



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**

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 - Exhibit B-16-b: Lease Tract Map and Summary of Interests
 - Exhibit B-16-c: Well Proposal Letter and AFES
 - Exhibit B-16-d: Pooled Parties

- **CASE NO. 24199 SPECIFIC TESTIMONY AND EXHIBITS**
 - Exhibit B-17: Application
 - Exhibit B-17-a: C-102s
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 - Exhibit B-17-d: Pooled Parties

- **CASE NO. 24198 SPECIFIC TESTIMONY AND EXHIBITS**
 - Exhibit B-18: Application
 - 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**

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. <i>Pending</i> 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. <i>Pending</i> 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

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No. 24205, 24206, 24199, 24198

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
Chronology of Contact with Non-Joined Working Interests	Exhibit B.14
Overhead Rates In Proposal Letter	Exhibit B.17.c
Cost Estimate to Drill and Complete	Exhibit B.17.c
Cost Estimate to Equip Well	Exhibit B.17.c
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

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
Hearing Date	August 27, 2024
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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	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

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
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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

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**

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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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Well Family	Ball State Com
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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
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Well #2: Ball State Com 801H	API No. <i>Pending</i> 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

Completion Target (Formation, TVD and MD)	See Exhibit B.16.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 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
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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	
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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

**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

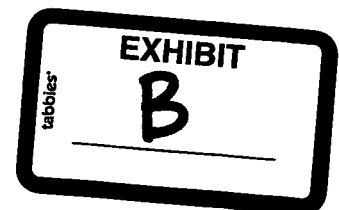
SELF-AFFIRMED STATEMENT OF DON JOHNSON

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

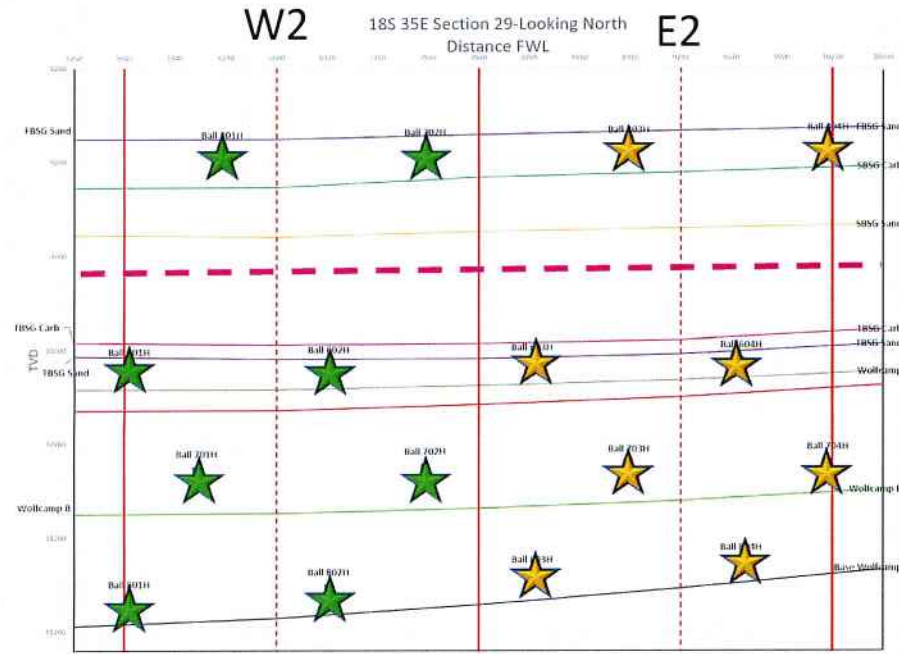
	MRC-50%	20	
	MRC-0%	29	





Development Comparison: FME3's Development Plan Is Superior

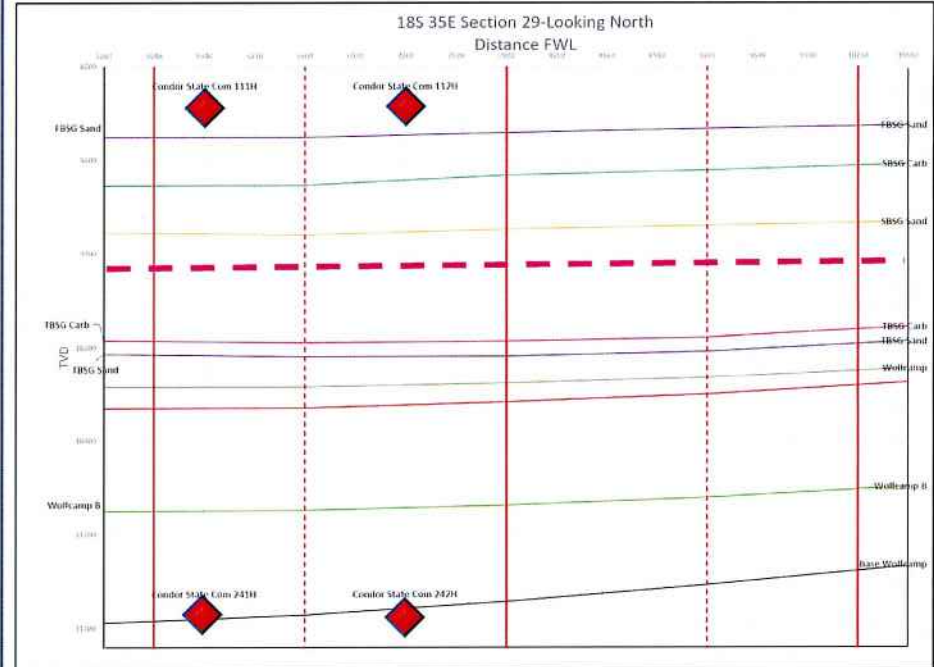
FME3 Ball Unit



★ 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

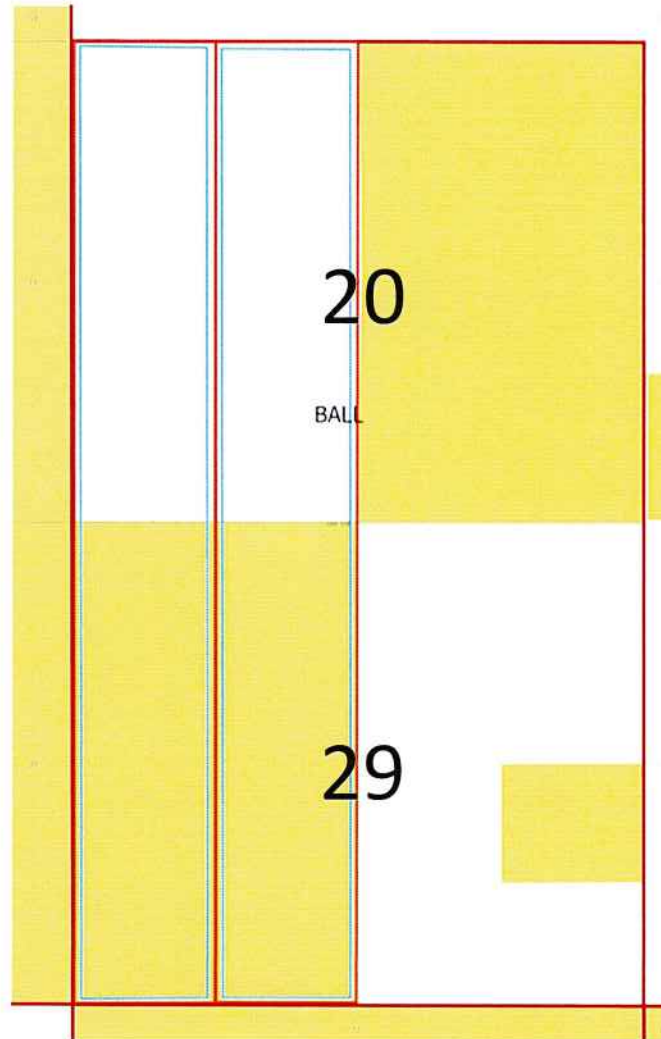
EXHIBIT
B.4



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



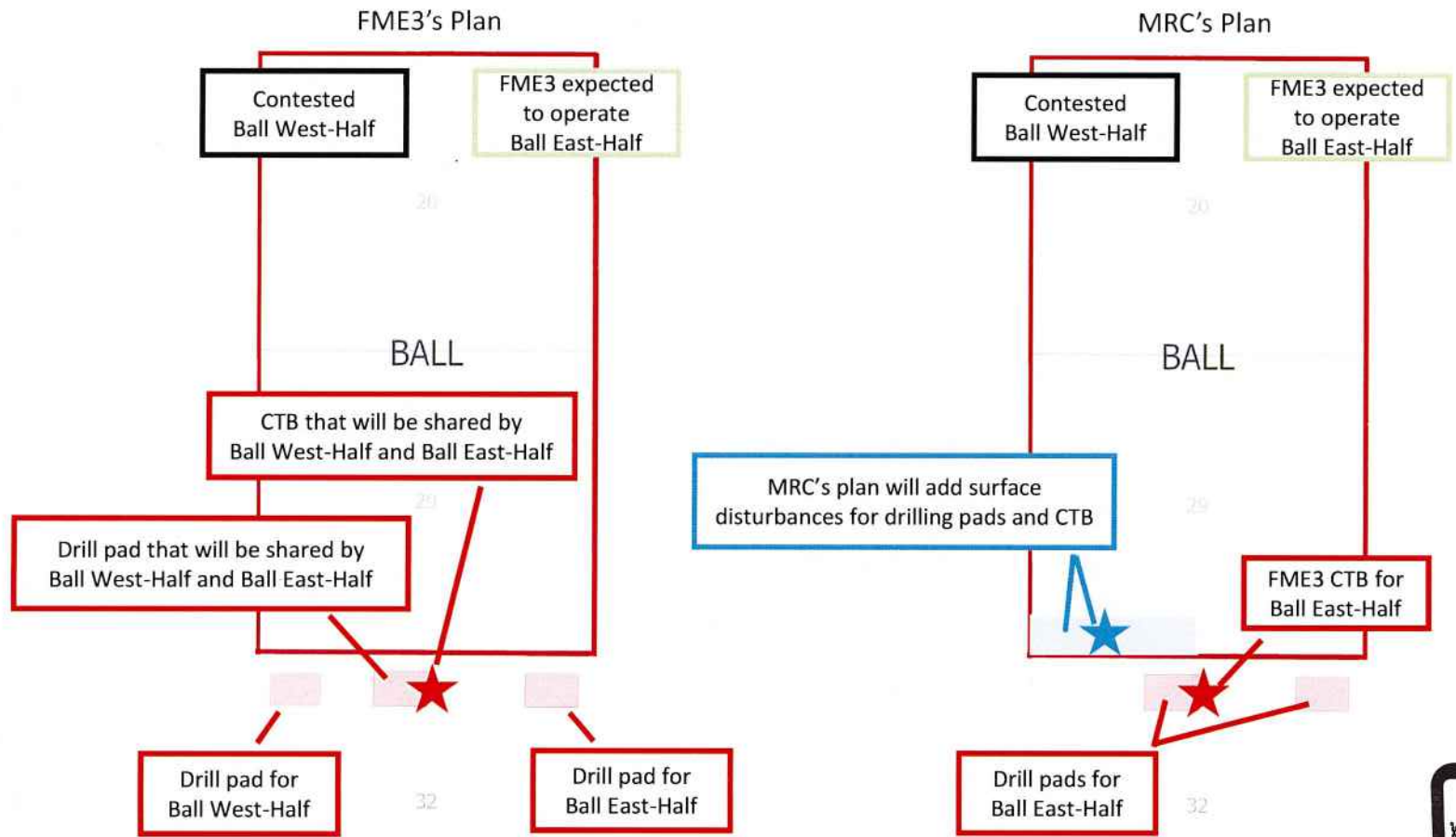
- FME3's Interest
- Bone Spring Spacing Units
- Wolfcamp Spacing Units





FME3's Development Plan Minimizes Surface Disturbances

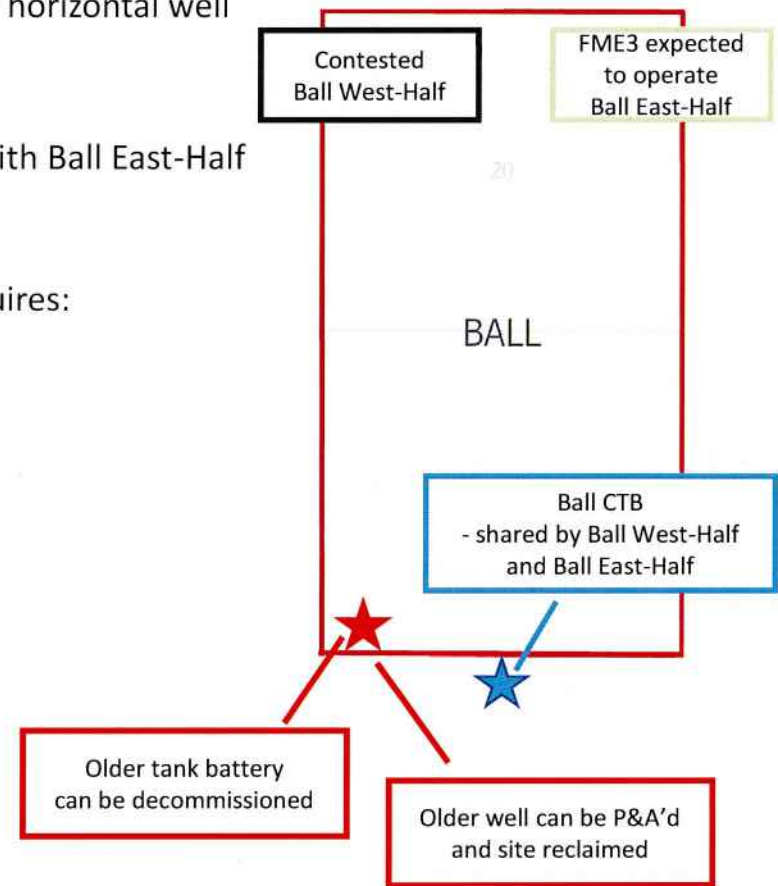
- FME3's plan reduces waste as the Ball West-Half development shares a CTB with the Ball East-Half development
- FME3's plan reduces waste as the Ball West-Half development shares a drill pad with the Ball East-Half development
- MRC's plan will result in waste
 - Additional surface disturbances will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





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

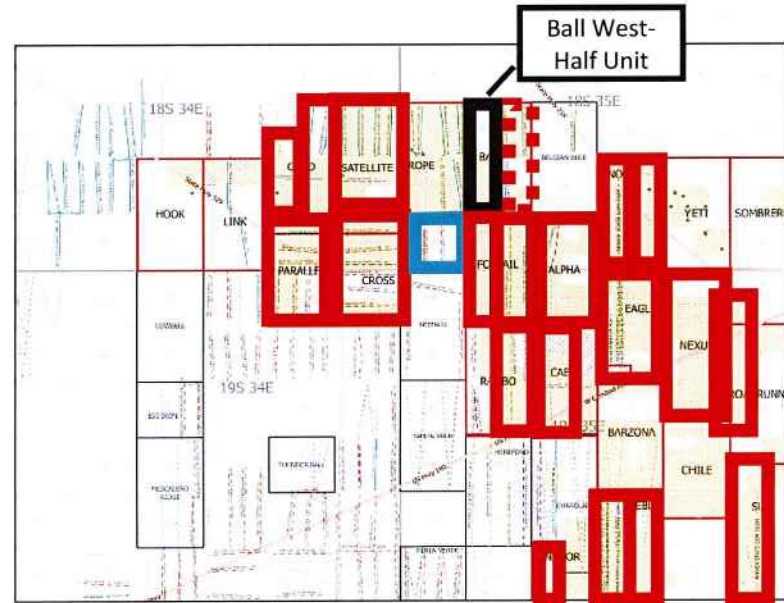
- FME3's development plan provides the ability to decommission an old tank battery
- FME3's development plan provides the ability to P&A an older horizontal well
 - Well pad can be fully reclaimed
- Consolidation of Ball West-Half production into the Ball CTB with Ball East-Half production creates a 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

