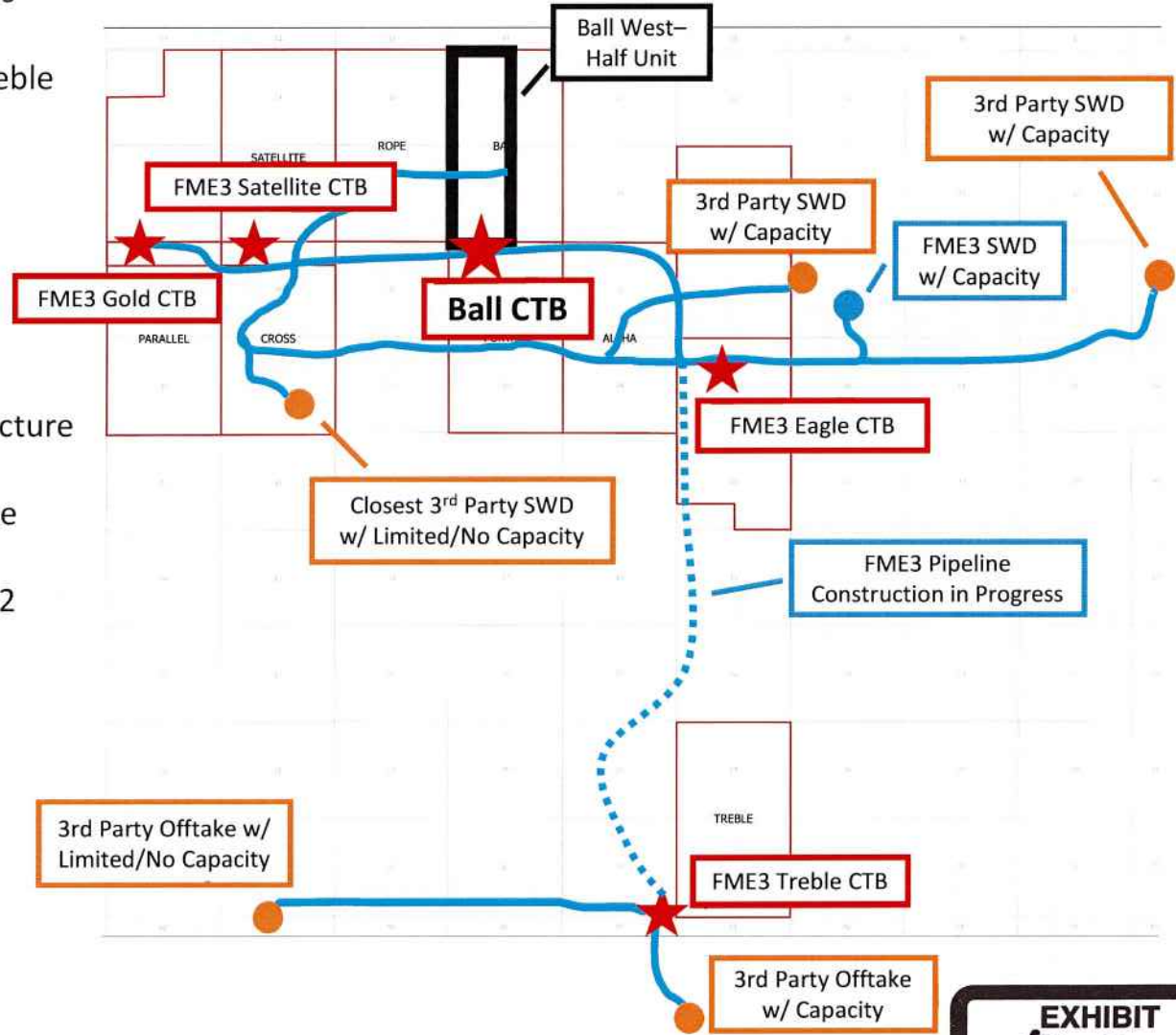




FME3 Is Investing \$24mm of Capital to Solve Water Takeaway Constraints

- Adequate water takeaway does not exist to support large horizontal projects
 - Closest 3rd Party SWD to project has limited to no capacity
 - FME3's recent projects at Eagle, Treble and Gold have pushed 3rd party capacities
- FME3 has existing company owned capacity and is investing to expand capacity
 - \$24mm of approved projects
 - ~17 miles of new pipeline infrastructure in-service over last 12 months
 - Remaining ~8 miles target in service late Q3 2024
 - FME3 has tied in 4 CTBs over last 12 months
- FME3 disposal access will include:
 - FME3 owned SWD
 - Firm takeaway contracts
 - Interruptible takeaway contracts

— Solid Line = In-Service FME3 pipelines
 - - - Dashed Line = FME3 pipelines in progress



FME3 Is Investing \$20mm of Capital to Solve Gas Takeaway Constraints



- Adequate gas takeaway does not exist to support large horizontal projects
 - FME3’s recent projects at Eagle, Treble and Gold have maxed out 3rd party capacities
 - Existing capacity is for sweet gas (no hydrogen sulfide, h2s)
 - Shallower 1BS/2BS zones expected to have h2s
- FME3 is investing in gathering gas to a single point
 - Increases appeal for 3rd party midstream companies
 - Allows multiple 3rd parties to connect, increasing flow assurance to prevent waste
 - \$20mm of approved projects
 - ~8 miles of new pipeline infrastructure and two H2S central treatment points in-service over last 12 months
 - Remaining ~8 miles target in service late Q3 2024
- 3rd Party Investment is required – Northwind is a new build
 - FME3 is anchor customer for this area
 - Northwind’s initial build stopped ~8 miles to South
 - FME3 signed an acreage dedication to facilitate build
 - Northwind will gather h2s gas
- FME3 gas takeaway will include:
 - Firm Northwind offload with 100% capacity for FME3 forecasted volumes
 - Interruptible offloads
 - Potential for other options for flow assurance

— Solid Line = In-Service FME3 pipelines
 - - - Dashed Line = FME3 pipelines in progress

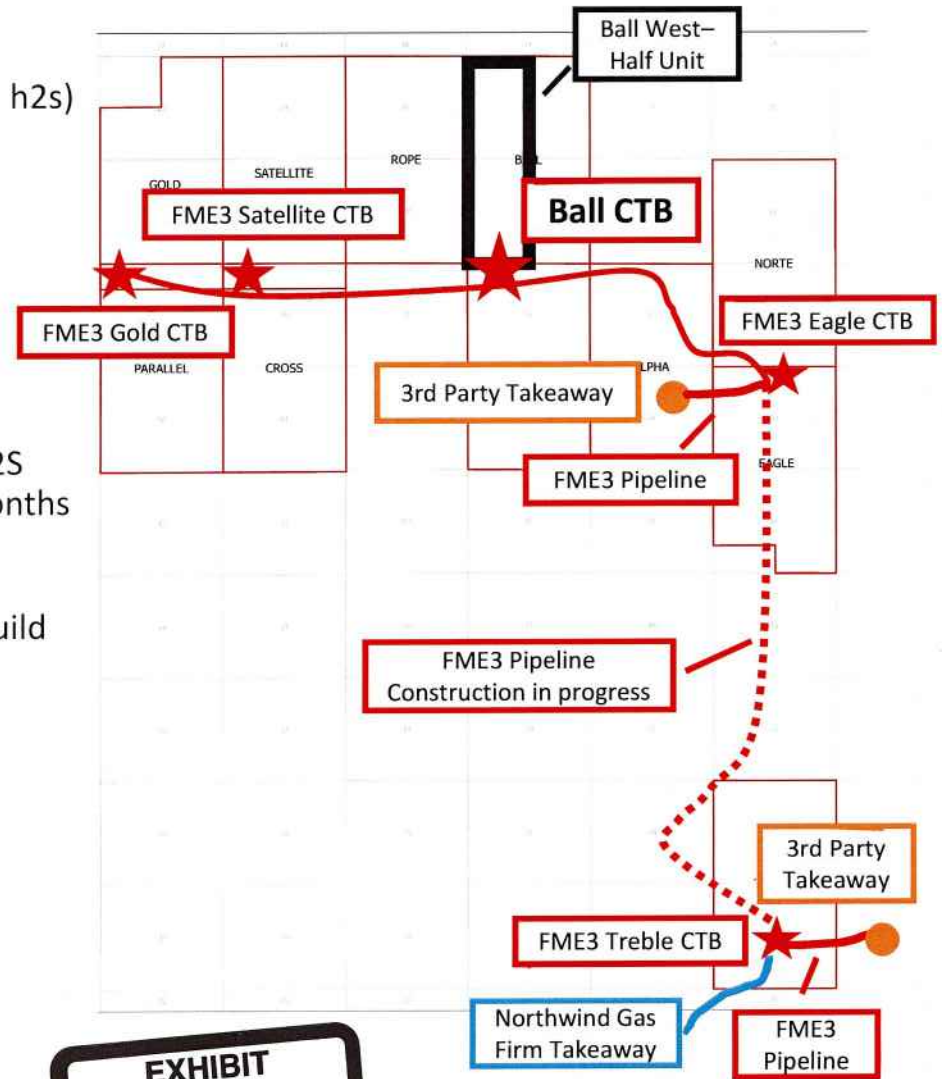
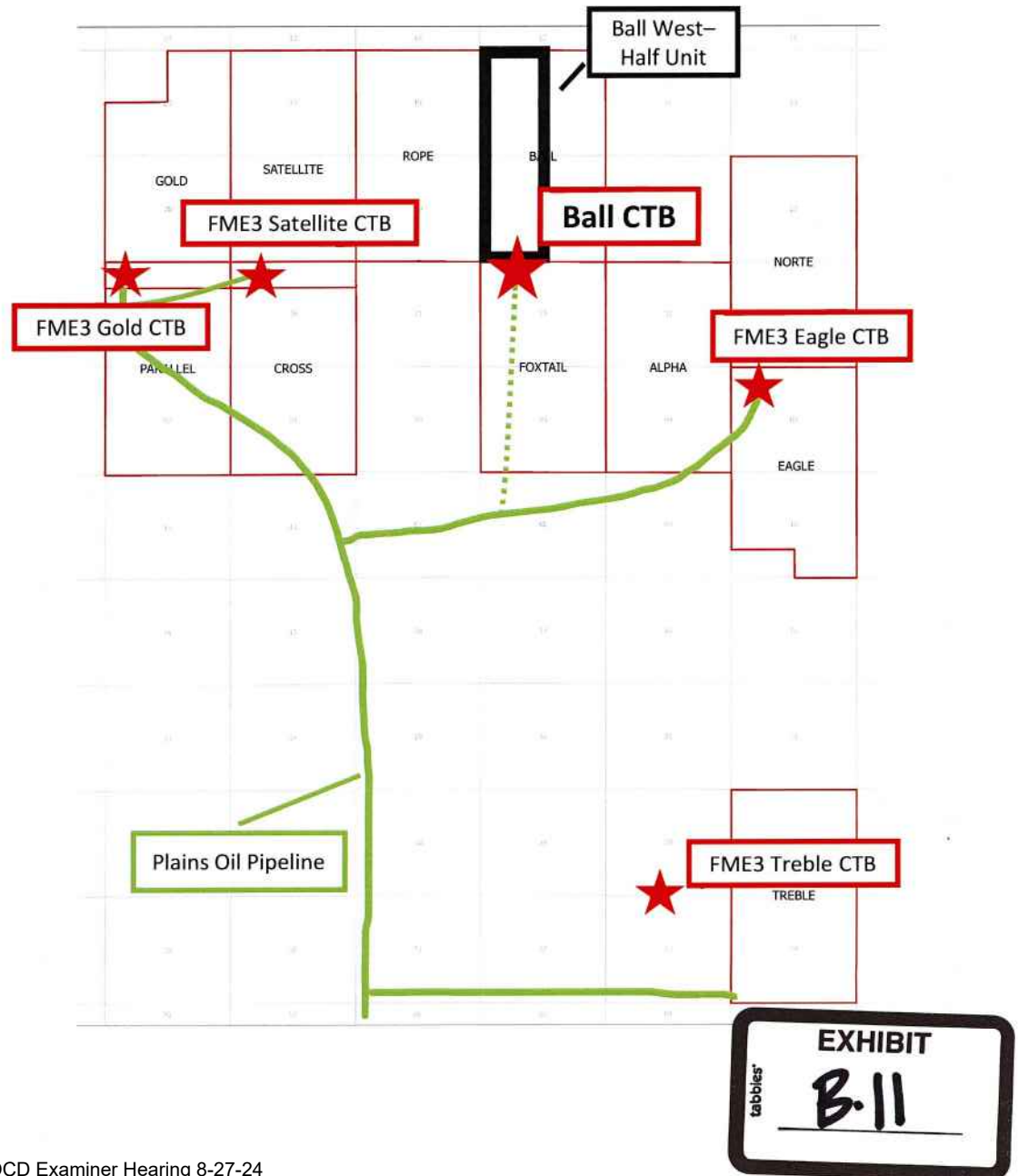


EXHIBIT
B.10



FME3 Has a Reliable Oil Pipeline Solution in Place

- FME3 strives to get all production on pipeline to reduce truck traffic and associated waste
- FME3 signed an acreage dedication with Plains to ensure oil pipeline takeaway would be in place day 1 for new developments
- Plains oil pipeline is ~2 miles for Ball CTB





FME3 Is All Systems Go

- FME3 is active in the of Ball Development Area
 - FME3 has turned on production 18 wells between October 2023 and June 2024
 - FME3 has 2 drilling rigs on the Alpha (6) well project as of August 2024
 - FME3 will start completions on the Satellite (9) well project October 2024
- **MRC's last well drilled and completed was 2019 (Airstrip)**



| Operator | Unit | Horizontal | | |
|--------------|--------------|------------|-----------|----------|
| | | Producers | Permits | DUCs |
| FME3 | Satellite | - | 6 | 9 |
| FME3 | Cross | - | 16 | - |
| FME3 | Rope | - | 16 | - |
| FME3 | Foxtail | 2 | 14 | - |
| FME3 | Alpha | 1 | 13 | - |
| Total | | 3 | 65 | 9 |
| Mewbourne | Belgian Blue | 2 | - | 2 |
| MRC | Airstrip | 9 | - | - |

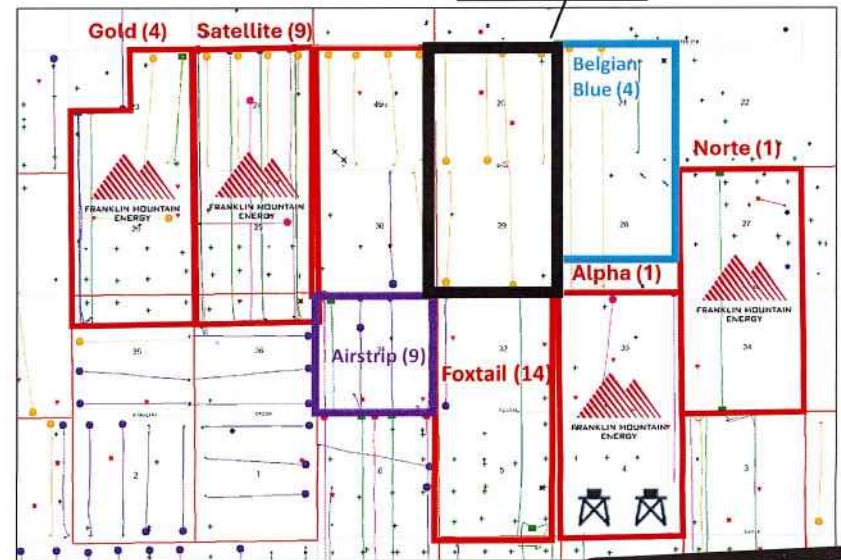
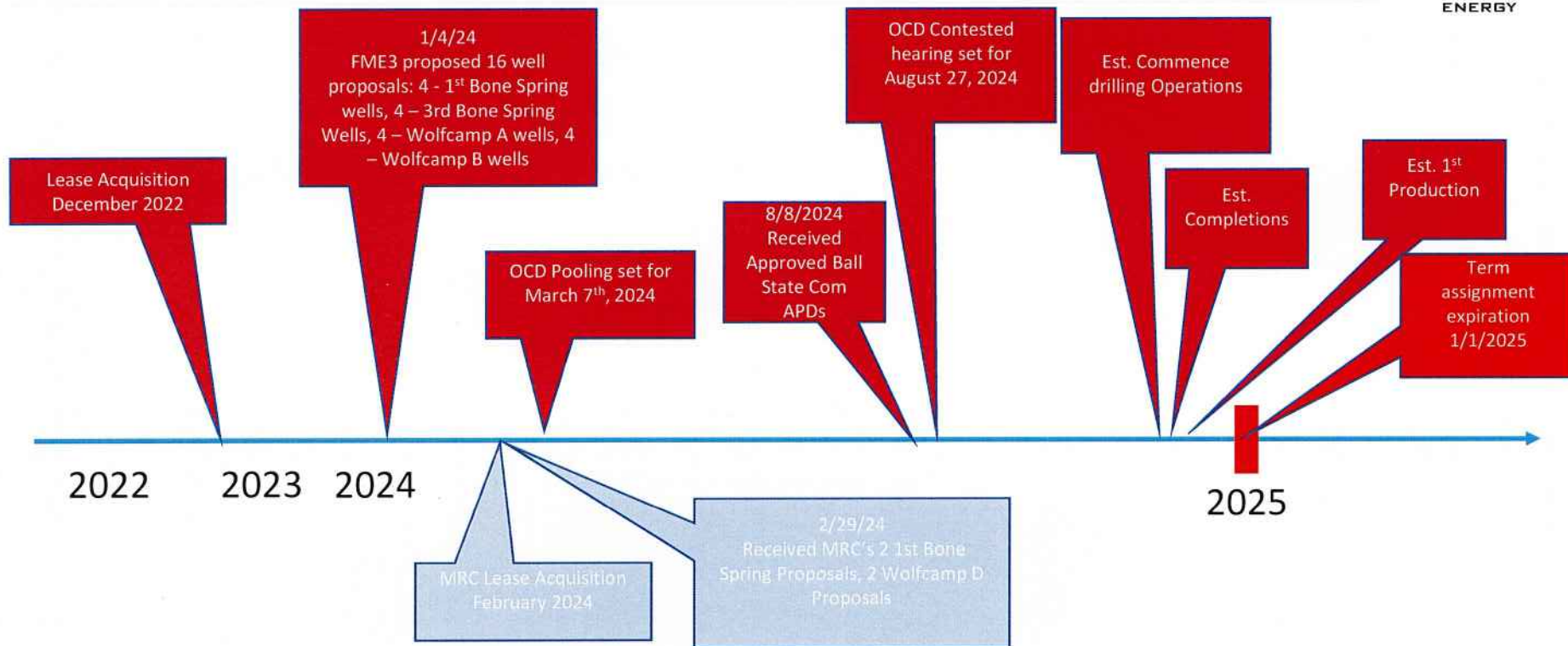


EXHIBIT
B.12



FME3's Timeline of Ball Development



- FME3's timeline from lease acquisitions, to initiated development plans, to commencing drilling operations, to 1st production in the Ball State Unit is estimated at ~24 months
- December 2022: Closes on its initial transactions in Northern Lea County, establishing its position in the Ball Development Area
- January 2024: FME3 sends out 16 Ball well proposals
- January 2024: FME3 acquires additional interest in Ball Unit through a major acquisition
- February 2024: MRC Acquires interest in Ball
- February 2024: FME3 Receives 4 MRC well proposals
- August 2024: Contested Hearing
- December 2024: FME3 estimates to commence drilling operations
- January 1st, 2025: FME3 has an assignment expiration





Summary of Communication

| Date | Owner | Exchange |
|-----------|--|--|
| 1/9/2024 | MRC Permian Company (Formerly owned by COG Operating) | Well proposals received |
| 1/16/2024 | Marathon Oil Permian LLC | Well proposals received, Reached out to MRO on 2/29/2024 to make sure they received elections. They were received on 1/16/2024, but not internally processed until I reached out. Withdrew objections in E2 of Ball. |
| 1/27/2024 | Hanley Petroleum, Inc. | Well proposals received, have had multiple email exchanges. Most current email 8/14/2024 stating they are still reviewing AFEs and JOA and will process after hearing. |
| 1/27/2024 | Hanley Petroleum LLC | Well proposals received, have had multiple email exchanges. Most current email 8/14/2024 stating they are still reviewing AFEs and JOA and will process after hearing. |
| 1/27/2024 | LHAH Properties LLC | Well proposals received, have had multiple email exchanges. Most current email 8/14/2024 stating they are still reviewing AFEs and JOA and will process after hearing. |
| 1/8/2024 | H6 Holdings LLC | Well proposals received, received email inquiring about working interest |
| 1/8/2024 | TBO Oil & Gas, LLC | Well proposals received, reviewing JOA |



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. 24205

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Sections 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 301H** and **Ball State Com 601H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- b. A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).

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 W/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. 24205 : **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 W/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 301H** and **Ball State Com 601H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).

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.

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 97930 | | 3 Pool Name WC-025 G-06 S183518A; BONE SPRING | |
| 4 Property Code | | | 5 Property Name BALL STATE COM | | |
| 6 Well Number 301H | | | 7 OGRID No. 331595 | | |
| 8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | | | 9 Elevation 3934.5' | | |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 32 | 18S | 35E | | 821 | NORTH | 386 | WEST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 20 | 18S | 35E | | 100 | NORTH | 965 | WEST | LEA |

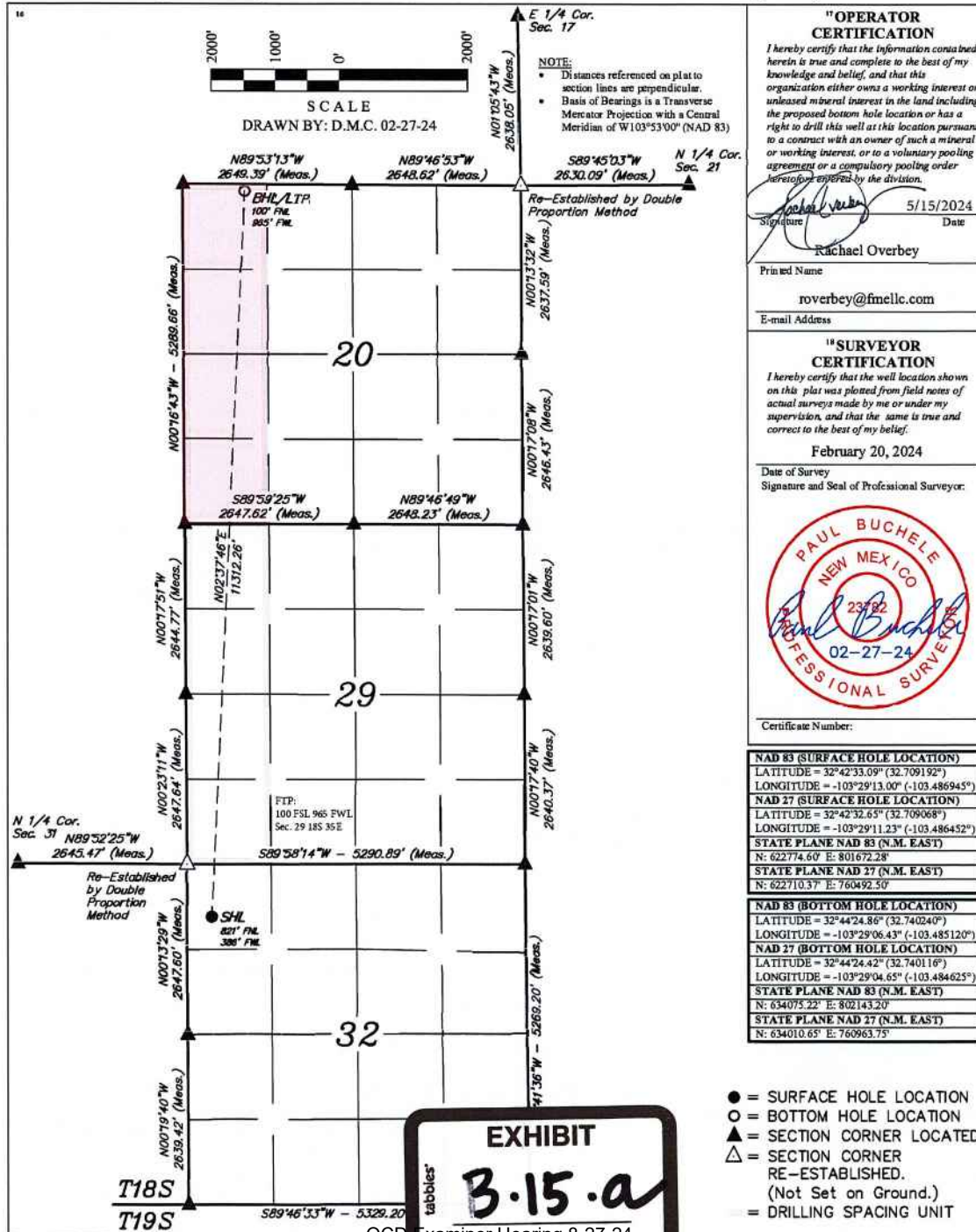
12 Dedicated Acres
160

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.



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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|---|---|
| ¹ API Number | ² Pool Code 960 | ³ Pool Name AIRSTRIP, BONE SPRING |
| ⁴ Property Code | ⁵ Property Name BALL STATE COM | ⁶ Well Number 301H |
| ⁷ OGRID No. 331595 | ⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | ⁹ Elevation 3934.5' |

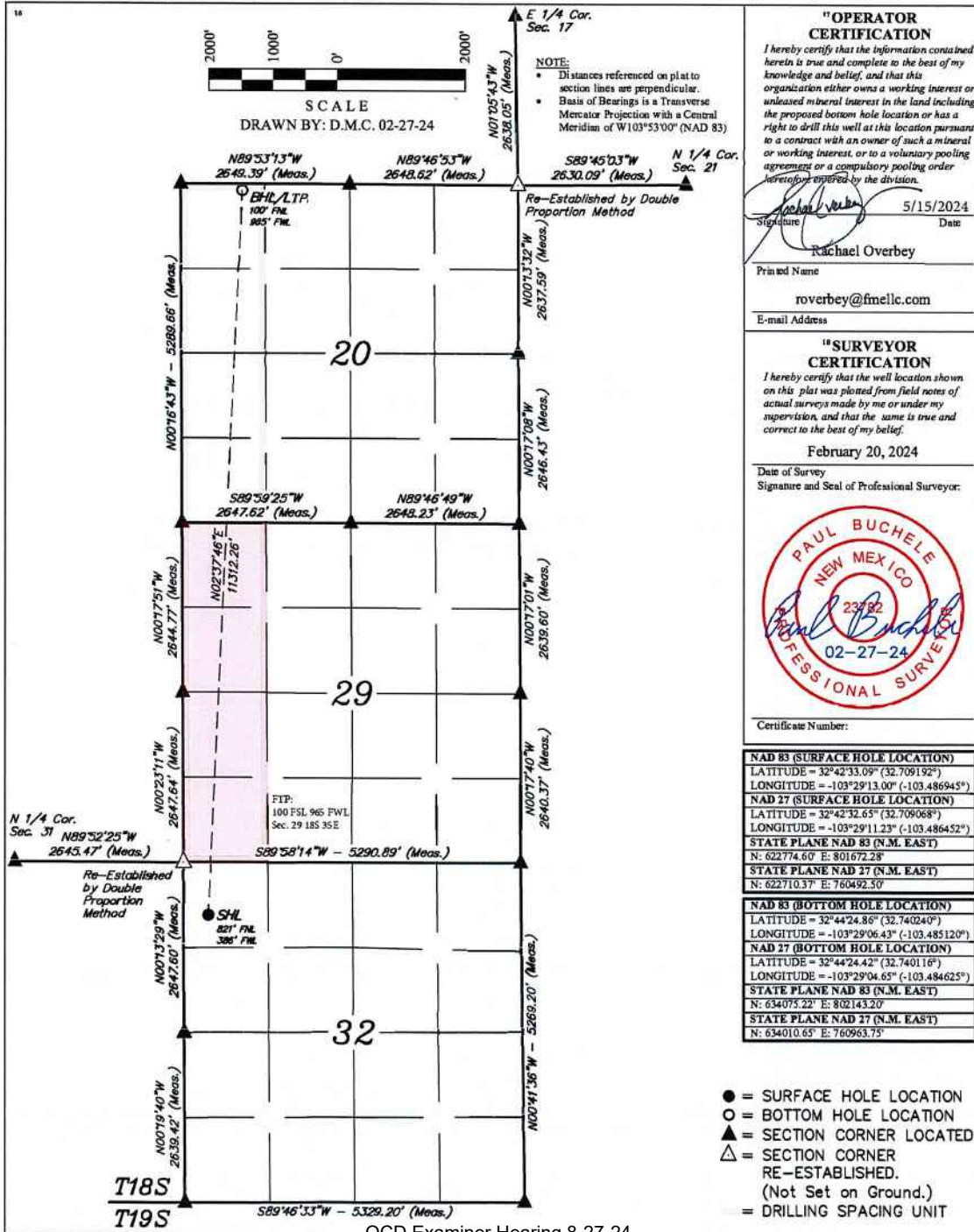
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 32 | 18S | 35E | | 821 | NORTH | 386 | WEST | 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 |
|--------------------------------------|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
| D | 20 | 18S | 35E | | 100 | NORTH | 965 | WEST | LEA |
| ¹² Dedicated Acres 160 | | 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.



