



FRANKLIN MOUNTAIN ENERGY

Before the Oil Conservation Division
Examiner Hearing August 22nd, 2024

Compulsory Pooling

Case No. 24470: Nexus Fed Com 503H

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

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

CASE NO. 24470

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24470	APPLICANT'S RESPONSE
Date	August 22, 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:	XTO Energy, Inc.
Well Family	Nexus Fed 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:	Scharb; Bone Spring Pool, (Code 55610); and the Pearl; Bone Spring Pool, (Code 49680)
Well Location Setback Rules:	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	439.42-acres
Building Blocks:	40-Acres (Note: OCD pool code spreadsheet stats that the Scharb; Bone Spring Pool has 80-acre building blocks, which is likely superceded by statewide rules. In any event, even with the 80-acre building blocks, the unit is standard.)
Orientation:	North/South
Description: TRS/County	Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 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.3
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: Nexus Fed Com 503H	API No. <i>Pending</i> SHL: 792' FNL & 2625' FWL, (Lot 3), Section 2, T19S, R35E BHL: 2540' FNL & 1680' FEL, (Unit G) Section 14, T19S, R35E Completion Target: Second Bone Spring (Approx. 9,478' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	See Exhibit B.2
Completion Target (Formation, TVD and MD)	See Exhibit B.6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Paragraph 28
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B.5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
Overhead Rates In Proposal Letter	Exhibit B.6
Cost Estimate to Drill and Complete	Exhibit B.7
Cost Estimate to Equip Well	Exhibit B.7
Cost Estimate for Production Facilities	Exhibit B.7
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Well Orientation (with rationale)	Exhibit C.7
Target Formation	Exhibit C.3 to C.6

HSU Cross Section	Exhibit C.4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section (including Landing Zone)	Exhibit C.5
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:	8/14/2024

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

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

CASE NO. 24470

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

AFFIDAVIT OF JON RUTLEDGE

Jon Rutledge, being duly sworn, deposes and states as follows:

1. I am over the age of 18, I am a landman for Franklin Mountain Energy 3, LLC (“Franklin”), and I have personal knowledge of the matters stated herein. I have not previously testified before the Oil Conservation Division (“Division”) and I have attached a resume summarizing my credentials as an expert petroleum land professional as **Exhibit B.8.**

2. I received a Bachelor degree from the University of Colorado in Economics.

3. Since receiving my degree, I have worked for TCO Land Services and Compliance and Franklin as a landman. I have worked at Franklin since August 7, 2023. I am a member of the following professional landman groups: [AAPL and PBLA]

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

5. I am familiar with the application filed by Franklin in this case, which is attached as **Exhibit B.1.**

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

**Franklin Mountain Energy 3, LLC
Case 24470
Exhibit B**

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

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

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

10. In this case, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a 439.42-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

11. This spacing unit will be dedicated to the Nexus Fed Com 503H well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 14.

12. Attached as **Exhibit B.2** is the proposed C-102s for the well.

13. The C-102 identifies the proposed surface hole location and the bottom hole location, and the first take point. The C-102 also identifies the pool and pool code.

14. The well will develop the Scharb; Bone Spring Pool, Pool Code 55610; and the Pearl; Bone Spring Pool, Pool Code 49680.

15. The Scharb; Bone Spring Pool is an oil pool with 80-acre building blocks. The Pearl; Bone Spring pool is an oil pool with 40-acre building blocks.

16. The pools are governed by the state-wide horizontal well rules.

17. The unit is standard whether the building blocks are 40-acre tracts or 80-acre tracts.
18. Both pools are governed by the state-wide horizontal well rules.
19. The producing area for the well is expected to be orthodox.
20. There are no depth severances within the proposed spacing unit.
21. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.
22. I have conducted a diligent search of the public records in the county where the well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including the Authorizations for Expenditure.
23. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of the uncommitted mineral interest owners in the proposed well.
24. **Exhibit B.4** is a summary of my contacts with the working interest owners.
25. **Exhibit B.5** is a list of the parties being pooled for this case.
26. **Exhibit B.6** is a sample of the well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.
27. **Exhibit B.7** contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.
28. Franklin requests overhead and administrative rates of \$9,000 month for drilling the well and \$900 month for the producing well. These rates are fair, and comparable to the rates

charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

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

30. Franklin requests that it be designated operator of the well.

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

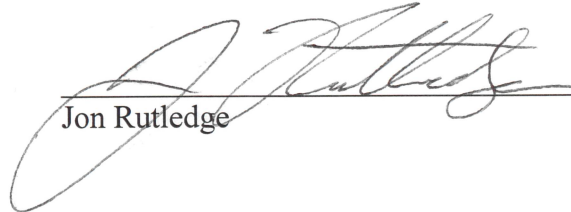
32. Franklin seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

33. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

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

[Signature page follows]

Dated: May 10, 2024

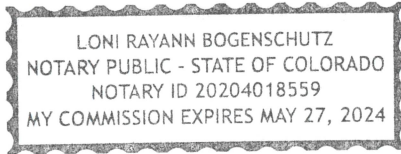

Jon Rutledge

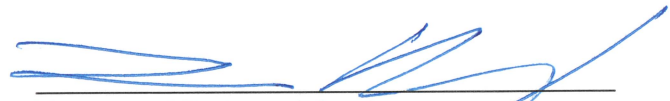
State of Colorado

County of Denver

This record was acknowledged before me on May 10th, 2024, by Jon Rutledge.

[Stamp]




Notary Public in and for the
State of Colorado
Commission Number: 20204018559

My Commission Expires: 5/27/24

**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. 24470

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 439.42-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 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 **Nexus Fed Com 503H** well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 14.
3. The producing area for the well is expected to be orthodox.
4. 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 well or to otherwise commit their interests to the well.

**Franklin Mountain Energy 3, LLC
Case 24470
Exhibit B-1**

5. The pooling of all interests in the Bone Spring 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 May 2, 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 Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

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

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

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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500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800

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yarithza.pena@modrall.com

Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24470 : **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 439.42-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 503H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 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 55610;		³ Pool Name SCHARB; BONE SPRING	
⁴ Property Code		⁵ Property Name NEXUS FED COM		⁶ Well Number 503H	
⁷ OGRID No. 331595		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC		⁹ Elevation 3864.1'	

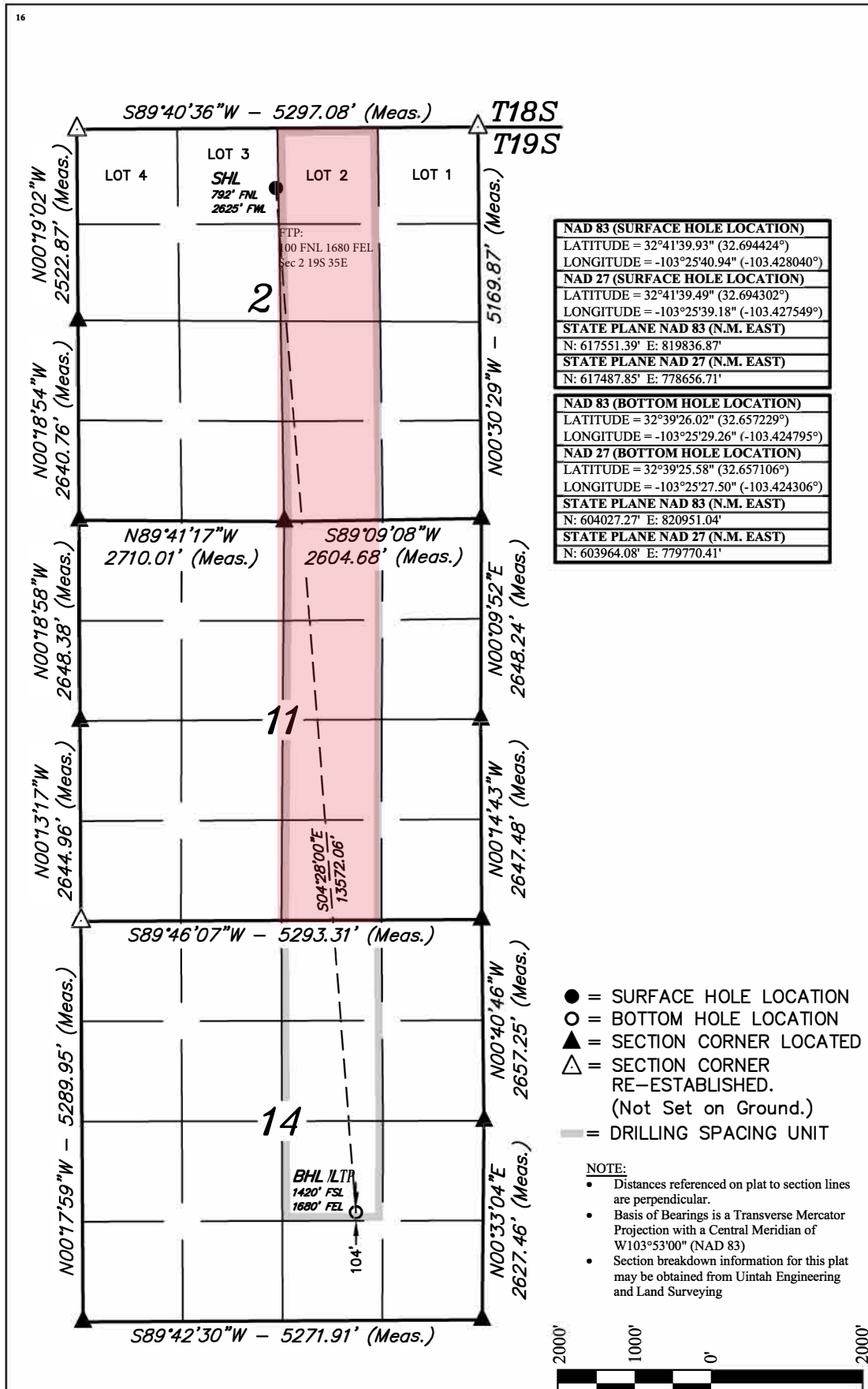
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	2	19S	35E		792	NORTH	2625	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
J	14	19S	35E		1420	SOUTH	1680	EAST	LEA
¹² Dedicated Acres 439.42		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.



NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 32°41'39.93" (32.694424°)	LONGITUDE = -103°25'40.94" (-103.428040°)
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 32°41'39.49" (32.694302°)	LONGITUDE = -103°25'39.18" (-103.427549°)
STATE PLANE NAD 83 (N.M. EAST)	
N: 617551.39' E: 819836.87'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 617487.85' E: 778656.71'	
NAD 83 (BOTTOM HOLE LOCATION)	
LATITUDE = 32°39'26.02" (32.657229°)	LONGITUDE = -103°25'29.26" (-103.424795°)
NAD 27 (BOTTOM HOLE LOCATION)	
LATITUDE = 32°39'25.58" (32.657106°)	LONGITUDE = -103°25'27.50" (-103.424306°)
STATE PLANE NAD 83 (N.M. EAST)	
N: 604027.27' E: 820951.04'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 603964.08' E: 779770.41'	

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 2/7/2024
Signature Date

Rachael Overbey
Printed Name

roverbey@fmellc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 11, 2024
Date of Survey

Signature and Seal of Professional Surveyor:



- = SURFACE HOLE LOCATION
 - = BOTTOM HOLE LOCATION
 - ▲ = SECTION CORNER LOCATED
 - △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)
 - = DRILLING SPACING UNIT
- NOTE:**
- Distances referenced on plat to section lines are perpendicular.
 - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
 - Section breakdown information for this plat may be obtained from Uintah Engineering and Land Surveying