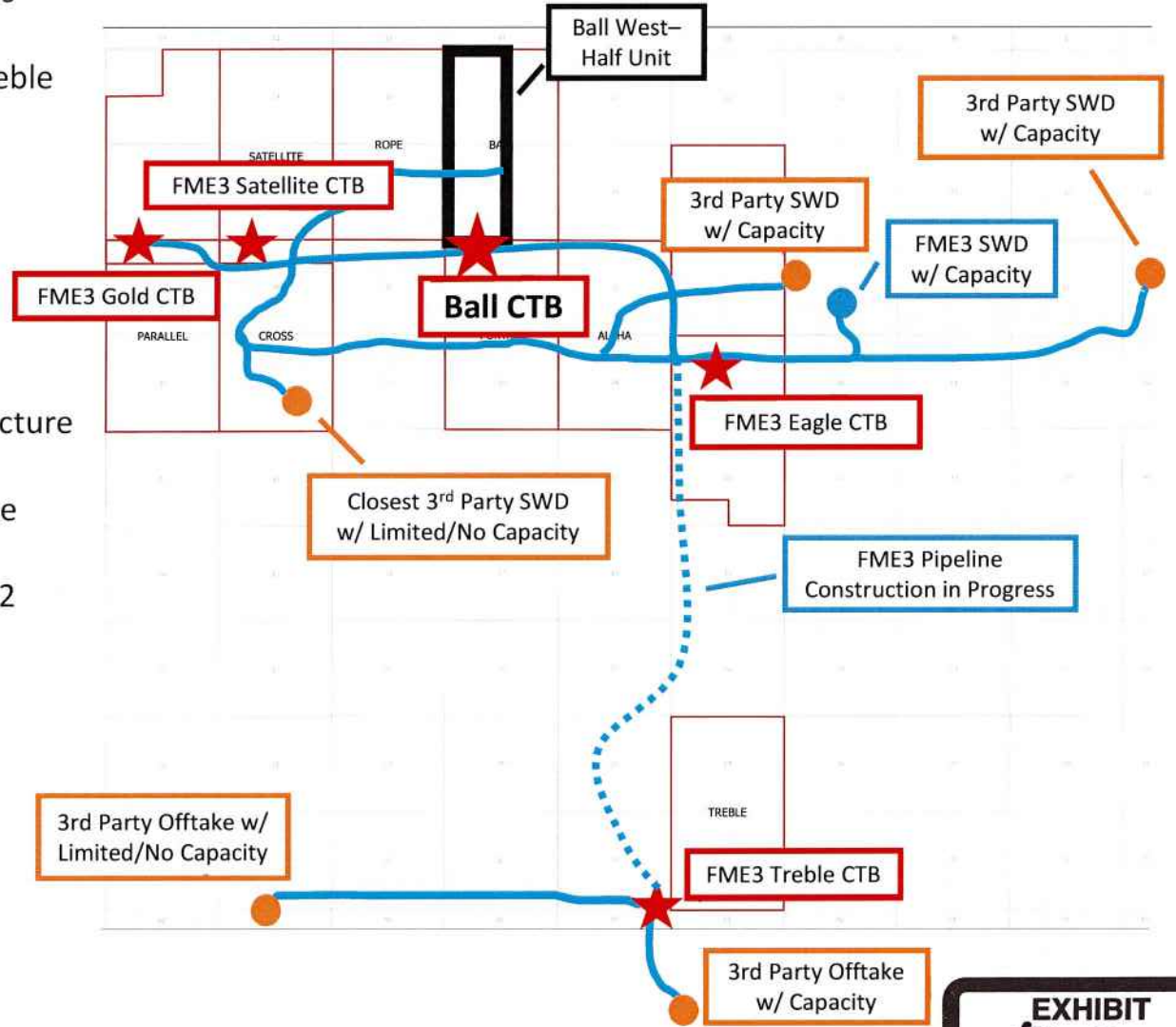




FME3 Is Investing \$24mm of Capital to Solve Water Takeaway Constraints

- 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

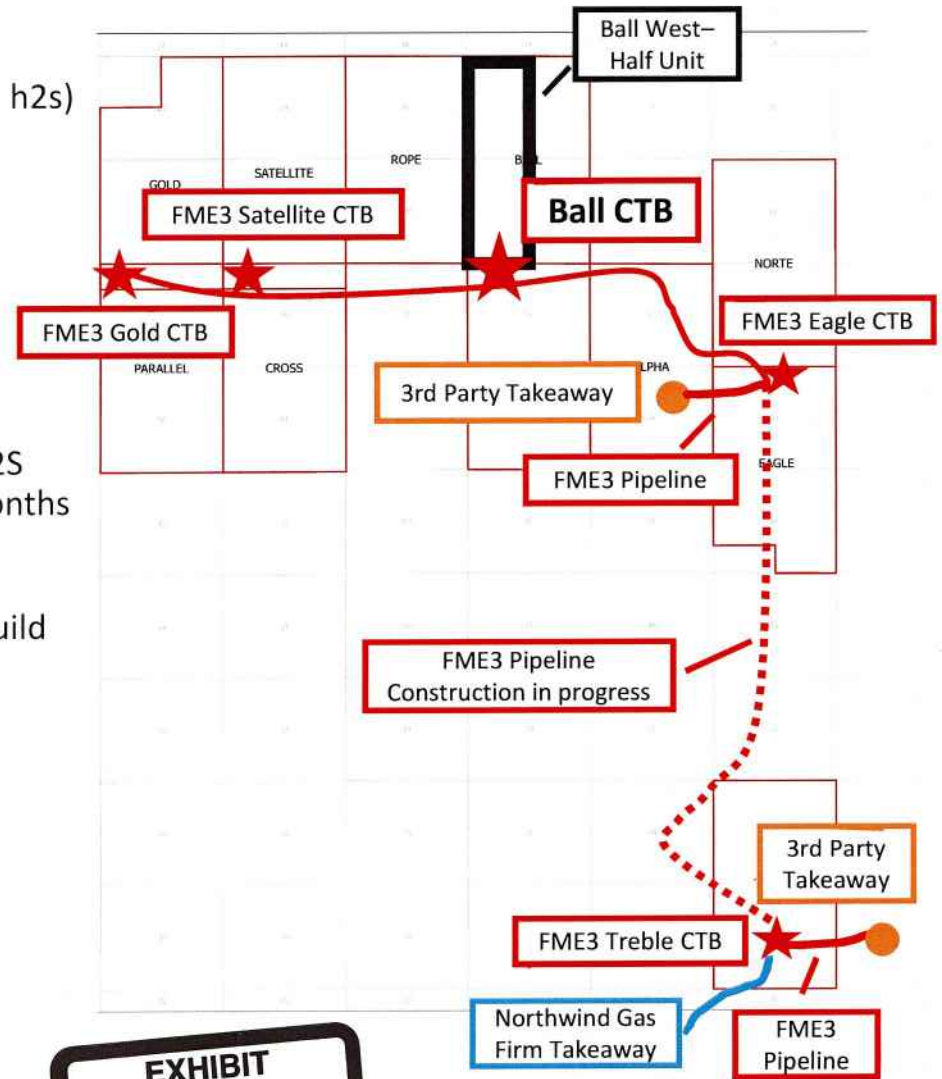
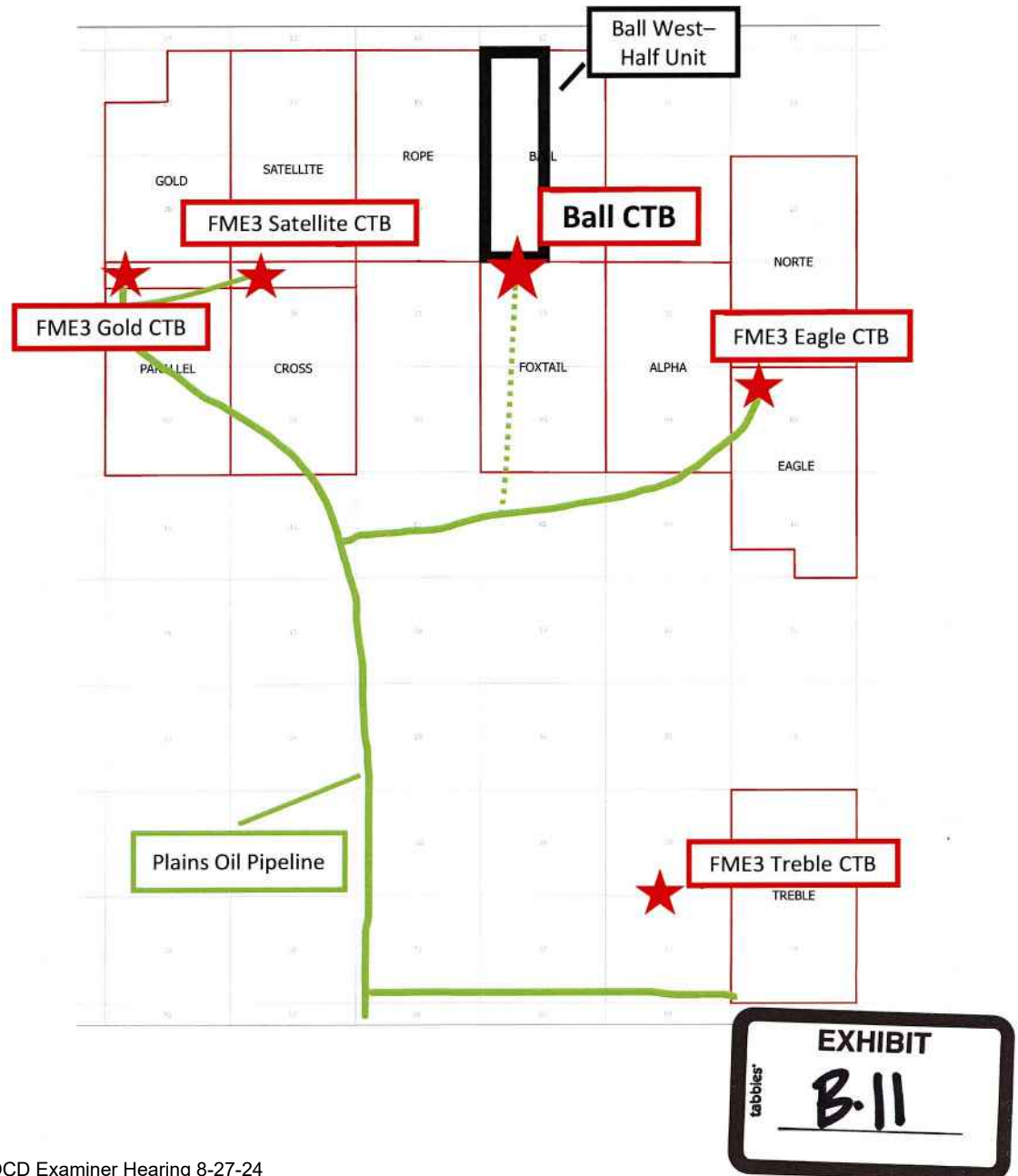


EXHIBIT
B.10



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	-	-

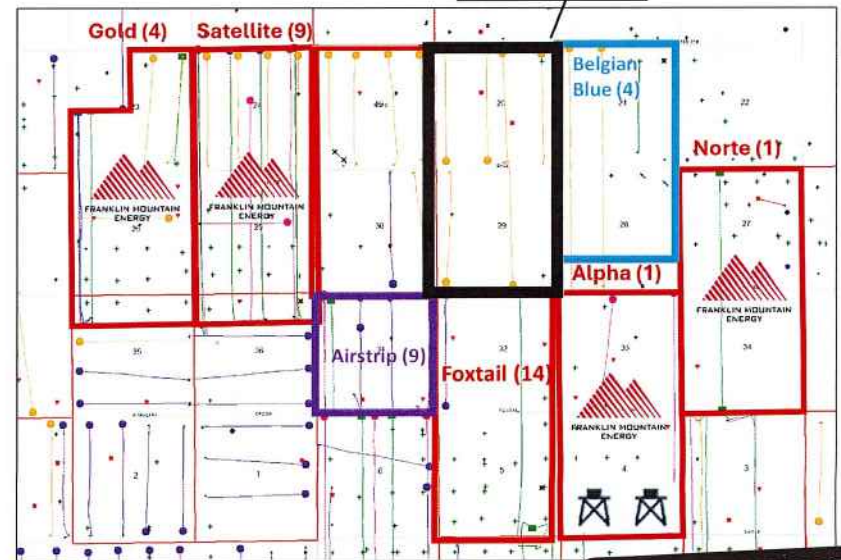
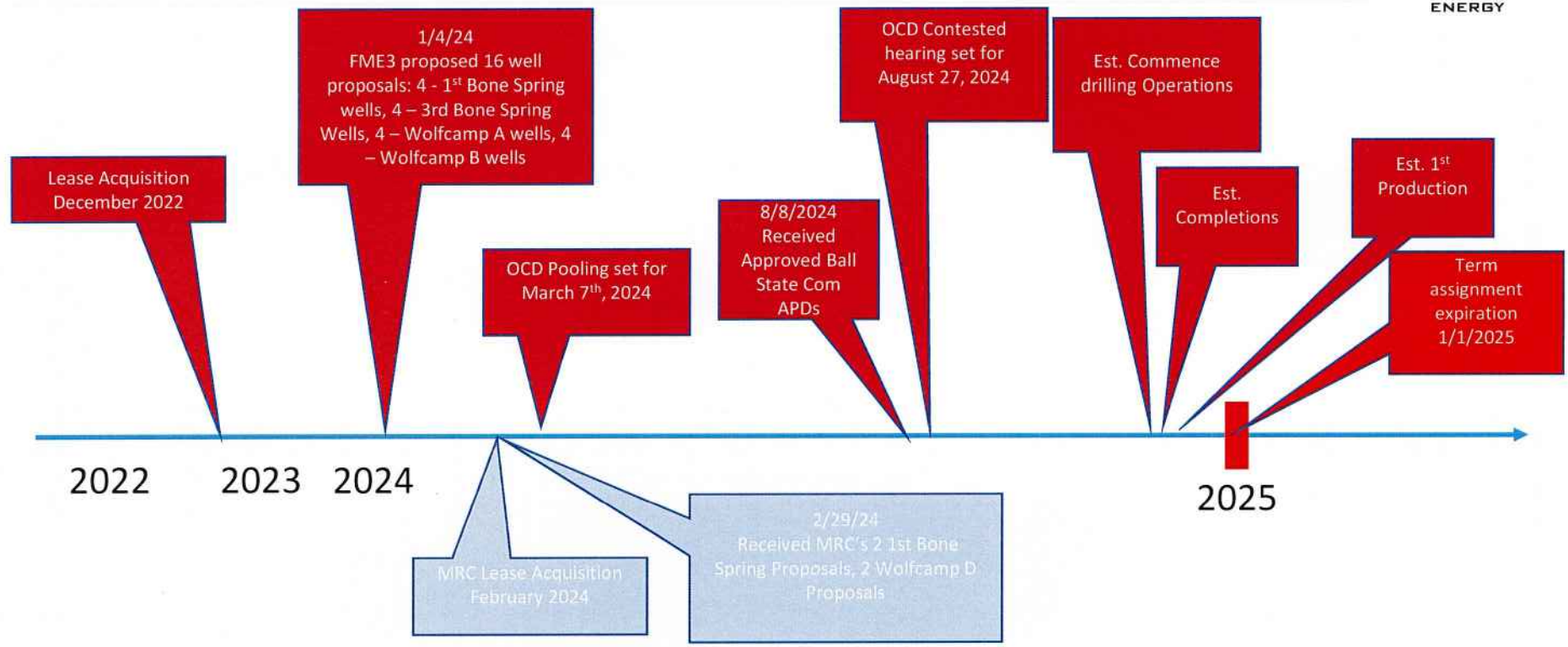


EXHIBIT
B.12



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

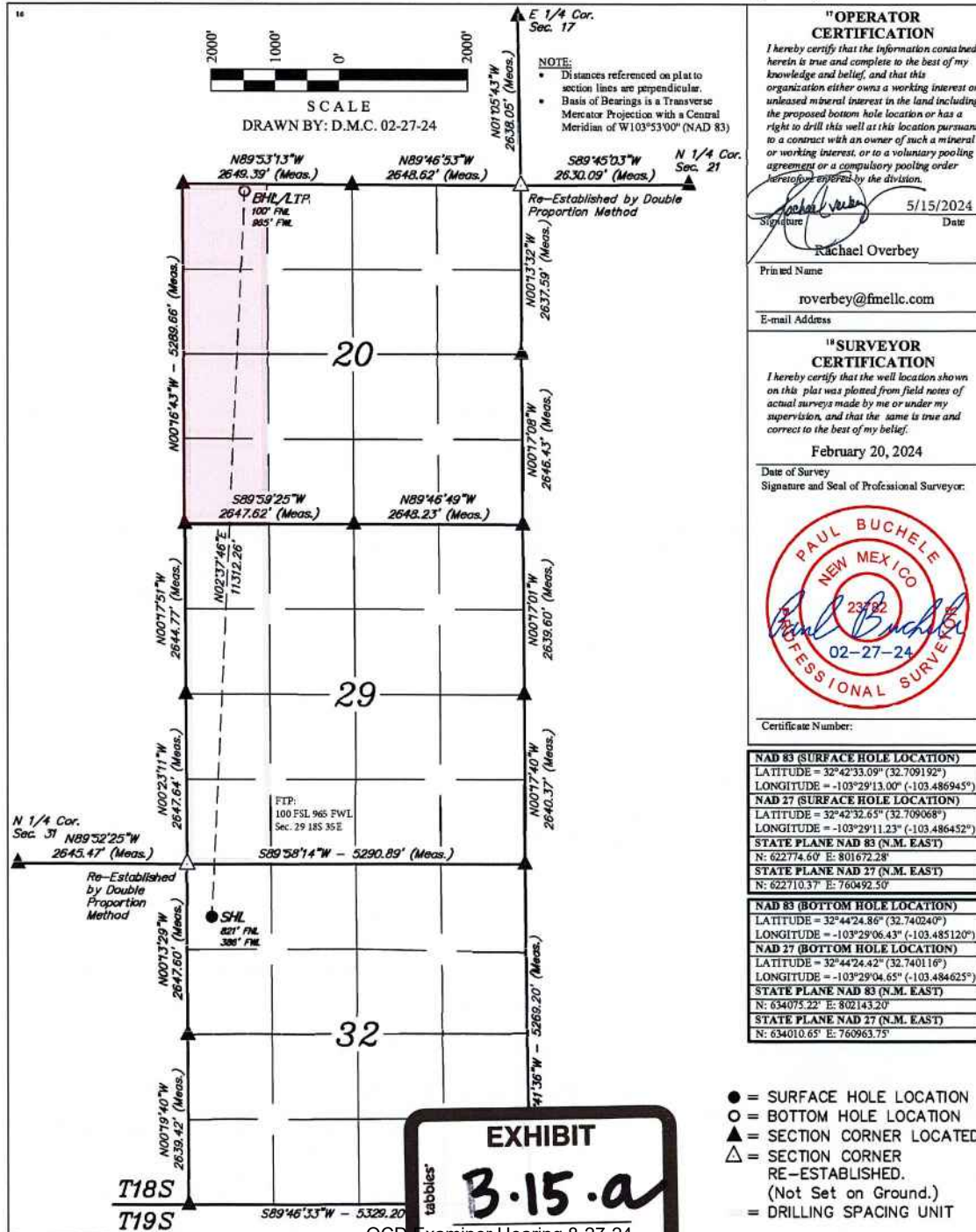
WELL LOCATION AND ACREAGE DEDICATION PLAT

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		
⁷ OGRID No. 331595			⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		
			⁶ Well Number 301H		⁹ Elevation 3934.5'

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 386	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 965	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.



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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	
⁷ OGRID No. 331595	⁶ Well Number 301H	
	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	⁹ Elevation 3934.5'

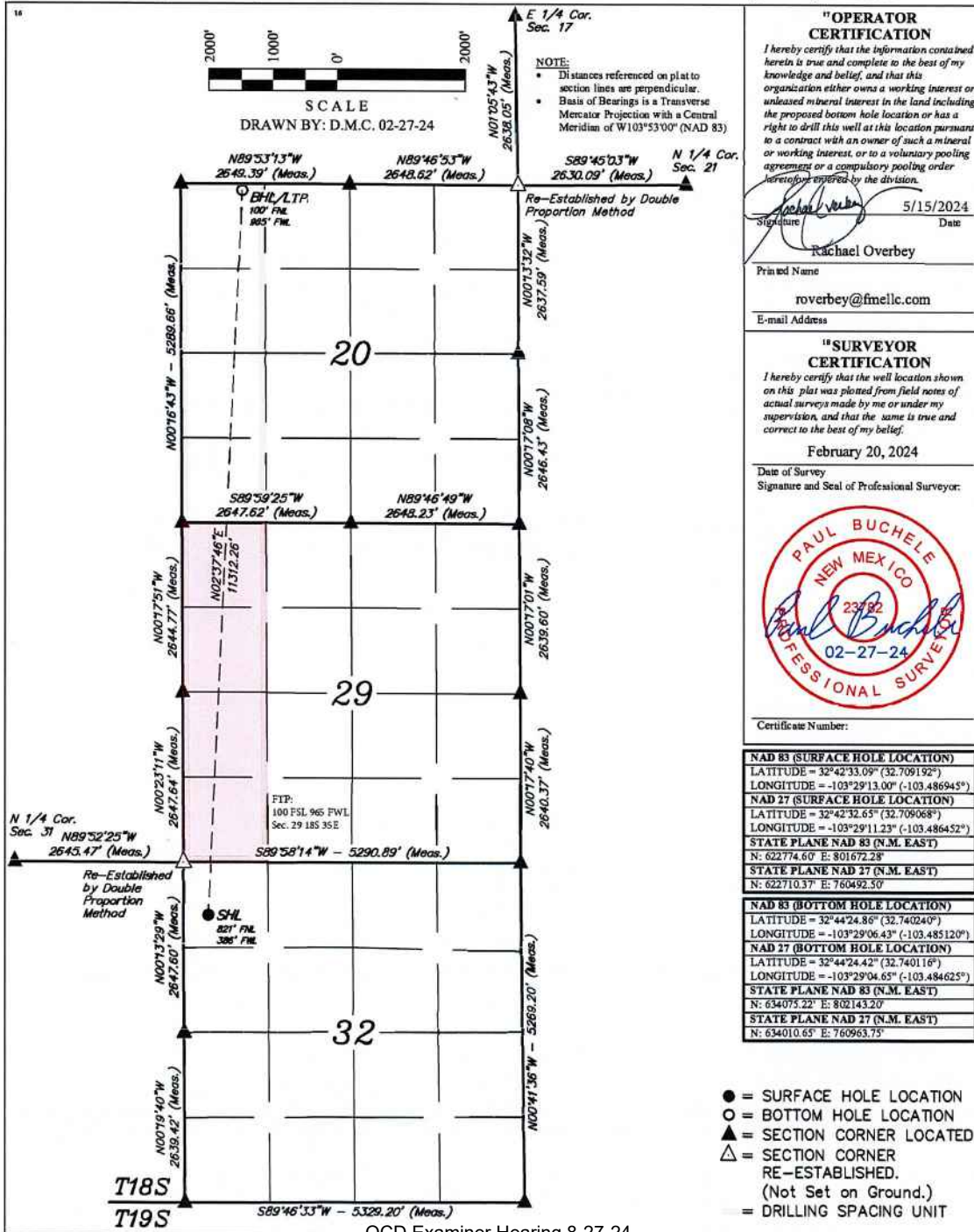
¹⁰ Surface Location

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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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
		97930		WC-025 G-06 S1835 18A; BONE SPRING	
4 Property Code		5 Property Name		6 Well Number	
		BALL STATE COM		601H	
7 OGRID No.		8 Operator Name		9 Elevation	
331595		FRANKLIN MOUNTAIN ENERGY 3, LLC		3934.7'	