OCD Examiner Hearing 8-27-24

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WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------------|--|--|--|--|--|
| 1 API Number | | 2 Pool Code 97930 | | 3 Pool Name WC-025 G-06 S183518A; BONE SPRING | |
| 4 Property Code | | 5 Property Name BALL STATE COM | | 6 Well Number 601H | |
| 7 OGRID No. 331595 | | 8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | | 9 Elevation 3934.7' | |

10 Surface Location

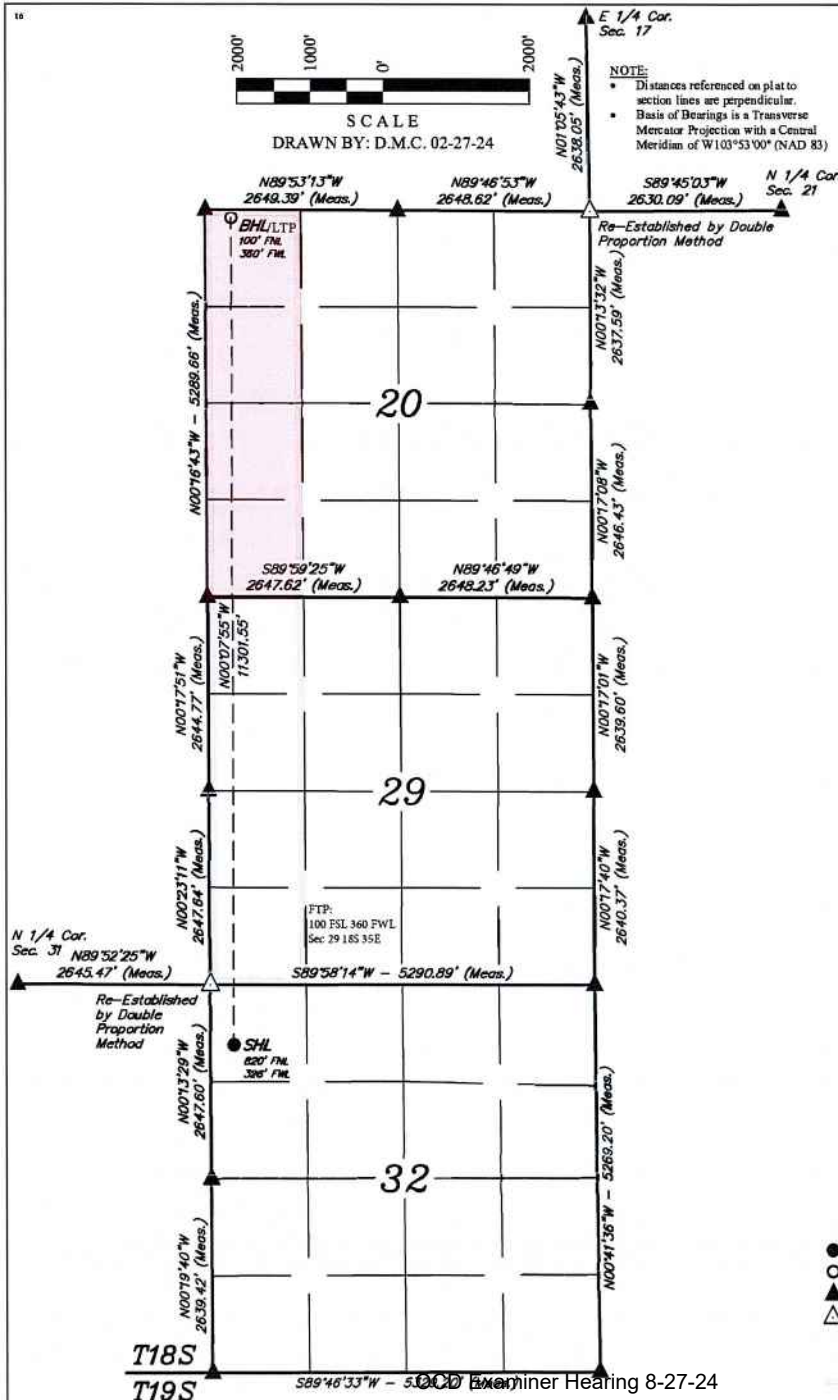
| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. D | Section 32 | Township 18S | Range 35E | Lot Idn | Feet from the 820 | North/South line NORTH | Feet from the 326 | East/West line WEST | County LEA |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|

11 Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. D | Section 20 | Township 18S | Range 35E | Lot Idn | Feet from the 100 | North/South line NORTH | Feet from the 360 | East/West line WEST | County LEA |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|

| | | | |
|---------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres 160 | 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: 5/15/2024
Printed Name: Rachael Overbey
E-mail Address: roverbey@fmellc.com

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.
Date of Survey: February 20, 2024
Signature and Seal of Professional Surveyor:
[Seal of Paul Buchele, Professional Surveyor, New Mexico, No. 23782, 02-27-24]

Certificate Number:

| | |
|---|--|
| NAD 83 (SURFACE HOLE LOCATION) | |
| LATITUDE = 32°42'33.09" (32.709193°) | |
| LONGITUDE = -103°29'13.70" (-103.487140°) | |
| NAD 27 (SURFACE HOLE LOCATION) | |
| LATITUDE = 32°42'32.65" (32.709069°) | |
| LONGITUDE = -103°29'11.93" (-103.486647°) | |
| STATE PLANE NAD 83 (N.M. EAST) | |
| N: 622774.37' E: 801612.29' | |
| STATE PLANE NAD 27 (N.M. EAST) | |
| N: 622710.14' E: 760432.51' | |
| NAD 83 (BOTTOM HOLE LOCATION) | |
| LATITUDE = 32°44'24.90" (32.740250°) | |
| LONGITUDE = -103°29'13.51" (-103.487087°) | |
| NAD 27 (BOTTOM HOLE LOCATION) | |
| LATITUDE = 32°44'24.45" (32.740126°) | |
| LONGITUDE = -103°29'11.73" (-103.486593°) | |
| STATE PLANE NAD 83 (N.M. EAST) | |
| N: 634073.84' E: 801538.28' | |
| STATE PLANE NAD 27 (N.M. EAST) | |
| N: 634009.25' E: 760358.84' | |

- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)
- = DRILLING SPACING UNIT

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------------|--|--|--|--------------------------------------|--|
| 1 API Number | | 2 Pool Code 960 | | 3 Pool Name AIRSTRIP; BONE SPRING | |
| 4 Property Code | | 5 Property Name BALL STATE COM | | 6 Well Number 601H | |
| 7 OGRID No. 331595 | | 8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | | 9 Elevation 3934.7' | |

10 Surface Location

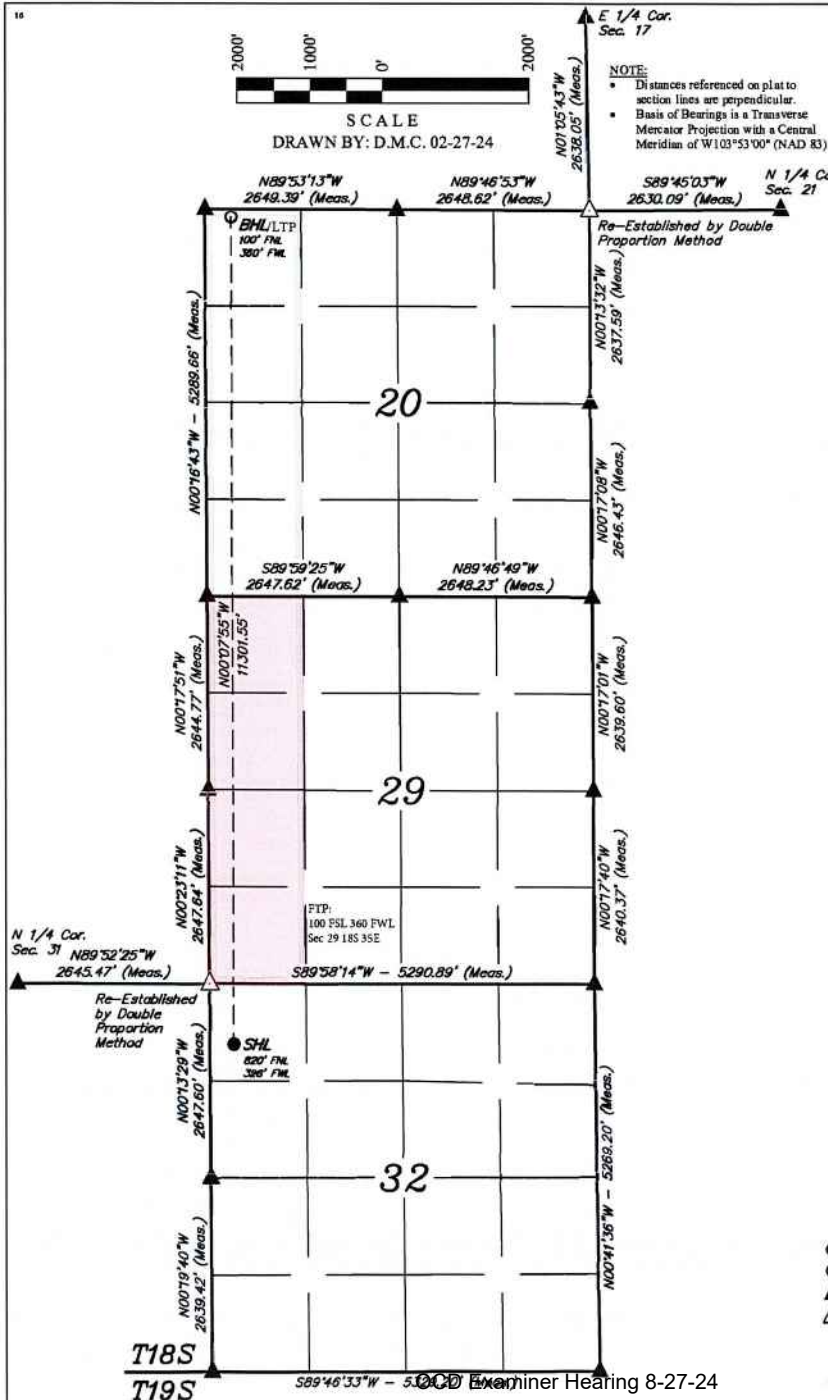
| | | | | | | | | | |
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|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
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|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|

| | | | |
|---------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres 160 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|---------------------------|--------------------|-----------------------|--------------|

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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: 5/15/2024
Printed Name: Rachael Overbey
E-mail Address: roverbey@fmellc.com

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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.
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Signature and Seal of Professional Surveyor:
[Seal of Paul Buchele, Professional Surveyor, New Mexico, No. 23782, 02-27-24]

Certificate Number:

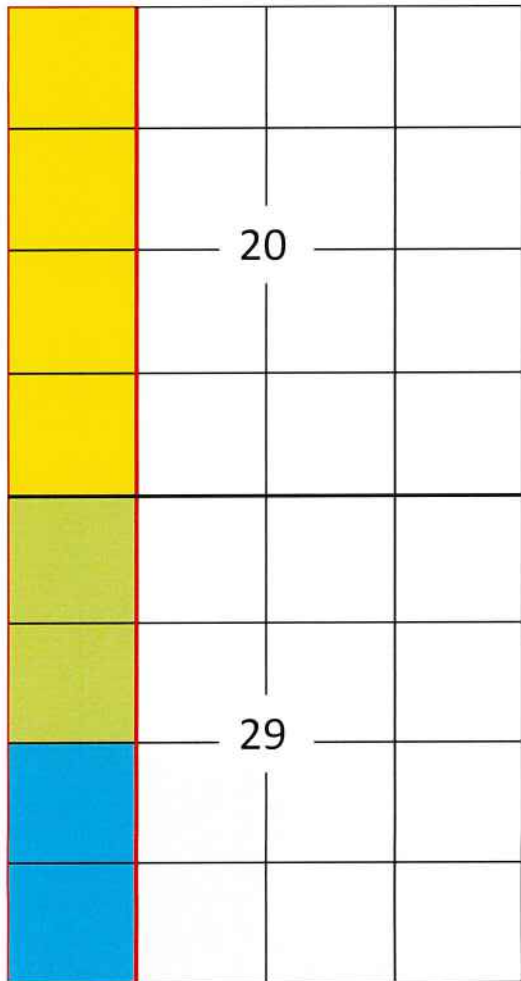
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| STATE PLANE NAD 83 (N.M. EAST) | |
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- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)
- = DRILLING SPACING UNIT



Case No. 24205 Unit Summary

Case No. 24205
 W2W2 of Sec 20 & 29- T18S-R35E
 Ball State Com 301H
 Ball State Com 601H



- Proposed Bone Spring Unit
- Tract 1 (160.00 Acres)
- Tract 2 (80.00 Acres)
- Tract 3 (80.00 Acres)

| Tract | Lease | % |
|-------|---------|----------|
| 1 | VB-1381 | 50.0000% |
| 2 | A0-4096 | 25.0000% |
| 3 | VB-1878 | 25.0000% |

| Committed Working Interest | |
|---------------------------------|--------------------|
| Franklin Mountain Energy 3, LLC | 50.000000% |
| | |
| | |
| Uncommitted Working Interest | |
| COG Operating LLC | 25.000000% |
| Marathon Oil Permian LLC | 18.750000% |
| Hanley Petroleum, Inc. | 4.937500% |
| LHAH Properties LLC | 0.625000% |
| H6 Holdings LLC | 0.312500% |
| Hanley Petroleum LLC | 0.312500% |
| TBO Oil & Gas, LLC | 0.062500% |
| | |
| | |
| Total: | 100.000000% |





Sent via USPS: 9405536105536070211357

January 4, 2024

Marathon Oil Permian, LLC
 990 Town and County Blvd
 Houston, TX 77024
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**
 Township 18 South, Range 35 East
 Section 20: W2W2
 Section 29: W2W2
 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 301H | 1BS | 8,888' | 21,388' | Sec 32-T18S-R35E 575 FNL 330 FWL | Sec 20-T18S-R35E 100 FNL 965 FWL | \$11,183,950.44 | N/A |
| Ball State Com 601H | 3BS | 10,065' | 20,065' | Sec 32-T18S-R35E 575 FNL 270 FWL | Sec 20-T18S-R35E 100 FNL 360 FWL | \$11,797,546.84 | N/A |
| Ball State Com 701H | WCA | 10,539' | 20,539' | Sec 32-T18S-R35E 575 FNL 360 FWL | Sec 20-T18S-R35E 100 FNL 800 FWL | \$11,797,546.84 | N/A |
| Ball State Com 801H | WCB | 11,132' | 21,132' | Sec 32-T18S-R35E 575 FNL 300 FWL | Sec 20-T18S-R35E 100 FNL 360 FWL | \$12,164,281.44 | N/A |



44 Cook Street | Suite 1000 | Denver, CO 80202

OCD Examiner Hearing 8-27-24
 No. 24205, 24206, 24199, 24198



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

44 Cook Street | Suite 1500 | Denver, CO 80202

OCD Examiner Hearing 8-27-24
No. 24205, 24206, 24199, 24198



Ball State Com 301H:

_____ I/We hereby elect to participate in the **Ball State Com 301H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 301H** well.

Ball State Com 601H:

_____ I/We hereby elect to participate in the **Ball State Com 601H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 601H** well.

Ball State Com 701H:

_____ I/We hereby elect to participate in the **Ball State Com 701H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 701H** well.

Ball State Com 801H:

_____ I/We hereby elect to participate in the **Ball State Com 701H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 701H** well.

Owner: Marathon Oil Permian, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____



Franklin Mountain Energy 3, LLC
 44 Cook Street, Suite 1000
 Denver, CO 80202
 Phone: 720-414-7868
 franklinmountainenergy.com

Well Name: Bull State Com 30111
Location: SHL Sec 32-T18S-R35E 575 FNL 330 FWL
 BHL Sec 20-T18S-R35E 100 FNL 965 FWL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' HBS well
 TVD 8,888', MD 21,381'

Well #: 30111
County/State: Lea Co., NM
Date Prepared: 10/25/2023
AFE #: DCE231026

| Intangible Drilling Costs | | | Amount |
|---|-----|-------------------------------|--------------------|
| 225 | 5 | ADMINISTRATIVE OVERHEAD | \$4,000 |
| 225 | 10 | CASING CRWF & EQPT | \$80,000 |
| 225 | 15 | CEMENTING INTERMEDIATE CASING | \$50,000 |
| 225 | 16 | CEMENTING PRODUCTION CASING | \$150,000 |
| 225 | 20 | CEMENTING SURFACE CASING | \$30,000 |
| 225 | 25 | COMMUNICATIONS | \$40,000 |
| 225 | 30 | COMPLETION FLUIDS | \$6,000 |
| 225 | 34 | CONSTRUCTION/LOCATION & ROAD | \$45,000 |
| 225 | 40 | CONTRACT LABOR | \$30,000 |
| 225 | 45 | DAMAGES | \$15,000 |
| 225 | 50 | DAYWORK CONTRACT | \$653,000 |
| 225 | 53 | DRILLING - DIRECTIONAL | \$300,000 |
| 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 | \$230,000 |
| 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 HAULLING | \$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 | \$165,506 |
| 225 | 33 | CONTINGENCY COSTS 5% | \$150,460 |
| Total Intangible Drilling Costs: | | | \$3,325,166 |

| Tangible Drilling Costs | | | Amount |
|---------------------------------------|----|-----------------------------------|--------------------|
| 230 | 10 | INTERMEDIATE CASING & ATTACHMENTS | \$380,000 |
| 230 | 20 | PACKERS/SLEEVES/PLUGS | \$66,000 |
| 230 | 25 | PRODUCTION CASING & ATTACHMENTS | \$699,177 |
| 230 | 35 | SURFACE CASING & ATTACHMENTS | \$169,730 |
| 230 | 45 | WELLHEAD EQUIPMENT/CASING BOWL | \$70,000 |
| 230 | 40 | TAXES | \$76,170 |
| Total Tangible Drilling Costs: | | | \$1,461,087 |

| Tangible Facility Costs | | | Amount |
|---------------------------------------|-----|---------------------------------------|------------------|
| 270 | 10 | FACILITY PIPE/VALVES/FITTINGS | \$137,000 |
| 270 | 15 | CONTAMINANT | \$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 | \$117,400 |
| 270 | 132 | ELEC BATTERY BUILD | \$57,000 |
| 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: | | | \$783,634 |

| Intangible Completion Costs | | | Amount |
|---|-----|------------------------------|--------------------|
| 240 | 5 | ADMINISTRATIVE OVERHEAD | \$10,500 |
| 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/CLANUP | \$0 |
| 240 | 70 | FISHING TOOLS / SERVICES | \$0 |
| 240 | 71 | FLUIDS/HAULLING/DISPOSAL | \$110,000 |
| 240 | 72 | FRAC WATER/COMPLETION FLUID | \$544,000 |
| 240 | 75 | FUEL, POWER/DIESEL | \$495,500 |
| 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 COSTS | \$0 |
| 240 | 115 | PERFORATING/WIRELINE SERVICE | \$262,000 |
| 240 | 120 | PIPE INSPECTION | \$0 |
| 240 | 125 | ROAD, LOCATIONS REPAIRS | \$11,000 |
| 240 | 130 | STIMULATION | \$2,365,000 |
| 240 | 135 | SUBSURFACE EQUIPMENT 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% | \$281,200 |
| Total Intangible Completion Costs: | | | \$4,369,230 |

| Tangible Completion Costs | | | 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 | WELL HEAD EQUIPMENT | \$142,700 |
| 245 | 70 | TAXES | \$30,200 |
| Total Tangible Completion Costs: | | | \$561,900 |

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

Office Use Only:

| | |
|----------------------|----------------|
| Total Drill: | \$4,786,253.43 |
| Total Completion: | \$5,531,278.50 |
| Total Facility: | \$866,418.30 |
| Total DC Intangible: | \$8,294,446.00 |
| Total DC Tangible: | \$2,023,085.94 |

Total AFE: \$11,183,950.44

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

Operator: Franklin Mountain Energy 3, LLC
 Approved By: Date: 10/25/2023
 Chief Executive Officer

WT Owner: _____
 Approved By: _____ Date: _____
 Printed Name: _____ Title: _____

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



Franklin Mountain Energy 3, LLC
44 Cook Street, Suite 1000
Denver, CO 80202
Phone: 720-414-7868
franklinmountainenergy.com

Well Name: Bull State Com 6011
Location: SHL Sec 32-T18S-R35E 575 FNL 270 FWL
BHL Sec 20-T18S-R35E 100 FNL 160 FWL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' JBS well
TVD 10,065' MD 20,065'

Well #: 6011
Country/State: Lea Co., NM
Date Prepared: 1/2/2024
AFF #: DCE240103

Intangible Drilling Costs

Table with columns: Major, Minor, Description, Amount. Lists various drilling-related expenses such as Administrative Overhead, casing, cementing, and equipment rental.

Intangible Completion Costs

Table with columns: Major, Minor, Description, Amount. Lists completion-related expenses such as Administrative Overhead, casing logs, and completion fluids.

Tangible Drilling Costs

Table with columns: Major, Minor, Description, Amount. Lists tangible drilling expenses such as intermediate casing, packers, and surface casing.

Tangible Completion Costs

Table with columns: Major, Minor, Description, Amount. Lists tangible completion expenses such as artificial lift, flowlines, and production tubing.

Tangible Facility Costs

Table with columns: Major, Minor, Description, Amount. Lists tangible facility expenses such as facility pipe, containment, and primary power materials.

Intangible Facility Costs

Table with columns: Major, Minor, Description, Amount. Lists intangible facility expenses such as consulting, company direct labor, and damages.

Office Use Only:

Table for Office Use Only costs, currently empty.

Summary table with rows: Total Dril, Total Completion, Total Facility, Total DC Intangible, Total DC Tangible, Total AFF. Values range from \$4,792,999.64 to \$11,797,546.64.

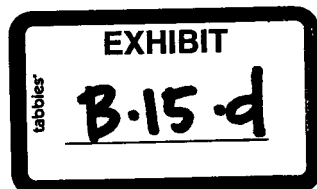
THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: Franklin Mountain Energy 3, LLC
Approved By: [Signature] Date: 1/2/2024
Chief Executive Officer
WI Owner:
Approved By:
Printed Name:
Title:

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

Ball W2W2 Pooled Party List

| | |
|--|---------|
| COG Operating, LLC | WI |
| Marathon Oil Permian, LLC | WI/ORRI |
| Hanley Petroleum, LLC | WI |
| Hanley Petroleum, Inc. | WI |
| LHAH Properties, LLC | WI |
| H6 Holdings, LLC | WI |
| TBO Oil & Gas, LLC | WI |
| Mavros Oil Company | WI |
| Zunis Energy, LLC | ORRI |
| Blue Ox Partners LLC | ORRI |
| Luckaloy Limited Company | ORRI |
| Oak Valley Mineral and Land, LP | ORRI |
| Good News Minerals, LLC | ORRI |
| William J. McCaw | ORRI |
| Crown Oil Partners, LP | ORRI |
| Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts | ORRI |
| Post Oak Crown IV-B, LLC | ORRI |
| Post Oak Crown IV, LLC | ORRI |
| Collins & Jones Investments, LLC | ORRI |
| Post Oak Mavros II, LLC | ORRI |
| LMC Energy LLC | ORRI |
| H. Jason Wacker | ORRI |
| David W. Cromwell | ORRI |
| Sortida Resources, LLC | ORRI |
| Mike Moylett | ORRI |
| Kaleb Smith | ORRI |
| Deane Durham | ORRI |



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. 24206

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 W/2 of Sections 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 701H** and **Ball State Com 801H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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 W/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. 24206 : **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 W/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 701H** and **Ball State Com 801H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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.