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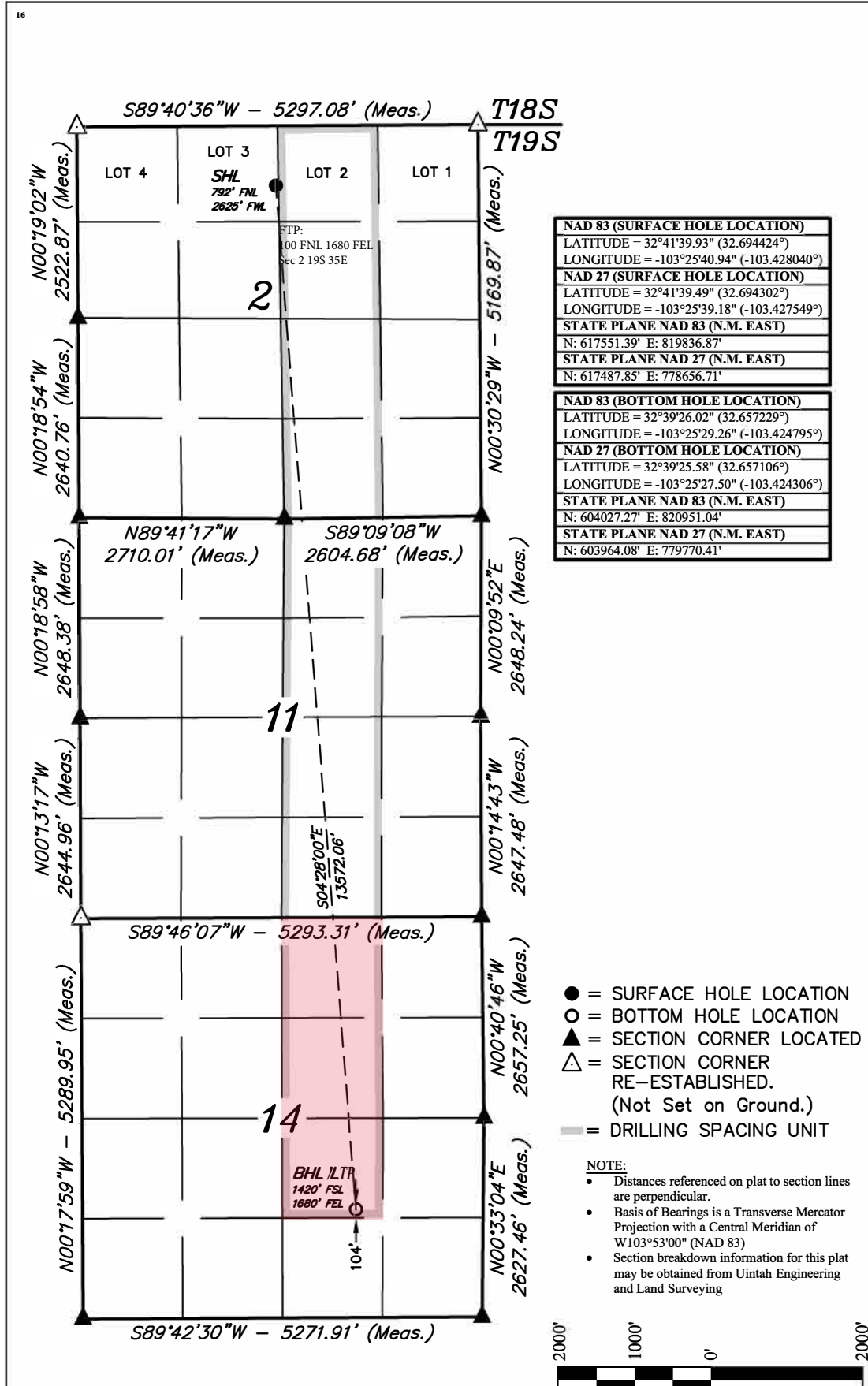
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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole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

Rachael Overbey 2/7/2024
Signature Date
Rachael Overbey
Printed Name
roverbey@fmellc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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

January 11, 2024

Date of Survey
Signature and Seal of Professional Surveyor:

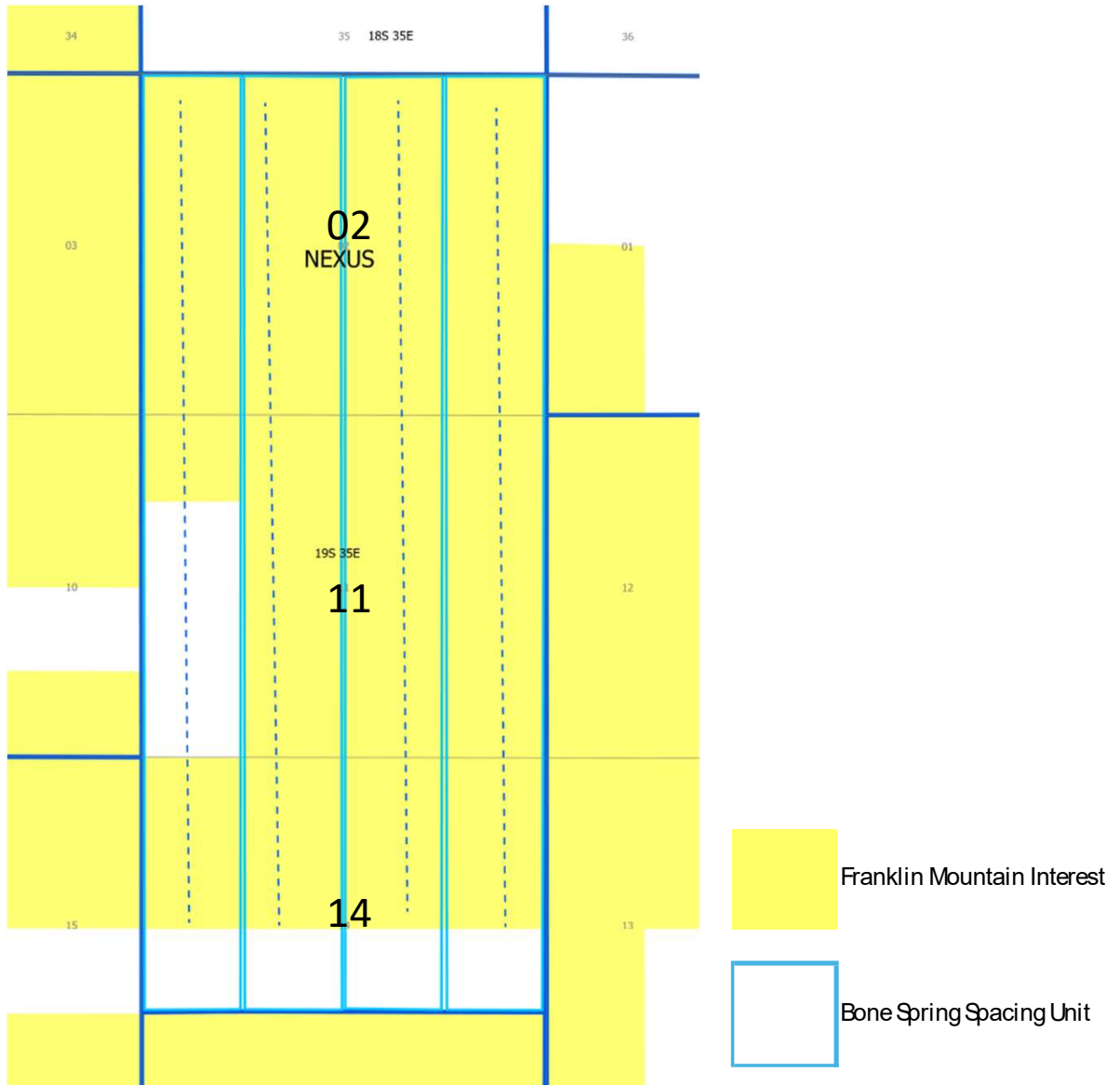


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- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)
- = DRILLING SPACING UNIT

NOTE:
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• Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
• Section breakdown information for this plat may be obtained from Uintah Engineering and Land Surveying