10 Surface Location

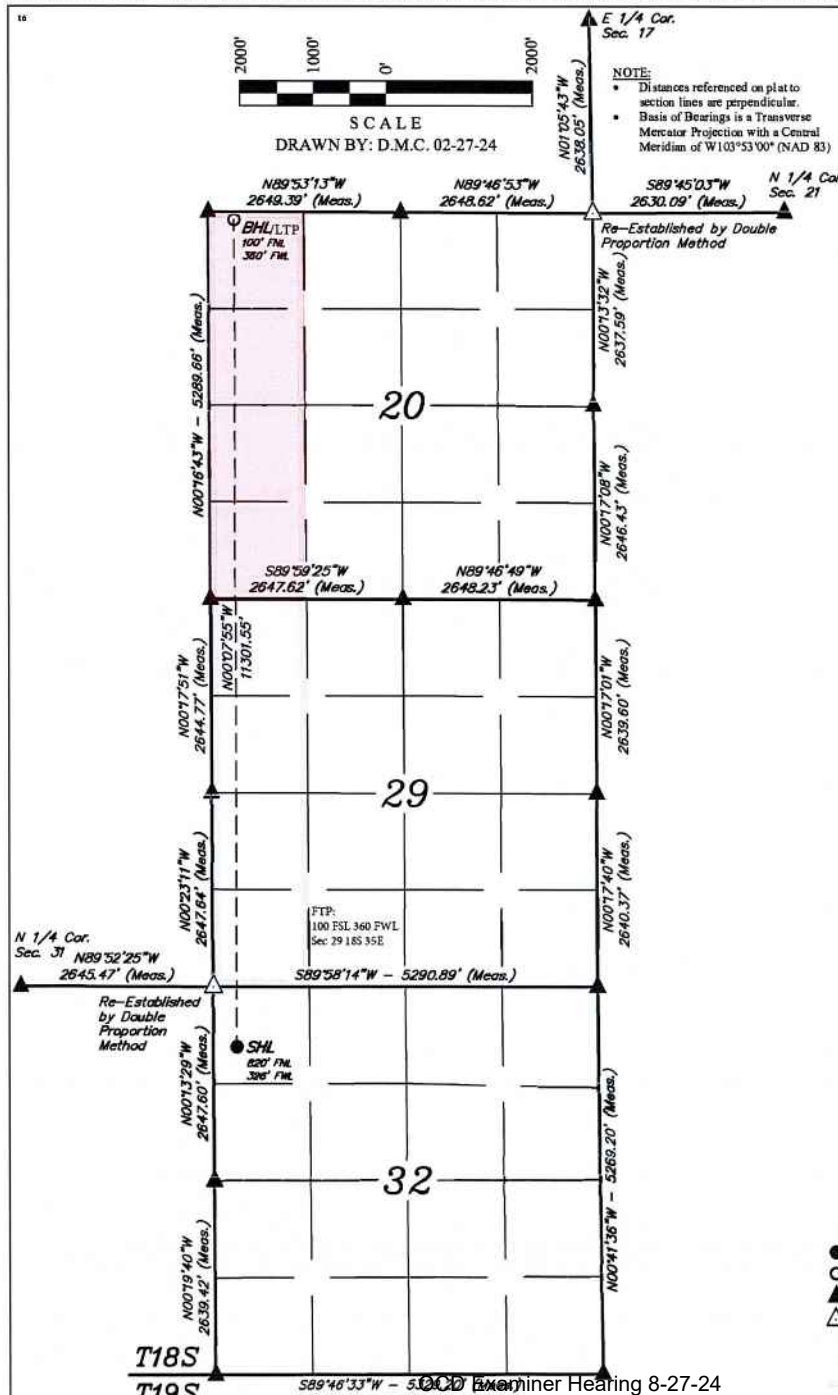
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	18S	35E		820	NORTH	326	WEST	LEA

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	360	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.

Signature: Rachael Overbey
Date: 5/15/2024

Printed Name: Rachael Overbey
E-mail Address: roverbey@fmllc.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:

PAUL BUCHELE
NEW MEXICO
2382
02-27-24
PROFESSIONAL SURVEYOR

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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WELL LOCATION AND ACREAGE DEDICATION PLAT

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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

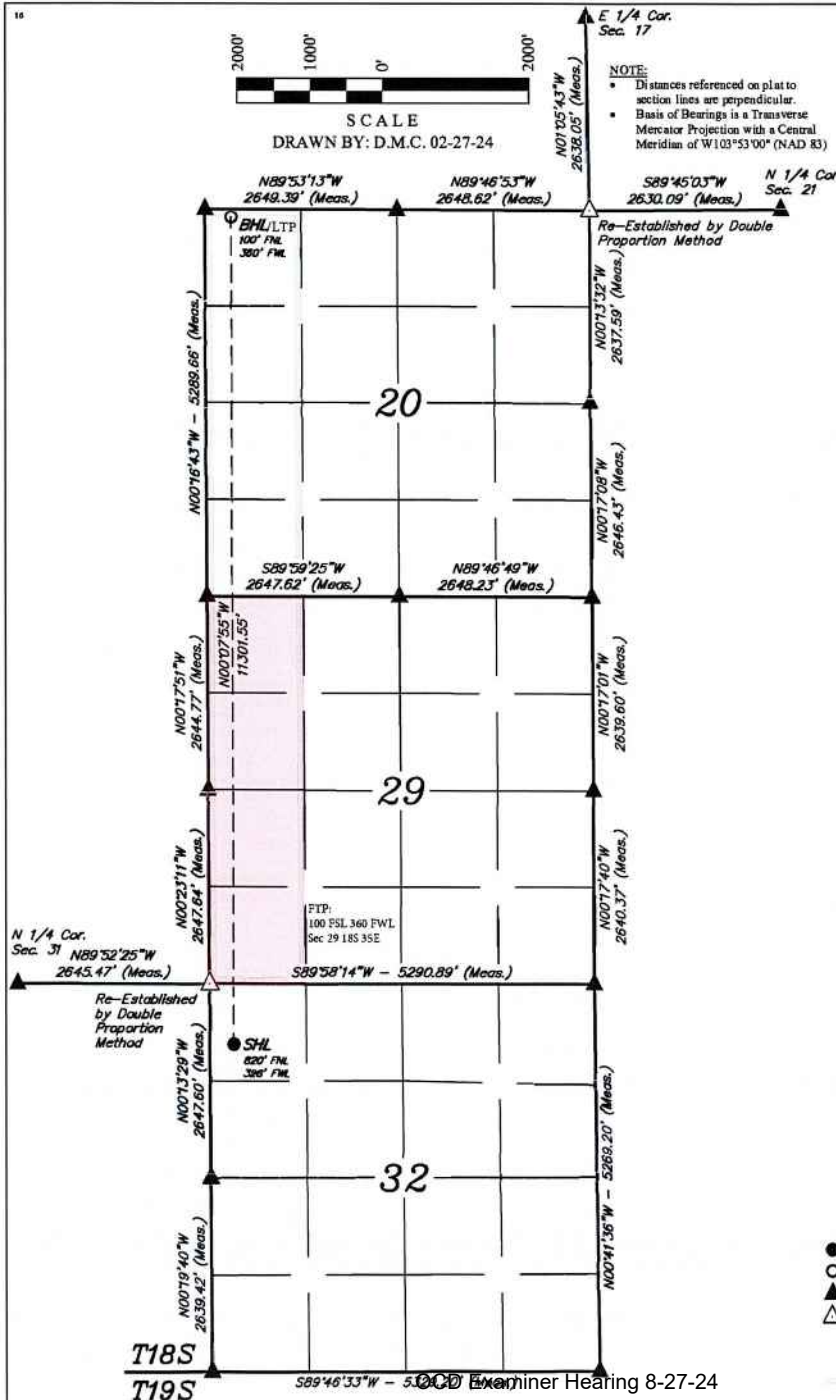
UL or lot no. D	Section 32	Township 18S	Range 35E	Lot Idn	Feet from the 820	North/South line NORTH	Feet from the 326	East/West line WEST	County LEA
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11 Bottom Hole Location If Different From Surface

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
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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@fmelc.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:

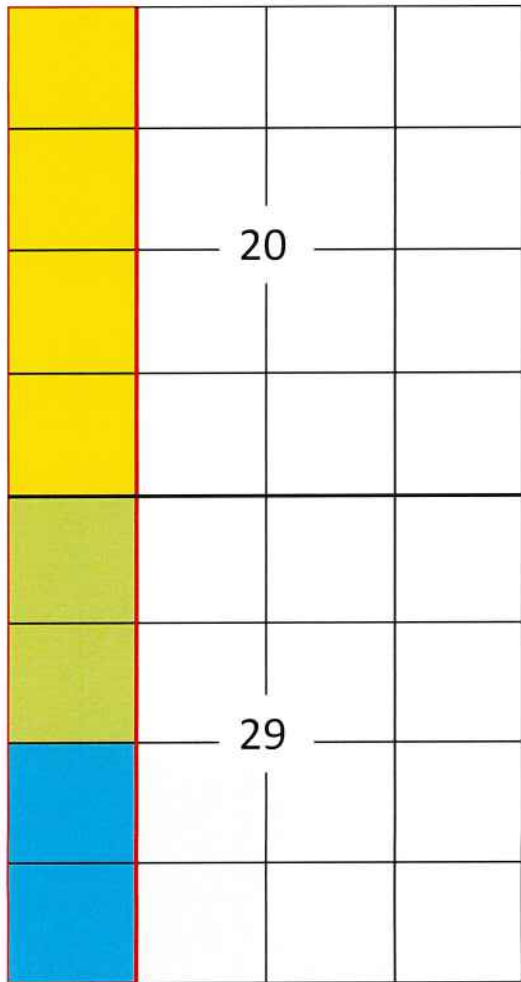
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LONGITUDE = -103°29'11.73" (-103.486593°)	
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N: 634073.84' E: 801538.28'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 634009.25' E: 760358.84'	

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

Case No. 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 80206

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

FRANKLIN MOUNTAIN ENERGY AUTHORITY FOR EXPENDITURE

Well Name: Bull State Com 30111
Location: SHL Sec 32-T185-R35E 575 FNL 330 FWL
DHIL Sec 20-T185-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

Table with 4 columns: Major, Minor, Description, Amount. Lists various drilling costs such as Administrative Overhead, Casing Crew & Eqpt, Cementing, etc.

Intangible Completion Costs

Table with 4 columns: Major, Minor, Description, Amount. Lists various completion costs such as Administrative Overhead, Cased Hole Logs & Surveys, etc.

Tangible Drilling Costs

Table with 4 columns: Major, Minor, Description, Amount. Lists various tangible drilling costs such as Intermediate Casing & Attachments, Packers/Sleeves/Plugs, etc.

Tangible Completion Costs

Table with 4 columns: Major, Minor, Description, Amount. Lists various tangible completion costs such as Artificial Lift, Flowlines, Frac String, etc.

Tangible Facility Costs

Table with 4 columns: Major, Minor, Description, Amount. Lists various tangible facility costs such as Facility Pipe/Valves/Fittings, Containment, etc.

Intangible Facility Costs

Table with 4 columns: Major, Minor, Description, Amount. Lists various intangible facility costs such as Consulting, Company Direct Labor, etc.

Summary table for Drilling, Completion, Facility, and DC Intangible/Tangible costs.

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: [Signature]
Chief Executive Officer

Date: 10/25/2023

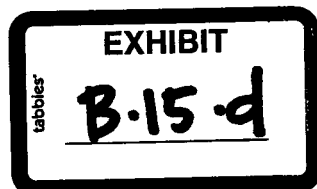
WI Owner:
Approved By:
Printed Name:

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 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	
⁷ OGRID No. 331595	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	⁶ Well Number 701H
		⁹ Elevation 3934.2'

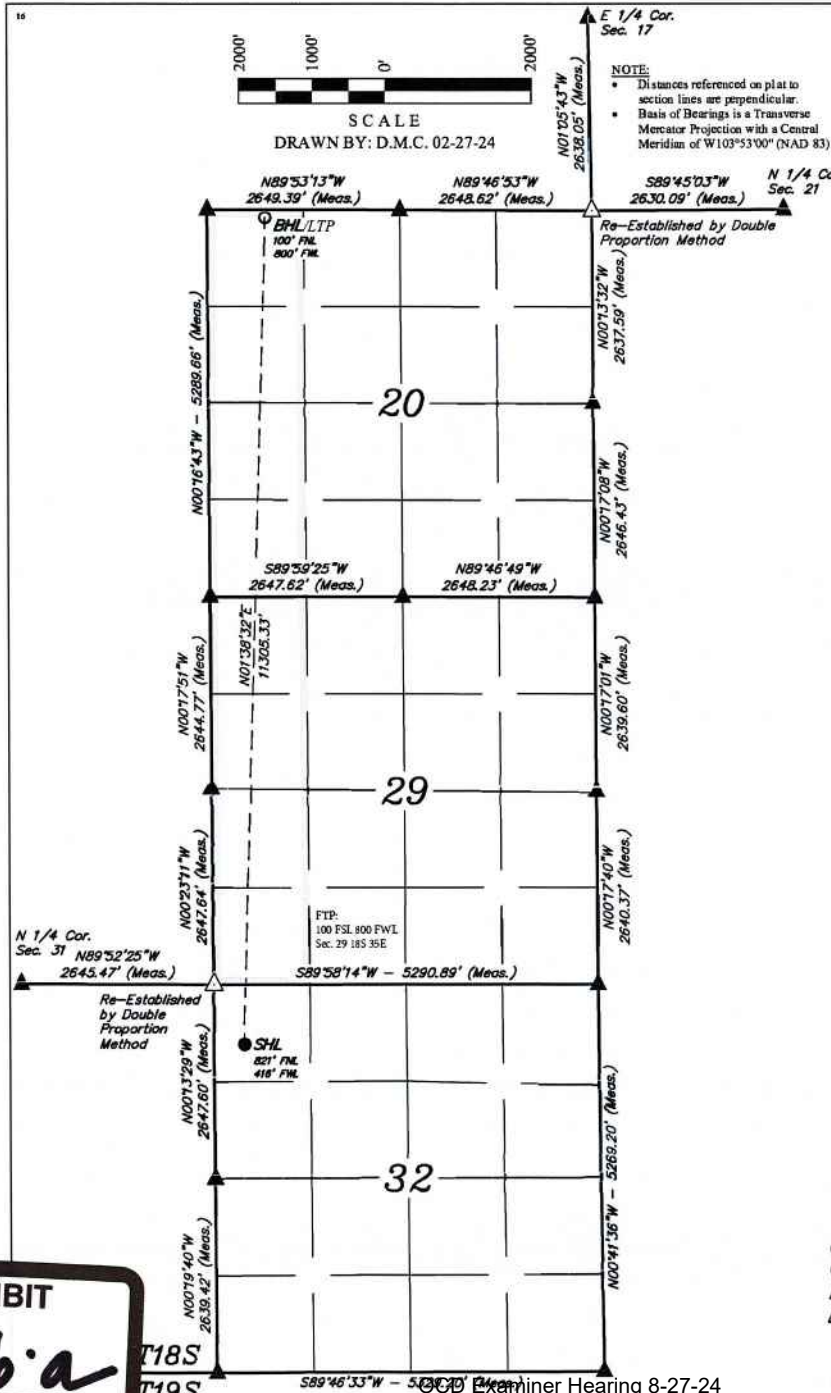
¹⁰ Surface Location

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
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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.

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

PAUL BUCHELE
NEW MEXICO
23782
02-27-24
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
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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

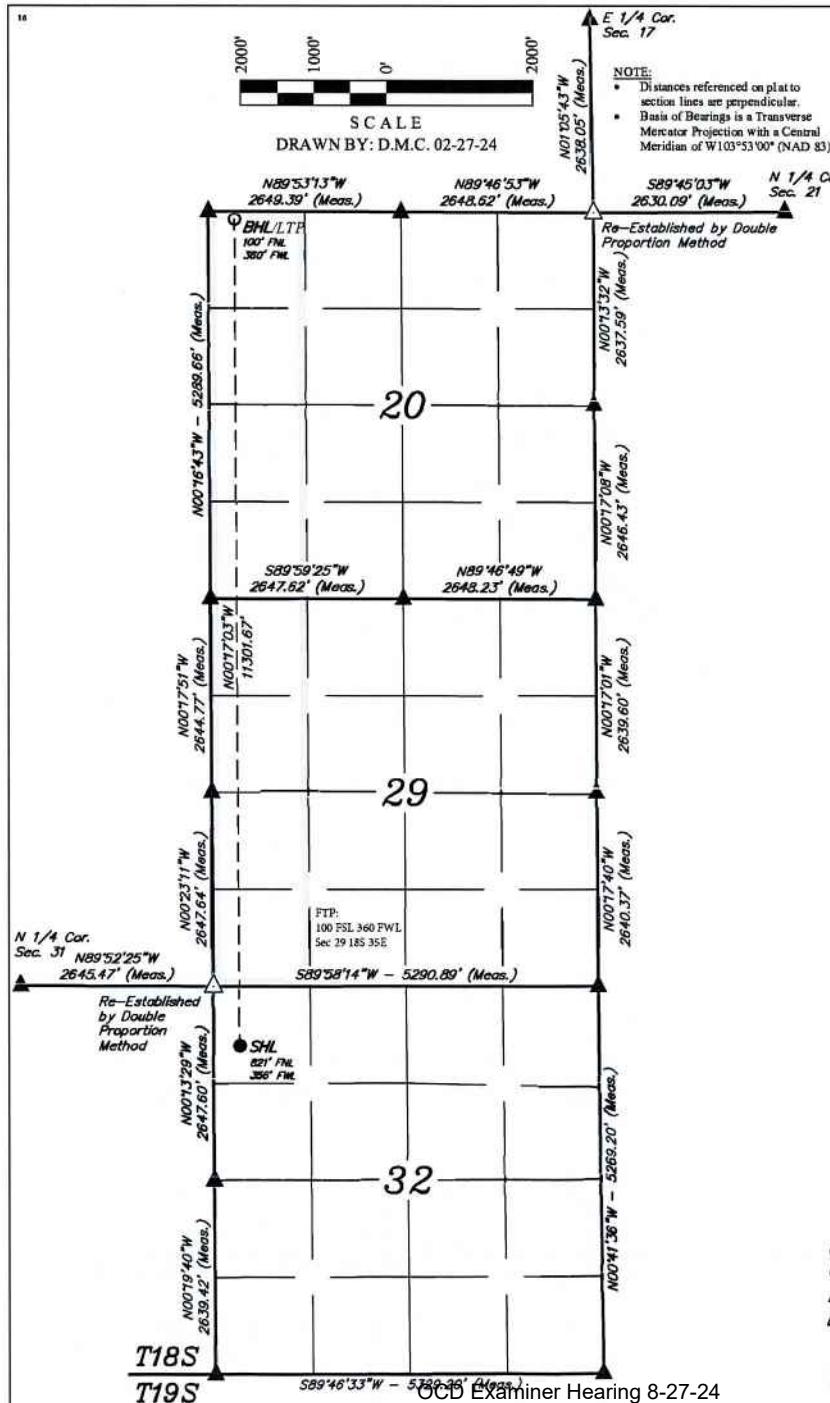
¹ API Number	² Pool Code 55640	³ Pool Name SCHARB; WOLFCAMP
⁴ Property Code	⁵ Property Name BALL STATE COM	⁶ Well Number 801H
⁷ OGRID No. 331595	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	⁹ Elevation 3934.6'