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

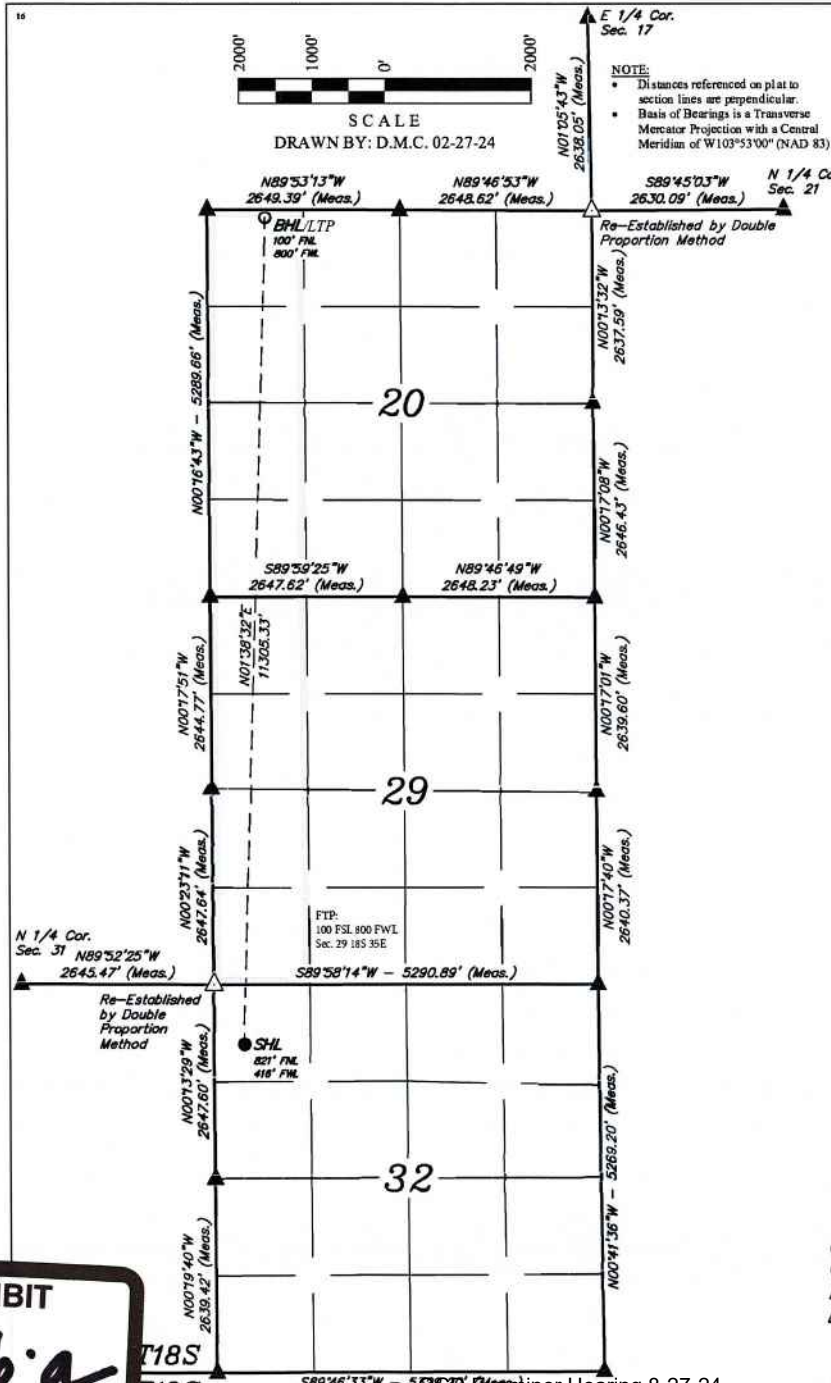
WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|---|--|
| ¹ API Number | ² Pool Code 55640 | ³ Pool Name SCHARB; WOLFCAMP |
| ⁴ Property Code | ⁵ Property Name BALL STATE COM | ⁶ Well Number 701H |
| ⁷ OGRID No. 331595 | ⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | ⁹ Elevation 3934.2' |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. D | Section 32 | Township 18S | Range 35E | Lot Idn | Feet from the 821 | North/South line NORTH | Feet from the 416 | East/West line WEST | County LEA |

| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|-------------------------------|----------------------------------|-------------------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. D | Section 20 | Township 18S | Range 35E | Lot Idn | Feet from the 100 | North/South line NORTH | Feet from the 800 | East/West line WEST | County LEA |
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. | | | | | | |

No allowance 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: 5/15/2024
Printed Name: Rachael Overbey
E-mail Address: roverbey@fmlc.com

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.
Date of Survey: February 20, 2024
Signature and Seal of Professional Surveyor:

Certificate Number:

| |
|---|
| NAD 83 (SURFACE HOLE LOCATION) |
| LATITUDE = 32°42'33.09" (32.709192°) |
| LONGITUDE = -103°29'12.65" (-103.486847°) |
| NAD 27 (SURFACE HOLE LOCATION) |
| LATITUDE = 32°42'32.64" (32.709068°) |
| LONGITUDE = -103°29'10.87" (-103.486354°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 622774.72' E: 801702.27' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 622710.49' E: 760522.49' |
| NAD 83 (BOTTOM HOLE LOCATION) |
| LATITUDE = 32°44'24.87" (32.740243°) |
| LONGITUDE = -103°29'08.36" (-103.485656°) |
| NAD 27 (BOTTOM HOLE LOCATION) |
| LATITUDE = 32°44'24.43" (32.740119°) |
| LONGITUDE = -103°29'06.58" (-103.485162°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 634074.84' E: 801978.22' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 634010.27' E: 760798.77' |

- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)
- = DRILLING SPACING UNIT

EXHIBIT
B.16.a

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

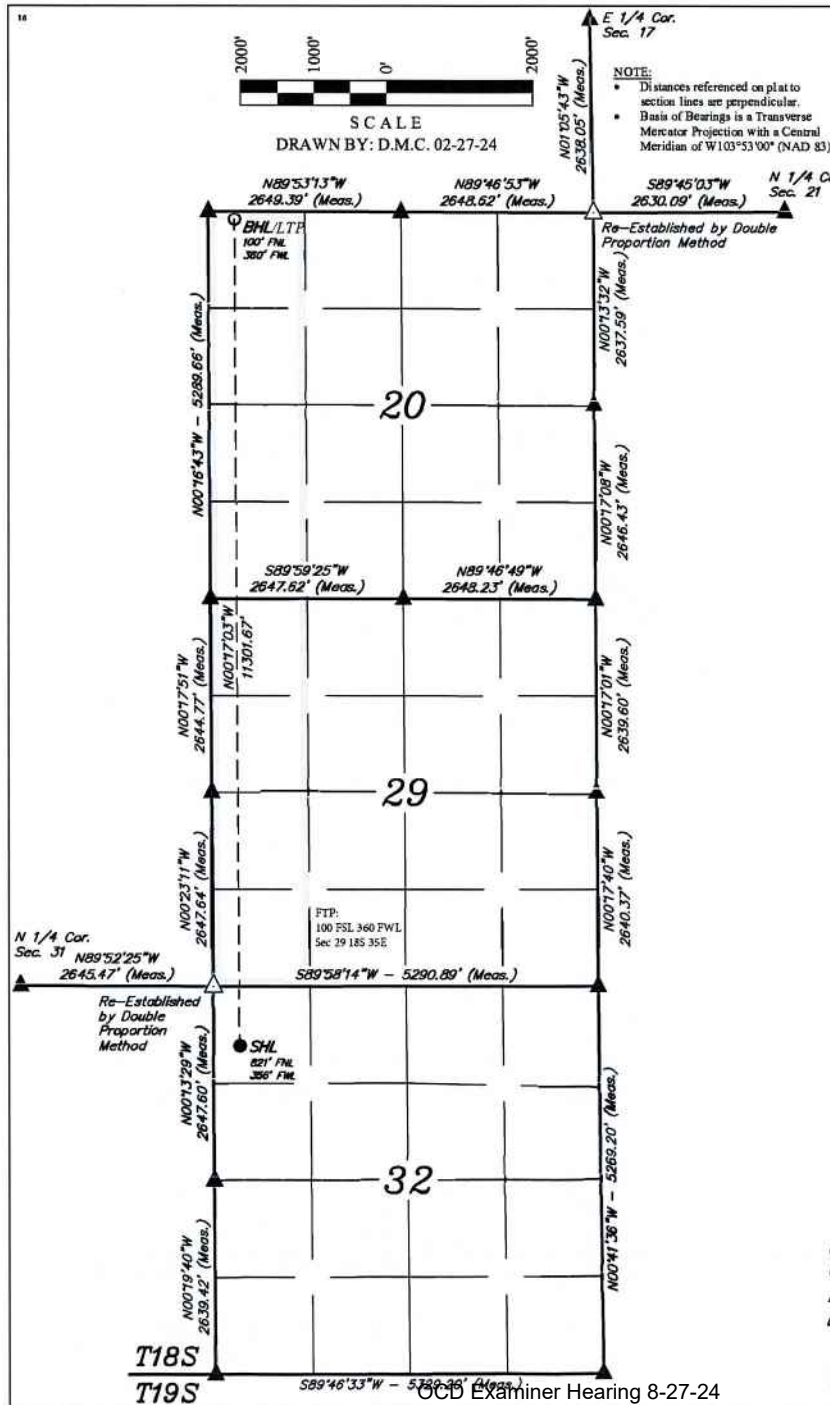
| | | |
|----------------------------------|---|--|
| ¹ API Number | ² Pool Code 55640 | ³ Pool Name SCHARB; WOLFCAMP |
| ⁴ Property Code | ⁵ Property Name BALL STATE COM | |
| ⁷ OGRID No. 331595 | ⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | ⁶ Well Number 801H |
| | | ⁹ Elevation 3934.6' |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. D | Section 32 | Township 18S | Range 35E | Lot Idn | Feet from the 821 | North/South line NORTH | Feet from the 356 | East/West line WEST | County LEA |

| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. D | Section 20 | Township 18S | Range 35E | Lot Idn | Feet from the 100 | North/South line NORTH | Feet from the 360 | East/West line WEST | County 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: 5/15/2024
Printed Name: Rachael Overbey
E-mail Address: roverbey@fmlc.com

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.
Date of Survey: February 20, 2024
Signature and Seal of Professional Surveyor:

Certificate Number:

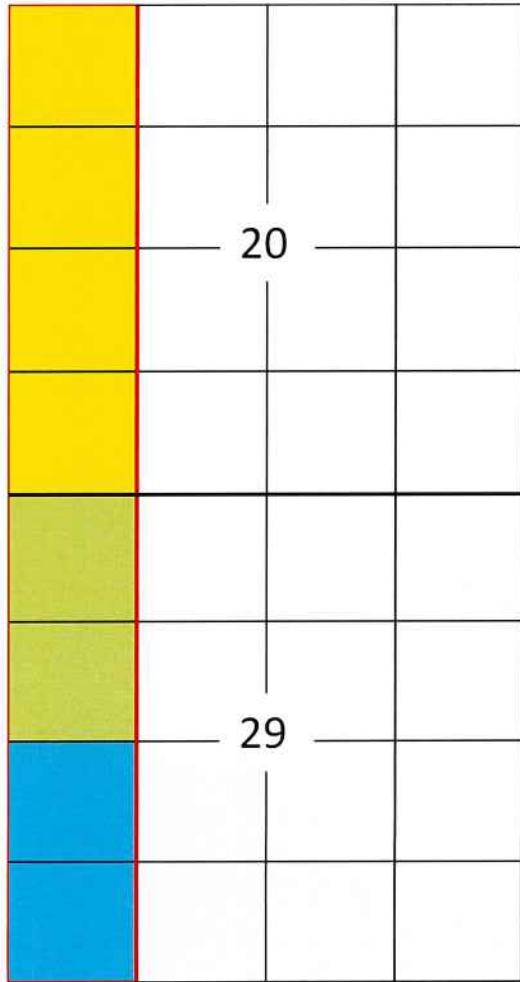
| |
|---|
| NAD 83 (SURFACE HOLE LOCATION) |
| LATITUDE = 32°42'33.09" (32.709192°) |
| LONGITUDE = -103°29'13.35" (-103.487042°) |
| NAD 27 (SURFACE HOLE LOCATION) |
| LATITUDE = 32°42'32.65" (32.709069°) |
| LONGITUDE = -103°29'11.58" (-103.486549°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 622774.49' E: 801642.28' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 622710.26' E: 760462.50' |
| NAD 83 (BOTTOM HOLE LOCATION) |
| LATITUDE = 32°44'24.90" (32.740250°) |
| LONGITUDE = -103°29'13.51" (-103.487087°) |
| NAD 27 (BOTTOM HOLE LOCATION) |
| LATITUDE = 32°44'24.45" (32.740126°) |
| LONGITUDE = -103°29'11.73" (-103.486593°) |
| STATE PLANE NAD 83 (N.M. EAST) |
| N: 634073.84' E: 801538.28' |
| STATE PLANE NAD 27 (N.M. EAST) |
| N: 634009.25' E: 760358.84' |

- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)
- = DRILLING SPACING UNIT



Case No. 24206 Unit Summary

Case No. 24206
 W2W2 of Sec 20 & 29- T18S-R35E
 Ball State Com 701H
 Ball State Com 801H



Proposed Wolfcamp Unit

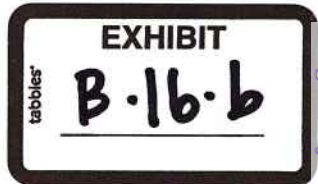
Tract 1 (160.00 Acres)

Tract 2 (80.00 Acres)

Tract 3 (80.00 Acres)

| Tract | Lease | % |
|-------|---------|----------|
| 1 | VB-1381 | 50.0000% |
| 2 | A0-4096 | 25.0000% |
| 3 | VB-1878 | 25.0000% |

| Committed Working Interest | |
|---------------------------------|--------------------|
| Franklin Mountain Energy 3, LLC | 50.000000% |
| | |
| Uncommitted Working Interest | |
| COG Operating LLC | 25.000000% |
| Marathon Oil Permian LLC | 18.750000% |
| Hanley Petroleum, Inc. | 4.937500% |
| LHAH Properties LLC | 0.625000% |
| H6 Holdings LLC | 0.312500% |
| Hanley Petroleum LLC | 0.312500% |
| TBO Oil & Gas, LLC | 0.062500% |
| | |
| Total: | 100.000000% |





Sent via USPS: 9405536105536070211357

January 4, 2024

Marathon Oil Permian, LLC
 990 Town and County Blvd
 Houston, TX 77024
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**
 Township 18 South, Range 35 East
 Section 20: W2W2
 Section 29: W2W2
 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 301H | 1BS | 8,888' | 21,388' | Sec 32-T18S-R35E 575 FNL 330 FWL | Sec 20-T18S-R35E 100 FNL 965 FWL | \$11,183,950.44 | N/A |
| Ball State Com 601H | 3BS | 10,065' | 20,065' | Sec 32-T18S-R35E 575 FNL 270 FWL | Sec 20-T18S-R35E 100 FNL 360 FWL | \$11,797,546.84 | N/A |
| Ball State Com 701H | WCA | 10,539' | 20,539' | Sec 32-T18S-R35E 575 FNL 360 FWL | Sec 20-T18S-R35E 100 FNL 800 FWL | \$11,797,546.84 | N/A |
| Ball State Com 801H | WCB | 11,132' | 21,132' | Sec 32-T18S-R35E 575 FNL 300 FWL | Sec 20-T18S-R35E 100 FNL 360 FWL | \$12,164,281.44 | N/A |





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

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

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

Should you be interested in participating under an Operating Agreement, with your 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

44 Cook Street, Suite 1000, Denver, CO 80202

OCD Examiner Hearing 8-27-24
No. 24205, 24206, 24199, 24198



Ball State Com 301H:

_____ I/We hereby elect to participate in the **Ball State Com 301H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 301H** well.

Ball State Com 601H:

_____ I/We hereby elect to participate in the **Ball State Com 601H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 601H** well.

Ball State Com 701H:

_____ I/We hereby elect to participate in the **Ball State Com 701H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 701H** well.

Ball State Com 801H:

_____ I/We hereby elect to participate in the **Ball State Com 701H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 701H** well.

Owner: Marathon Oil Permian, LLC

By: _____
 Printed Name: _____
 Title: _____
 Date: _____



FRANKLIN MOUNTAIN ENERGY
AUTHORITY FOR EXPENDITURE

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

Well Name: Hall State Com 7011 Well #: 7011
 Location: SHL Sec 12-T18S-R15E 575 FNL 360 FWL BHL Sec 20-T18S-R35E 100 FNL 800 FWL County/State: Lar Co., NM
 Operator: Franklin Mountain Energy J, LLC Date Prepared: 1/2/2024
 Purpose: Drill and complete a 10,000' WCA well AFE #: DCE240167
 TVD 10,539' MID 20,539'

| Intangible Drilling Costs | | | |
|----------------------------------|-------|-------------------------------|-------------|
| Major | Minor | Description | Amount |
| 225 | 5 | ADMINISTRATIVE OVERHEAD | \$4,000 |
| 225 | 10 | CASING CREW & EQPT | \$80,000 |
| 225 | 15 | CEMENTING INTERMEDIATE CASING | \$50,000 |
| 225 | 16 | CEMENTING PRODUCTION CASING | \$150,000 |
| 225 | 20 | CEMENTING SURFACE CASING | \$50,000 |
| 225 | 23 | COMMUNICATIONS | \$40,000 |
| 225 | 30 | COMPLETION FLUIDS | \$6,000 |
| 225 | 34 | CONSTRUCTION/LOCATION & ROAD | \$15,000 |
| 225 | 40 | CONTRACT LABOR | \$50,000 |
| 225 | 45 | DAMAGES | \$15,000 |
| 225 | 50 | DAYWORK CONTRACT | \$762,300 |
| 225 | 55 | DRILLING - DIRECTIONAL | \$720,000 |
| 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 | \$11,000 |
| 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 | \$30,000 |
| 225 | 180 | TRANSPORTATION/TRUCKING | \$39,000 |
| 225 | 178 | TAXES | \$164,874 |
| 225 | 35 | CONTINGENCY COSTS 3% | \$149,885 |
| Total Intangible Drilling Costs: | | | \$3,453,259 |

| Tangible Drilling Costs | | | |
|--------------------------------|-------|-----------------------------------|-------------|
| Major | Minor | Description | Amount |
| 230 | 10 | INTERMEDIATE CASING & ATTACHMENTS | \$173,736 |
| 230 | 20 | PACKERS/SLEEVES-PLUGS | \$66,000 |
| 230 | 25 | PRODUCTION CASING & ATTACHMENTS | \$790,309 |
| 230 | 35 | SURFACE CASING & ATTACHMENTS | \$169,740 |
| 230 | 45 | WELLHEAD EQUIPMENT/CASING BOWL | \$70,000 |
| 230 | 40 | TAXES | \$69,814 |
| Total Tangible Drilling Costs: | | | \$1,319,711 |

| 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 | \$11,400 |
| 270 | 50 | FLOWLINES / PIPELINE / HOOKUP | \$76,000 |
| 270 | 60 | H2S TREATING EQUIPMENT | \$0 |
| 270 | 65 | SEPARATION EQUIPMENT | \$94,800 |
| 270 | 66 | ROAD/LOCATION/STAKING/REPAIRS | \$0 |
| 270 | 75 | PRE-FABRICATED SKIDS | \$0 |
| 270 | 86 | FACILITY SURFACE EQUIPMENT | \$75,400 |
| 270 | 90 | H2S SAFETY SYSTEM | \$4,600 |
| 270 | 100 | CONTROL - INSTRUMENT / METERS / SCADA | \$57,000 |
| 270 | 110 | TANKS & WALKWAYS | \$47,600 |
| 270 | 130 | MECHANICAL BATTERY BUILD | \$117,800 |
| 270 | 132 | B&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 | \$43,300 |
| 270 | 140 | SIGNAGE | \$600 |
| 270 | 125 | TAXES | \$40,854 |
| Total Tangible Facility Costs: | | | \$783,654 |

| | |
|---------------------|-----------------|
| Total Drill | \$1,792,999.84 |
| Total Completion | \$6,138,128.50 |
| Total Facility | \$866,418.30 |
| Total DC Intangible | \$9,029,388.50 |
| Total DC Tangible | \$1,901,739.84 |
| Total AFE: | \$11,797,346.84 |

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

Operator: Franklin Mountain Energy J, LLC
 Approved By: Date: 1/2/2024
 Craig Walters
 Chief Executive Officer

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

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

| 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/SUBBITING 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 | \$10,000 |
| 240 | 72 | FRAC WATER/COMPLETION FLUID | \$54,000 |
| 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&ATA 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 | \$3,000 |
| 240 | 140 | SUPERVISION | \$96,500 |
| 240 | 145 | SURFACE EQUIP RENTAL | \$186,500 |
| 240 | 150 | TRANSPORTATION/TRUCKING | \$1,200 |
| 240 | 155 | WATER TRANSFER | \$106,000 |
| 240 | 160 | WELDING SERVICES | \$0 |
| 240 | 165 | WELL TESTING/FLOWBACK | \$91,600 |
| 240 | 148 | TAXES | \$0 |
| 240 | 40 | CONTINGENCY COSTS 3% | \$315,610 |
| 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: | | | \$511,999 |

| Intangible Facility Costs | | | |
|----------------------------------|-------|-----------------------------|----------|
| Major | Minor | Description | Amount |
| 265 | 5 | CONSULTING | \$9,500 |
| 265 | 12 | COMPANY DIRECT LABOR | \$0 |
| 265 | 20 | DAMAGES/ROW/PERMITS, ETC | \$12,700 |
| 265 | 22 | PAD/ROAD CONSTRUCTION | \$30,000 |
| 265 | 25 | ENGINEERING / SCIENCE | \$13,900 |
| 265 | 40 | HEALTH/SAFETY/ENVIRONMENTAL | \$5,000 |
| 265 | 45 | CONTRACT LABOR & SERVICES | \$0 |
| 265 | 60 | OVERHEAD | \$3,000 |
| 265 | 80 | SURVEY / PLATS / STAKINGS | \$800 |
| 265 | 85 | TRANSPORTATION / TRUCKING | \$4,120 |
| 265 | 81 | TAXES | \$4,120 |
| 265 | 10 | CONTINGENCY COSTS 3% | \$5,745 |
| Total Intangible Facility Costs: | | | \$82,705 |

Office Use Only:



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

Well Name: Hall State Com 8011 **Well #:** 8011
Location: SHL - Sec 12-T18S-R15E 575 FNL 300 FWL
 BHL - Sec 20-T18S-R35E 100 FNL 160 FWL **County/State:** Lea Co., NM
Operator: Franklin Mountain Energy J, LLC **Date Prepared:** 1/2/2024
Purpose: Drill and complete a 10,000' WCB well
 TVD 11,132', MD 21,132' **AFE #:** DCE24011

| Intangible Drilling Costs | | | Amount |
|---|-----|-------------------------------|--------------------|
| 225 | 5 | ADMINISTRATIVE OVERHEAD | \$4,000 |
| 225 | 10 | CASING CREW & EQPT | \$80,000 |
| 225 | 15 | CEMENTING INTERMEDIATE CASING | \$50,000 |
| 225 | 16 | CEMENTING PRODUCTION CASING | \$150,000 |
| 225 | 20 | CEMENTING SURFACE CASING | \$50,000 |
| 225 | 25 | COMMUNICATIONS | \$40,000 |
| 225 | 30 | COMPLETION FLUIDS | \$6,000 |
| 225 | 34 | CONSTRUCTION/LOCATION & ROAD | \$45,000 |
| 225 | 40 | CONTRACT LABOR | \$50,000 |
| 225 | 45 | DAMAGES | \$15,000 |
| 225 | 50 | DAYWORK CONTRACT | \$907,500 |
| 225 | 55 | DRILLING - DIRECTIONAL | \$320,000 |
| 225 | 60 | DRILLING - FOOTAGE | \$120,000 |
| 225 | 70 | ELECTRICAL POWER/GENERATION | \$140,000 |
| 225 | 75 | ENGINEERING | \$0 |
| 225 | 80 | ENVIRONMENTAL SERVICES | \$20,000 |
| 225 | 84 | EQUIPMENT RENTAL DOWNSHOLE | \$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 | MISCELLANEOUS/CONDUCT PIPE | \$5,000 |
| 225 | 130 | MUD & CHEMICALS | \$11,000 |
| 225 | 140 | OPENHOLE LOGGING | \$120,000 |
| 225 | 141 | CASED HOLE LOGGING | \$0 |
| 225 | 145 | PERMITS, LICENSES, ETC | \$0 |
| 225 | 150 | POWER FUEL & WATER HAULING | \$20,000 |
| 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 | \$164,374 |
| 225 | 35 | CONTINGENCY COSTS 5% | \$119,883 |
| Total Intangible Drilling Costs: | | | \$3,598,159 |

| Tangible Drilling Costs | | | Amount |
|---------------------------------------|----|-----------------------------------|--------------------|
| 230 | 10 | INTERMEDIATE CASING & ATTACHMENTS | \$173,548 |
| 230 | 20 | PACKER/SI FFES/PLUGS | \$66,000 |
| 230 | 25 | PRODUCTION CASING & ATTACHMENTS | \$811,292 |
| 230 | 35 | SURFACE CASING & ATTACHMENTS | \$173,758 |
| 230 | 45 | WELLHEAD EQUIPMENT/CASING BOWL | \$70,000 |
| 230 | 40 | TAXES | \$71,198 |
| Total Tangible Drilling Costs: | | | \$1,365,796 |

| Tangible Facility Costs | | | 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 | PI&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 | \$41,500 |
| 270 | 140 | SIGNAGE | \$690 |
| 270 | 125 | TAXES | \$10,854 |
| Total Tangible Facility Costs: | | | \$781,654 |

| | |
|----------------------|----------------|
| 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 PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS

Operator: Franklin Mountain Energy J, LLC
 Approved By: Date: 1/2/2024
 Chief Executive Officer

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

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

| Intangible Completion Costs | | | 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 | \$595,500 |
| 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 COSTS | \$0 |
| 240 | 115 | PERFORATING/AIRLINE SERVICE | \$262,000 |
| 240 | 120 | PIPE INSPECTION | \$0 |
| 240 | 125 | ROAD LOCATIONS REPAIRS | \$11,000 |
| 240 | 130 | STABILIZATION | \$3,022,000 |
| 240 | 135 | SUBSURFACE EQUIPMENT 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/FLOWLACK | \$93,600 |
| 240 | 148 | TAXES | \$0 |
| 240 | 40 | CONTINGENCY COSTS 5% | \$326,700 |
| Total Intangible Completion Costs: | | | \$5,717,700 |

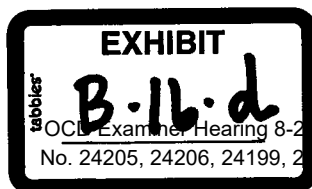
| Tangible Completion Costs | | | Amount |
|---|----|-----------------------------------|------------------|
| 245 | 5 | ARTIFICIAL LIFT | \$200,000 |
| 245 | 15 | FLOWLINES | \$0 |
| 245 | 25 | FRAC STRING | \$0 |
| 245 | 40 | PACKERS/SLEEVES/PLUGS/QL MANDRELS | \$40,000 |
| 245 | 45 | PRODUCTION LINER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

| Intangible Facility Costs | | | 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 | \$10,000 |
| 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% | \$1,745 |
| Total Intangible Facility Costs: | | | \$82,765 |

Office Use Only:

Ball W2W2 Pooled Party List

| | |
|--|---------|
| COG Operating, LLC | WI |
| Marathon Oil Permian, LLC | WI/ORRI |
| Hanley Petroleum, LLC | WI |
| Hanley Petroleum, Inc. | WI |
| LHAH Properties, LLC | WI |
| H6 Holdings, LLC | WI |
| TBO Oil & Gas, LLC | WI |
| Mavros Oil Company | WI |
| Zunis Energy, LLC | ORRI |
| Blue Ox Partners LLC | ORRI |
| Luckaloy Limited Company | ORRI |
| Oak Valley Mineral and Land, LP | ORRI |
| Good News Minerals, LLC | ORRI |
| William J. McCaw | ORRI |
| Crown Oil Partners, LP | ORRI |
| Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts | ORRI |
| Post Oak Crown IV-B, LLC | ORRI |
| Post Oak Crown IV, LLC | ORRI |
| Collins & Jones Investments, LLC | ORRI |
| Post Oak Mavros II, LLC | ORRI |
| LMC Energy LLC | ORRI |
| H. Jason Wacker | ORRI |
| David W. Cromwell | ORRI |
| Sortida Resources, LLC | ORRI |
| Mike Moylett | ORRI |
| Kaleb Smith | ORRI |
| Deane Durham | ORRI |



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. 24199

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 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 302H** and **Ball State Com 602H** wells 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 NE/4 NW/4 (Unit C) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025).



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 W/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. 24199 : **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 W/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 302H** and **Ball State Com 602H** wells 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 NE/4 NW/4 (Unit C) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025). 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.