Development Overview

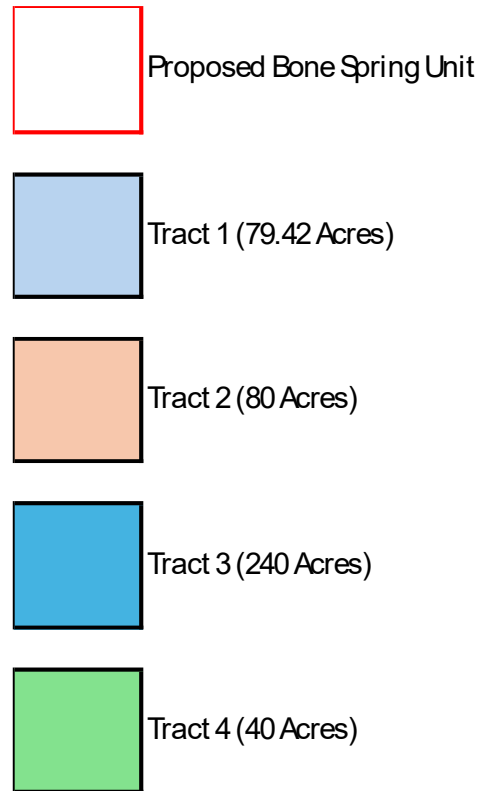
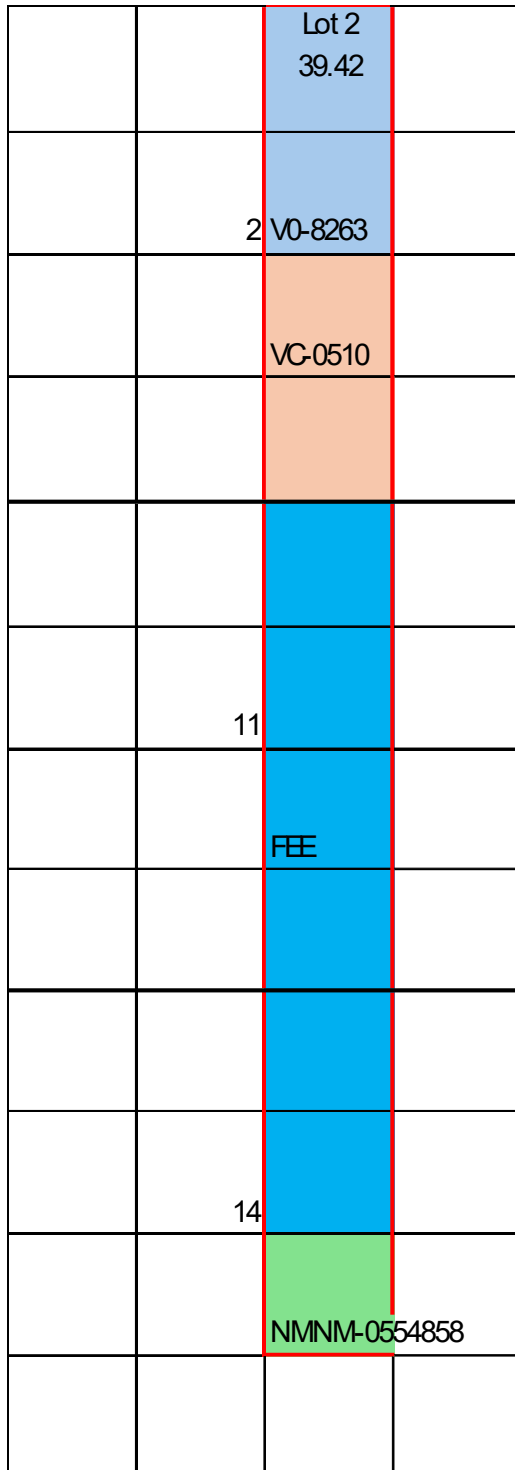
Case Nos. 24470



1 mile

**Franklin Mountain Energy 3, LLC
Case 24470
Exhibit B-3**

Lease Tract Map
Case No. 24470
W2E2 of Section 2 & 11, W2NE, NWSE of Section 14-T19S-R35E, 439.42 Acres
Nexus Fed Com 503H



Summary of Interests
Case No. 24470
W2E2 of Section 2 & 11, W2NE, NWSE of Section 14-T19S-R35E, 439.42 Acres
Nexus Fed Com 503H

Committed Working Interest	
Franklin Mountain Energy3, LLC	90.897092%
Uncommitted Working Interest	
Margaret L. Scott	9.102908%
Carol Jacobs Comey	
Laurie Lynn Jacobs	
XTO Holdings	
Total:	100.000000%



Unit Recapitulation
Case No. 24470
W2E2 of Section 2 & 11, W2NE, NWSE of Section 14-T19S-R35E, 439.42 Acres
Nexus Fed Com 503H

		Lot 2 39.42	
		2 V0-8263	
		VC-0510	
	11		
		FEE	
	14		
		NMNM-0554858	

Tract	Lease
1	V0-8263
2	VC-0510
3	FEE
4	NMNM-0554858

Committed Working Interest	
Franklin Mountain Energy 3, LLC	90.897092%
Uncommitted Working Interest	
Margaret L. Scott	
Carol Jacobs Comey	
Laurie Lynn Jacobs	
XTO Holdings	9.102908%
Total:	100.000000%



Summary of Contacts

- Franklin retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around November 21, 2023.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Franklin had multiple communications with the uncommitted working interest owners, which I have outlined in the chart below.
- Franklin filed the application to force pool working interest owners who had not entered in to an agreement.
- Franklin’s counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.

Summary of Contacts with Working Interest Owners to Be Pooled			
Name	Date Proposal Letter Sent	Proposal Letter Received	Follow Up
XTO Holdings, LLC	November 21, 2023	November 25, 2023	Multiple emails and phone calls sent about acreage trade/acquisition. XTO evaluating economics
Margaret L. Scott	November 21, 2023	November 25, 2023	Multiple emails and phone calls sent regarding Term Assignment or purchase. Title defects related to contractual rights from old Op Agreement have prevented deal going through.
Carol Jacobs Comey	November 21, 2023	November 25, 2023	Multiple emails and phone calls sent regarding Term Assignment or purchase. Title defects related to contractual rights from old Op Agreement have prevented deal going through.
Laurie Lynn Jacobs	November 21, 2023	November 27, 2023	Multiple emails and phone calls sent regarding Term Assignment or purchase. Title defects related to contractual rights from old Op Agreement have prevented deal going through.