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'

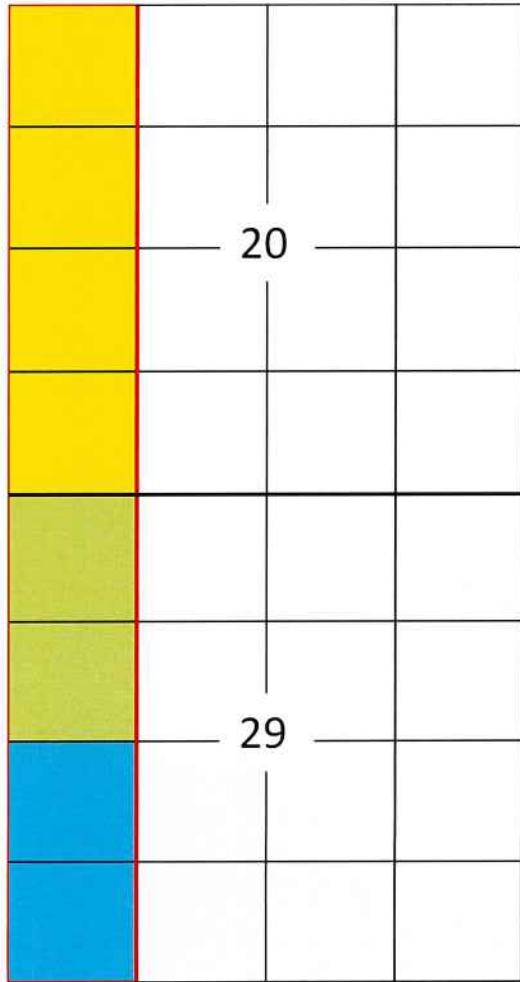
NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°44'24.90" (32.740250°)
LONGITUDE = -103°29'13.51" (-103.487087°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°44'24.45" (32.740126°)
LONGITUDE = -103°29'11.73" (-103.486593°)
STATE PLANE NAD 83 (N.M. EAST)
N: 634073.84' E: 801538.28'
STATE PLANE NAD 27 (N.M. 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

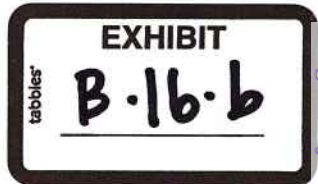
Tract 1 (160.00 Acres)

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 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: Las Co., NM
Operator: Franklin Mountain Energy J, LLC Date Prepared: 1/2/2024
Purpose: Drill and complete a 10,000' WCA well
TVD 10,539' MID 20,539' AFE #: DCE240167

Table with 4 columns: Major, Minor, Description, Amount. Title: Intangible Drilling Costs. Lists various costs like administrative overhead, casing crew, cementing, etc.

Table with 4 columns: Major, Minor, Description, Amount. Title: Intangible Completion Costs. Lists various costs like administrative overhead, casing logs, coiled tubing, etc.

Table with 4 columns: Major, Minor, Description, Amount. Title: Tangible Drilling Costs. Lists costs like intermediate casing, packers/sleeves, etc.

Table with 4 columns: Major, Minor, Description, Amount. Title: Tangible Completion Costs. Lists costs like artificial lift, flowlines, frac string, etc.

Table with 4 columns: Major, Minor, Description, Amount. Title: Tangible Facility Costs. Lists costs like facility pipe, containment, dehydration, etc.

Table with 4 columns: Major, Minor, Description, Amount. Title: Intangible Facility Costs. Lists costs like consulting, company direct labor, etc.

Summary table with 2 columns: Description, Amount. Totals for Drilling, Completion, Facility, and Intangible costs.

Office Use Only section with a large empty box for additional notes or signatures.

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: 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 FME



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

Well Name: Hall State Com 80111
Well #: 80111
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 #: DCE240111

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	\$250,000
225	85	EQUIPMENT RENTAL	\$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	\$5,000
225	130	MISCELLANEOUS	\$31,000
225	130	MUD & CHEMICALS	\$120,000
225	140	OPENHOLE LOGGING	\$0
225	141	CASED HOLE LOGGING	\$0
225	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$200,000
225	155	RIG MOVE & RACKING COSTS	\$91,500
225	160	RIG UP TEAR OUT & STANDBY	\$0
225	163	SITE RESTORATION	\$10,000
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$85,000
225	175	SUPERVISION - GEOLOGICAL	\$39,000
225	180	TRANSPORTATION/TRUCKING	\$39,000
225	178	TAXES	\$164,374
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/SIS FEES/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	\$40,854
Total Tangible Facility Costs:			\$781,634

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

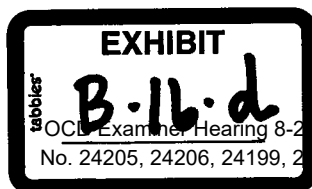
Tangible Completion Costs			Amount
245	5	ARTIFICIAL LIFT	\$200,000
245	15	FLOWLINES	\$0
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/QL MANDRELS	\$40,000
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$90,000
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE 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	\$40,000
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

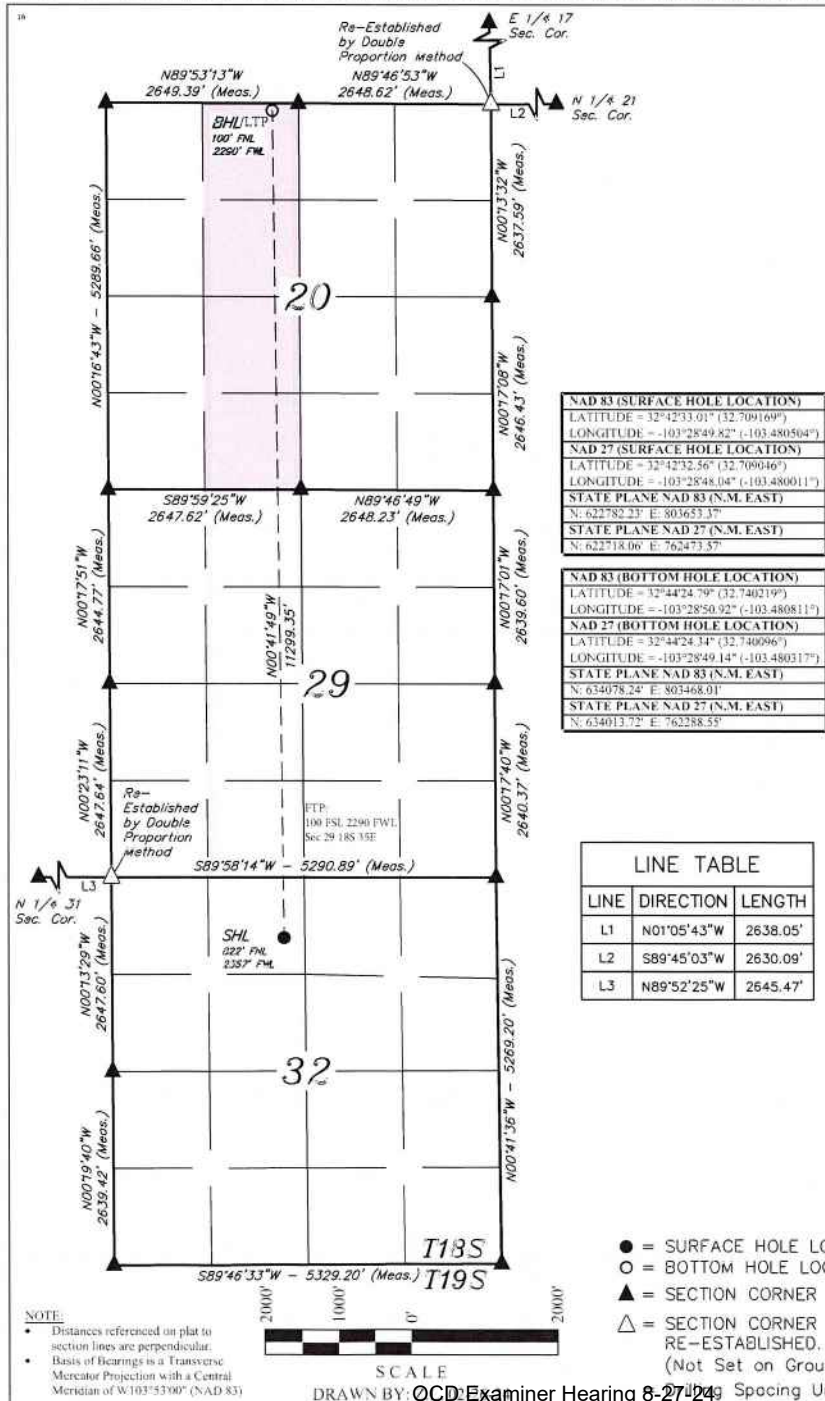
¹ API Number	² Pool Code 97930	³ Pool Name WC-025 G 06 S183518A; BONE SPRING
⁴ Property Code	⁵ Property Name BALL STATE COM	
⁷ OGRID No. 331595	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	⁶ Well Number 302H ⁹ Elevation 3926.2'

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.



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 community pooling order heretofore entered by the division.

Rachael Overbey
Signature
5/15/2024
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:

¹⁸ NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°42'33.01" (32.709169°)
LONGITUDE = -103°28'49.82" (-103.480504°)

¹⁸ NAD 27 (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'

¹⁸ NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°44'24.79" (32.740219°)
LONGITUDE = -103°28'50.92" (-103.480811°)

¹⁸ NAD 27 (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'

EXHIBIT
B. 17-a

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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

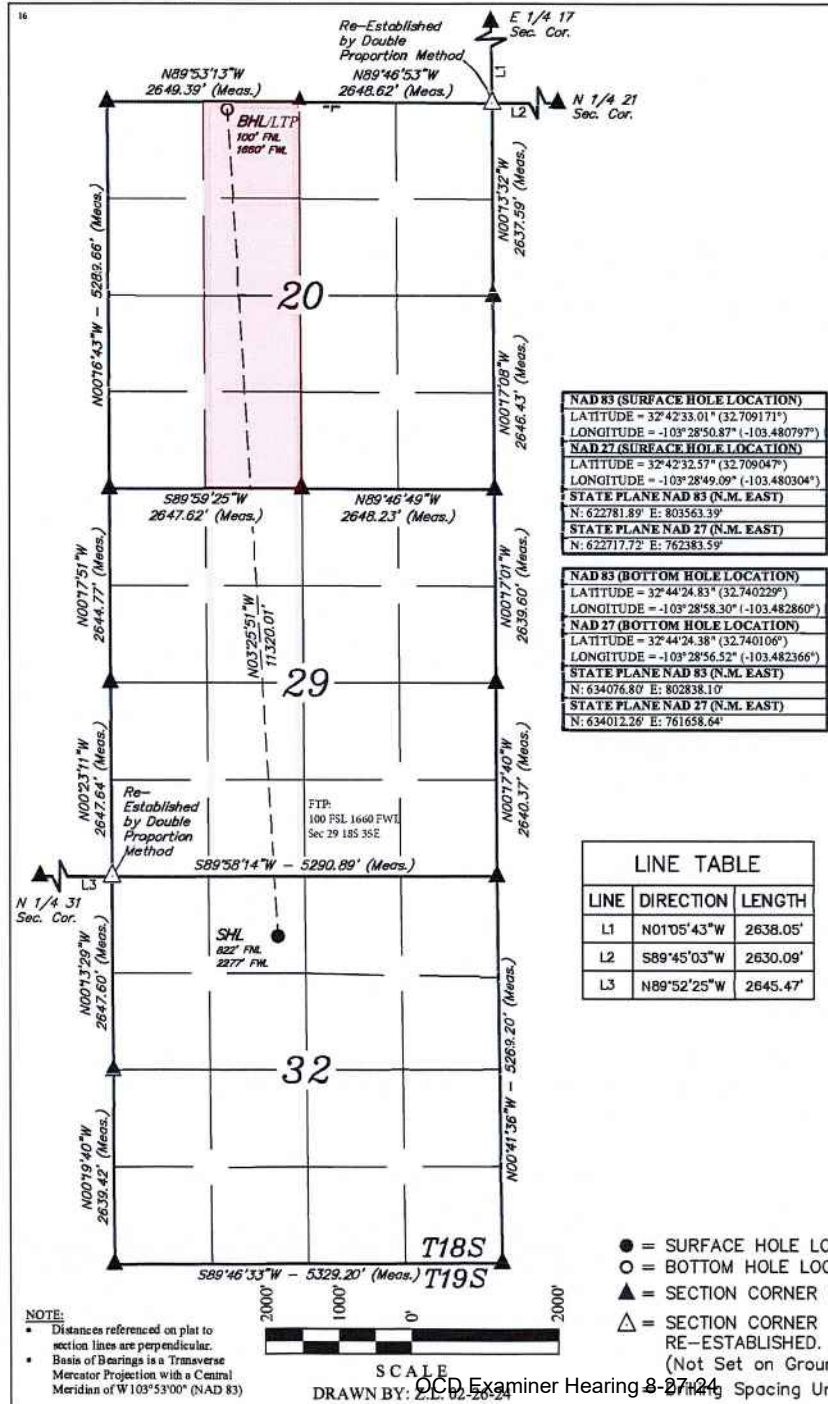
1 API Number		2 Pool Code		3 Pool Name	
		97930		WC-025 G 06 S183518A; BONE SPRING	
4 Property Code		5 Property Name		6 Well Number	
		BALL STATE COM		602H	
7 OGRID No.		8 Operator Name		9 Elevation	
331595		FRANKLIN MOUNTAIN ENERGY 3, LLC		3927.0'	

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
5/15/2024
Date

Rachael Overbey
Printed Name
roverbey@fmlc.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:

Paul Buchele
Professional Surveyor
23782
02-26-24

Certificate Number:

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

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Submit one copy to appropriate
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AMENDED REPORT

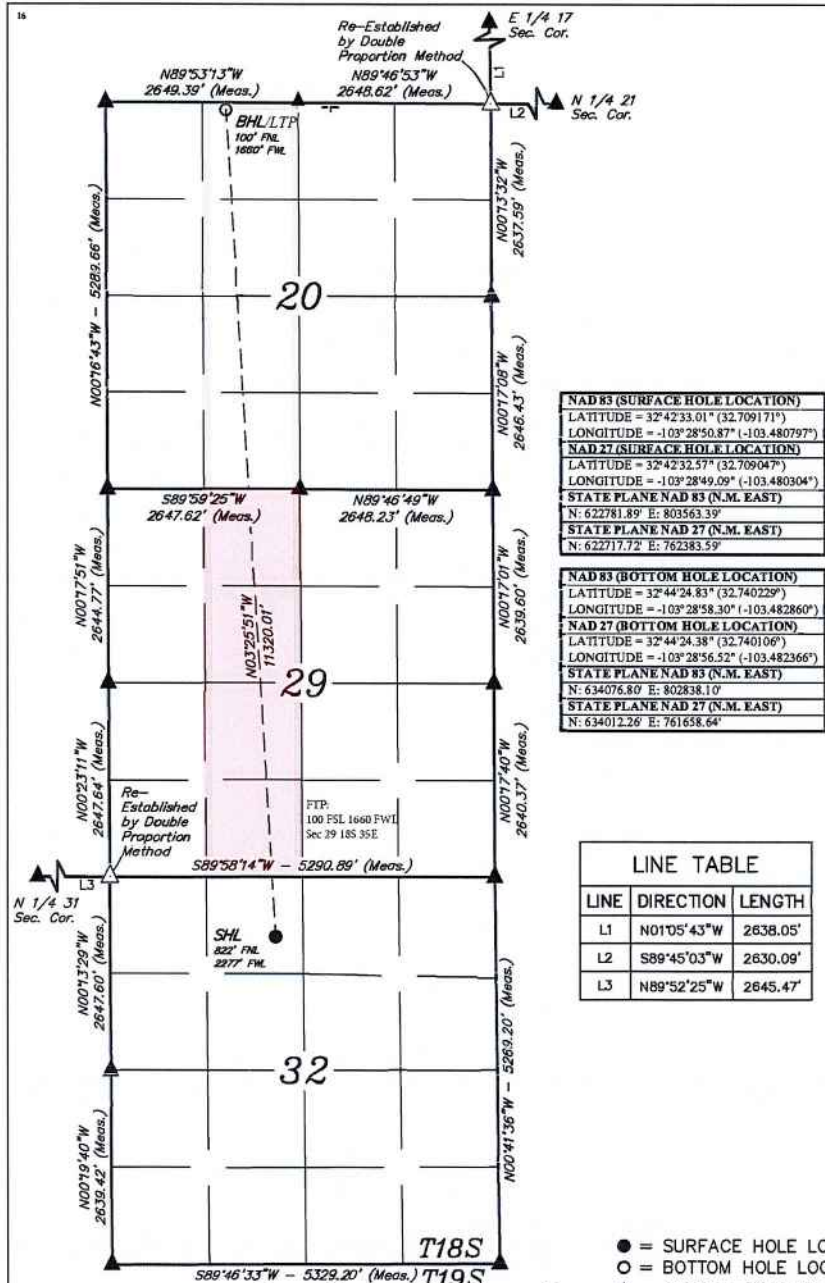
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 960	³ Pool Name AIRSTRIP, BONE SPRING
⁴ Property Code	⁵ Property Name BALL STATE COM	
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
5/15/2024
Date

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.