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

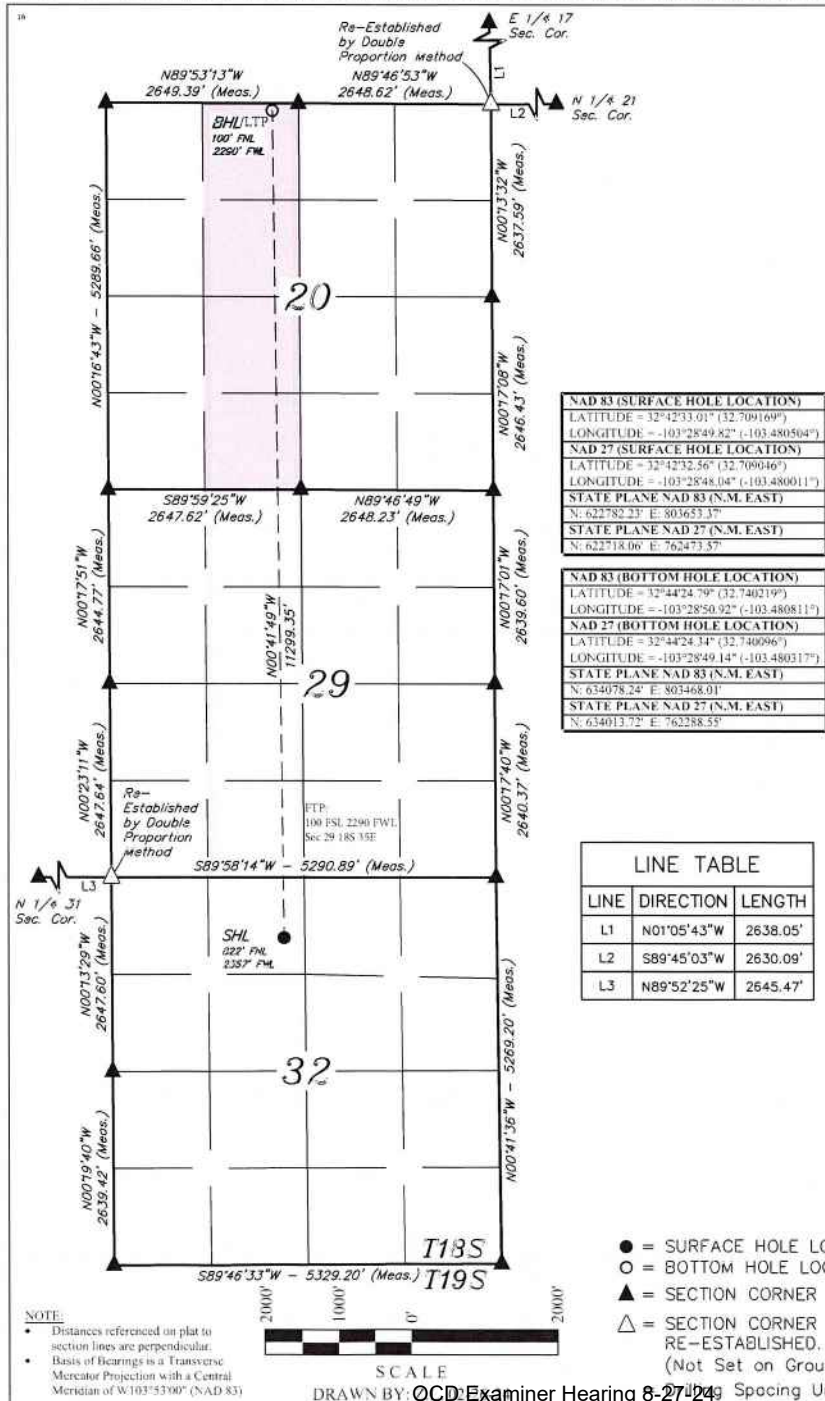
WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|---|---|
| ¹ API Number | ² Pool Code 97930 | ³ Pool Name WC-025 G 06 S183518A; BONE SPRING |
| ⁴ Property Code | ⁵ Property Name BALL STATE COM | |
| ⁷ OGRID No. 331595 | ⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | ⁶ Well Number 302H ⁹ Elevation 3926.2' |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. C | Section 32 | Township 18S | Range 35E | Lot Idn | Feet from the 822 | North/South line NORTH | Feet from the 2367 | East/West line WEST | County LEA |

| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|-------------------------------|----------------------------------|-------------------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. C | Section 20 | Township 18S | Range 35E | Lot Idn | Feet from the 100 | North/South line NORTH | Feet from the 2290 | East/West line WEST | County LEA |
| ¹² Dedicated Acres 160 | 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.



| ¹⁸ SURFACE HOLE LOCATION | |
|-------------------------------------|---------------------------------|
| LATITUDE | = 32°42'33.01" (32.709169°) |
| LONGITUDE | = -103°28'49.82" (-103.480504°) |
| ¹⁹ SURFACE HOLE LOCATION | |
| LATITUDE | = 32°42'32.56" (32.709046°) |
| LONGITUDE | = -103°28'48.04" (-103.480011°) |
| STATE PLANE NAD 83 (N.M. EAST) | |
| N: | 622782.23' E: 803653.37' |
| STATE PLANE NAD 27 (N.M. EAST) | |
| N: | 622718.06' E: 762473.37' |
| ²⁰ BOTTOM HOLE LOCATION | |
| LATITUDE | = 32°44'24.79" (32.740219°) |
| LONGITUDE | = -103°28'50.92" (-103.480811°) |
| ²¹ BOTTOM HOLE LOCATION | |
| LATITUDE | = 32°44'24.34" (32.740096°) |
| LONGITUDE | = -103°28'49.14" (-103.480317°) |
| STATE PLANE NAD 83 (N.M. EAST) | |
| N: | 634078.24' E: 803468.01' |
| STATE PLANE NAD 27 (N.M. EAST) | |
| N: | 634013.72' E: 762288.55' |

| LINE TABLE | | |
|------------|-------------|----------|
| LINE | DIRECTION | LENGTH |
| L1 | N01°05'43"W | 2638.05' |
| L2 | S89°45'03"W | 2630.09' |
| L3 | N89°52'25"W | 2645.47' |

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 a leased 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 community pooling order previously entered by the division.

Rachael Overbey 5/15/2024
Signature Date
Rachael Overbey
Printed Name
roverbey@fmelle.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:

- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

EXHIBIT
B. 17-a

District I
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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 | ³ Pool Name |
| | 960 | AIRSTRIP; BONE SPRING |
| ⁴ Property Code | ⁵ Property Name | |
| | BALL STATE COM | |
| ⁶ OGRID No. | ⁷ Operator Name | ⁸ Well Number |
| 331595 | FRANKLIN MOUNTAIN ENERGY 3, LLC | 302H |
| | | ⁹ Elevation |
| | | 3926.2' |

¹⁰ Surface Location

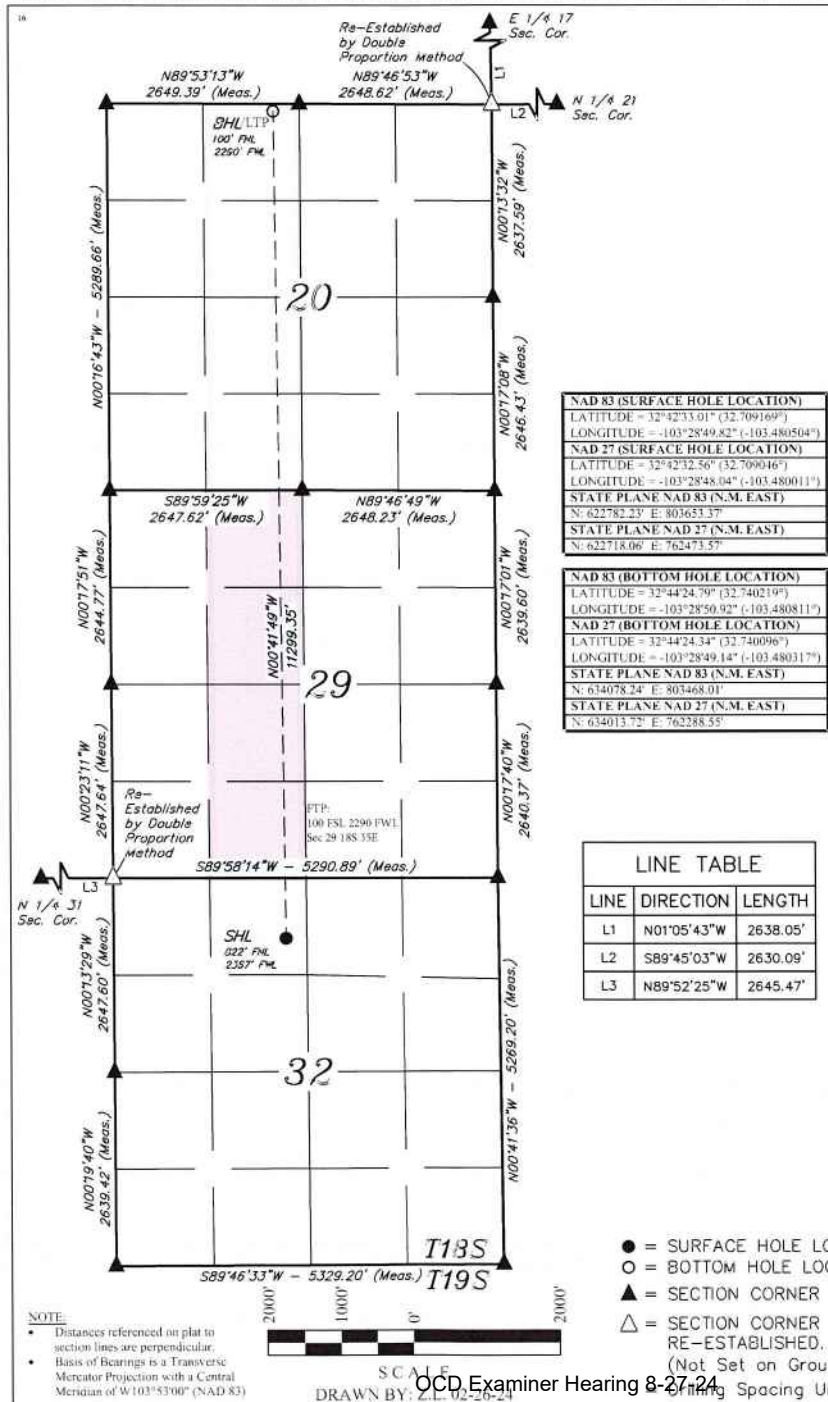
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 32 | 18S | 35E | | 822 | NORTH | 2367 | WEST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 20 | 18S | 35E | | 100 | NORTH | 2290 | WEST | LEA |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 160 | | | |

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 previously entered by the division.

Signature: *Rachael Overbey* Date: 5/15/2024
Printed Name: Rachael Overbey
E-mail Address: roverbey@finelc.com

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:

PAUL BUCHELE
NEW MEXICO
23782
02-26-24
PROFESSIONAL SURVEYOR

Certificate Number:

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Phone: (505) 476-3460 Fax: (505) 476-3462

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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

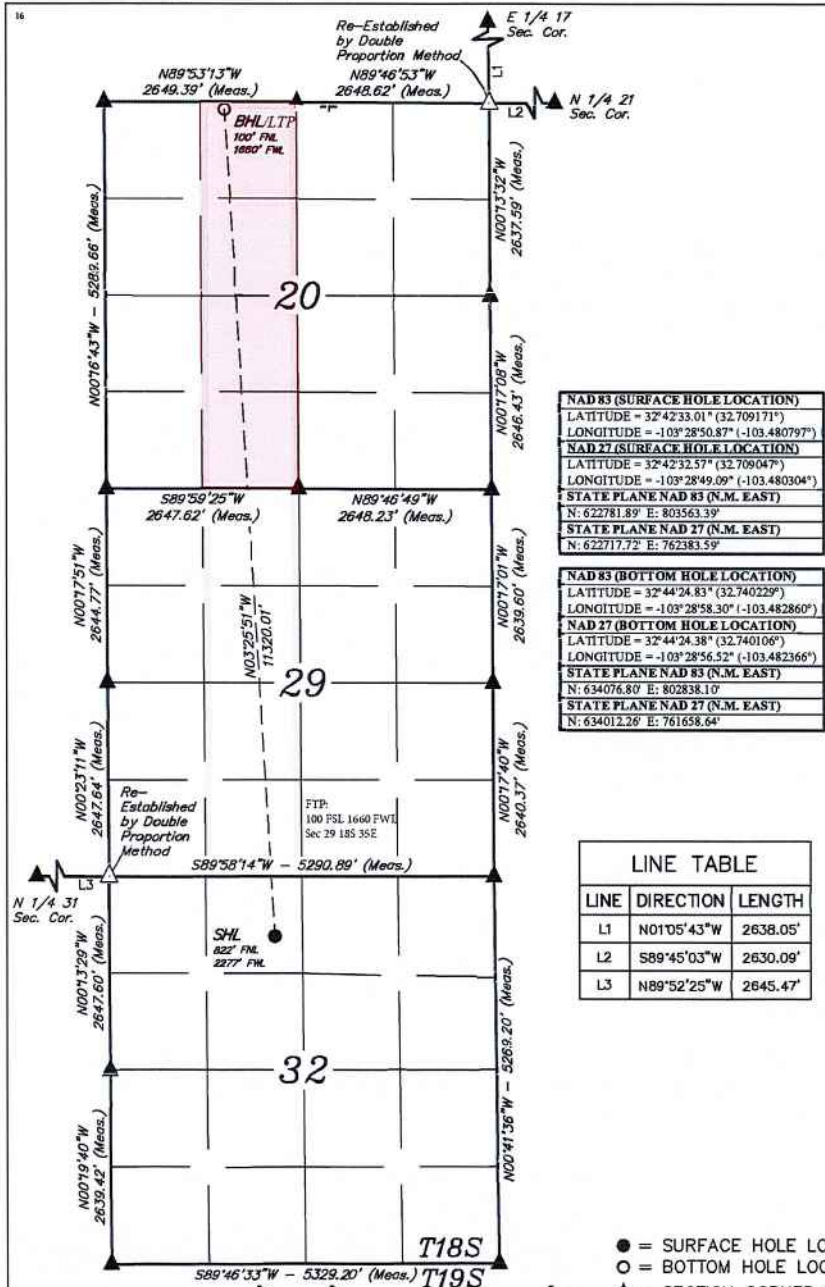
| | | | | | |
|-----------------|--|---------------------------------|--|-----------------------------------|--|
| 1 API Number | | 2 Pool Code | | 3 Pool Name | |
| | | 97930 | | WC-025 G 06 S183518A; BONE SPRING | |
| 4 Property Code | | 5 Property Name | | 6 Well Number | |
| | | BALL STATE COM | | 602H | |
| 7 OGRID No. | | 8 Operator Name | | 9 Elevation | |
| 331595 | | FRANKLIN MOUNTAIN ENERGY 3, LLC | | 3927.0' | |

| 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 |
| C | 32 | 18S | 35E | | 822 | NORTH | 2277 | WEST | 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 |
| C | 20 | 18S | 35E | | 100 | NORTH | 1660 | WEST | LEA |

| | | | |
|--------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
| 160 | | | |

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: 5/15/2024
Printed Name: Rachael Overbey
E-mail Address: roverbey@fmlc.com

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:

Paul Buchele
23782
02-26-24
PROFESSIONAL SURVEYOR

Certificate Number:

NOTE:
• Distances referenced on plat to section lines are perpendicular.
• Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

SCALE
DRAWN BY: [Signature]

● = SURFACE HOLE LOCATION
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
△ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

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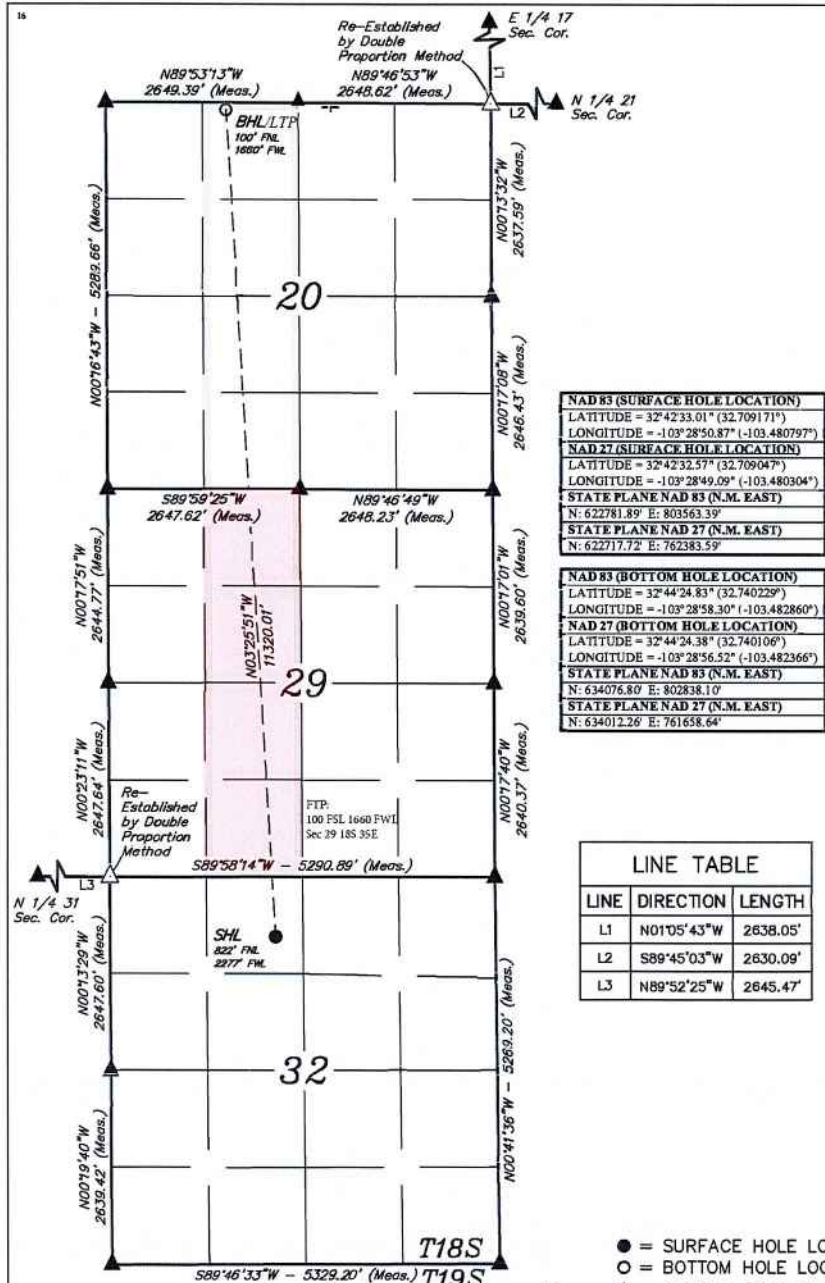
WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|---|---|
| ¹ API Number | ² Pool Code 960 | ³ Pool Name AIRSTRIP, BONE SPRING |
| ⁴ Property Code | ⁵ Property Name BALL STATE COM | |
| ⁷ OGRID No. 331595 | ⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | ⁶ Well Number 602H ⁹ Elevation 3927.0' |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. C | Section 32 | Township 18S | Range 35E | Lot Idn | Feet from the 822 | North/South line NORTH | Feet from the 2277 | East/West line WEST | County LEA |

| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|-------------------------------|----------------------------------|--------------|-------------------------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. C | Section 20 | Township 18S | Range 35E | Lot Idn | Feet from the 100 | North/South line NORTH | Feet from the 1660 | East/West line WEST | County LEA |
| ¹² Dedicated Acres 160 | 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.



"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 approved by the division.
Rachael Overbey
Signature Date 5/15/2024
Rachael Overbey
Printed Name
roverbey@fmelc.com
E-mail Address

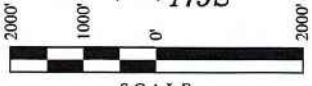
"SURVEYOR CERTIFICATION"
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
February 20, 2024
Date of Survey
Signature and Seal of Professional Surveyor:
Paul Buchele
PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
02-26-24
Certificate Number:

| NAD 83 (SURFACE HOLE LOCATION) | |
|--------------------------------------|---|
| LATITUDE = 32°42'33.01" (32.709171°) | LONGITUDE = -103°28'50.87" (-103.480797°) |
| NAD 27 (SURFACE HOLE LOCATION) | |
| LATITUDE = 32°42'32.57" (32.709047°) | LONGITUDE = -103°28'49.09" (-103.480304°) |
| STATE PLANE NAD 83 (N.M. EAST) | N: 622781.89' E: 803563.39' |
| STATE PLANE NAD 27 (N.M. EAST) | N: 622717.72' E: 762383.59' |

| NAD 83 (BOTTOM HOLE LOCATION) | |
|--------------------------------------|---|
| LATITUDE = 32°44'24.83" (32.740229°) | LONGITUDE = -103°28'58.30" (-103.482860°) |
| NAD 27 (BOTTOM HOLE LOCATION) | |
| LATITUDE = 32°44'24.38" (32.740106°) | LONGITUDE = -103°28'56.52" (-103.482366°) |
| STATE PLANE NAD 83 (N.M. EAST) | N: 634076.80' E: 802838.10' |
| STATE PLANE NAD 27 (N.M. EAST) | N: 634012.26' E: 761658.64' |

| LINE TABLE | | |
|------------|-------------|----------|
| LINE | DIRECTION | LENGTH |
| L1 | N01°05'43"W | 2638.05' |
| L2 | S89°45'03"W | 2630.09' |
| L3 | N89°52'25"W | 2645.47' |

NOTE:
• Distances referenced on plat to section lines are perpendicular.
• Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W 103°53'00" (NAD 83)



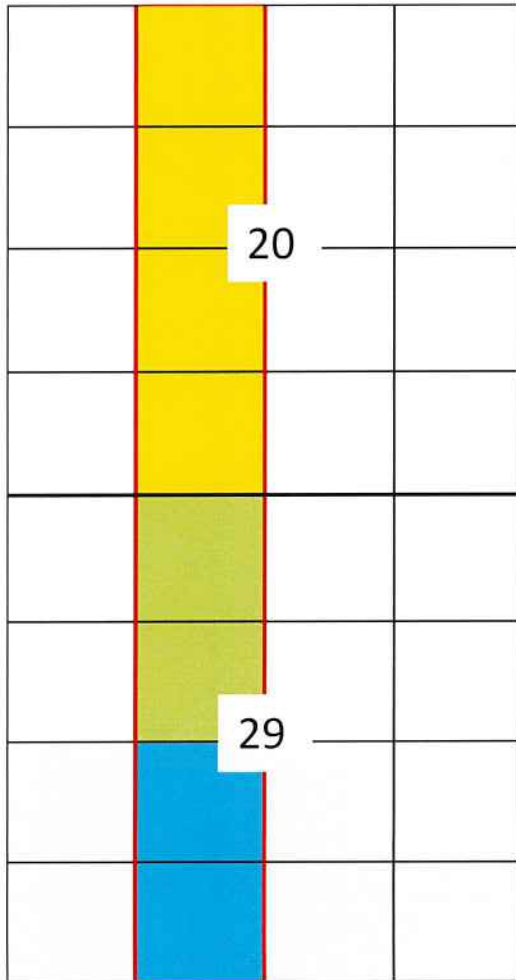
- = SURFACE HOLE LOCATION
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

SCALE
DRAWN BY: Z.L. 02-26-24
OGD Examiner Hearing 8-27-24
No. 24205, 24206, 24199, 24198



Case No. 24199 Unit Summary

Case No. 24199
 E2W2 of Sec 20 & 29- T18S-R35E
 Ball State Com 302H
 Ball State Com 602H



- Proposed Bone Spring Unit
- Tract 1 (160.00 Acres)
- Tract 2 (80.00 Acres)
- Tract 3 (80.00 Acres)

| Tract | Lease | % |
|-------|---------|----------|
| 1 | VB-1381 | 50.0000% |
| 2 | A0-4096 | 25.0000% |
| 3 | VB-1878 | 25.0000% |

| Committed Working Interest | |
|---------------------------------|--------------------|
| Franklin Mountain Energy 3, LLC | 50.000000% |
| | |
| | |
| Uncommitted Working Interest | |
| COG Operating LLC | 25.000000% |
| Marathon Oil Permian LLC | 18.750000% |
| Hanley Petroleum, Inc. | 4.937500% |
| LHAH Properties LLC | 0.625000% |
| H6 Holdings LLC | 0.312500% |
| Hanley Petroleum LLC | 0.312500% |
| TBO Oil & Gas, LLC | 0.062500% |
| | |
| Total: | 100.000000% |





Sent via USPS: 9405536105536070211357

January 4, 2024

Marathon Oil Permian, LLC
 990 Town and County Blvd
 Houston, 990 Town and County Blvd 77024
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**
 Township 18 South, Range 35 East
 Section 20: E2W2
 Section 29: E2W2
 Lea County, New Mexico
 320.00 acres, more or less

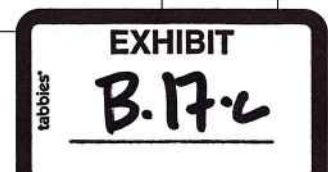
Dear Working Interest Owner:

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 302H | 1BS | 8,859' | 17,859' | Sec 32-T18S-R35E 575 FNL 2370 FWL | Sec 20-T18S-R35E 100 FNL 2290 FWL | \$11,183,950.44 | N/A |
| Ball State Com 602H | 3BS | 10,046' | 20,046' | Sec 32-T18S-R35E 575 FNL 2280 FWL | Sec 20-T18S-R35E 100 FNL 1660 FWL | \$11,797,546.84 | N/A |
| Ball State Com 702H | WCA | 10,524' | 20,524' | Sec 32-T18S-R35E 575 FNL 2400 FWL | Sec 20-T18S-R35E 100 FNL 2290 FWL | \$11,797,546.84 | N/A |
| Ball State Com 802H | WCB | 11,067' | 21,067' | Sec 32-T18S-R35E 575 FNL 2310 FWL | Sec 20-T18S-R35E 100 FNL 1660 FWL | \$12,164,281.44 | N/A |

44 Cook Street | Suite 1000 | Denver, CO 80202

OCD Examiner Hearing 8-27-24
 No. 24205, 24206, 24199, 24198





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

44 Oak Street | Suite 1000 | Denver, CO 80206



Ball State Com 302H:

_____ I/We hereby elect to participate in the **Ball State Com 302H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 302H** well.

Ball State Com 602H:

_____ I/We hereby elect to participate in the **Ball State Com 602H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 602H** well.

Ball State Com 702H:

_____ I/We hereby elect to participate in the **Ball State Com 702H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 702H** well.

Ball State Com 802H:

_____ I/We hereby elect to participate in the **Ball State Com 802H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 802H** well.

Owner: Marathon Oil Permian, LLC

By: _____
 Printed Name: _____
 Title: _____
 Date: _____



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

Well Name: Hill State Com 302H
Location: SHL Sec 12-T18S-R35E 575 PNL 2370 FWL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' 1HS well
Well #: 302H
County/State: Lea Co., NM
Date Prepared: 10/25/2023
AFE #: DC#211027

Table: Intangible Drilling Costs. Columns: Major, Minor, Description, Amount. Rows include Administrative Overhead, casing crew, cementing, etc.

Table: Intangible Completion Costs. Columns: Major, Minor, Description, Amount. Rows include administrative overhead, casing logs, completion fluids, etc.

Table: Tangible Drilling Costs. Columns: Major, Minor, Description, Amount. Rows include intermediate casing, packers/sleeves, production casing, etc.

Table: Tangible Completion Costs. Columns: Major, Minor, Description, Amount. Rows include artificial lift, flowlines, frac string, etc.

Table: Tangible Facility Costs. Columns: Major, Minor, Description, Amount. Rows include facility pipe valves, containment, dehydration, etc.

Table: Intangible Facility Costs. Columns: Major, Minor, Description, Amount. Rows include consulting, company direct labor, damages, etc.

Table: Office Use Only. Columns: Major, Minor, Description, Amount. Rows include office use only.

Summary table for drilling and completion costs. Rows: Total Drill, Total Completion, Total Facility, Total DC Intangible, Total DC Tangible, Total AFE.

