

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. 24467, 24469, 24470

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. 24468

NOTICE OF SUPPLEMENTAL EXHIBIT

Pursuant to the direction of the Oil Conservation Division, at the August 22, 2024 hearing in the above-referenced matters, Franklin Mountain Energy 3, LLC (“Franklin”) submits **Exhibit B-9**: Supplemental Self-Affirmed Statement of Jon Rutledge to be included in the record.

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

By: Deana M. Bennett

Deana M. Bennett
Earl E. DeBrine
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Deana.Bennett@modrall.com
eed@modrall.com
yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on August 26, 2024.

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

Attorneys for XTO Energy, Inc.
And
Attorneys for Apache Corporation in No. 24468 Only



Deana M. Bennett

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SUPPLEMENTAL SELF-AFFIRMED STATEMENT OF JON RUTLEDGE

Jon Rutledge hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Franklin Mountain Energy 3, LLC (“Franklin”), and I have personal knowledge of the matters stated herein.
2. I have previously testified before the Oil Conservation Division (“Division”) and my credentials were accepted as a matter of record.
3. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
4. I am familiar with the applications filed by Franklin in Case Nos. 24467, 24468, 24469, and 24470 (“Nexus cases”).
5. I am familiar with the status of the lands that are subject to the applications.
6. At the August 22, 2024 hearing in these matters, there was a discussion regarding clarification regarding the parties seeking to pool in these matters as reflected by the Exhibit B-3 in each respective case’s exhibit packet.

**Franklin Mountain Energy 3, LLC
Case Nos. 24467, 24468, 24469, 24470
Exhibit B-9**

7. As discussed during the hearing, there is an ongoing title dispute regarding the ownership distribution between the following parties: Margaret L. Scott, Carol Jacobs Comey, Laurie Lynn Jacobs, and XTO Holdings (“XTO”).

8. Franklin has been in contact with all four of these parties and they are all aware that there is a current title dispute Franklin is actively working to resolve. *See* Exhibit B-4 Summary of Contacts.

9. With respect to XTO, Franklin has engaged in conversations with XTO, which has resulted in a signed letter agreement (“Letter Agreement”) between Franklin and XTO.

10. I am familiar with the Letter Agreement between XTO and Franklin and have reviewed it for the purposes of preparing this statement.

11. Upon further consideration, Franklin prefers not to submit the Letter Agreement to be included as part of the record in these matters and provides a summary of the contents of the Letter Agreement in this statement.

12. The Letter Agreement was entered in on August 7, 2024 and addresses the possible outcomes between Franklin and XTO regarding the Nexus cases, as well as another set of Franklin cases heard on August 22, 2024 involving the Norte Wells (Case Nos. 24454, 24456, 24443, and 24445).

13. The Letter Agreement confirms that XTO supports Franklin as the operator in the Nexus applications under the case numbers 24467, 24468, 24469, and 24770.

14. The Letter Agreement outlines continued negotiations between XTO and Franklin, including various options.

15. The Letter Agreement states XTO will be billed Actual Well Costs as those costs are accrued.

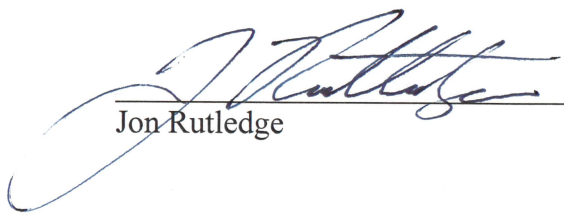
16. As discussed during the August 22, 2024 hearing, if XTO elects to participate in the Nexus wells under the pooling orders, Franklin will not require XTO to pay its share of the Actual Well Costs until the title issues are resolved.

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

18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

[Signature page follows]

8/26/2024
Date


Jon Rutledge