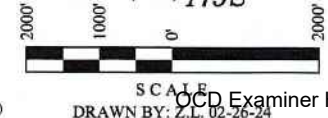
February 20, 2024
Date of Survey

Signature and Seal of Professional Surveyor:

Paul Buchele
23/82
02-26-24

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 W 103°53'00" (NAD 83)

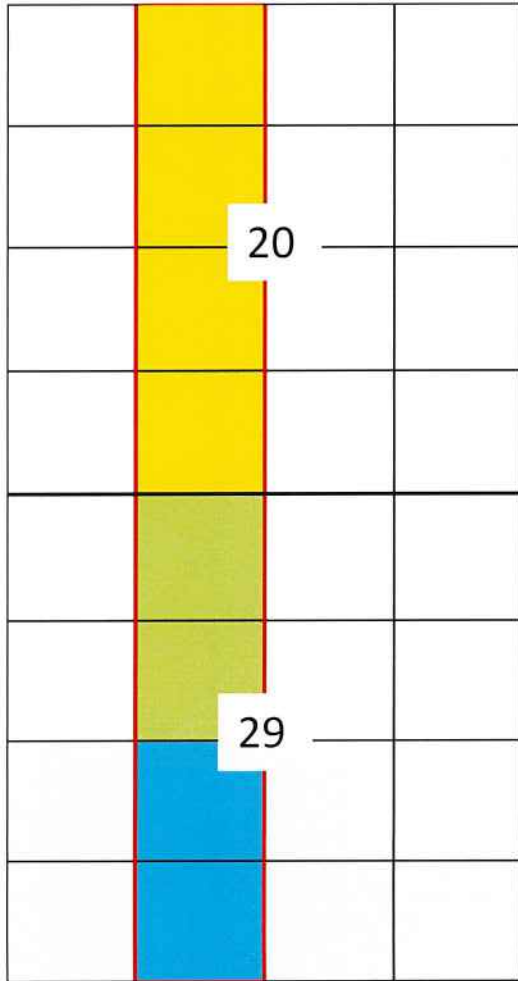


● = SURFACE HOLE LOCATION
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
△ = SECTION CORNER RE-ESTABLISHED.
(Not Set on Ground.)
Spacing Unit



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: IJal State Com 302H **Well #:** 302H
Location: SHL Sec 32-T18S-R35E 575 PNL 2370 FWL **County/State:** Lea Co., NM
 IJH. Sec 20-T18S-R35E 100 PNL 2290 FWL
Operator: Franklin Mountain Energy 3, LLC **Date Prepared:** 10/25/2023
Purpose: Drill and complete a 10,000' IJH well **AFE #:** DC'E211027
 TVD 8,859', MD 17,859'

Intangible Drilling Costs			Amount
Major	Minor	Description	
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	40	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	\$665,000
225	55	DRILLING - DIR/FUNCTIONAL	\$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	\$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	MUOSE 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	\$39,000
225	180	TRANSPORTATION/TRUCKING	\$39,000
225	178	TAXES	\$165,506
225	35	CONTINGENCY COSTS 3%	\$139,460
Total Intangible Drilling Costs:			\$3,335,160

Tangible Drilling Costs			Amount
Major	Minor	Description	
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	\$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$76,170
Total Tangible Drilling Costs:			\$1,461,087

Tangible Facility Costs			Amount
Major	Minor	Description	
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	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	\$40,854
Total Tangible Facility Costs:			\$783,634

Total Drill:	\$4,786,253.44
Total Completion:	\$5,531,298.50
Total Facility:	\$866,418.50
Total DC Intangible:	\$8,294,446.00
Total DC Tangible:	\$2,023,085.94

Total AFE: \$11,181,950.44

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

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

Intangible Completion Costs			Amount
Major	Minor	Description	
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	\$3,000
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	\$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&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	\$3,365,000
240	135	SUBSURFACE EQUIPMENT RENTAL	\$13,000
240	140	SUPERVISION	\$96,500
240	145	SURFACE EQUIPMENT RENTAL	\$186,500
240	150	TRANSPORTATION/TRUCKING	\$1,000
240	155	WATER TRANSFER	\$108,000
240	160	WELDING SERVICES	\$0
240	165	WELL TESTING/FLOWBACK	\$93,600
240	148	TAXES	\$0
240	40	CONTINGENCY COSTS 3%	\$281,230
Total Intangible Completion Costs:			\$4,369,230

Tangible Completion Costs			Amount
Major	Minor	Description	
245	5	ARTIFICIAL LIFT	\$200,000
245	15	FLOWLINES	\$0
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GI 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
Major	Minor	Description	
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	\$900
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$41,120
265	10	CONTINGENCY COSTS 3%	\$1,714
Total Intangible Facility Costs:			\$82,765

Office Use Only:

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

Date: 10/25/2023

 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 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

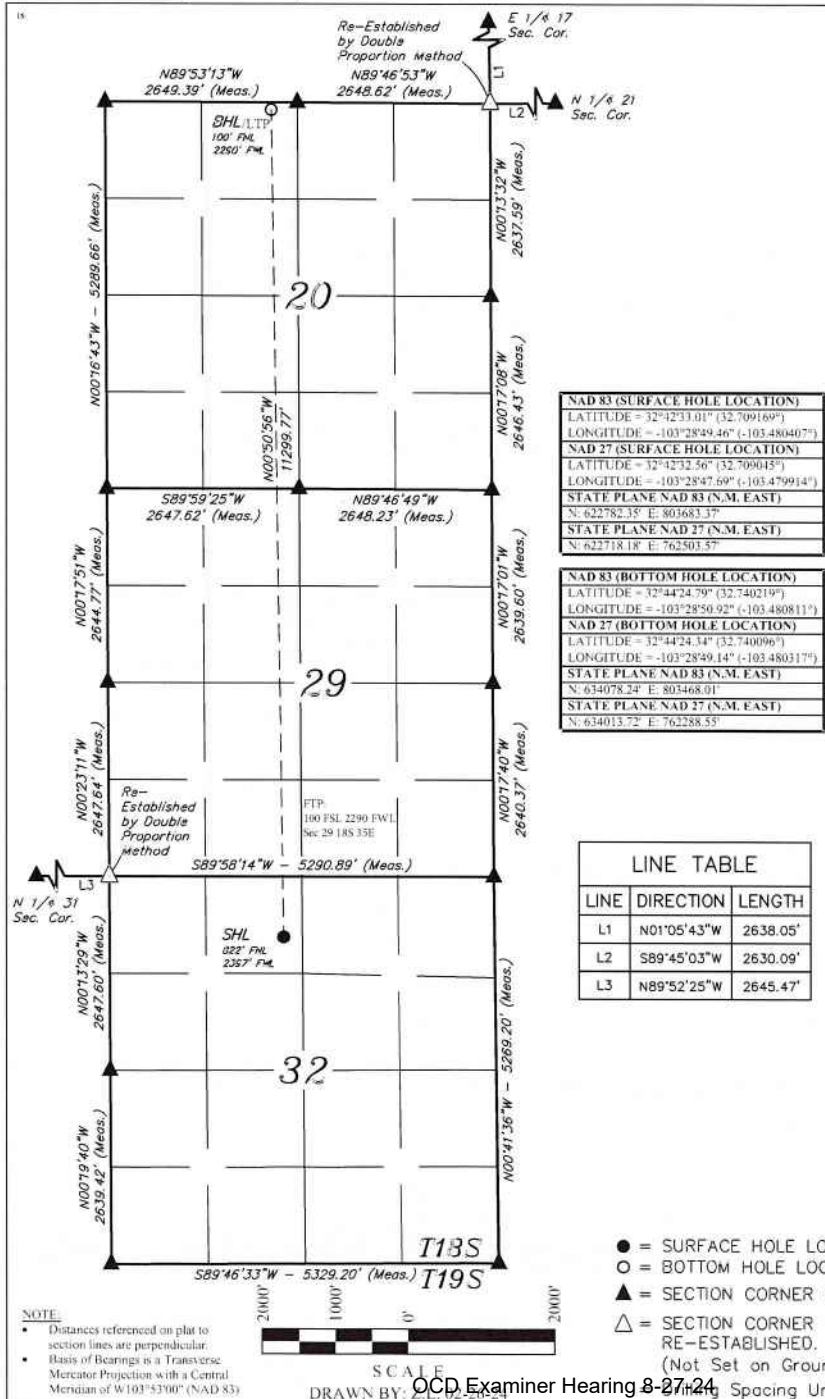
WELL LOCATION AND ACREAGE DEDICATION PLAT

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.



NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 32°42'33.01" (32.709169°)	
LONGITUDE = -103°28'49.46" (-103.480407°)	
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 32°42'32.56" (32.709045°)	
LONGITUDE = -103°28'47.69" (-103.479914°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 622782.35' E: 803683.37'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 622718.18' E: 762503.57'	

NAD 83 (BOTTOM HOLE LOCATION)	
LATITUDE = 32°44'24.79" (32.740219°)	
LONGITUDE = -103°28'50.92" (-103.480811°)	
NAD 27 (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'

" 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
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:

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

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
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1220 S. St. Francis Dr., Santa Fe, NM 87505
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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

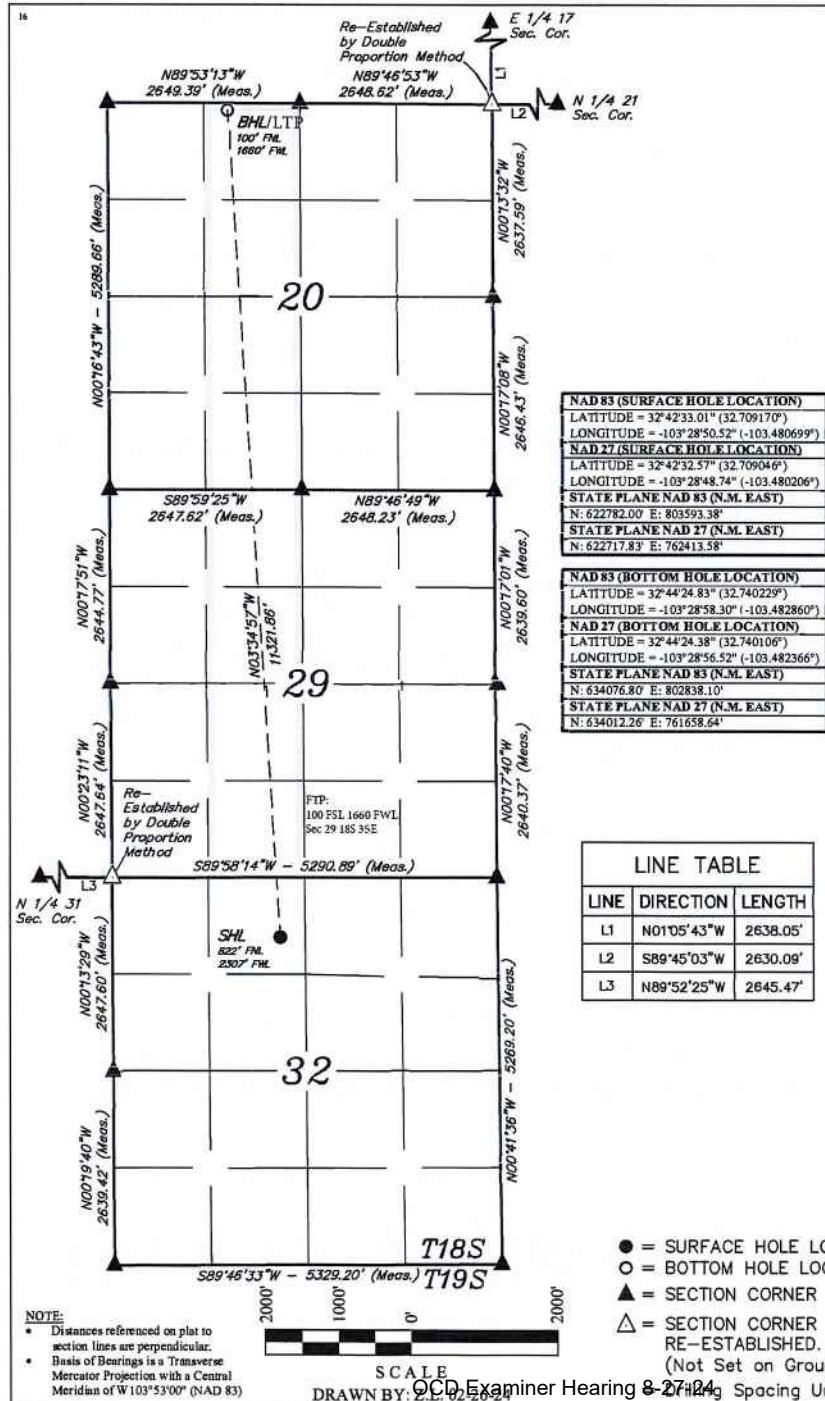
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 55640		³ Pool Name SCHARB; WOLFCAMP	
⁴ Property Code		⁵ Property Name BALL STATE COM		⁶ Well Number 802H	
⁷ OGRID No. 331595		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		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. ~~Any~~ ^{any} ~~proposed~~ ^{proposed} pooling order heretofore entered by the division.

[Signature] 5/15/2024
Signature Date
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:

[Signature]
23782
02-26-24
PROFESSIONAL SURVEYOR

Certificate Number:

NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32° 42' 33.01" (32.709170°)
LONGITUDE = -103° 28' 50.52" (-103.480699°)

NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32° 42' 32.57" (32.709046°)
LONGITUDE = -103° 28' 48.74" (-103.480206°)

STATE PLANE NAD 83 (N.M. EAST)
N: 622782.00' E: 803593.38'
STATE PLANE NAD 27 (N.M. EAST)
N: 622717.83' E: 762413.58'

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

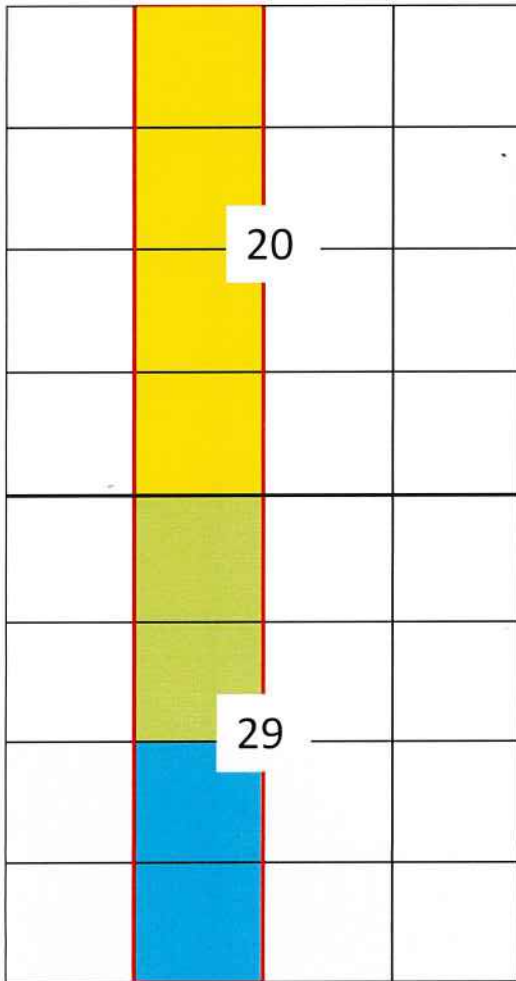
LINE	DIRECTION	LENGTH
L1	N01°05'43"W	2638.05'
L2	S89°45'03"W	2630.09'
L3	N89°52'25"W	2645.47'

- = 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

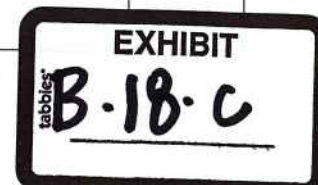
Dear Working Interest Owner:

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: _____

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.

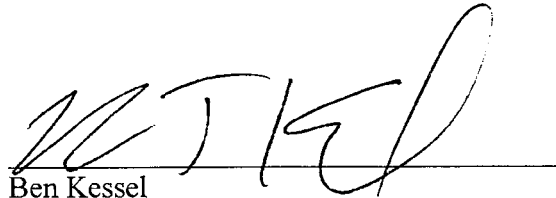
24. In my opinion, FME3's Ball West State development plan prevents waste and protects correlative rights.

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]

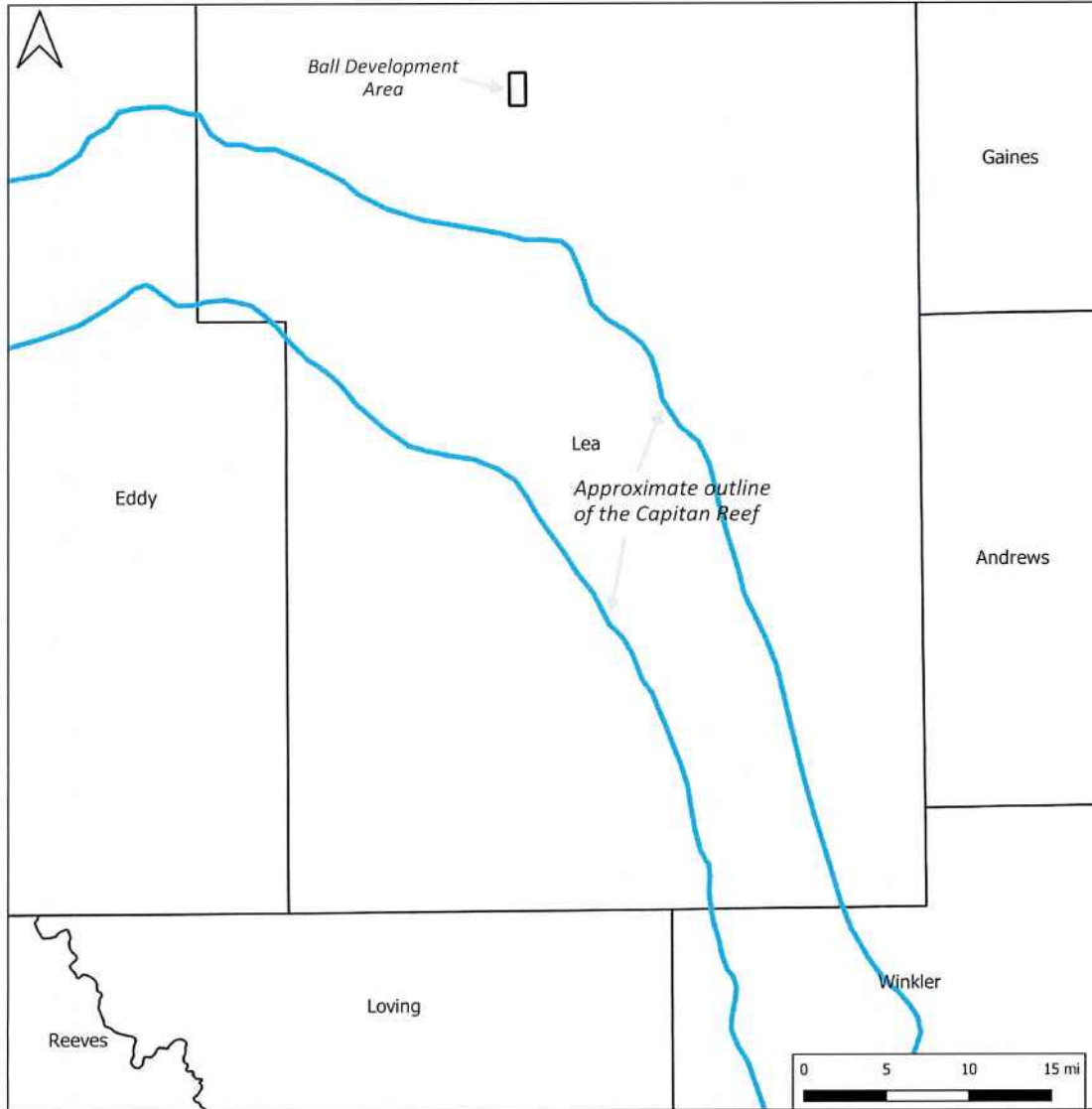
Dated: August 19th, 2024


Ben Kessel

Ball Development



Locator Map



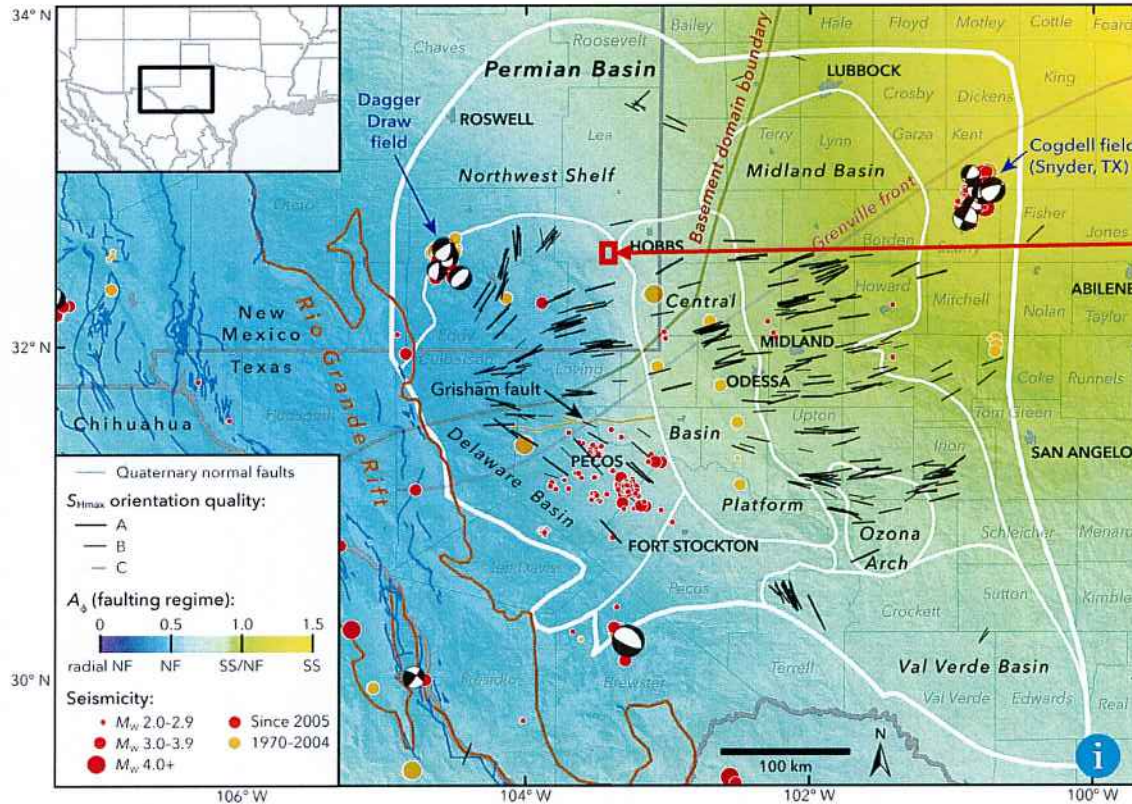
- Black box shows the location of the Ball development area
- Planned wells are located outside of the eastern edge of the Capitan Reef