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

Operator: Franklin Mountain Energy 3, LLC
Approved By: Craig Walters, Chief Executive Officer
Date: 10/25/2023
WI Owner:
Approved By:
Date:
Printed Name:
Title:

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



Franklin Mountain Energy 3, LLC
44 Cook Street, Suite 1000
Durvill, CO 80206
Phone: 720-414-7668
franklinmountainenergy.com

Well Name: Bull State Com 602H
Location: SHL Sec 32-T18S-R35E 575 FNL 2280 FWL
BHL Sec 30-T18S-R35E 100 FNL 1660 FWL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' ADS well
TVD 10,046', MD 20,046'

Well #: 602H
County/State: Lea Co, NM
Date Prepared: 1/2/2024
AFE #: DCE240104

Intangible Drilling Costs

| Major | Minor | Description | Amount |
|---|-------|-------------------------------|--------------------|
| 225 | 5 | ADMINISTRATIVE OVERHEAD | \$4,000 |
| 225 | 10 | CASING CREW & FOOT | \$80,000 |
| 225 | 15 | CEMENTING INTERMEDIATE CASING | \$50,000 |
| 225 | 16 | CEMENTING PRODUCTION CASING | \$150,000 |
| 225 | 20 | CEMENTING SURFACE CASING | \$50,000 |
| 225 | 25 | COMMUNICATIONS | \$40,000 |
| 225 | 30 | COMPLETION FLUIDS | \$6,000 |
| 225 | 34 | CONSTRUCTION/LOCATION & ROAD | \$45,000 |
| 225 | 40 | CONTRACT LABOR | \$50,000 |
| 225 | 45 | DAMAGES | \$15,000 |
| 225 | 50 | DAYWORK CONTRACT | \$762,300 |
| 225 | 55 | DRILLING - DIRECTIONAL | \$120,000 |
| 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 | MOUTH/RAITHOLE/CONDUCT PIPE | \$31,000 |
| 225 | 130 | MUD & CHEMICALS | \$31,000 |
| 225 | 140 | OPENHOLE LOGGING | \$320,000 |
| 225 | 141 | CASED HOLE LOGGING | \$0 |
| 225 | 145 | PERMITS, LICENSES, ETC | \$0 |
| 225 | 145 | PERMITS, LICENSES, ETC | \$20,000 |
| 225 | 150 | POWER PULP & 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% | \$199,885 |
| Total Intangible Drilling Costs: | | | \$3,453,250 |

Tangible Drilling Costs

| Major | Minor | Description | Amount |
|---------------------------------------|-------|-----------------------------------|--------------------|
| 230 | 10 | INTERMEDIATE CASING & ATTACHMENTS | \$173,758 |
| 230 | 20 | PACKERS/SEEVES/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: | | | \$1,319,741 |

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 | 68 | ROAD/LOCATION/FENCING/REPAIRS | \$0 |
| 270 | 75 | PRE-FABRICATED SKIDS | \$0 |
| 270 | 80 | 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 | ELEC 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 | \$40,851 |
| Total Tangible Facility Costs: | | | \$783,554 |

| | |
|---------------------|----------------|
| Total Drill | \$4,792,999.84 |
| Total Completion | \$6,118,128.50 |
| 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 PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

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

Date: 1/2/2024

Witness: _____
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 FEME

Ball E2W2 Pooled Party List

| | |
|--|---------|
| COG Operating, LLC | WI |
| Marathon Oil Permian, LLC | WI/ORRI |
| Hanley Petroleum, LLC | WI |
| Hanley Petroleum, Inc. | WI |
| LHAH Properties, LLC | WI |
| H6 Holdings, LLC | WI |
| TBO Oil & Gas, LLC | WI |
| Mavros Oil Company | WI |
| Zunis Energy, LLC | ORRI |
| Blue Ox Partners LLC | ORRI |
| Luckaloy Limited Company | ORRI |
| Oak Valley Mineral and Land, LP | ORRI |
| Good News Minerals, LLC | ORRI |
| William J. McCaw | ORRI |
| Crown Oil Partners, LP | ORRI |
| Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts | ORRI |
| Post Oak Crown IV-B, LLC | ORRI |
| Post Oak Crown IV, LLC | ORRI |
| Collins & Jones Investments, LLC | ORRI |
| Post Oak Mavros II, LLC | ORRI |
| LMC Energy LLC | ORRI |
| H. Jason Wacker | ORRI |
| David W. Cromwell | ORRI |
| Sortida Resources, LLC | ORRI |
| Mike Moylett | ORRI |
| Kaleb Smith | ORRI |
| Deane Durham | ORRI |



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. 24198

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 W/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 702H** and **Ball State Com 802H** wells 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 NE/4 NW/4 (Unit C) 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 W/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. 24198 : 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 W/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 702H** and **Ball State Com 802H** wells 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 NE/4 NW/4 (Unit C) 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.

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
1900 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

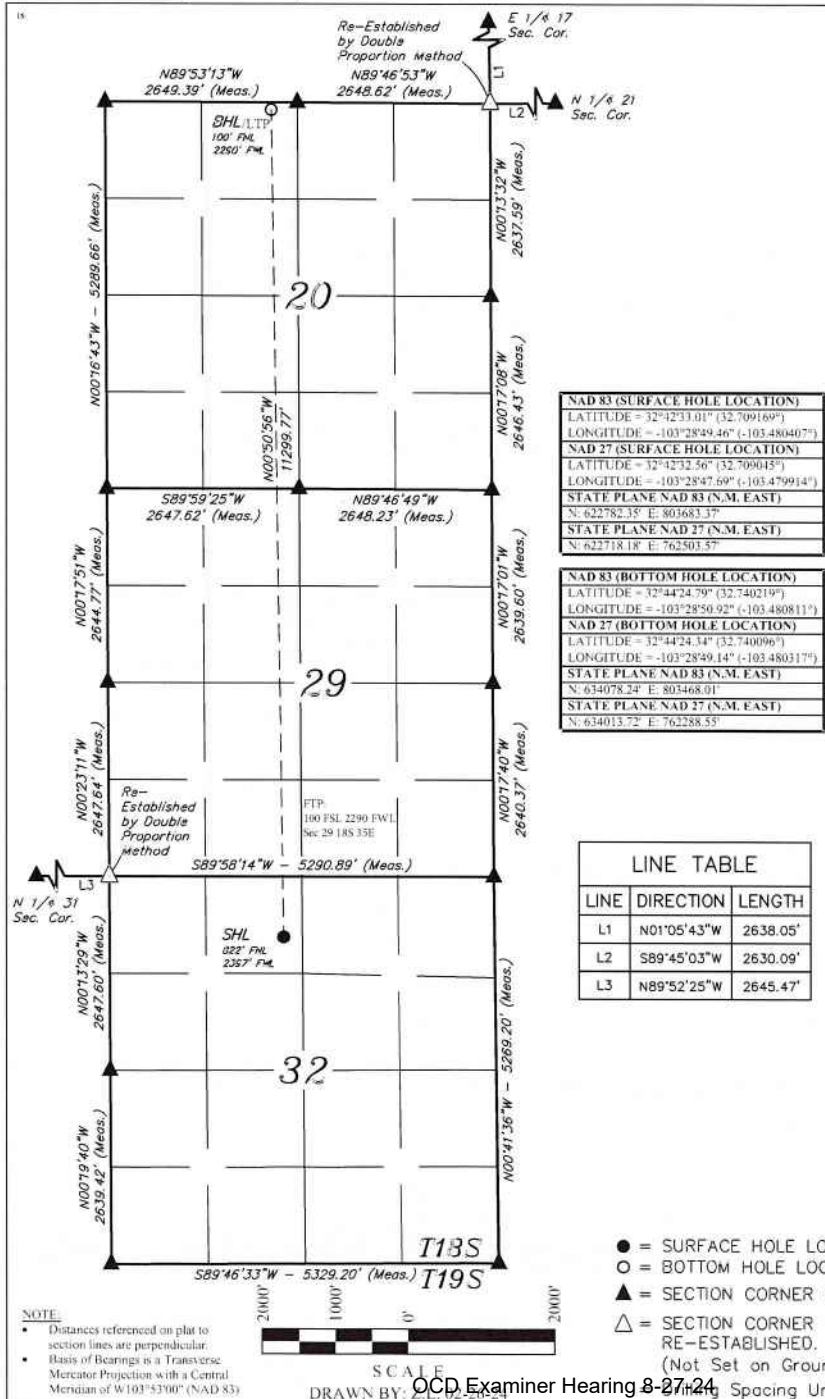
WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|---------------------------------|--------------------------|
| ¹ APTI Number | ² Pool Code | ³ Pool Name |
| | 55640 | SCHARB, WOLFCAMP |
| ⁴ Property Code | ⁵ Property Name | |
| | BALL STATE COM | |
| ⁷ OGRID No. | ⁸ Operator Name | ⁶ Well Number |
| 331595 | FRANKLIN MOUNTAIN ENERGY 3, LLC | 702H |
| | | ⁹ Elevation |
| | | 3925.9' |

| " Surface Location | | | | | | | | | |
|--------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| C | 32 | 18S | 35E | | 822 | NORTH | 2397 | WEST | LEA |

| " 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 |
| C | 20 | 18S | 35E | | 100 | NORTH | 2290 | WEST | LEA |
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | | ¹⁵ Order No. | | | | | |
| 320 | | | | | | | | | |

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.



" 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 referred to the division.

Rachael Overbey
Signature
5/15/2024
Date

Rachael Overbey
Printed Name

roverbey@fmlle.com
E-mail Address

" 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:

EXHIBIT
B-18-a

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

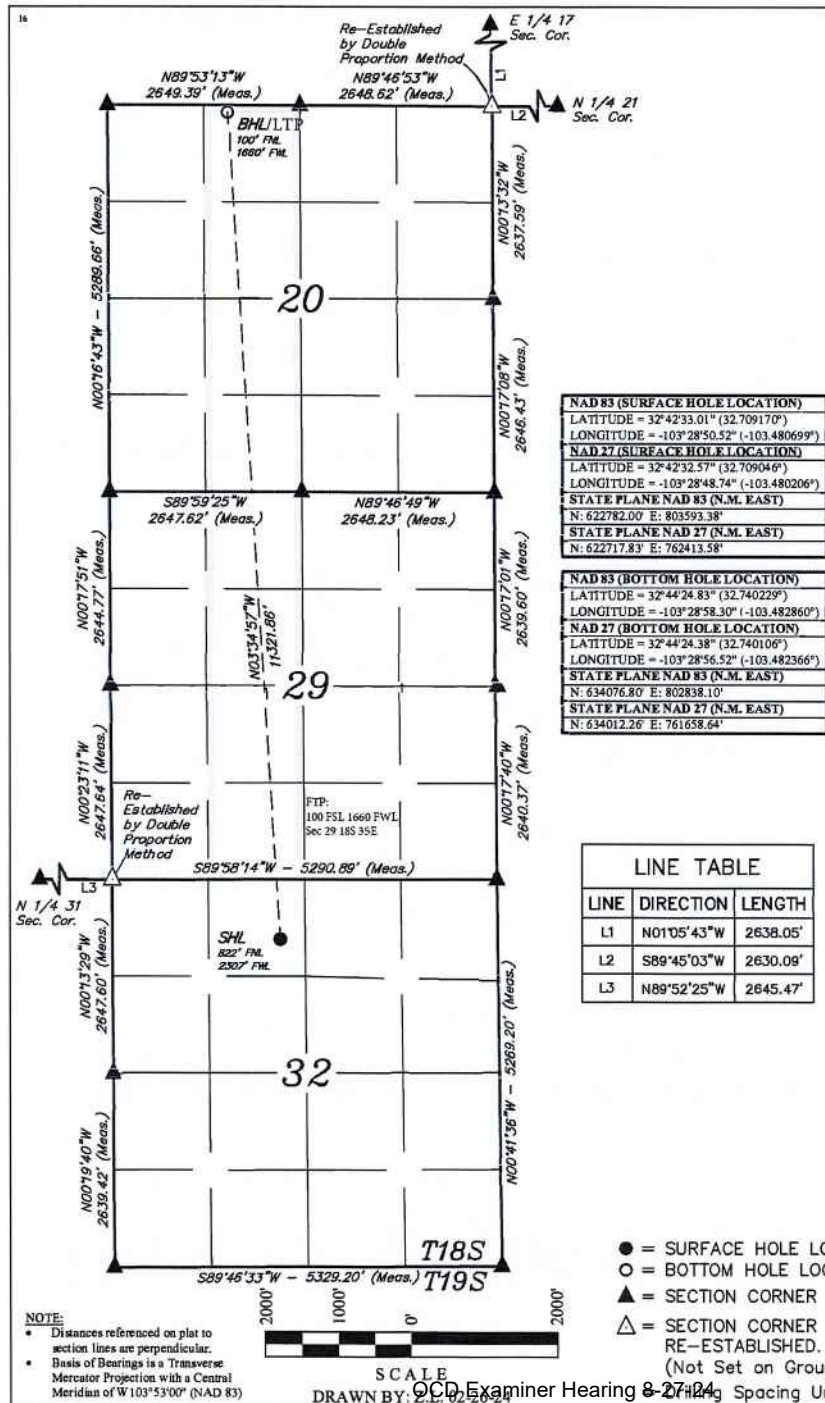
WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------------|---|---|
| ¹ API Number | ² Pool Code 55640 | ³ Pool Name SCHARB; WOLFCAMP |
| ⁴ Property Code | ⁵ Property Name BALL STATE COM | |
| ⁷ OGRID No. 331595 | ⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | ⁶ Well Number 802H ⁹ Elevation 3926.7' |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. C | Section 32 | Township 18S | Range 35E | Lot Idn | Feet from the 822 | North/South line NORTH | Feet from the 2307 | East/West line WEST | County LEA |

| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|---------------|-------------------------------|--------------|----------------------------------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. C | Section 20 | Township 18S | Range 35E | Lot Idn | Feet from the 100 | North/South line NORTH | Feet from the 1660 | East/West line WEST | County 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.



"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. ~~As a preliminary pooling order heretofore entered by the division.~~

Signature: [Signature] Date: 5/15/2024
 Printed Name: Rachael Overbey
 E-mail Address: roverbey@fmelc.com

"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.

Date of Survey: February 20, 2024
 Signature and Seal of Professional Surveyor: [Signature]

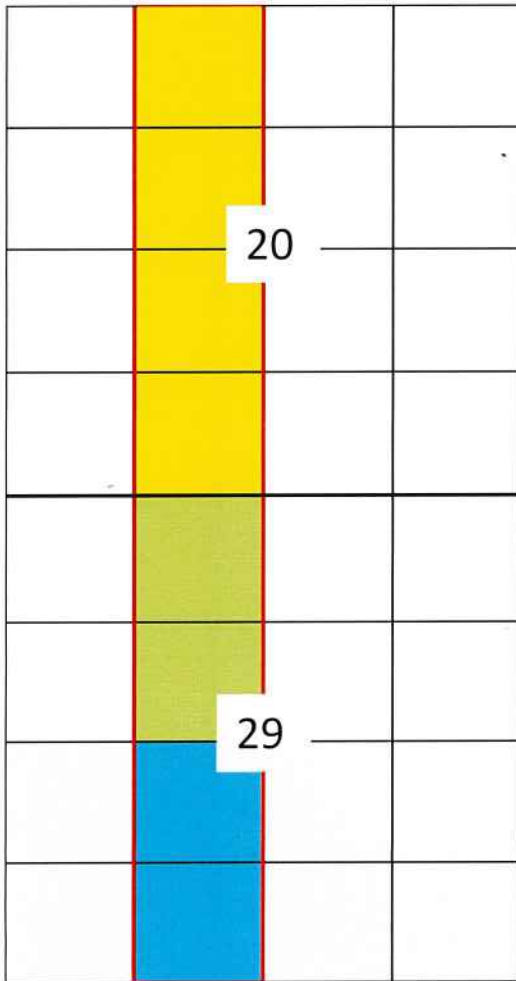
Certificate Number: [Red Seal: PAUL BUCHELE, NEW MEXICO, 23782, 02-26-24, PROFESSIONAL SURVEYOR]

● = SURFACE HOLE LOCATION
 ○ = BOTTOM HOLE LOCATION
 ▲ = SECTION CORNER LOCATED
 △ = SECTION CORNER RE-ESTABLISHED.
 (Not Set on Ground.)



Case No. 24198 Unit Summary

Case No. 24198
 E2W2 of Sec 20 & 29- T18S-R35E
 Ball State Com 702H
 Ball State Com 802H



- Proposed Wolfcamp Unit
- Tract 1 (160.00 Acres)
- Tract 2 (80.00 Acres)
- Tract 3 (80.00 Acres)

| Tract | Lease | % |
|-------|---------|----------|
| 1 | VB-1381 | 50.0000% |
| 2 | A0-4096 | 25.0000% |
| 3 | VB-1878 | 25.0000% |

| Committed Working Interest | |
|---------------------------------|--------------------|
| Franklin Mountain Energy 3, LLC | 50.000000% |
| | |
| | |
| Uncommitted Working Interest | |
| COG Operating LLC | 25.000000% |
| Marathon Oil Permian LLC | 18.750000% |
| Hanley Petroleum, Inc. | 4.937500% |
| LHAH Properties LLC | 0.625000% |
| H6 Holdings LLC | 0.312500% |
| Hanley Petroleum LLC | 0.312500% |
| TBO Oil & Gas, LLC | 0.062500% |
| | |
| Total: | 100.000000% |





Sent via USPS: 9405536105536070211357

January 4, 2024

Marathon Oil Permian, LLC
 990 Town and County Blvd
 Houston, 990 Town and County Blvd 77024
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**
 Township 18 South, Range 35 East
 Section 20: E2W2
 Section 29: E2W2
 Lea County, New Mexico
 320.00 acres, more or less

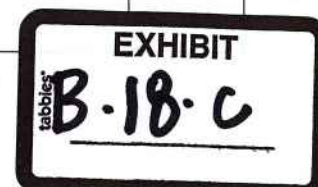
Dear Working Interest Owner:

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 302H | 1BS | 8,859' | 17,859' | Sec 32-T18S-R35E 575 FNL 2370 FWL | Sec 20-T18S-R35E 100 FNL 2290 FWL | \$11,183,950.44 | N/A |
| Ball State Com 602H | 3BS | 10,046' | 20,046' | Sec 32-T18S-R35E 575 FNL 2280 FWL | Sec 20-T18S-R35E 100 FNL 1660 FWL | \$11,797,546.84 | N/A |
| Ball State Com 702H | WCA | 10,524' | 20,524' | Sec 32-T18S-R35E 575 FNL 2400 FWL | Sec 20-T18S-R35E 100 FNL 2290 FWL | \$11,797,546.84 | N/A |
| Ball State Com 802H | WCB | 11,067' | 21,067' | Sec 32-T18S-R35E 575 FNL 2310 FWL | Sec 20-T18S-R35E 100 FNL 1660 FWL | \$12,164,281.44 | N/A |

44 Cook Street | Suite 1000 | Denver CO 80202

OCD Examiner Hearing 8-27-24
 No. 24205, 24206, 24199, 24198





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@fmelle.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

44 Cook Street, Suite 1000, Denver, CO 80206

OCD Examiner Hearing 8-27-24
No. 24205, 24206, 24199, 24198



Ball State Com 302H:

_____ I/We hereby elect to participate in the **Ball State Com 302H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 302H** well.

Ball State Com 602H:

_____ I/We hereby elect to participate in the **Ball State Com 602H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 602H** well.

Ball State Com 702H:

_____ I/We hereby elect to participate in the **Ball State Com 702H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 702H** well.

Ball State Com 802H:

_____ I/We hereby elect to participate in the **Ball State Com 802H** well.
 _____ I/We hereby elect **NOT** to participate in the **Ball State Com 802H** well.

Owner: Marathon Oil Permian, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____



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

AUTHORITY FOR EXPENDITURE

Well Name: Bull State Cam 70211 Well #: 70211
Location: SHL - Sec 32-T18S-R3E 375 FNL 2300 FWL
Country/State: Lea Co., NM
Operator: Franklin Mountain Energy 3, LLC Date Prepared: 1/2/2024
Purpose: Drill and complete a 10,000' WCA well
TYD 10,524', MD 20,524' AFE #: DCE249108

Intangible Drilling Costs and Intangible Completion Costs tables with columns for Major, Minor, Description, and Amount.

Tangible Drilling Costs table with columns for Major, Minor, Description, and Amount.

Tangible Completion Costs table with columns for Major, Minor, Description, and Amount.

Tangible Facility Costs table with columns for Major, Minor, Description, and Amount.

Intangible Facility Costs table with columns for Major, Minor, Description, and Amount.

Office Use Only table with columns for Major, Minor, Description, and Amount.

Summary table with rows for Total Drill, Total Completions, Total Facility, Total DC Intangible, Total DC Tangible, and Total AFE.

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

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

Date: 1/2/2024

WT 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 FME



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: Bull State Com 802H
Location: SHL Sec 12-T18S-R15E 575 FNL 2310 FWL
BHL Sec 20-T18S-R15E 100 FNL 1600 FWL
Operator: Franklin Mountain Energy 3, LLC
Purpose: Drill and complete a 10,000' WCH well
TYD 11,067, MD 21,067

Well #: 802H
County/State: Lea Co., NM
Date Prepared: 1/2/2024
AFE #: DCE240112

Table with columns: Major, Minor, Description, Amount. Intangible Drilling Costs. Includes items like ADMINISTRATIVE OVERHEAD, CASING CREW & EQPT, CEMENTING INTERMEDIATE CASING, etc.

Table with columns: Major, Minor, Description, Amount. Intangible Completion Costs. Includes items like ADMINISTRATIVE OVERHEAD, CASED HOLE LOGS & SURVEYS, CASING CREW & EQPT, etc.

Table with columns: Major, Minor, Description, Amount. Tangible Drilling Costs. Includes items like INTERMEDIATE CASING & ATTACHMENTS, PACKERS/SLEEVES/PLUGS, etc.

Table with columns: Major, Minor, Description, Amount. Tangible Completion Costs. Includes items like ARTIFICIAL LIFT, FLOWLINES, FRAC STRING, etc.

Table with columns: Major, Minor, Description, Amount. Tangible Facility Costs. Includes items like FACILITY PIPE/VLVS/FITTINGS, CONTAINMENT, DEHYDRATION, etc.

Table with columns: Major, Minor, Description, Amount. Intangible Facility Costs. Includes items like CONSULTING, COMPANY DIRECT LABOR, DAMAGES/BROW/PERMITS, etc.

Summary table with columns: Total Drilling, Total Completion, Total Facility, Total DC Intangible, Total DC Tangible.

Table with columns: Major, Minor, Description, Amount. Office Use Only.

Total AFE: \$12,164,281.44

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE 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 FMI

Ball E2W2 Pooled Party List

| | |
|--|---------|
| COG Operating, LLC | WI |
| Marathon Oil Permian, LLC | WI/ORRI |
| Hanley Petroleum, LLC | WI |
| Hanley Petroleum, Inc. | WI |
| LHAH Properties, LLC | WI |
| H6 Holdings, LLC | WI |
| TBO Oil & Gas, LLC | WI |
| Mavros Oil Company | WI |
| Zunis Energy, LLC | ORRI |
| Blue Ox Partners LLC | ORRI |
| Luckaloy Limited Company | ORRI |
| Oak Valley Mineral and Land, LP | ORRI |
| Good News Minerals, LLC | ORRI |
| William J. McCaw | ORRI |
| Crown Oil Partners, LP | ORRI |
| Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts | ORRI |
| Post Oak Crown IV-B, LLC | ORRI |
| Post Oak Crown IV, LLC | ORRI |
| Collins & Jones Investments, LLC | ORRI |
| Post Oak Mavros II, LLC | ORRI |
| LMC Energy LLC | ORRI |
| H. Jason Wacker | ORRI |
| David W. Cromwell | ORRI |
| Sortida Resources, LLC | ORRI |
| Mike Moylett | ORRI |
| Kaleb Smith | ORRI |
| Deane Durham | ORRI |



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

CASE NOS. 24198, 24206

**APPLICATIONS 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 NOS. 24199, 24205

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 24367-24368

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR APPROVAL COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 24369-24370

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 (“FME3”), and have personal knowledge of the matters stated herein.
2. I have testified before the New Mexico Oil Conservation Division (the “Division”) and my credentials were accepted as a matter of record.
3. My work for FME3 includes the Permian Basin and Lea County.
4. I am familiar with the applications FME3 filed in Case Nos.24198, 24199, 24205, and 24206.



5. I conducted a geological study of the Bone Spring and Wolfcamp formations underlying FME3's Ball State Com Development Area ("Ball West Development Area").

6. **Exhibit C-1** is a locator map, which identifies the general location of the Ball West Development Area within the Permian Basin.

7. **Exhibit C-2** is an excerpt from Snee & Zoback, 2018, identifying the horizontal stress orientation in this area. The preferred well orientation in this area is North South due to the S_{Hmax} direction.

BONE SPRING GEOLOGY STUDY—CASES 24199 & 24205

8. The exhibits behind **Tab C-3** are the geology study I prepared for the Bone Spring formation. In case numbers 24199 and 24205, FME3 proposes to drill a total of four wells—two First Bone wells and two Third Bone Spring wells. I have prepared two separate sets of slides for each target formation.

9. **Exhibit C-3-a** is the First Bone Spring Structure map. The Ball West Development Area is identified by the pink box and the approximate location of the First Bone Spring wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the structure dips gently to the south. This map also identifies the five wells I used for the cross-section, running from A to A'.

10. **Exhibit C-3-b** is a stratigraphic cross section of the First Bone Spring. In my opinion, the well logs on the cross-section 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 approximately where the Ball West First Bone Spring wells fall within the wells I used for the cross-section. Based on the cross section, I conclude that the First Bone Spring is present and porous in the Ball West Development Area.

11. **Exhibit C-3-c** is a First Bone Spring Sand Isopach, which shows that the gross reservoir thickens slightly to the south.

12. **Exhibit C-3-d** is the Third Bone Spring structure map. The Ball West Development Area is identified by the pink box and the approximate location of the Third Bone Spring wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips gently to the south. This map also identifies the five wells I used for the cross-section, running from A to A'.

13. **Exhibit C-3-e** is a stratigraphic cross section of the Third Bone Spring. In my opinion, the well logs on the cross-section give a representative sample of the Third Bone Spring Sand formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed Ball West Third Bone Spring wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Third Bone Spring Sand is present and porous in the Ball West Development Area.

14. **Exhibit C-3-f** is a Third Bone Spring Sand Isopach, which shows that the reservoir thickens to the southwest.

15. I conclude from the Bone Spring geology study that:

- a. The horizontal spacing units are 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 units will contribute more or less equally to production.

WOLFCAMP GEOLOGY STUDY—CASES 24198 & 24206

16. The exhibits behind **Tab C-4** are the geology study I prepared for the Wolfcamp formation. In case numbers 24998 and 24206, FME 3 is proposing a total of four wells—two Wolfcamp A wells and two Wolfcamp B wells. I have prepared two separate sets of slides for each target formation.

17. **Exhibit C-4-a** is the Wolfcamp A Structure map. The Ball West Development Area is identified by the blue box and the approximate location of the Wolfcamp A wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips slightly to the southwest. This map also identifies the five wells I used for the cross-section, running from A to A'.

18. **Exhibit C-4-b** is a stratigraphic cross section of the Wolfcamp A. In my opinion, the well logs 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 Ball West Wolfcamp A wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Wolfcamp A is present and porous in the Ball West Development Area.

19. **Exhibit C-4-c** is a Wolfcamp A Isopach, which shows that the reservoir thickens slightly to the south.

20. **Exhibit C-4-d** is the Wolfcamp B Structure map. The Ball West Development Area is identified by the blue box and the approximate location of the Wolfcamp B wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips slightly to the southwest. This map also identifies the five wells I used for the cross-section, running from A to A'.

21. **Exhibit C-4-e** is a stratigraphic cross section of the Wolfcamp B. In my opinion, the well logs 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 Ball West Wolfcamp B wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Wolfcamp B is present and porous in the Ball West Development Area.

22. **Exhibit C-4-f** is a Wolfcamp B Isopach, which shows that the reservoir thickens slightly to the southwest.

23. I conclude from the Wolfcamp geology study that:

- a. The horizontal spacing units are 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 units will contribute more or less equally to production.

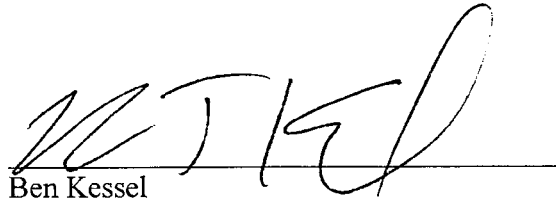
24. In my opinion, FME3's Ball West State development plan prevents waste and protects correlative rights.

25. The attachments to my declaration were prepared by me or compiled under my direction or supervision.

26. 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]

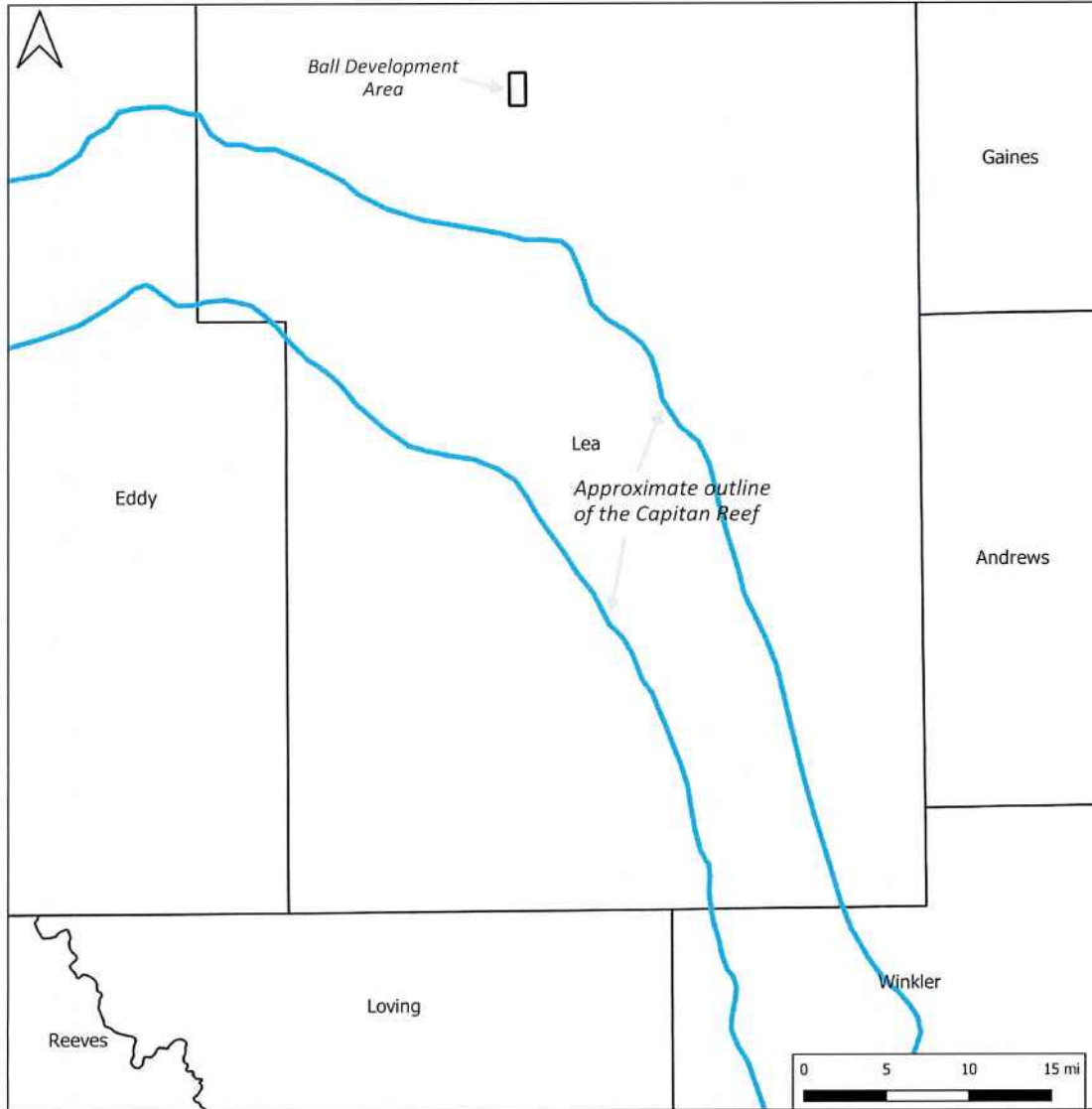
Dated: August 19th, 2024


Ben Kessel

Ball Development



Locator Map



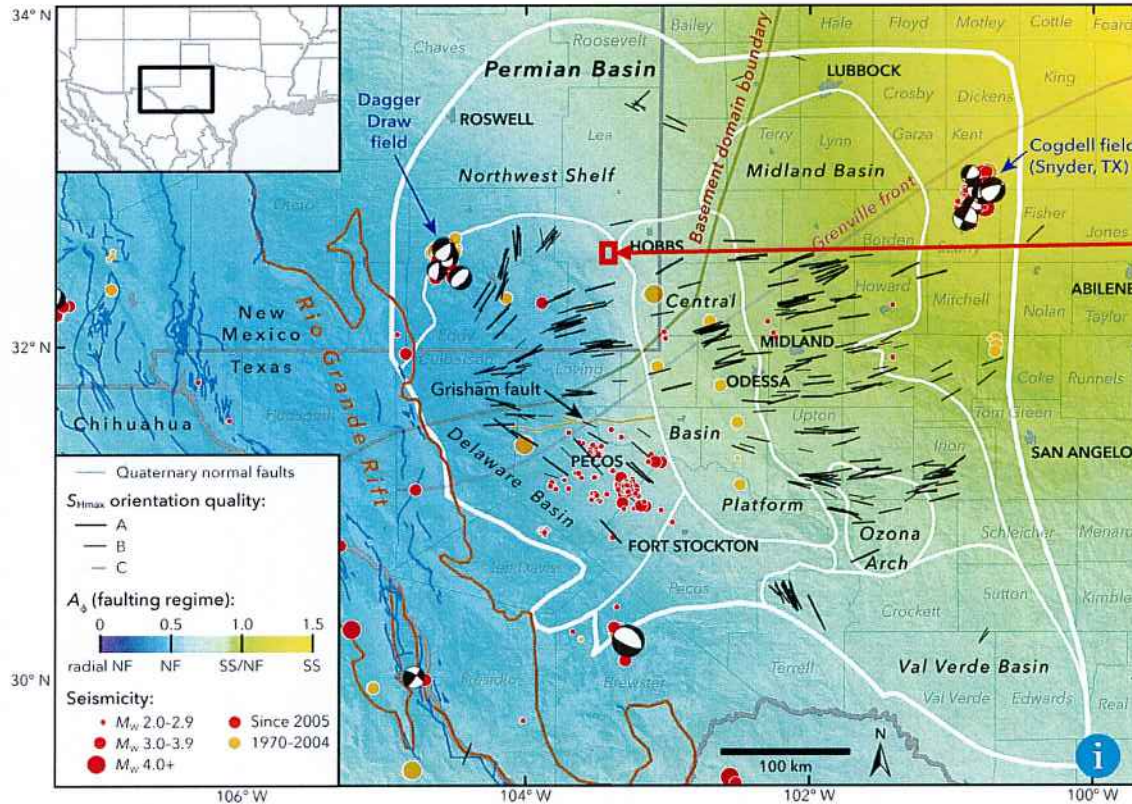
- Black box shows the location of the Ball development area
- Planned wells are located outside of the eastern edge of the Capitan Reef

https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20Capitan%20PDF%20w_Seals.pdf





Regional Stress

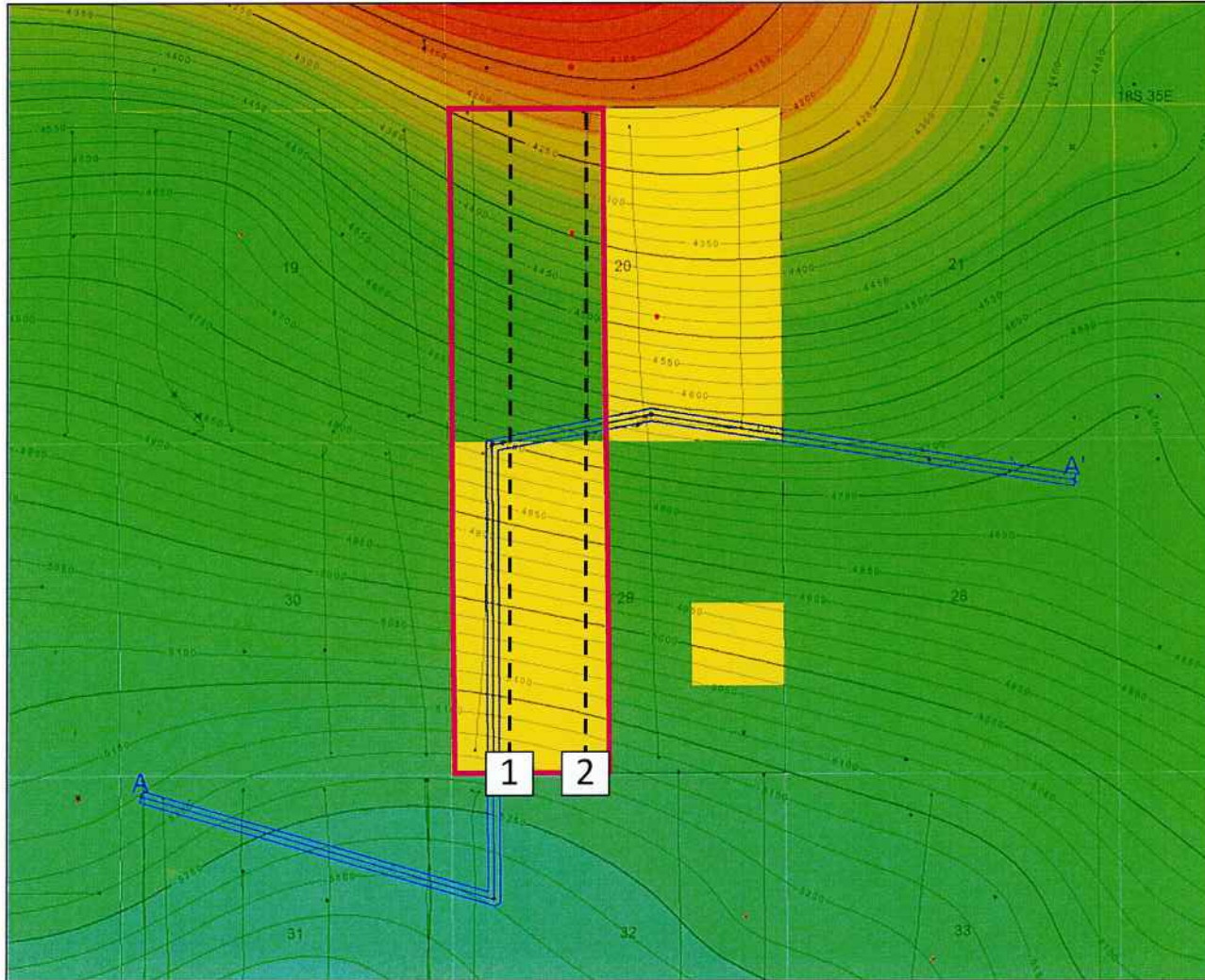


- Red box shows the approximate location of the Ball development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- The Ball State West wells are planned to drill N-S, nearly orthogonal to S_{Hmax} , optimal for induced fracture propagation

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



First Bone Spring Structure



All wells shown

1 mile

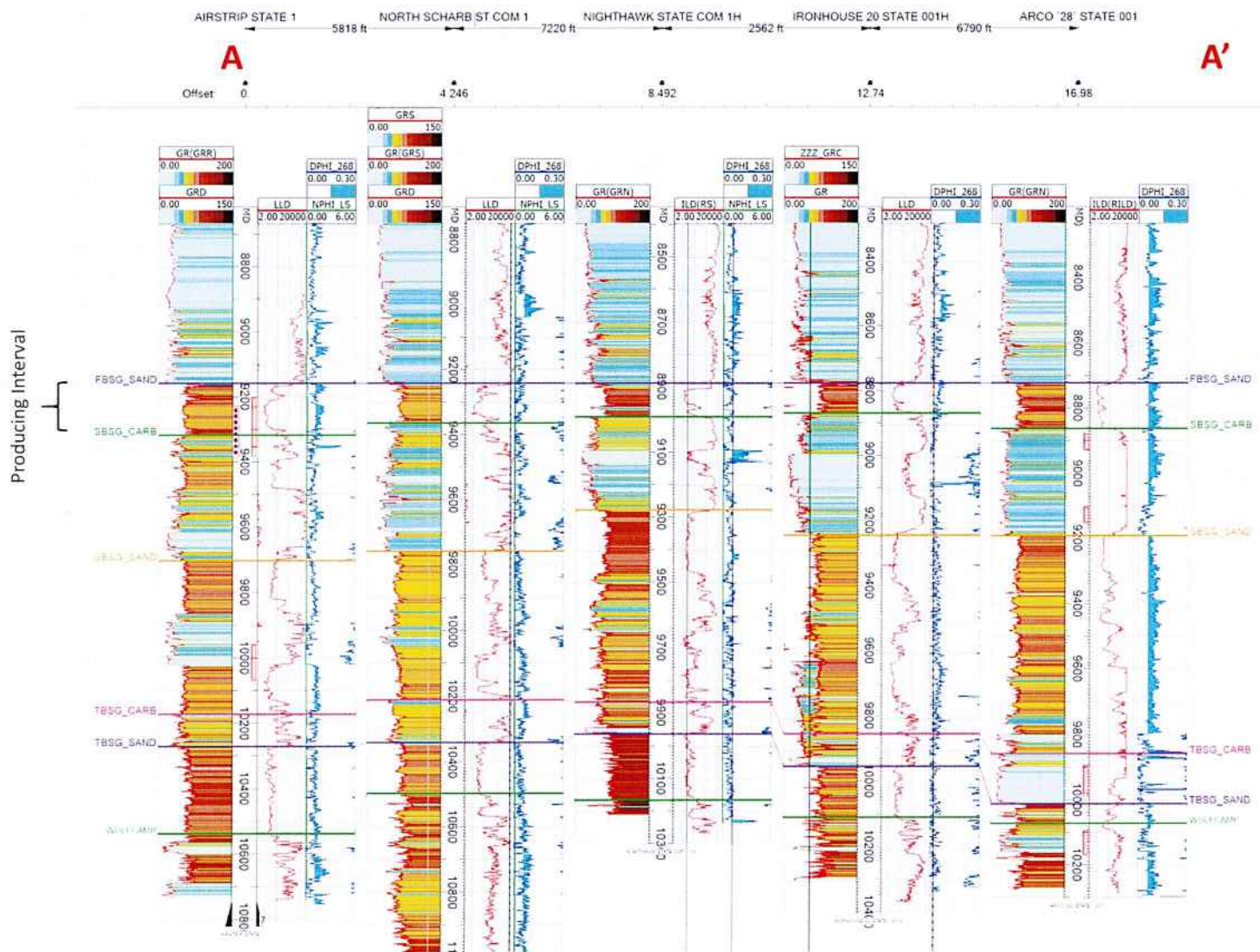
-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

-  Ball State Com 301H
-  Ball State Com 302H



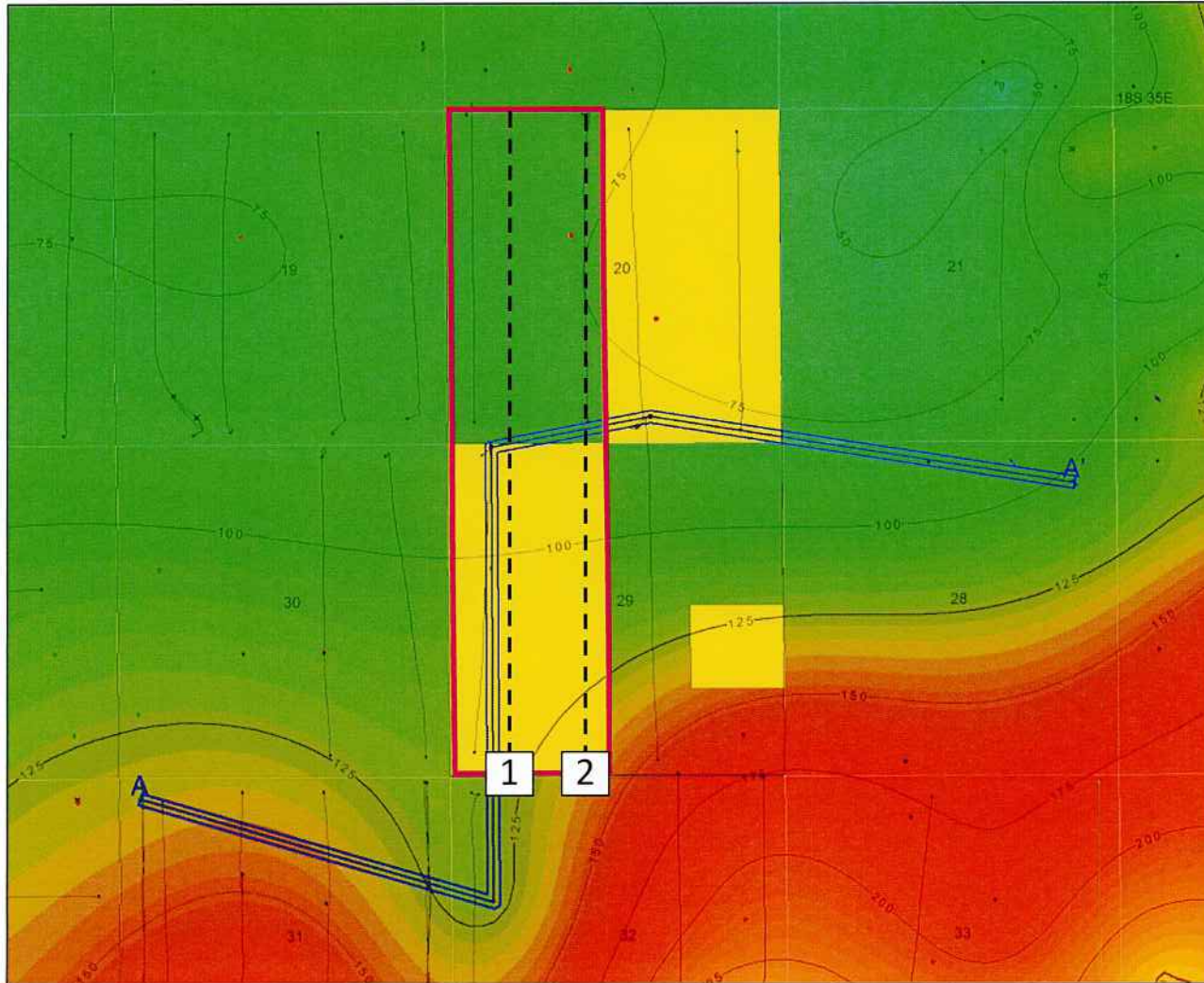
First Bone Spring Cross Section



Ball West Development

EXHIBIT
C.3.b

First Bone Spring Sand Isopach



All wells shown

1 mile

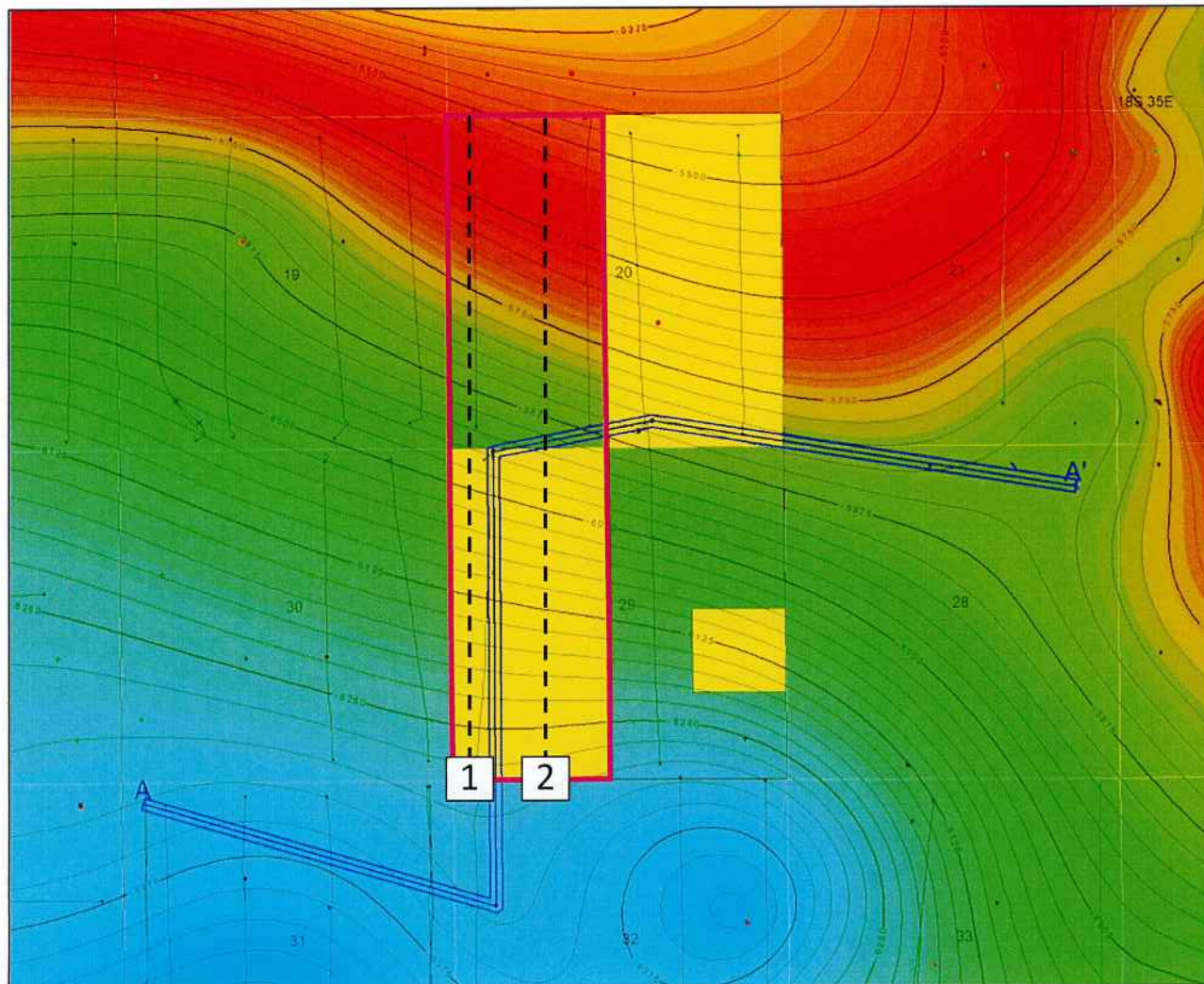
-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

- 
- 1** Ball State Com 301H
- 2** Ball State Com 302H



Third Bone Spring Structure



All wells shown

1 mile

-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

-  Ball State Com 601H
-  Ball State Com 602H



Third Bone Spring Cross Section

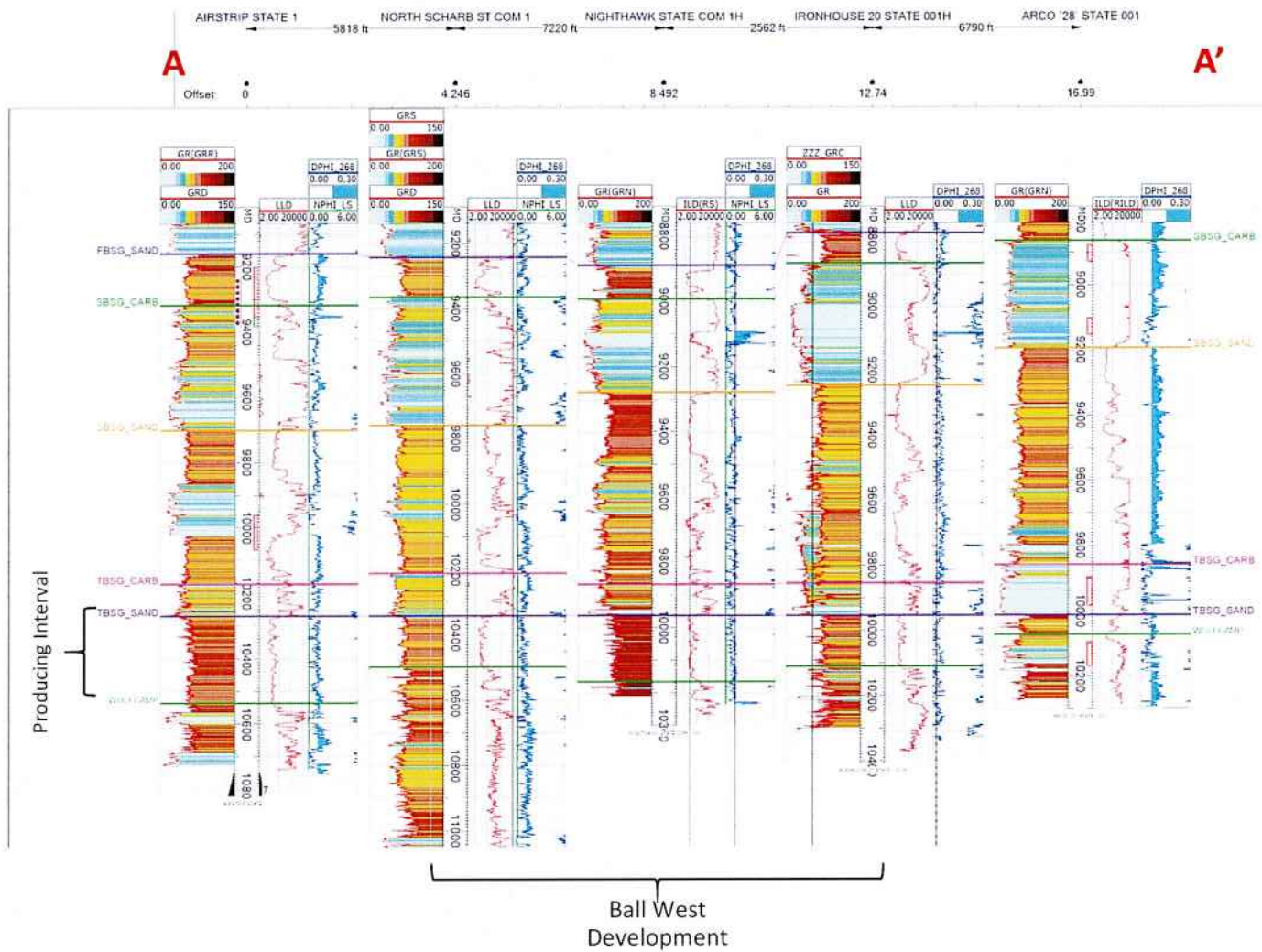


EXHIBIT
C.3.e

Third Bone Spring Sand Isopach



- Franklin Mountain Acreage
- Ball West Development

Proposed Horizontal Location

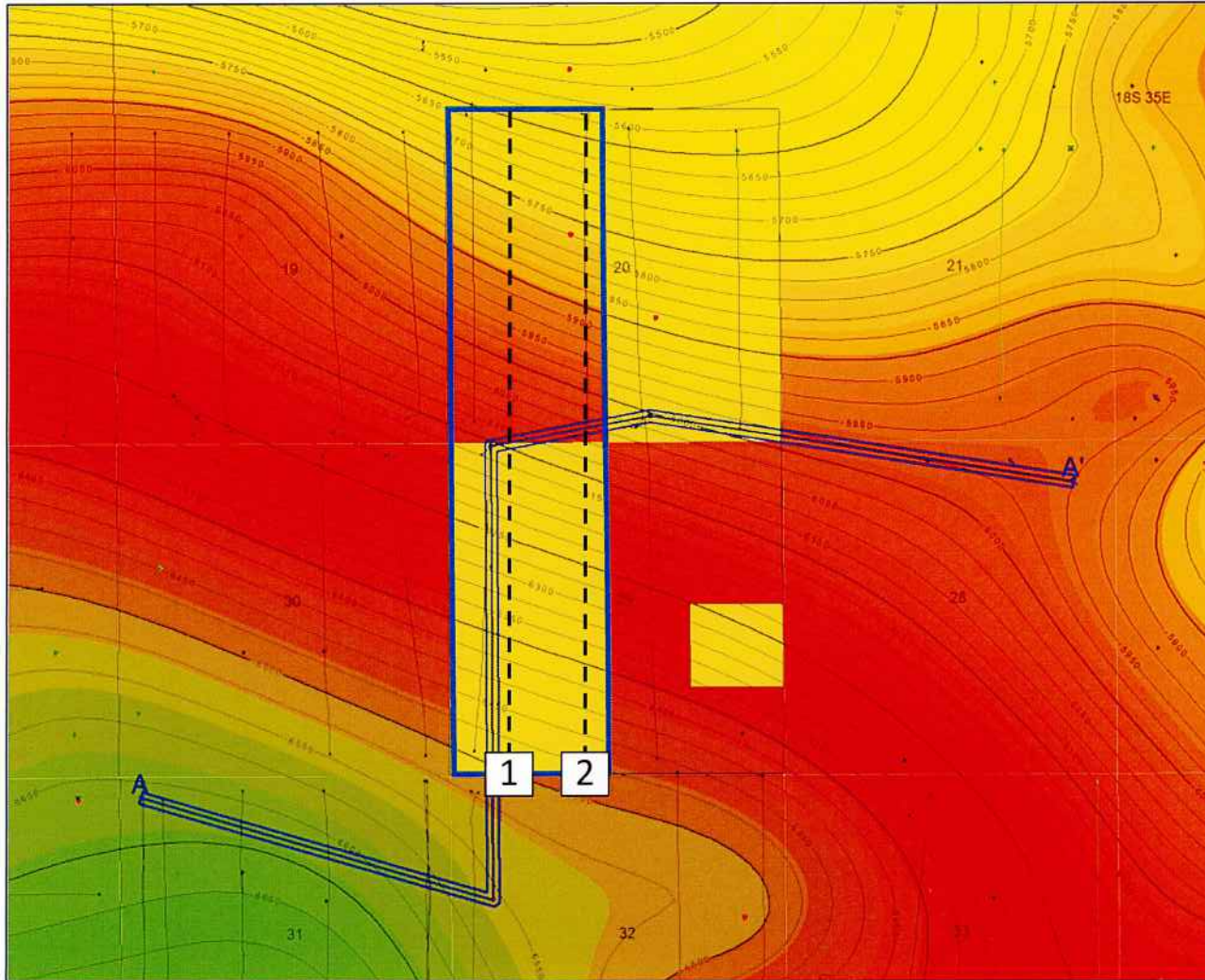
- 1 Ball State Com 601H
- 2 Ball State Com 602H