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





Regional Stress



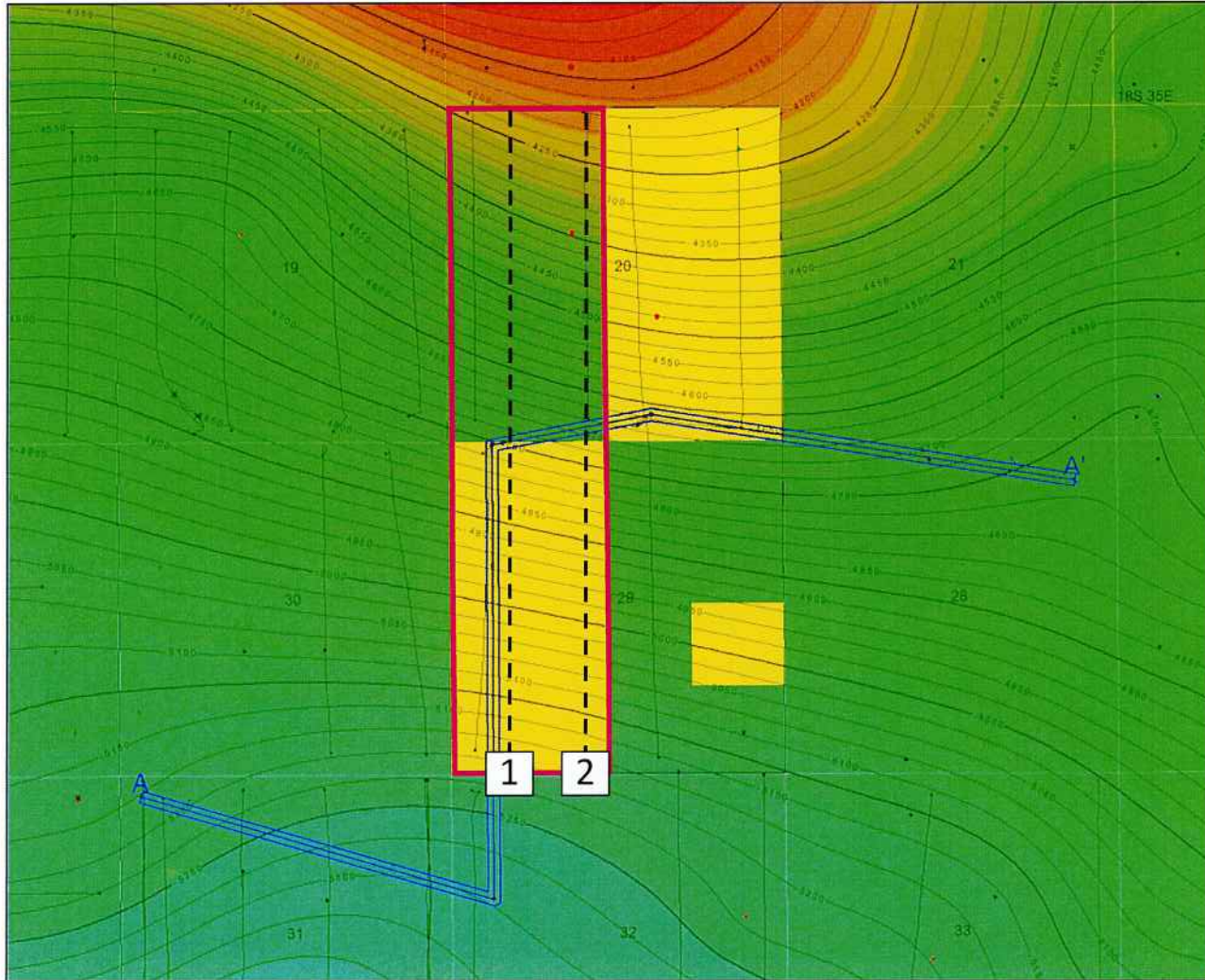
- Red box shows the approximate location of the Ball development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- The Ball State West wells are planned to drill N-S, nearly orthogonal to S_{Hmax} , optimal for induced fracture propagation

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

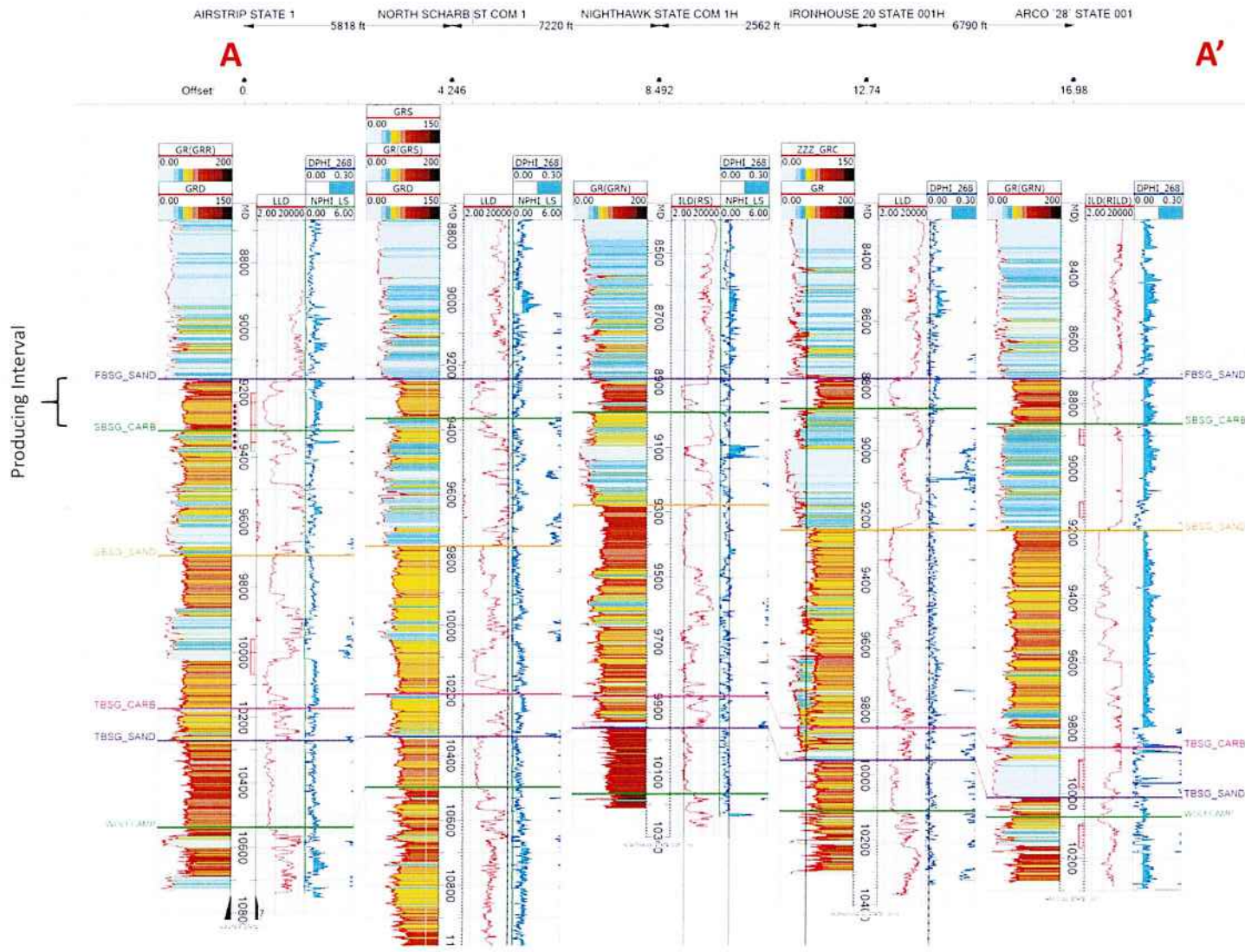
-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

-  Proposed Horizontal Location
-  Ball State Com 301H
-  Ball State Com 302H



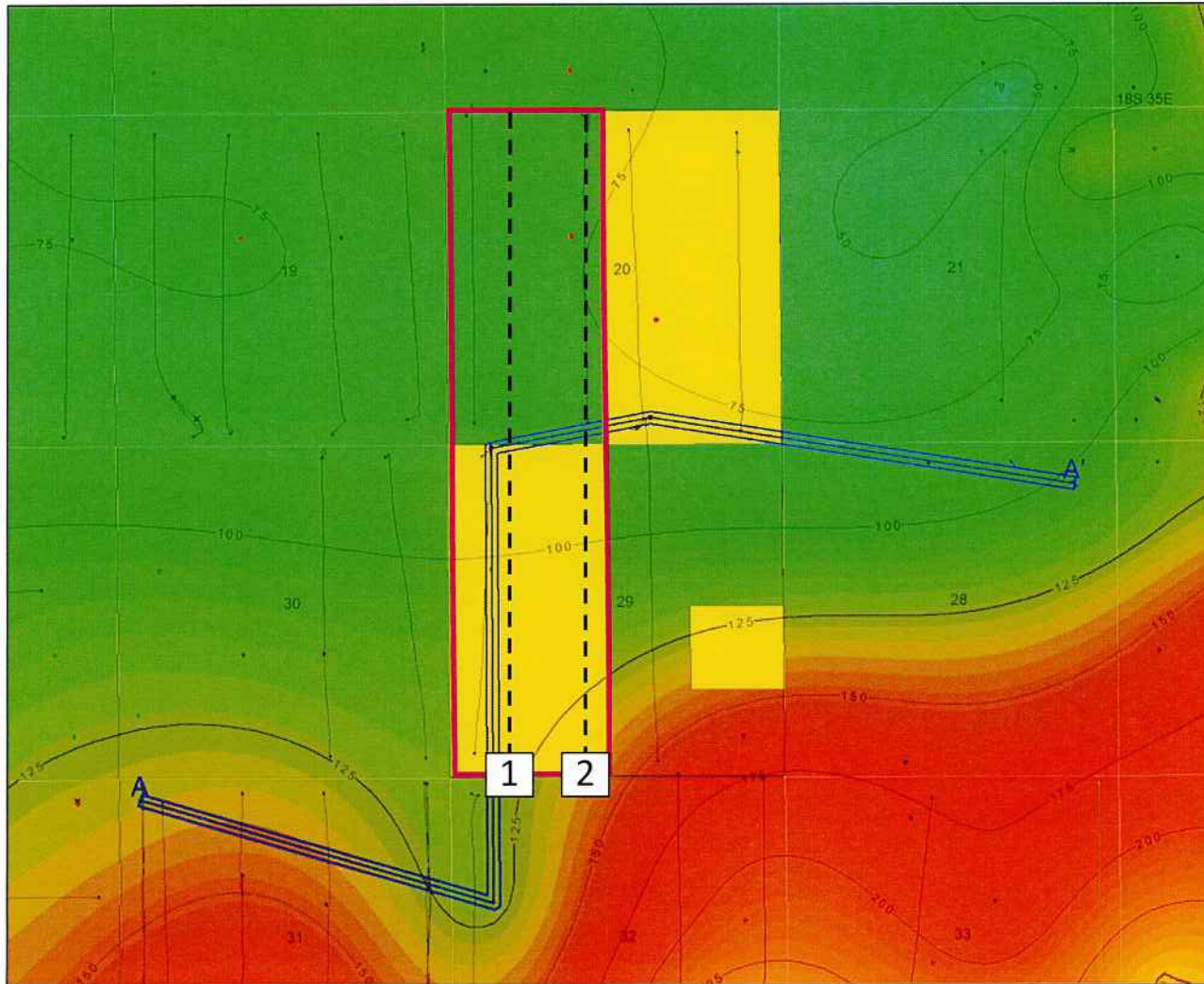
First Bone Spring Cross Section



Ball West Development

EXHIBIT
C.3.b

First Bone Spring Sand Isopach



All wells shown

1 mile

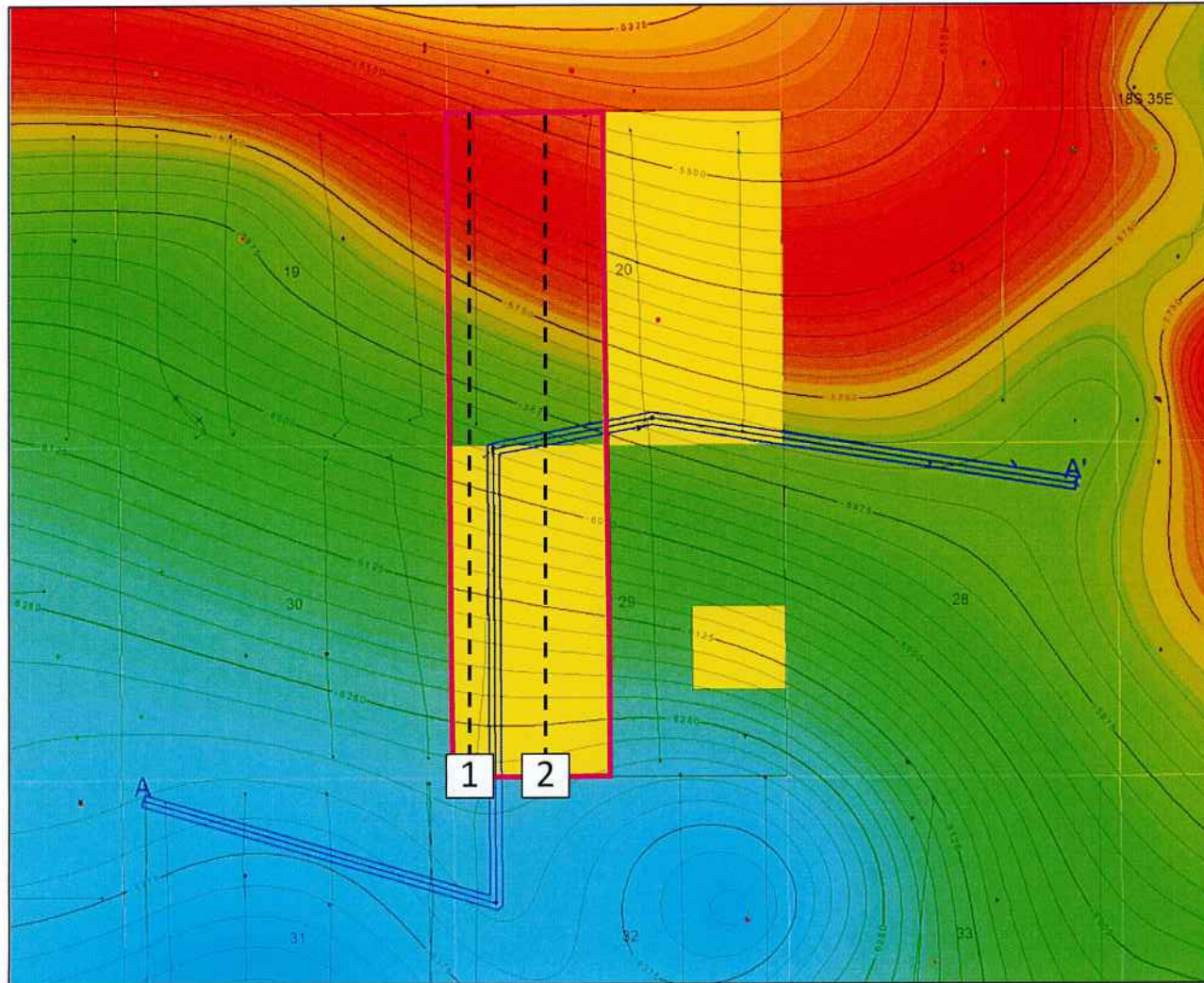
-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