All wells shown

1 mile



Wolfcamp Structure



-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

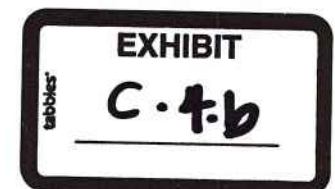
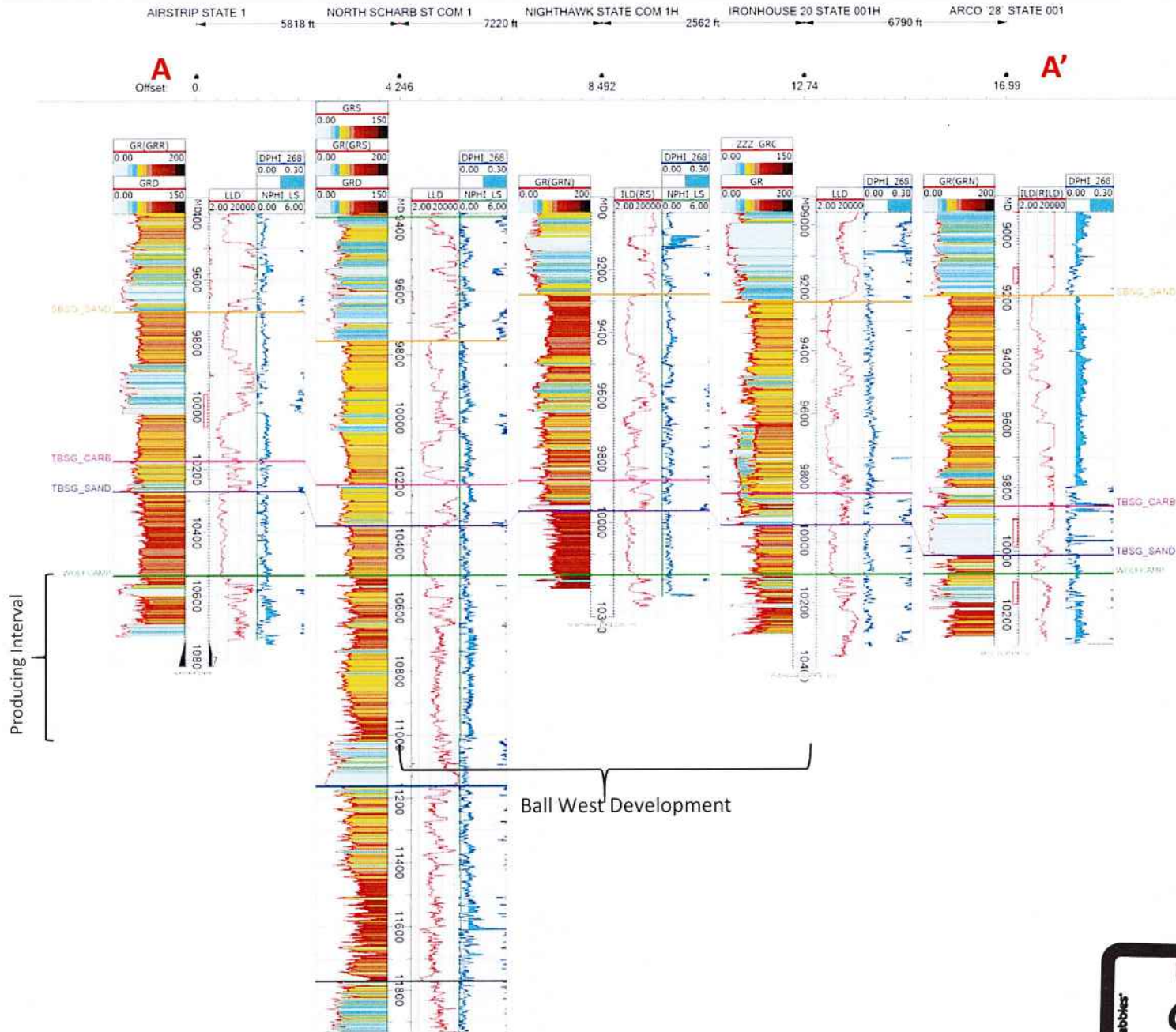
-  Ball State Com 701H
-  Ball State Com 702H

All wells shown

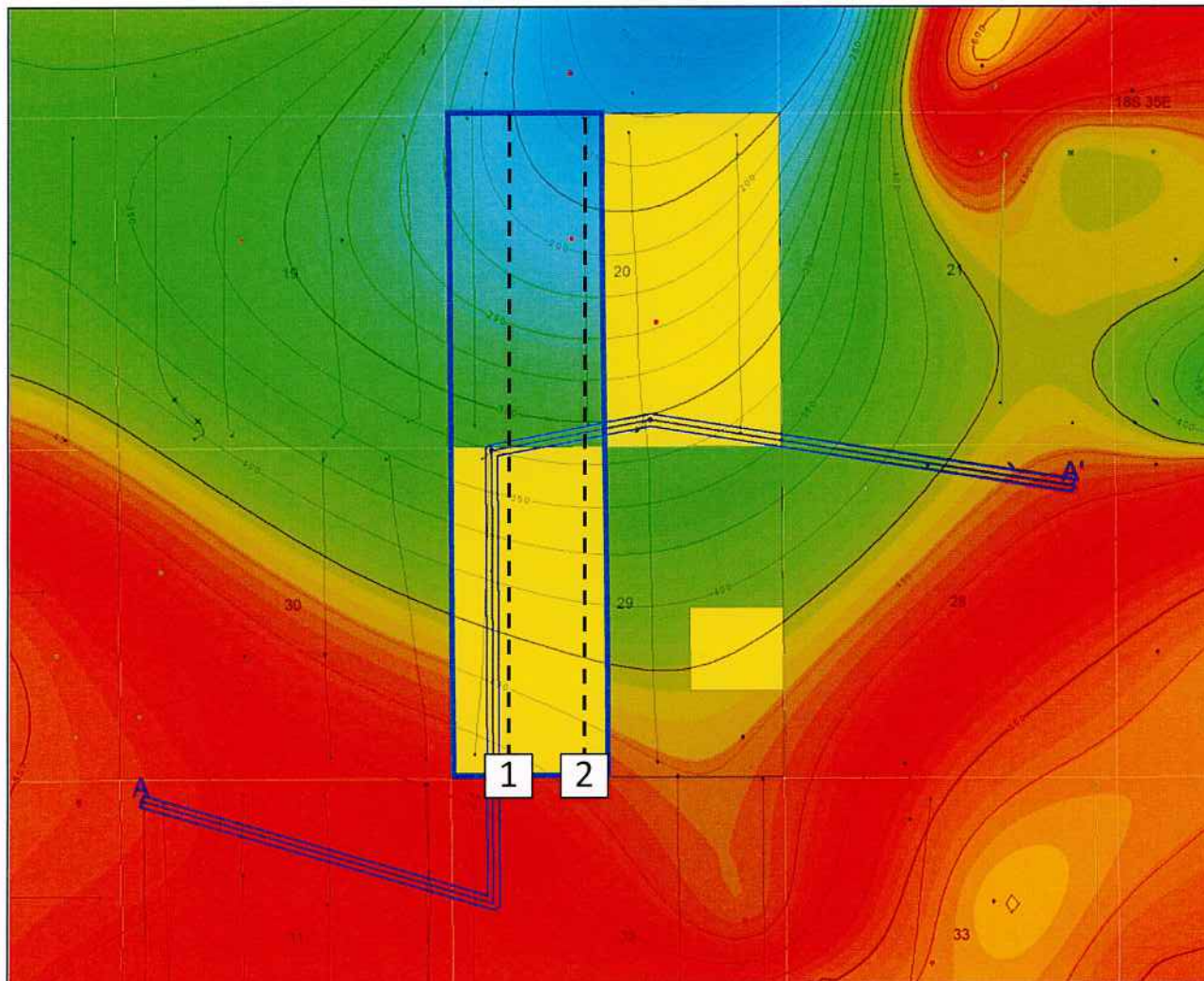
1 mile



Wolfcamp Cross Section



Wolfcamp Isopach



- Franklin Mountain Acreage
- Ball West Development

Proposed Horizontal Location

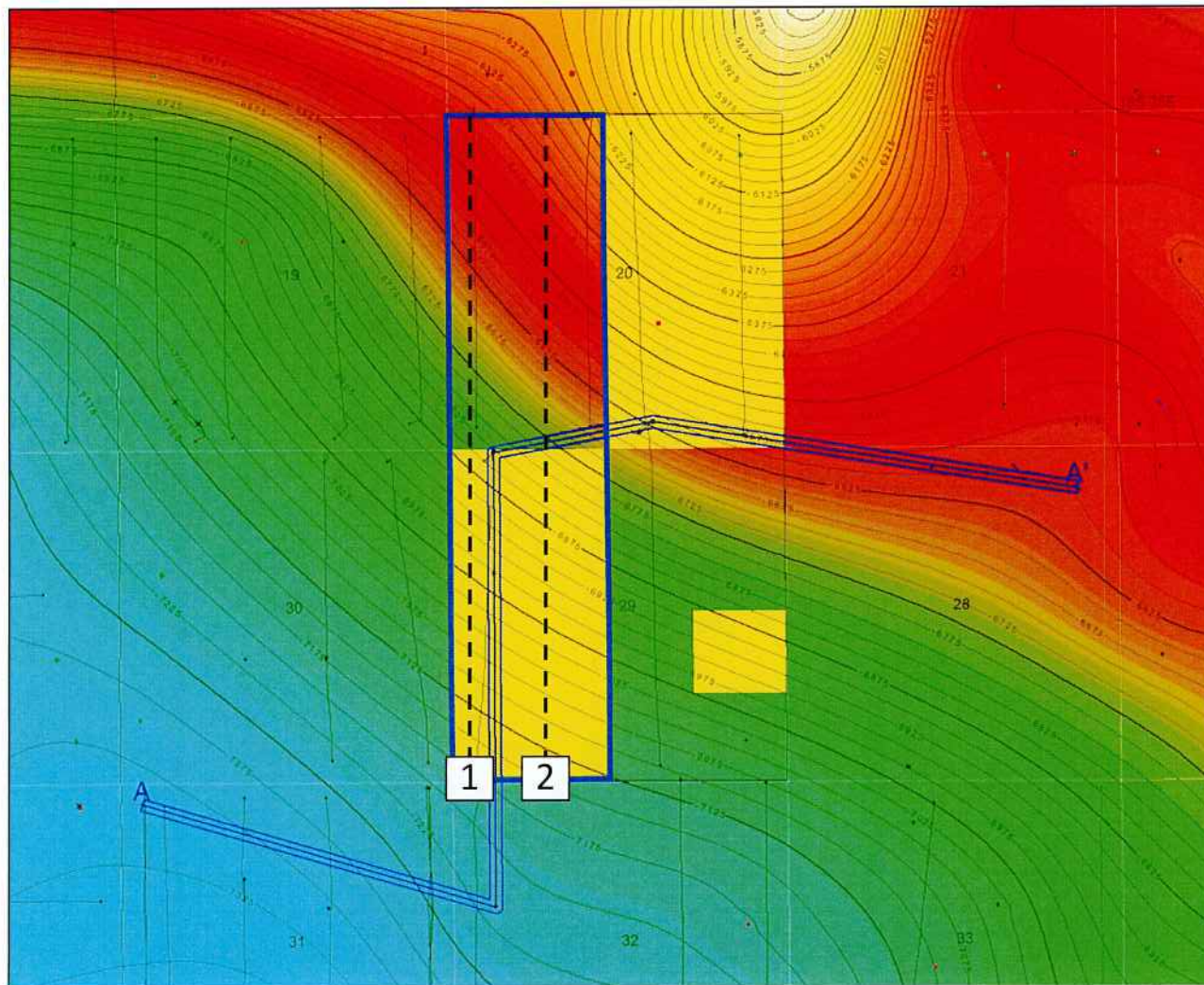
- 1 Ball State Com 701H
- 2 Ball State Com 702H

All wells shown

1 mile



Wolfcamp B Structure



-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

-  1 Ball State Com 801H
-  2 Ball State Com 802H

All wells shown

1 mile



Wolfcamp B Cross Section

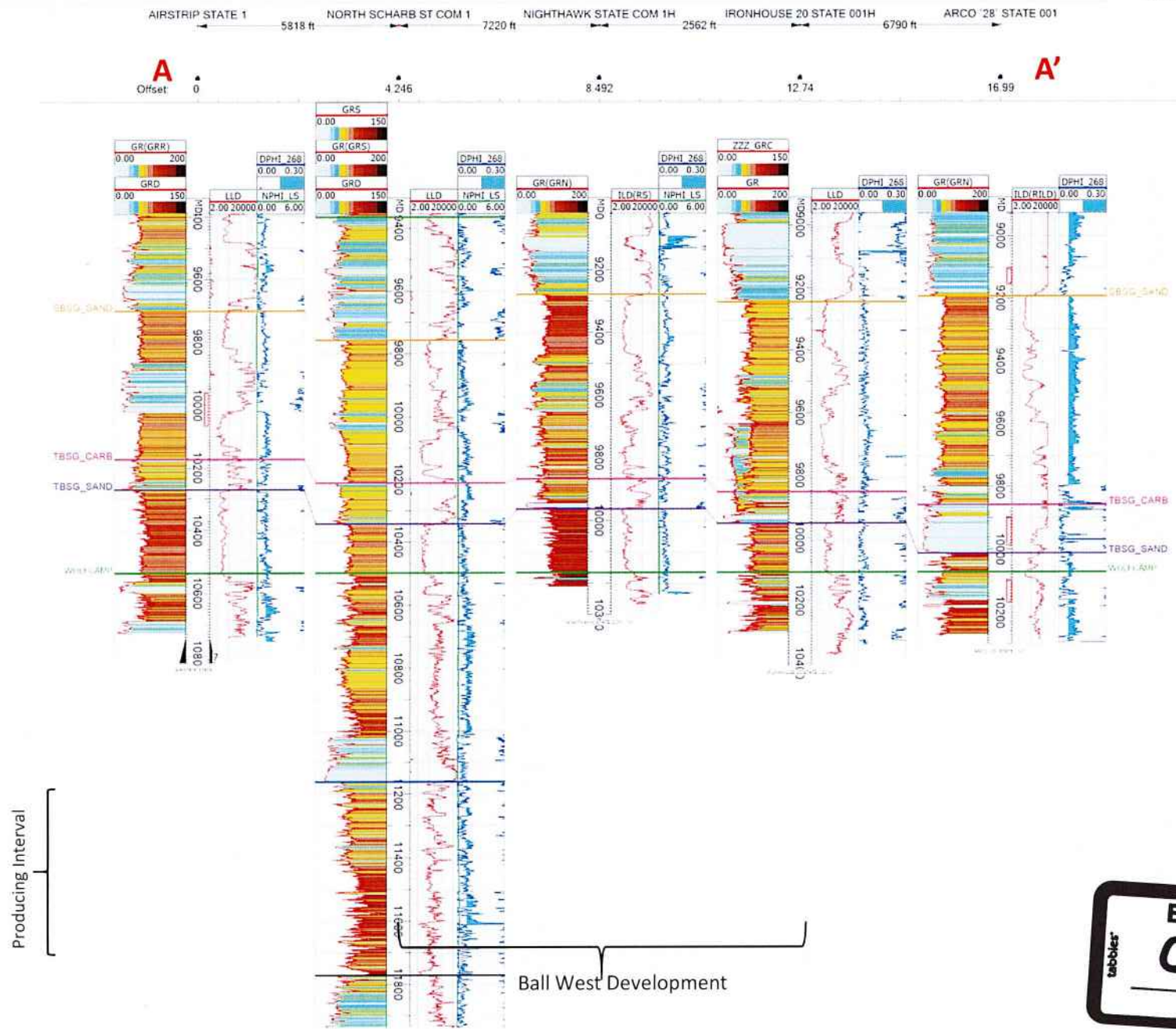
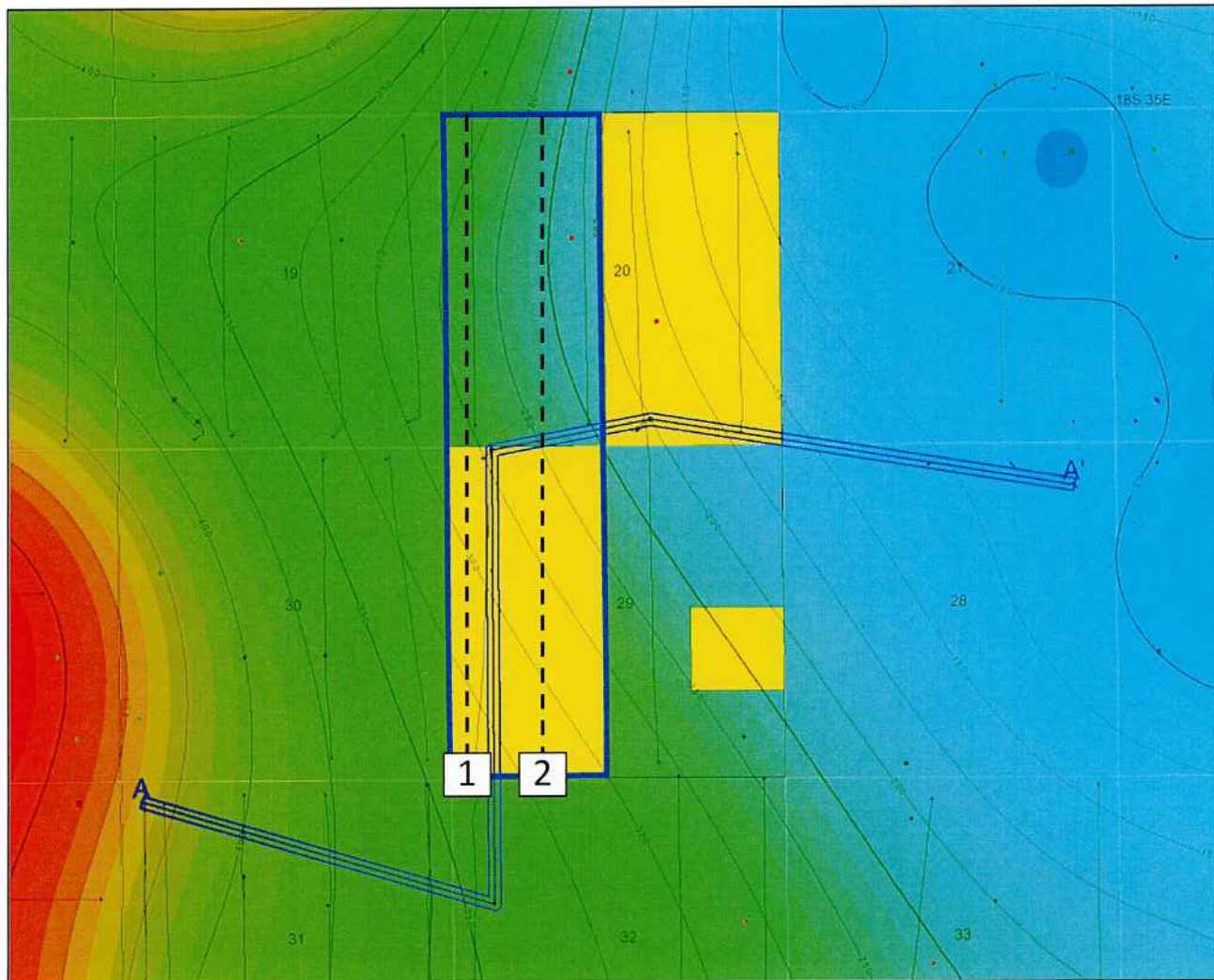


EXHIBIT
C-4-C

Wolfcamp B Isopach



All wells shown

1 mile

-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

-  Proposed Horizontal Location
-  Ball State Com 801H
-  Ball State Com 802H



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

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

CASE NOS. 24198, 24206

**APPLICATIONS 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 NOS. 24199, 24205

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR APPROVAL OF AN OVERLAPPING HORIZONTAL
WELL SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 24367-24368

**APPLICATIONS OF MRC PERMIAN COMPANY
FOR APPROVAL COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 24369-24370

SELF-AFFIRMED STATEMENT OF CORY MCCOY

Cory McCoy hereby states and declares as follows:

1. I am over the age of 18, I am a Reservoir Engineer for Franklin Mountain Energy, LLC ("FME"), and have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division ("Division") and my credentials were accepted as a matter of record.
3. My work for FME3 includes the Permian Basin and Lea County.



4. I am familiar with the applications FME3 filed in Case Nos.24198, 24199, 24205, and 24206. I am also familiar with the applications filed by MRC Permian (“MRC”) in Case Numbers 24367-24370.

5. In my opinion, FME3’s proposed development plan is more efficient and effective than MRC’s plan, has less risk than MRC’s plan, and will result in the protection of correlative rights and the prevention of waste.

6. **Exhibit D-1** compares FME3’s plans with MRC’s plans and identifies the benches that FME3 is targeting that MRC is not.

7. FME3 is targeting reserves that MRC is overlooking, two Wolfcamp A and two Third Bone Springs. Based on offset well data, FME3 estimates there are 750,000 barrels of recoverable oil from the Third Bone Spring formation and there are 580,000 barrels of recoverable oil from the Wolfcamp A formation. This is a total of 2.6 million barrels of additional oil FME3 intends to recover. FME3’s wine rack development plan, proven well density and additional landing zones will allow more access to proven reserves. FME3’s proposal protects correlative rights and prevents waste because FME3 is targeting additional benches with a superior development plan.

8. The Wolfcamp A is a proven target based on offsets, which is demonstrated by **Exhibit D-2**.

9. FME3 recently drilled and completed the Norte 702H, a Wolfcamp A well located one mile to the east of FME3’s Ball development. The Norte 702H has an estimated ultimate recovery of 530,000 barrels. Additionally, the Beefalo development is directly west of the Ball development has given confidence that FME3’s well spacing of four wells per section is correct.

Furthermore, the well performance of these developments have proven the Wolfcamp A is drillable inventory and should be developed.

10. FME3's Ball development plan will target the Wolfcamp A, whereas MRC is not targeting the Wolfcamp A.

11. The Third Bone Spring is a proven target based on offsets, which is demonstrated by **Exhibit D-3**.

12. The Airstrip development located directly west of the Ball development was drilled on four wells per section. This development gives FME3 confidence that four wells per section as proposed is the correct spacing as the Airstrip wells have an average estimated ultimate recovery of 860,000 barrels. FME3 drilled a Third Bone Spring in the Gold development located 3 miles to the west of the Ball development. This well has an estimated ultimate recovery of 770,000 barrels of oil. The Gold Third Bone Spring development coupled with Lario's Sky Dweller Third Bone Spring well directly north of the Gold development gives FME3 confidence that the Third Bone Spring formation is drillable inventory and should be developed.

13. FME3's Ball development plan will target the Third Bone Spring, whereas MRC is not targeting the Third Bone Spring.

14. Attached as **Exhibit D-4** is a cost comparison between MRC's Condor AFE vs FME3's Ball AFE.

15. The two AFE's were compared by formation and by MRC's proposed well count - two First Bone Springs and two Wolfcamp B wells. Taking an aggerate of the two projects, MRC's total AFE cost is \$49 MM whereas FME3's total AFE cost is \$42 MM. FME3's cost is lower by \$7 MM. In my opinion, FME3's AFE costs are both lower and more accurate to the area due to FME3's activity level in the basin. FME3 continues to push performance with drilling and

completions. This has allowed FME3 to continue to refine AFE proposals. FME3 is a prudent operator that is disciplined and efficient with capital expenditures.

16. Attached as **Exhibit D-5** is the backup data supporting Exhibits D-1 to D-4.

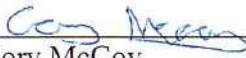
17. To conclude, in my opinion, FME3 is able to prudently operate the property, and FME3's plan will prevent waste because FME3 will be targeting reserves that MRC is not.