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



Third Bone Spring Structure



-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

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

All wells shown

1 mile



Third Bone Spring Cross Section

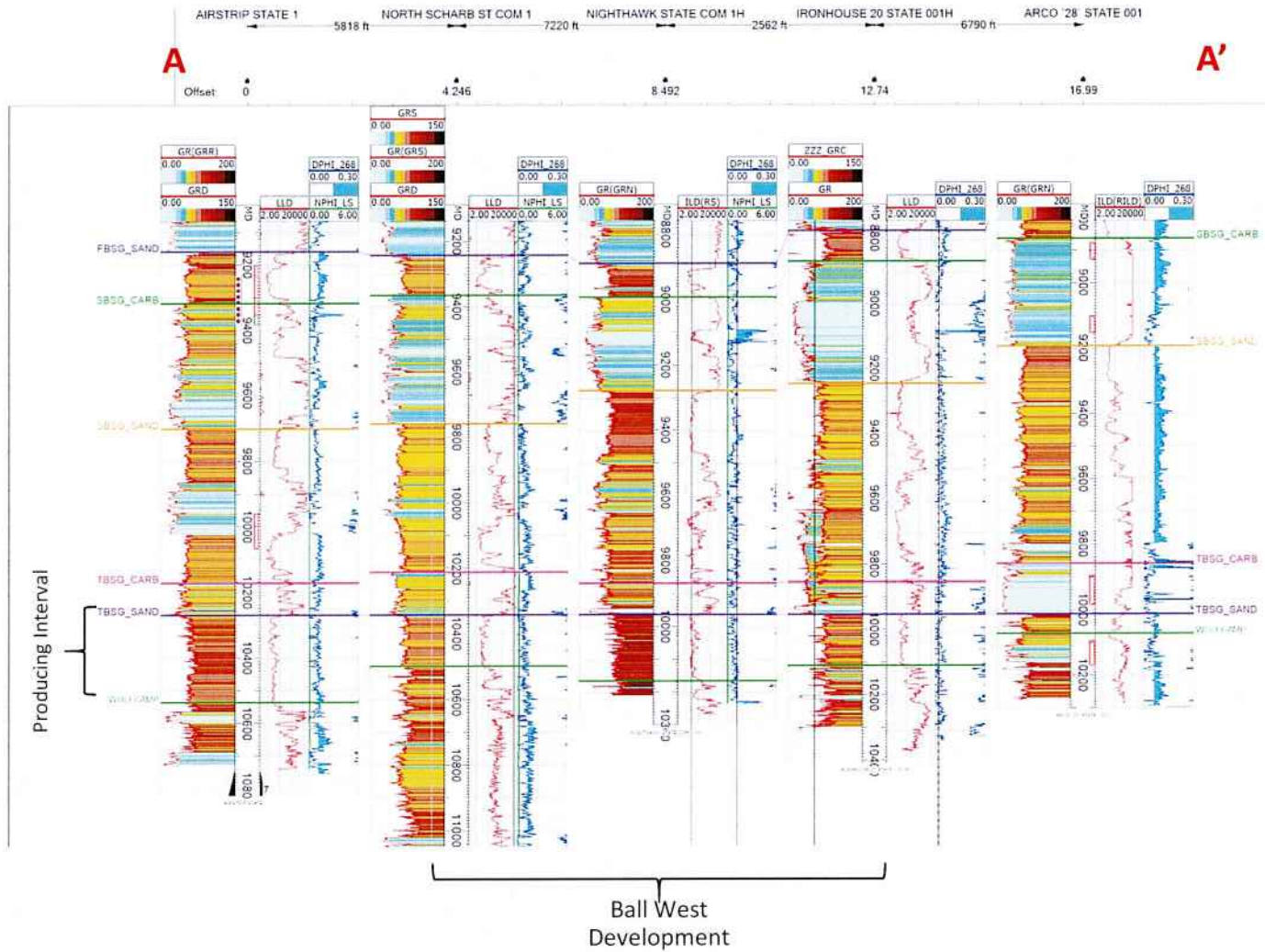


EXHIBIT
C.3.e

Third Bone Spring Sand Isopach



- Franklin Mountain Acreage
- Ball West Development

Proposed Horizontal Location

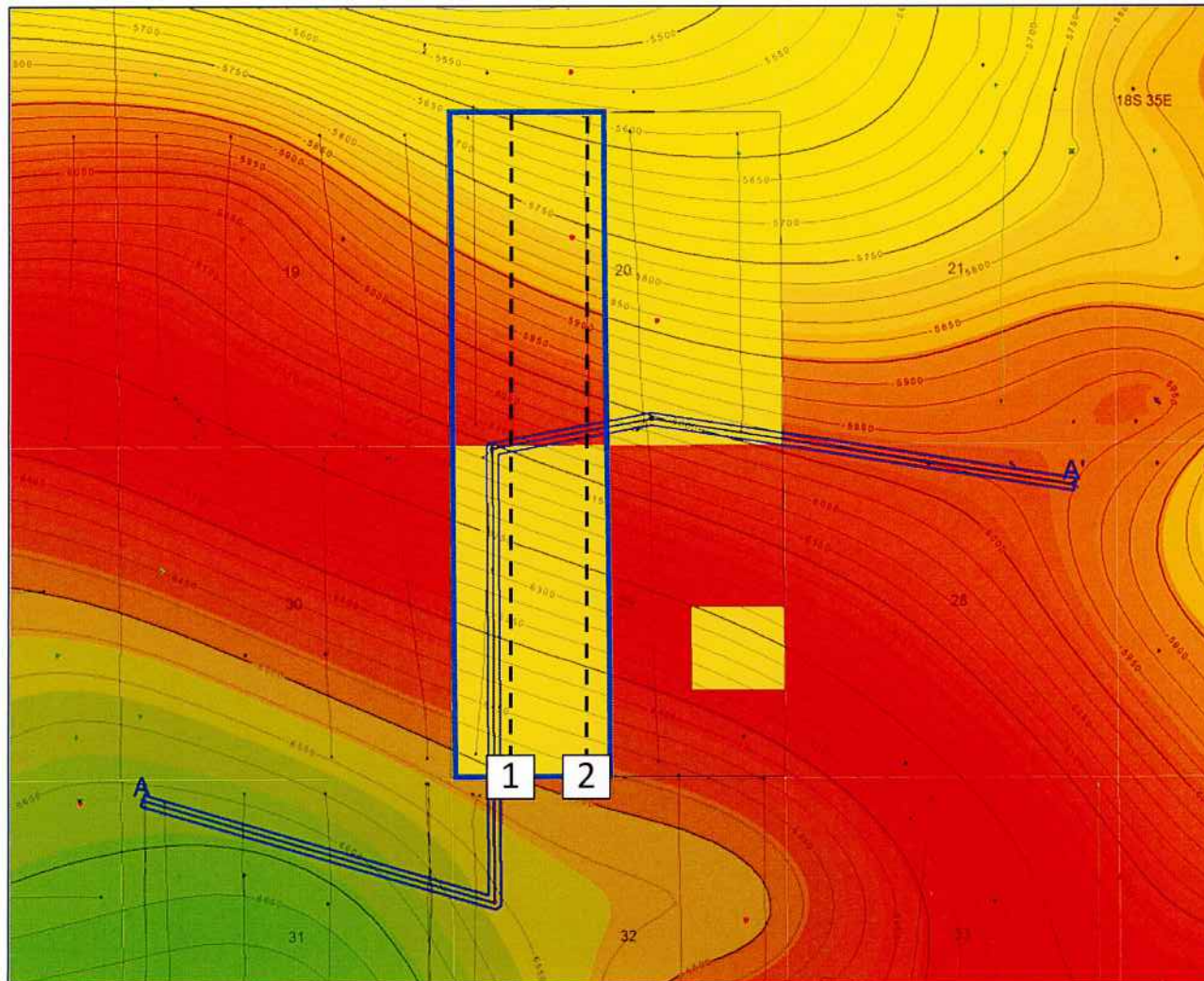
- 1 Ball State Com 601H
- 2 Ball State Com 602H

All wells shown

1 mile



Wolfcamp Structure



-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

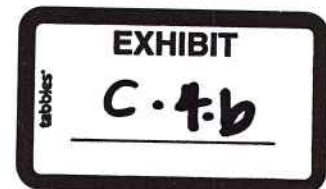
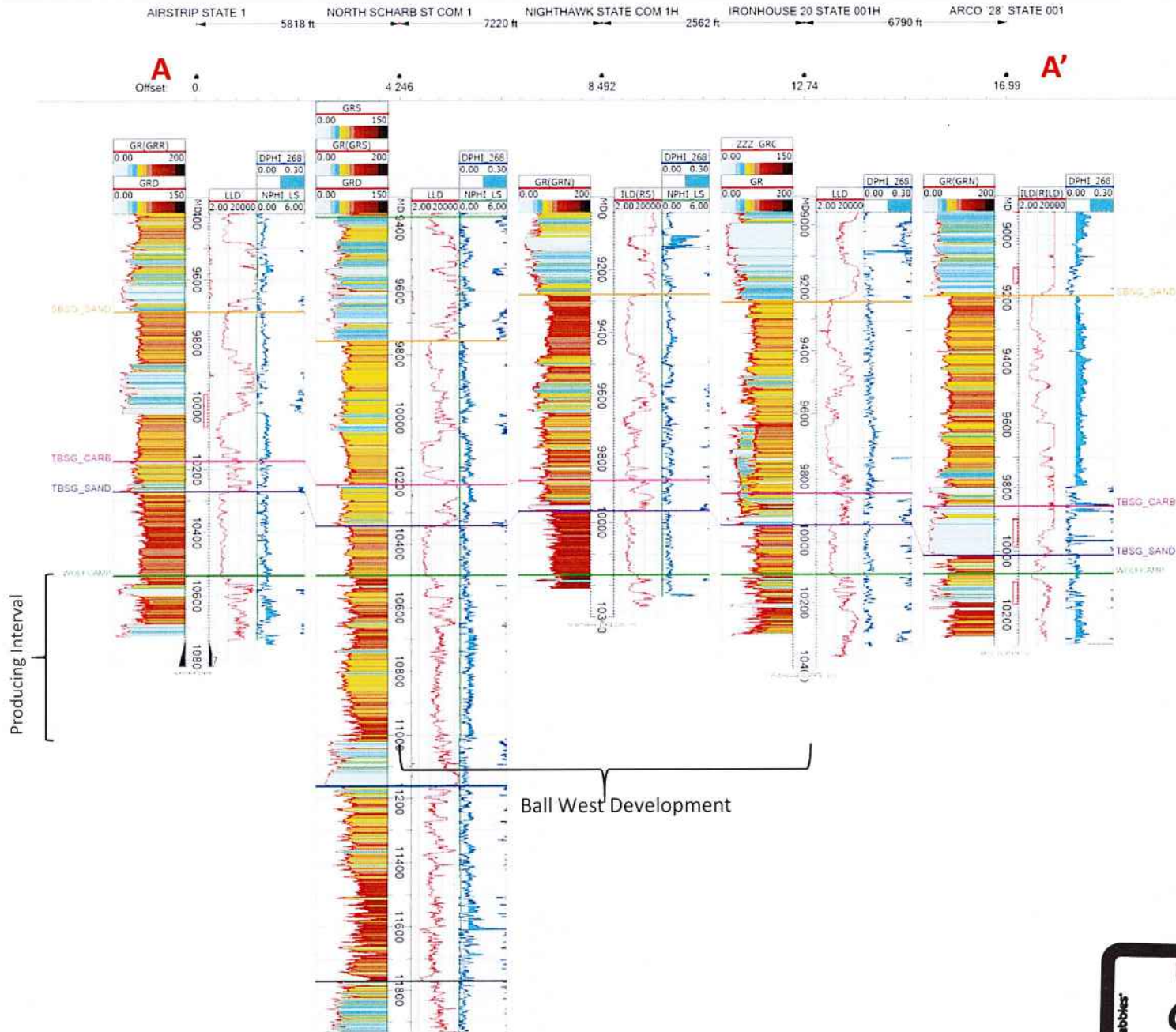
-  Ball State Com 701H
-  Ball State Com 702H

All wells shown

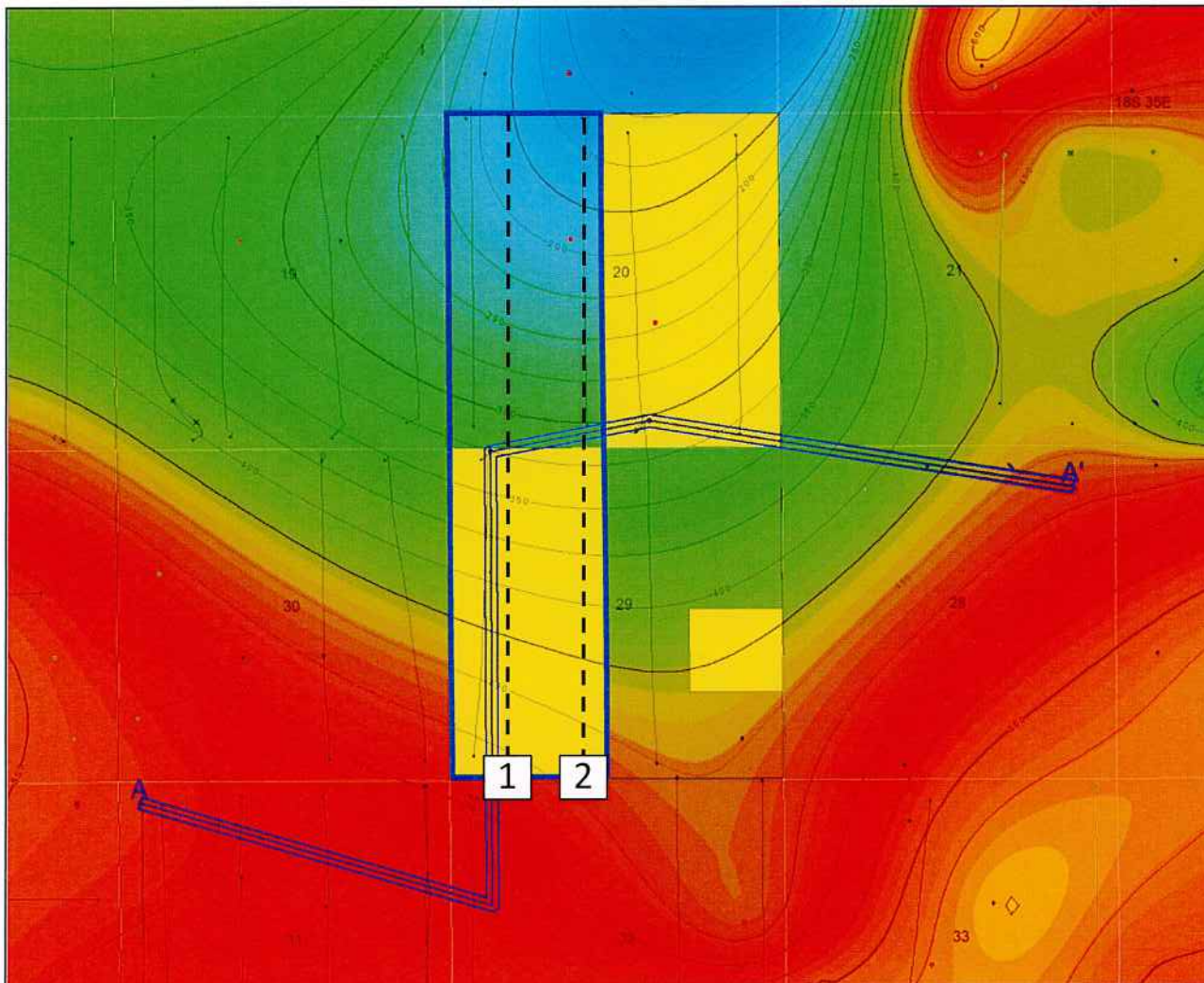
1 mile



Wolfcamp Cross Section



Wolfcamp Isopach



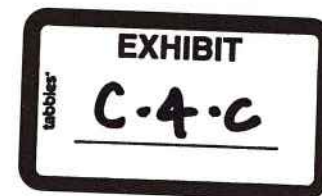
All wells shown

1 mile

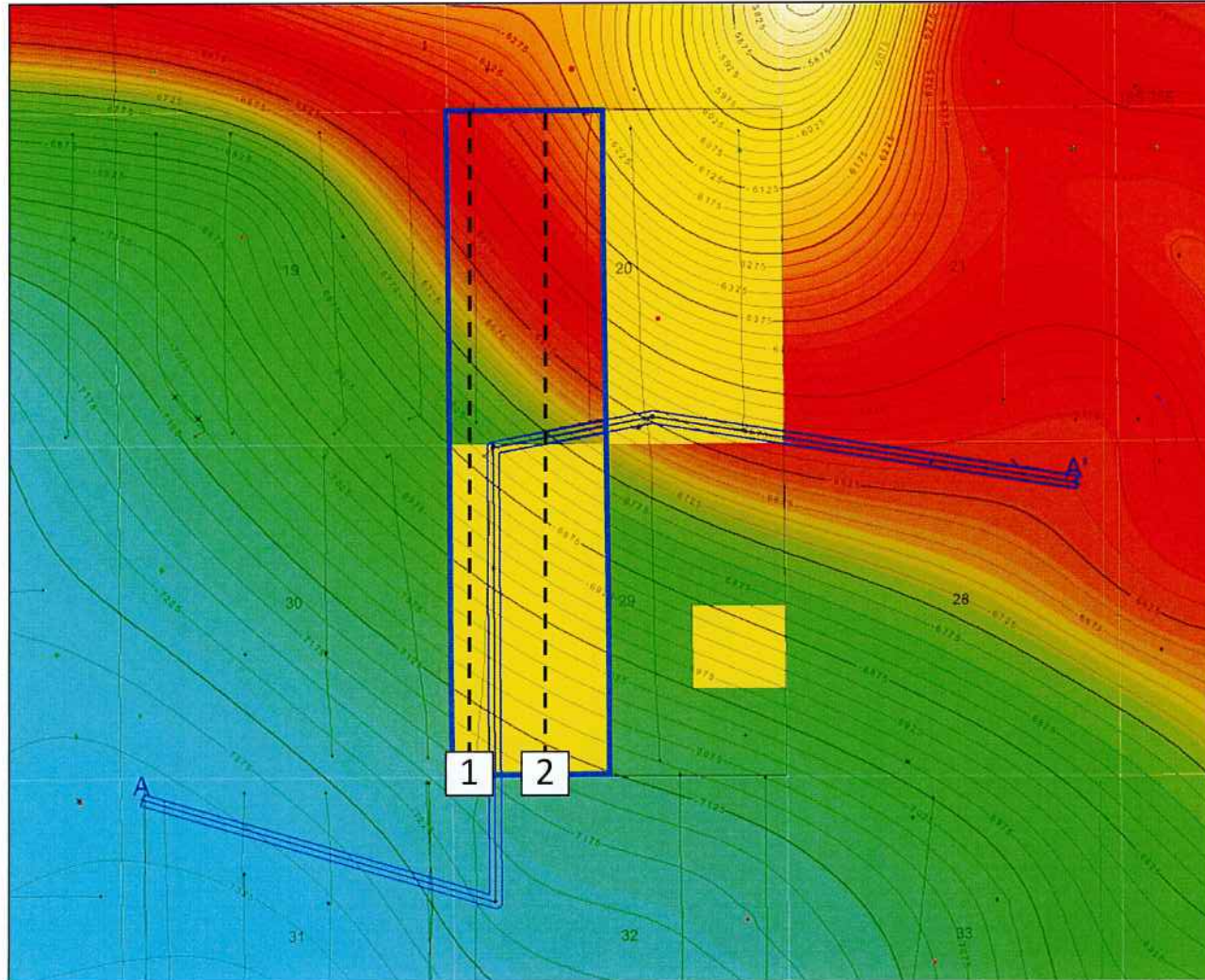
-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