18. The exhibits to my declaration were prepared by me or under my direction or supervision.

19. 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: 8/20, 2024

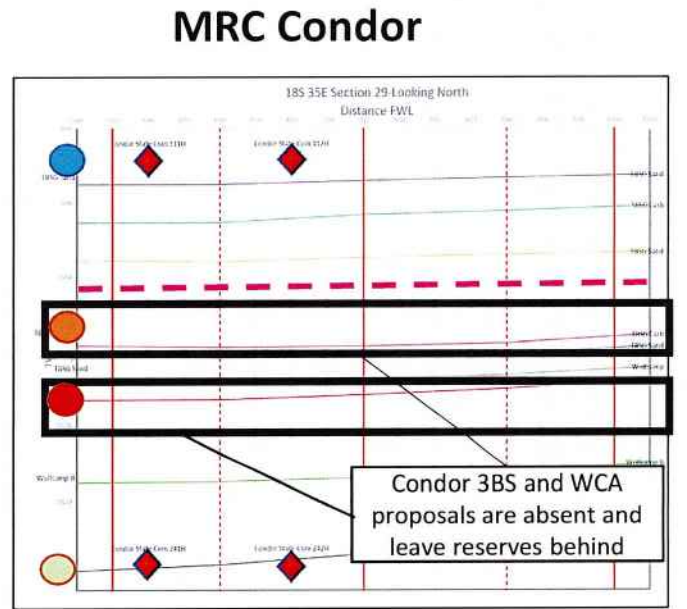
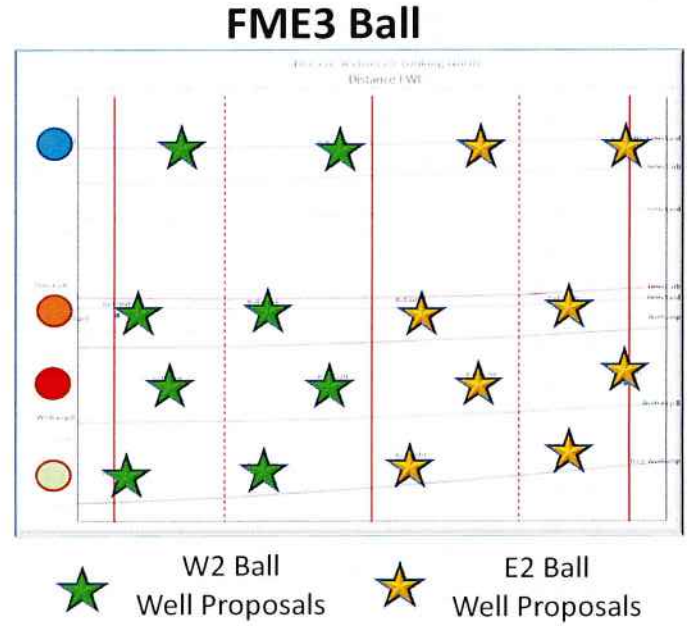

Cory McCoy

FME3 Full Field Ball Development vs MRC's Development



| Formation | Planned Well Count | Planned Well Count | |
|-----------|--------------------|--------------------|--------|
| | | Ball W2 | Condor |
| 1BS | | 2 | 2 |
| 3BS | | 2 | 0 |
| WCA | | 2 | 0 |
| WCB* | | 2 | 2 |
| Total | | 8 | 4 |

- The difference between the Ball and Condor development plans are (2) WCA wells and (2) 3BS wells which FME3 has proposed, and MRC has not.
- Based on offset data, both the 3BS and WCA formations are proven inventory. FME3 estimates 750,000 recoverable BO from the 3BS and 580,000 recoverable BO from the WCA per 10,000' lateral. This is an additional 2.6 MM BO that MRC overlooked and did not propose.
- FME3's wine rack development plan, well landing zone and well density with the additional (2) WCAs (2) 3BS wells are proven and will allow more access to reserves.



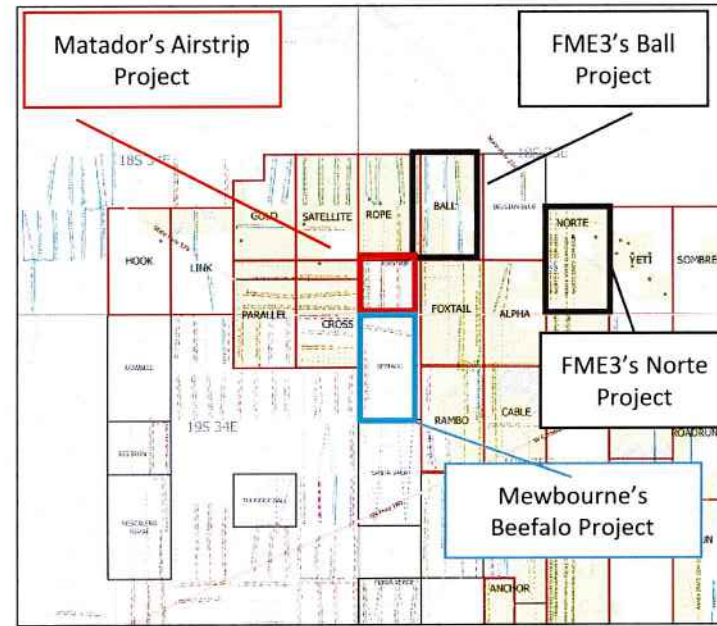
*FME3's WCB and MRC's WCD are targeting the same formation



Airstrip & Beefalo & Norte Supports WCA Development in Ball



- MRC's Airstrip and Mewbourne's Beefalo developments are west offset of FME3's Ball development
- Airstrip and Beefalo well performance gives confidence in Wolfcamp A (WCA). Beefalo's development (4) wells/section supports FME3's well density
- MRC's WCA proposals are absent and therefore will leave proven reserves behind



Gun Barrel Looking North from Beefalo to Airstrip

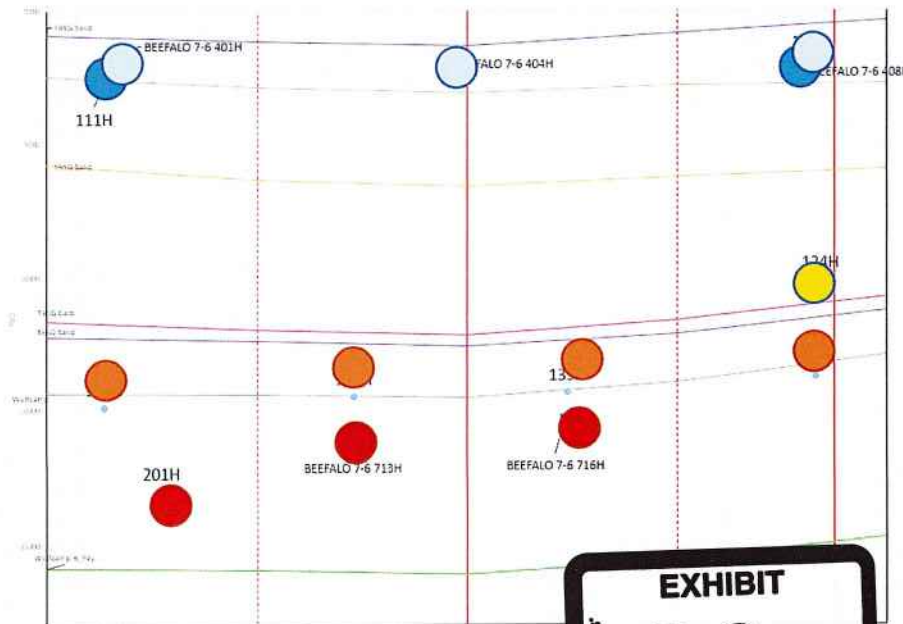


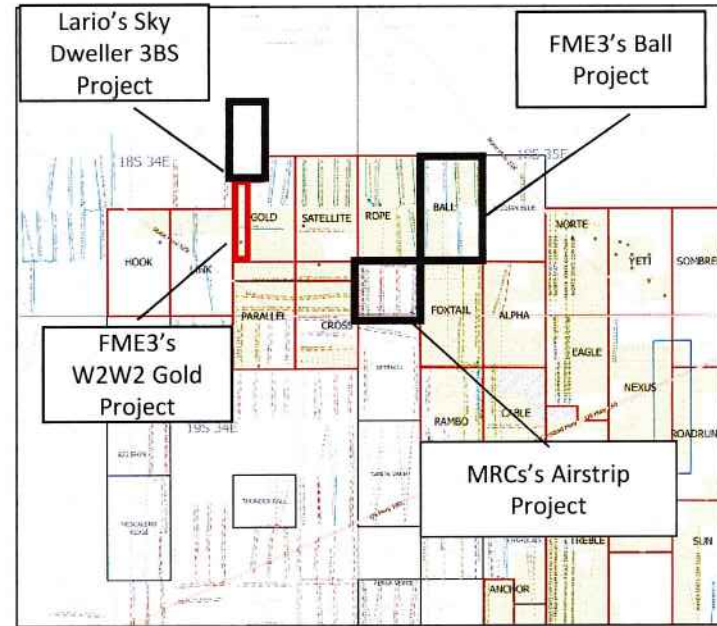
EXHIBIT
D.2

| Formation | EUR BO/ft | | | Planned Well Count | |
|--------------|-----------|---------|-------|--------------------|----------|
| | Airstrip | Beefalo | Norte | Ball W2 | Condor |
| 1BS | 69 | 77 | | 2 | 2 |
| 2BS | 53 | | | 0 | 0 |
| 3BS | 86 | | | 2 | 0 |
| WCA | 47 | 70 | 53 | 2 | 0 |
| WCB | - | | | 2 | 2 |
| Total | | | | 8 | 4 |

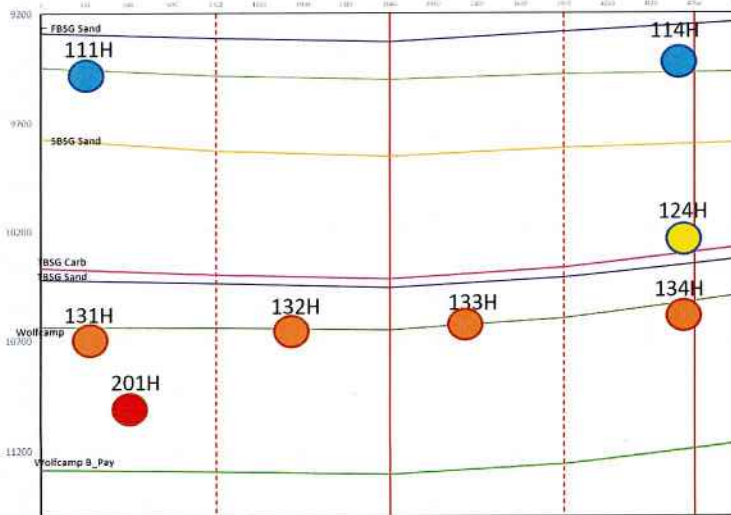


Airstrip & Gold & Sky Dweller Supports 3BS Development in Ball

- MRC's Airstrip development is directly west offset of FME3's Ball development
- MRC's Airstrip's Third Bone Spring (3BS) well performance and developmental spacing of (4) wells/section supports FME3's well density and give confidence the 3BS is drillable inventory.
- FME3's Gold 3BS and Lario's Sky Dweller (3BS) are single well developments and are located west of Ball Development. Both projects have a 77 EUR BO/ft
- MRC's 3BS proposals are absent and therefore will leave proven reserves behind



Airstrip Gun Barrel

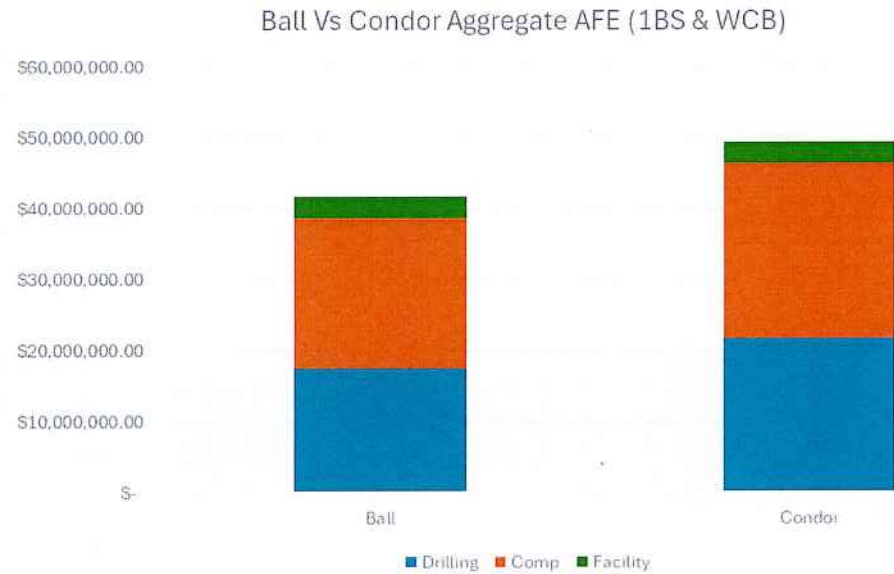


| Formation | EUR BO/ft | | | Planned Well Count | |
|-----------|-----------|-------------|------|--------------------|--------|
| | Airstrip | Sky Dweller | Gold | Ball W2 | Condor |
| 1BS | 69 | | | 2 | 2 |
| 2BS | 53 | | | 0 | 0 |
| 3BS | 86 | 77 | 77 | 2 | 0 |
| WCA | 47 | | | 2 | 0 |
| WCB | - | | | 2 | 2 |
| Total | | | | 8 | 4 |



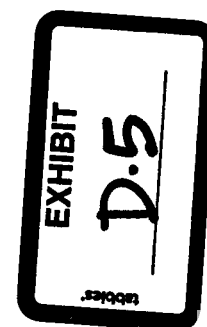
FME3's Budget is Lower and FME3's Excellence in Execution

- Aggregate AFE between FME3 and MRC on a 4 well project (2 -1BS & 2 -WCB) as proposed by MRC's Condor
 - Matador's AFE Budget = \$49 MM
 - FME3's AFE Budget = \$42 MM
 - FME3 is \$ 7MM less than MRC



Supplemental Documents –

| Well | API | Current Operator | Formation | LL | #/ft | Fluid/ft | TOP |
|--|------------|-------------------------------|--------------|--------|-------|----------|--------|
| AIRSTRIP 31 18 35 RN STATE COM 111H | 3002545025 | MRC | 1BSS | 4,663 | 2,744 | 43 | Oct-18 |
| AIRSTRIP 31 18 35 RN STATE COM 114H | 3002545436 | MRC | 1BSS | 4,643 | 2,593 | 52 | Apr-19 |
| AIRSTRIP 31 18 35 RN STATE COM 124H | 3002545437 | MRC | Lower 2BS | 5,051 | 2,600 | 52 | Apr-19 |
| AIRSTRIP 31 18 35 RN STATE COM 134H | 3002545438 | MRC | 3BSS | 4,662 | 2,573 | 51 | Apr-19 |
| AIRSTRIP 31 18 35 RN STATE COM 133H | 3002544323 | MRC | 3BSS | 4,388 | 2,384 | 35 | Mar-18 |
| AIRSTRIP 31 18 35 RN STATE COM 132H | 3002543816 | MRC | 3BSS | 4,360 | 2,838 | 39 | Aug-17 |
| AIRSTRIP 31 18 35 RN STATE COM 131H | 3002544509 | MRC | 3BSS | 4,955 | 2,377 | 35 | Oct-18 |
| AIRSTRIP 31 18 35 RN STATE COM 201H | 3002543395 | MRC | WCA | 4,110 | 3,357 | 81 | Jan-17 |
| BEEFALO 7 6 STATE COM 716H | 3002551348 | MEWBOURNE OIL | WCA | 10,459 | 2373 | 58 | Jan-24 |
| BEEFALO 7 6 STATE COM 713H | 3002551347 | MEWBOURNE OIL | WCA | 10,460 | 2380 | 58 | Jan-24 |
| GOLD STATE COM 601H | 3002551667 | FME3 | 3BS | 8,549 | 2500 | 50 | Mar-24 |
| Sky Dweller 14 State Com 607H | 3002551528 | LARIO OIL & GAS COMPANY | 3BS | 7,620 | 2,454 | 67 | Jan-24 |
| Norte 702H | 3002551165 | FME3 | WCA | 9649 | 2500 | 50 | Oct-23 |



**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. 24198, 24206

**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. 24199, 24205

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 E.1.
- 2) Exhibit E.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on February 15, 2024.
- 3) Exhibit E.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 E.4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the March 7, 2024 hearing was published on February 21, 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



Deana M. Bennett



MODRALL SPERLING
LAWYERS

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. 24198

**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. 24199

**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. 24205

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

CASE NO. 24206

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. 24198, 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 W/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 702H** and **Ball State Com 802H** wells 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

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Roehl Harris & Sisk P.A.
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Suite 1000
Albuquerque,
New Mexico 87102

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New Mexico 87103-2168

Tel: 505.848.1800
www.modrall.com

Page 2

the NE/4 NW/4 (Unit C) 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. 24199, 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 E/2 W/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 302H** and **Ball State Com 602H** wells 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 NE/4 NW/4 (Unit C) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025). 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. 24205, 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 W/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 301H** and **Ball State Com 601H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).

Page 3

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. 24206, 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 W/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 701H** and **Ball State Com 801H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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.


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,

Page 4


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. 24198

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 W/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 702H** and **Ball State Com 802H** wells 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 NE/4 NW/4 (Unit C) 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 W/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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yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24198 : 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 W/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 702H** and **Ball State Com 802H** wells 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 NE/4 NW/4 (Unit C) 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. 24199

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 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 302H** and **Ball State Com 602H** wells 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 NE/4 NW/4 (Unit C) 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 W/2 of Section 20 dedicated to COG Operating LLC’s Condor State #002H well (API 30-025-41025).

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 W/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

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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24199 : **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 W/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 302H** and **Ball State Com 602H** wells 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 NE/4 NW/4 (Unit C) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025). 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. 24205

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Sections 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 301H** and **Ball State Com 601H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- b. A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).

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 W/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

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

CASE NO. 24205 : 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 W/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 301H** and **Ball State Com 601H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).

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. 24206

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 W/2 of Sections 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 701H** and **Ball State Com 801H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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 W/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
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yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24206 : 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 W/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 701H** and **Ball State Com 801H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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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PS Form 3877

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02/15/2024

Firm Mailing Book ID: 260676

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|---|---------|-------------|--------|--------------|-----------------------------|
| 1 | 9314 8699 0430 0117 4871 32 | COG Operating, LLC 600 W. Illinois Avenue Midland TX 79701 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 2 | 9314 8699 0430 0117 4871 49 | Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 3 | 9314 8699 0430 0117 4871 56 | Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 4 | 9314 8699 0430 0117 4871 63 | LHAH Properties, LLC 415 W. Wall Street, Suite 1500 Midland TX 79701 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 5 | 9314 8699 0430 0117 4871 70 | H6 Holdings, LLC P.O. Box 1212 Midland TX 79702 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 6 | 9314 8699 0430 0117 4871 87 | TBO Oil & Gas, LLC P.O. Box 10502 Midland TX 79702 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 7 | 9314 8699 0430 0117 4871 94 | Mavros Oil Company P.O. Box 50820 Midland TX 79710 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 8 | 9314 8699 0430 0117 4872 00 | Zunis Energy, LLC 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 9 | 9314 8699 0430 0117 4872 17 | Blue Ox Partners LLC 1123 SOUTH HURON STREET, UNIT V DENVER CO 80223 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 10 | 9314 8699 0430 0117 4872 24 | Luckaloy Limited Company 88 WEST COMPRESS ROAD ARTESIA NM 88210 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 11 | 9314 8699 0430 0117 4872 31 | Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 12 | 9314 8699 0430 0117 4872 48 | Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 13 | 9314 8699 0430 0117 4872 55 | William J. McCaw PO BOX 376 ARTESIA NM 88211 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 14 | 9314 8699 0430 0117 4872 62 | Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 15 | 9314 8699 0430 0117 4872 79 | Susannah D. Adelson, Trustee of James Adelson & Family 2015 Trusts 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |



OCD Examiner Hearing 8-27-24
No. 24205, 24206, 24199, 24198
144

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Firm Mailing Book ID: 260676

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|---------------------|-----------------------------|--|----------------|-----------------|----------------|-----------------|-----------------------------|
| 16 | 9314 8699 0430 0117 4872 86 | Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 17 | 9314 8699 0430 0117 4872 93 | Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 18 | 9314 8699 0430 0117 4873 09 | Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 19 | 9314 8699 0430 0117 4873 16 | Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 20 | 9314 8699 0430 0117 4873 23 | LMC Energy LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 21 | 9314 8699 0430 0117 4873 30 | H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 22 | 9314 8699 0430 0117 4873 47 | David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 23 | 9314 8699 0430 0117 4873 54 | Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 24 | 9314 8699 0430 0117 4873 61 | Mike Moylett PO BOX 50820 MIDLAND TX 79710 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 25 | 9314 8699 0430 0117 4873 78 | Kaleb Smith PO BOX 50620 MIDLAND TX 79710 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 26 | 9314 8699 0430 0117 4873 85 | Deane Durham PO BOX 50820 MIDLAND TX 79710 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| 27 | 9314 8699 0430 0117 4873 92 | State of New Mexico 310 Old Santa Fe Trail Santa Fe NM Santa Fe NM 87501 | \$1.87 | \$4.40 | \$2.32 | \$0.00 | No24198,99,05,06. Notice |
| Totals: | | | \$50.49 | \$118.80 | \$62.64 | \$0.00 | |
| Grand Total: | | | | | | \$231.93 | |

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| List Number of Pieces Listed by Sender | Total Number of Pieces Received at Post Office | Postmaster: Name of receiving employee | Dated: |
| 27 | | | |



OCD Examiner Hearing 8-27-24
No. 24205, 24206, 24199, 24198

Transaction Report Details - CertifiedPro.net
 Firm Mail Book ID= 260676
 Generated: 3/4/2024 1:19:23 PM

| USPS Article Number | Date Created | Reference Number | Name 1 | Name 2 | City | State | Zip | Mailing Status | Service Options | Mail Delivery Date |
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| 9314869904300117487392 | 2024-02-15 1:55 PM | No24198,99,05,06. | State of New Mexico | | Santa Fe | NM | 87501 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-20 6:29 AM |
| 9314869904300117487385 | 2024-02-15 1:55 PM | No24198,99,05,06. | Deane Durham | | MIDLAND | TX | 79710 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-22 10:04 AM |
| 9314869904300117487378 | 2024-02-15 1:55 PM | No24198,99,05,06. | Kaleb Smith | | MIDLAND | TX | 79710 | Undelivered | Return Receipt - Electronic, Certified Mail | |
| 9314869904300117487361 | 2024-02-15 1:55 PM | No24198,99,05,06. | Mike Moylett | | MIDLAND | TX | 79710 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-22 10:04 AM |
| 9314869904300117487354 | 2024-02-15 1:55 PM | No24198,99,05,06. | Sortida Resources, LLC | | MIDLAND | TX | 79710 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-22 10:04 AM |
| 9314869904300117487347 | 2024-02-15 1:55 PM | No24198,99,05,06. | David W. Cromwell | | MIDLAND | TX | 79701 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-20 10:52 AM |
| 9314869904300117487330 | 2024-02-15 1:55 PM | No24198,99,05,06. | H. Jason Wacker | | MIDLAND | TX | 79707 | Undelivered - Forwarded | Return Receipt - Electronic, Certified Mail | |
| 9314869904300117487323 | 2024-02-15 1:55 PM | No24198,99,05,06. | LMC Energy LLC | | MIDLAND | TX | 79701 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail | |
| 9314869904300117487316 | 2024-02-15 1:55 PM | No24198,99,05,06. | Post Oak Mavros II, LLC | | HOUSTON | TX | 77056 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-21 3:39 PM |
| 9314869904300117487309 | 2024-02-15 1:55 PM | No24198,99,05,06. | Collins & Jones Investments, LLC | | MIDLAND | TX | 79701 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-21 3:41 PM |
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| 9314869904300117487286 | 2024-02-15 1:55 PM | No24198,99,05,06. | Post Oak Crown IV-B, LLC | | HOUSTON | TX | 77056 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-21 3:39 PM |
| 9314869904300117487279 | 2024-02-15 1:55 PM | No24198,99,05,06. | 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 |
| 9314869904300117487262 | 2024-02-15 1:55 PM | No24198,99,05,06. | Crown Oil Partners, LP | | MIDLAND | TX | 79710 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-22 10:04 AM |
| 9314869904300117487255 | 2024-02-15 1:55 PM | No24198,99,05,06. | William J. McCaw | | ARTESIA | NM | 88211 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-21 9:55 AM |
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| 9314869904300117487231 | 2024-02-15 1:55 PM | No24198,99,05,06. | Oak Valley Mineral and Land, LP | | MIDLAND | TX | 79710 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-22 10:04 AM |
| 9314869904300117487224 | 2024-02-15 1:55 PM | No24198,99,05,06. | Luckaloy Limited Company | | ARTESIA | NM | 88210 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail | |
| 9314869904300117487217 | 2024-02-15 1:55 PM | No24198,99,05,06. | Blue Ox Partners LLC | | DENVER | CO | 80223 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-26 3:57 PM |
| 9314869904300117487200 | 2024-02-15 1:55 PM | No24198,99,05,06. | Zunis Energy, LLC | | TULSA | OK | 74103 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-20 12:36 PM |
| 9314869904300117487194 | 2024-02-15 1:55 PM | No24198,99,05,06. | Mavros Oil Company | | Midland | TX | 79710 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-22 10:04 AM |
| 9314869904300117487187 | 2024-02-15 1:55 PM | No24198,99,05,06. | TBO Oil & Gas, LLC | | Midland | TX | 79702 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-21 12:34 PM |
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| 9314869904300117487163 | 2024-02-15 1:55 PM | No24198,99,05,06. | LHAH Properties, LLC | | Midland | TX | 79701 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail | |
| 9314869904300117487156 | 2024-02-15 1:55 PM | No24198,99,05,06. | Hanley Petroleum, Inc. | | Midland | TX | 79701 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail | |
| 9314869904300117487149 | 2024-02-15 1:55 PM | No24198,99,05,06. | Marathon Oil Permian, LLC | | Houston | TX | 77024 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-20 1:34 PM |
| 9314869904300117487132 | 2024-02-15 1:55 PM | No24198,99,05,06. | COG Operating, LLC | | Midland | TX | 79701 | Delivered | Return Receipt - Electronic, Certified Mail | 2024-02-21 7:56 AM |


LEGAL NOTICE
February 21, 2024

Affidavit of Publication

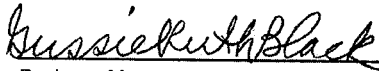
STATE OF NEW MEXICO
COUNTY OF LEA

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 21, 2024
and ending with the issue dated
February 21, 2024.


Publisher

Sworn and subscribed to before me this
21st day of February 2024.


Business Manager

My commission expires
January 29, 2027

(Seal)
**STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027**

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Law 1937 and payment of fees for said public has been made.

CASE NO. 24198: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Marathon Oil Permian, LLC; Hanley Petroleum, LLC; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company; Zunis Energy, LLC; Blue Ox Partners, LLC; Luckaloy Limited Company; Oak Valley Mineral and Land, LP; Good News Minerals, LLC; Williams J. McCaw; 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; 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 E/2 W/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 702H and Ball State Com 602H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 20; a bottom hole location in the NE/4 NW/4 (Unit C) 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. 24199: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Marathon Oil Permian, LLC; Hanley Petroleum, LLC; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company; Zunis Energy, LLC; Blue Ox Partners, LLC; Luckaloy Limited Company; Oak Valley Mineral and Land, LP; Good News Minerals, LLC; Williams J. McCaw; 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; 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 E/2 W/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 302H and Ball State Com 602H wells 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 NE/4 NW/4 (Unit C) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025). 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. 24205: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Marathon Oil Permian, LLC; Hanley Petroleum, LLC; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company; Zunis Energy, LLC; Blue Ox Partners, LLC; Luckaloy Limited Company; Oak Valley Mineral and Land, LP; Good News Minerals, LLC; Williams J. McCaw; 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; 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 W/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 301H and Ball State Com 601H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814).
 - A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).
- 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. 24206: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Marathon Oil Permian, LLC; Hanley Petroleum, LLC; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company; Zunis Energy, LLC; Blue Ox Partners, LLC; Luckaloy Limited Company; Oak Valley Mineral and Land, LP; Good News Minerals, LLC; Williams J. McCaw; 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; 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 W/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 701H and Ball State Com 601H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) 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.

#00287523

Ball E2W2 Overlapping Notice List

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| COG Operating, LLC |
| Hanley Petroleum, LLC |
| Hanley Petroleum, Inc. |
| LHAH Properties, LLC |
| H6 Holdings, LLC |
| TBO Oil & Gas, LLC |
| Mavros Oil Company |

Ball W2W2 Overlapping Notice Party List

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|---------------------------|
| COG Operating, LLC |
| Marathon Oil Permian, LLC |
| Hanley Petroleum, LLC |
| Hanley Petroleum, Inc. |
| LHAH Properties, LLC |
| H6 Holdings, LLC |
| TBO Oil & Gas, LLC |
| Mavros Oil Company |