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



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

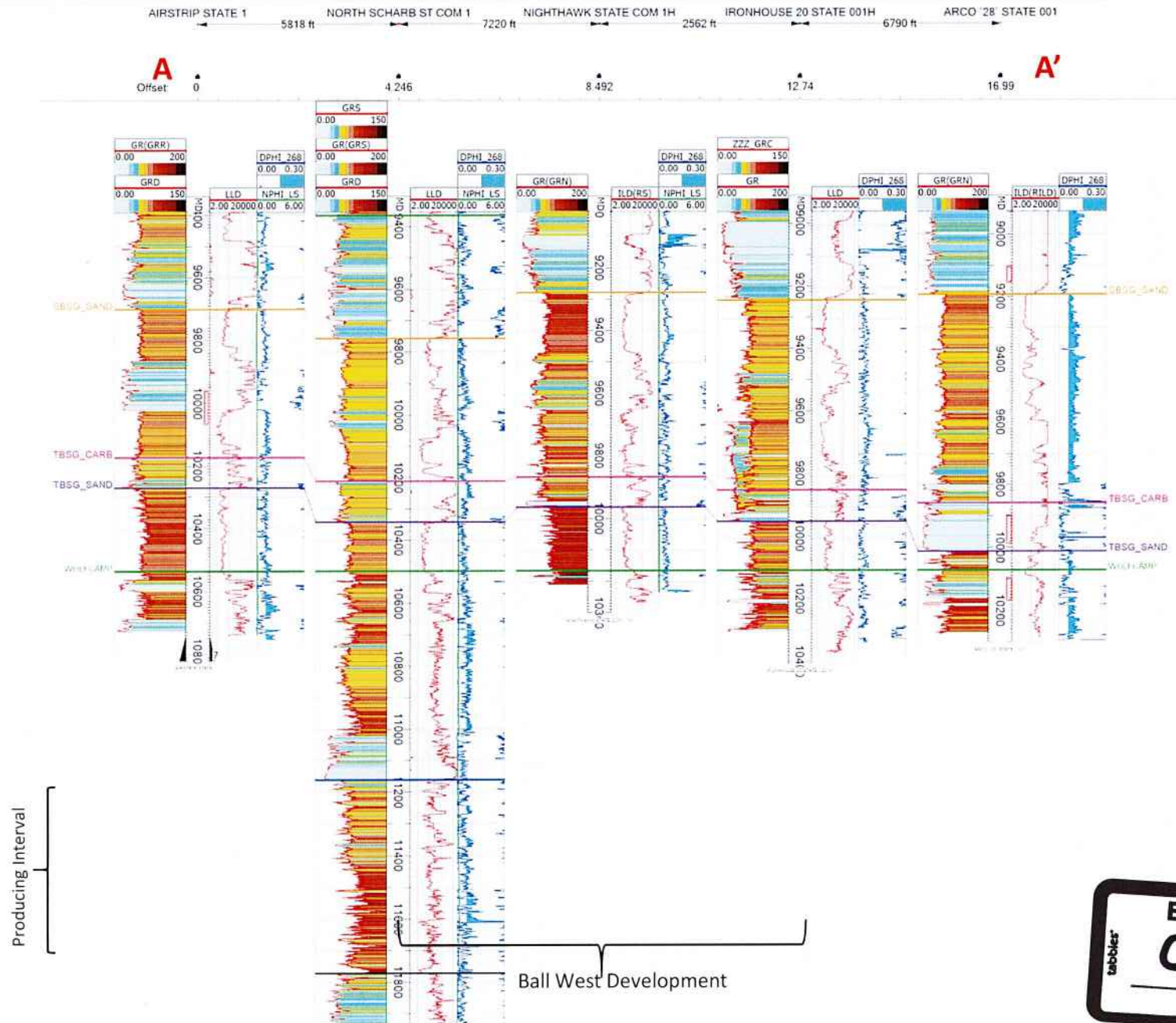
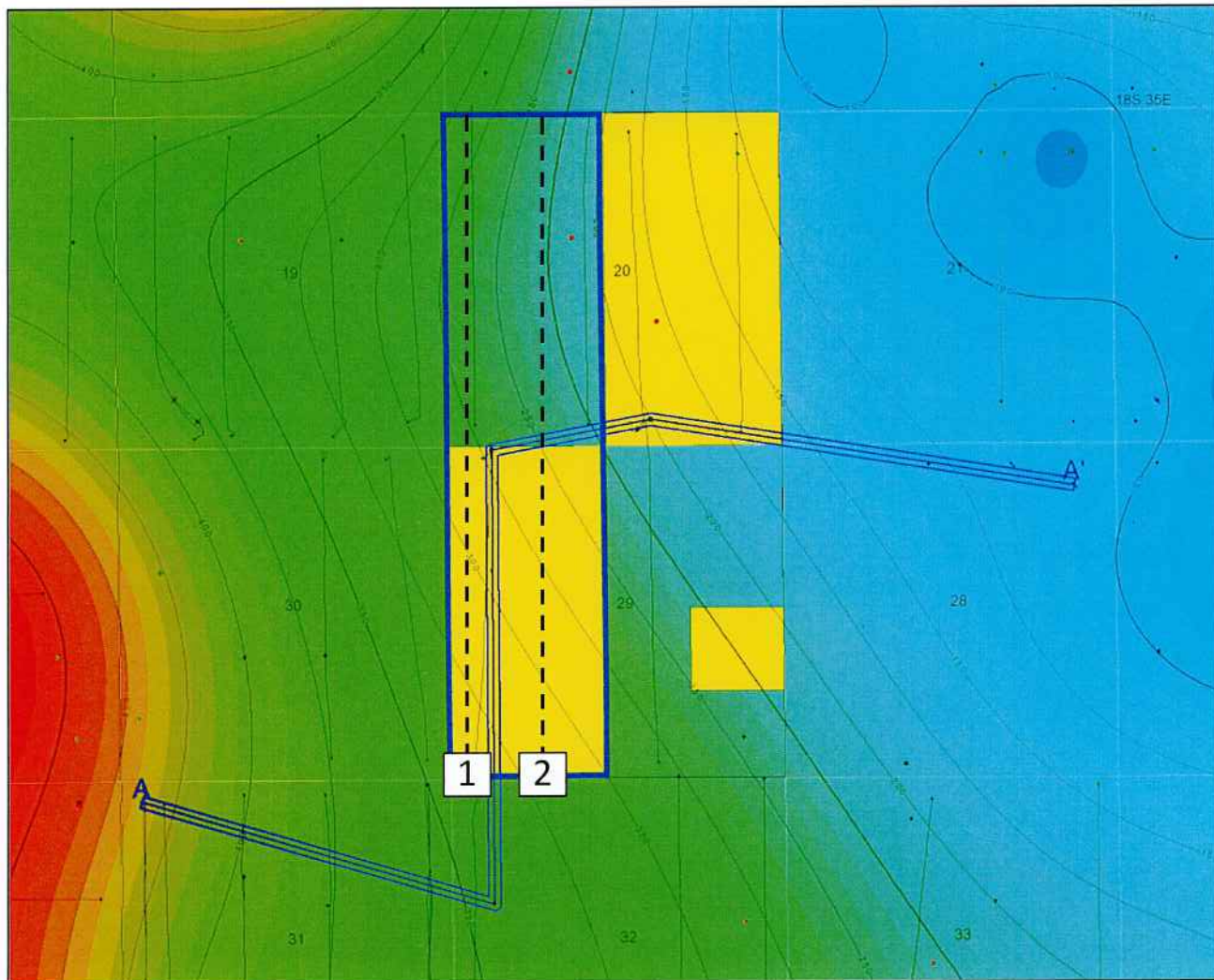


EXHIBIT
C-4-C

Wolfcamp B Isopach



All wells shown

1 mile

-  Franklin Mountain Acreage
-  Ball West Development

Proposed Horizontal Location

-  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.

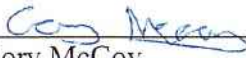
17. To conclude, in my opinion, FME3 is able to prudently operate the property, and FME3's plan will prevent waste because FME3 will be targeting reserves that MRC is not.

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

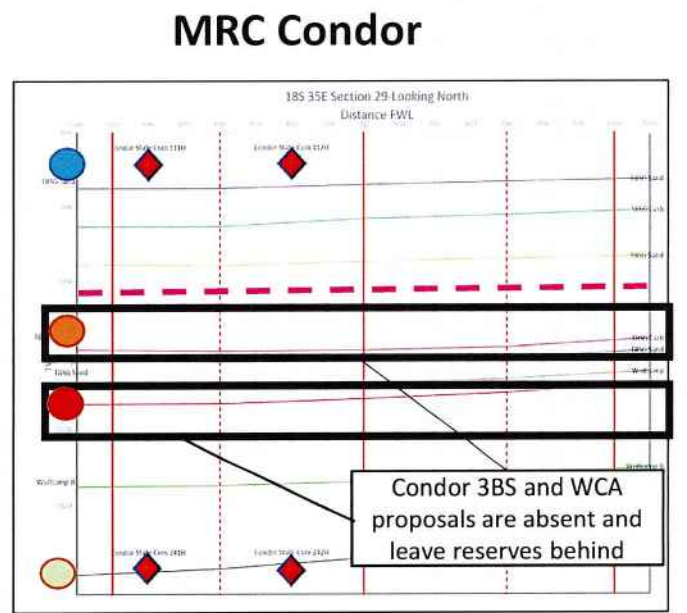
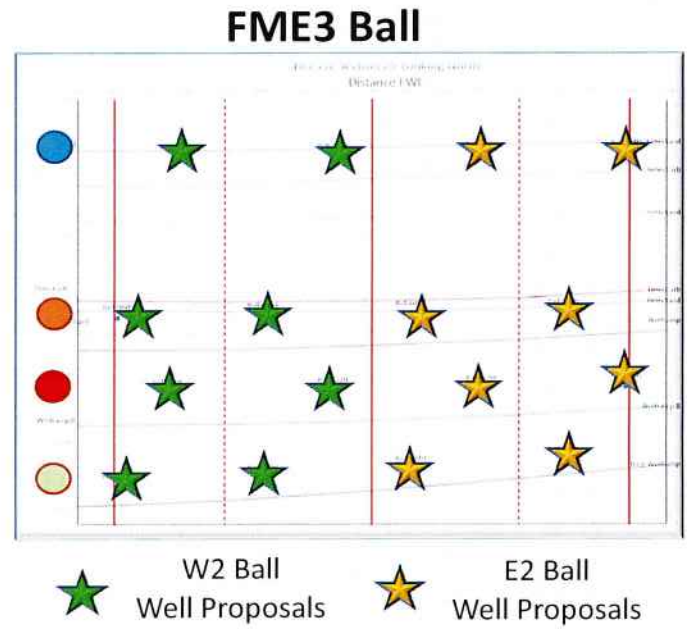

Cory McCoy

FME3 Full Field Ball Development vs MRC's Development



Formation	Planned Well Count	
	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.



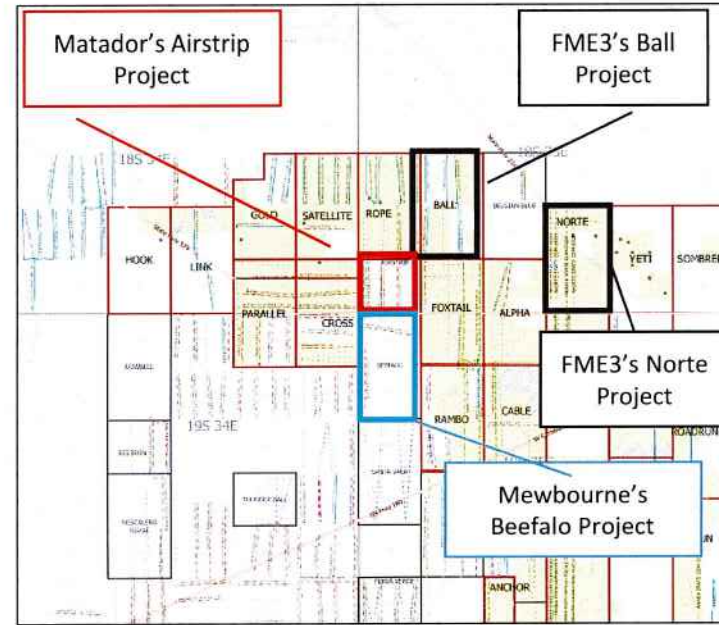
*FME3's WCB and MRC's WCD are targeting the same formation



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

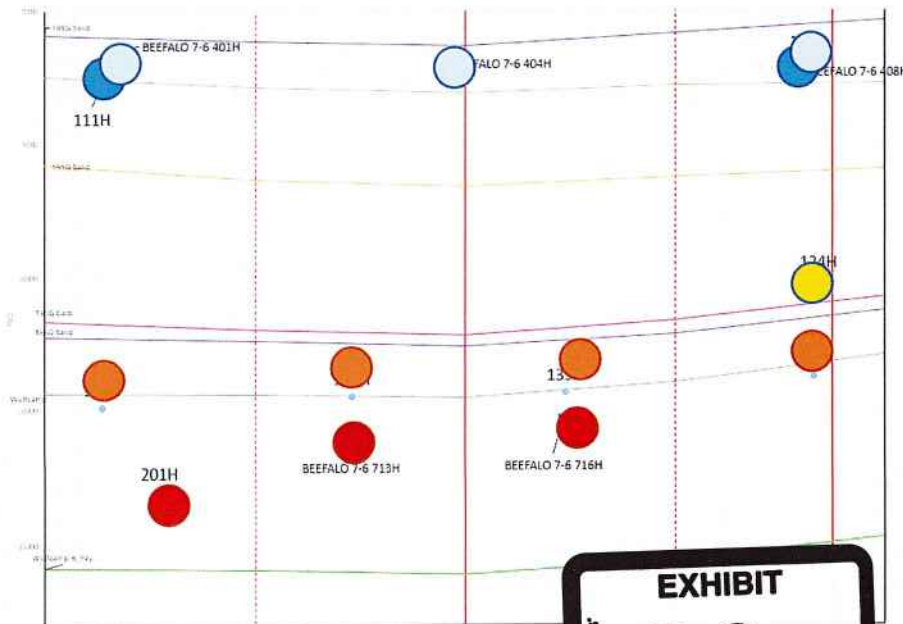


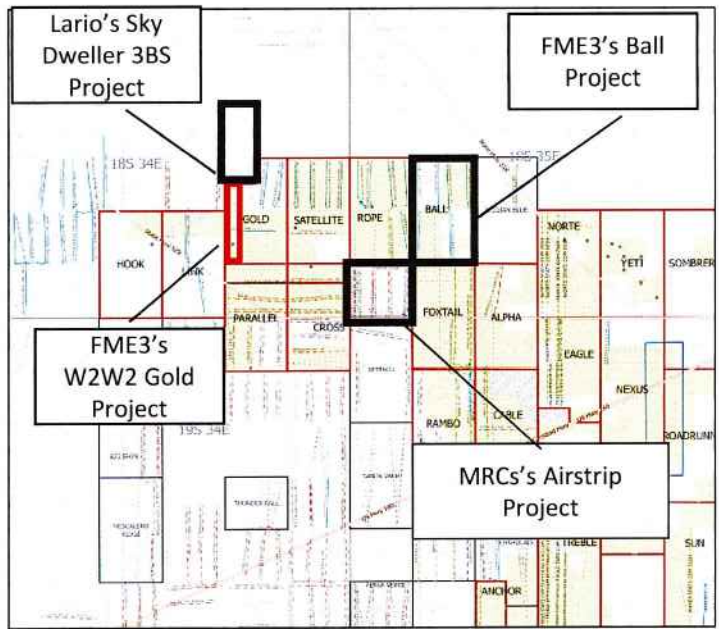
EXHIBIT
D.2

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

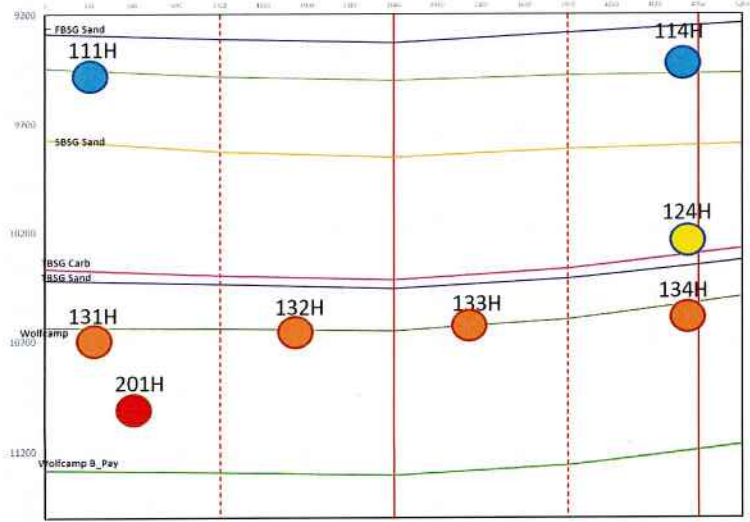


Airstrip & Gold & Sky Dweller Supports 3BS Development in Ball

- 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

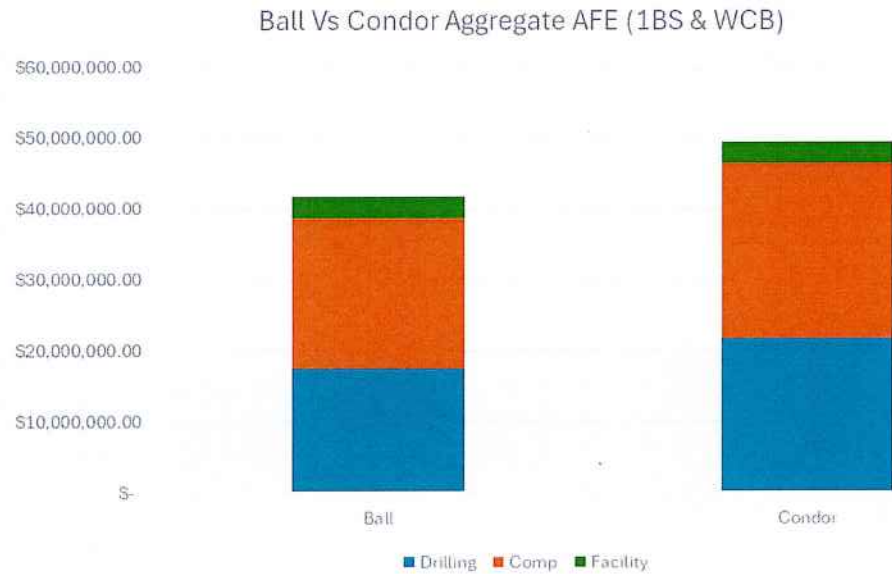


Formation	EUR BO/ft			Planned Well Count	
	Airstrip	Sky Dweller	Gold	Ball W2	Condor
1BS	69			2	2
2BS	53			0	0
3BS	86	77	77	2	0
WCA	47			2	0
WCB	-			2	2
Total				8	4



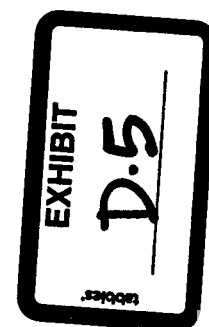
FME3's Budget is Lower and FME3's Excellence in Execution

- 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,
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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

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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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.
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Yarithza Peña
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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

Yarithza Peña

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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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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

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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.

Carlene Schuman
Dorroll Sperling Roehl Harris & Sisk P.A.
100 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
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

Released to Imaging: 8/21/2024 12:06:44 PM

10154-0001
a11

Received by OCD: 8/20/2024 5:12:21 PM

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
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
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	

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
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
9314869904300117487293	2024-02-15 1:55 PM	No24198,99,05,06.	Post Oak Crown IV, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 3:39 PM
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
9314869904300117487248	2024-02-15 1:55 PM	No24198,99,05,06.	Good News Minerals, LLC		MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	
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
9314869904300117487170	2024-02-15 1:55 PM	No24198,99,05,06.	H6 Holdings, LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 11:13 AM
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 Publicatio

STATE OF NEW MEXICO
COUNTY OF LEA

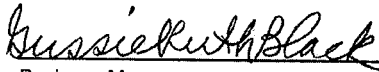
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

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 publ
legal notices or advertisements within th
meaning of Section 3, Chapter 167, Law
1937 and payment of fees for said publi
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; William 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; William 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; William 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; William 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

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

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