Franklin Mountain Energy 3, LLC
Case 24470
Exhibit B-4

Pooling List - Case 24470					
Name	Street	City	State	Zip	Owner Type
XTO Holdings, LLC	22777 Springwoods Village Parkway	Spring	TX	77389	WI
Margaret L. Scott	48 Royal Elk Trail	Durango	CO	81301	WI
Carol Jacobs Comey	1901 Genevieve Ct.	Flower Mound	TX	75022	WI
Laurie Lynn Jacobs	15796 I and GN Road	College Station	TX	77845	WI
Franklin Resources LP	4880 S. Franklin St	Englewood	CO	80113	ORRI
Susan Marie Thoma	PO Box 17655	Golden	CO	80402	ORRI
Katherine Kolliker McIntyre	512 Thunder Crest Lane	El Paso	TX	79912	ORRI
John T. Echols	PO Box 3388	Midland	TX	79702	ORRI
Rowan Family Minerals, LLC	7651 FME 2125	Brownwood	TX	76801	ORRI
State of New Mexico acting by and through its Commissioner of Public Lands	P.O. Box 1148	Santa Fe	NM	87504	RI
United States Department of the Interior, Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	RI

**Franklin Mountain Energy 3, LLC
Case 24470
Exhibit B-5**



Sent via USPS: 9405509205568908997068

November 21, 2023

Caza Petroleum, LLC
 16945 Northchase Dr., Ste 1430
 Houston, TX 77060
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**
 Township 19 South, Range 35 East
 Section 2: Lot 2(39.42), SWNE, W2SE
 Section 11: W2E2
 Section 14: W2NE, NWSE
 Bone Spring Formation
 Lea County, New Mexico
 439.42 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
Nexus Fed Com 503H	2BS	9,478’	18,478’	Sec 2-T19S-R35E 775 FNL 2614 FEL	Sec 14-T19S-R35E 1420 FSL 1680 FEL	\$11,355,549.08	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



Nexus Fed Com 503H:

_____ I/We hereby elect to participate in the **Nexus Fed Com 503H** well.

_____ I/We hereby elect **NOT** to participate in the **Nexus Fed Com 503H** well.

Owner: Caza Petroleum, 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: Nexus Fed Com 503H **Well #:** 503H
Location: SHL: Sec 2-T19S-R35E 775 FNL 2614 FEL
 BHL: Sec 14-T19S-R35E 1420 FSL 1680 FEL **County/State:** Lea Co., NM
Operator: Franklin Mountain Energy 3, LLC **Date Prepared:** 11/6/2023
Purpose: Drill and complete a 10,000' 2BS well. **AFE #:** DCE231103
 TVD 9,478', MD 18,478'.

Intangible Drilling Costs

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,000
225	10	CASING CREW & EOQT	\$45,000
225	15	CEMENTING INTERMEDIATE CASING	\$40,000
225	16	CEMENTING PRODUCTION CASING	\$80,000
225	20	CEMENTING SUFACE CASING	\$36,000
225	25	COMMUNICATIONS	\$19,000
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	\$520,000
225	55	DRILLING - DIRECTIONAL	\$200,000
225	60	DRILLING - FOOTAGE	\$90,000
225	65	DRILLING BITS	\$90,000
225	70	ELECTRICAL POWER/GENERATION	\$0
225	75	ENGINEERING	\$20,000
225	80	ENVIRONMENTAL SERVICES	\$200,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$40,000
225	85	EQUIPMENT RENTAL	\$50,000
225	90	FISHING TOOLS/SERVICES	\$0
225	95	HEALTH & SAFETY	\$7,000
225	100	HOUSING AND SUPPORT SERVICES	\$18,000
225	105	INSURANCE	\$1,700
225	106	INSPECTIONS	\$15,000
225	110	LEGAL, TITLE SERVICES	\$6,000
225	115	MATERIALS & SUPPLIES	\$5,000
225	120	MISCELLANEOUS	\$5,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000
225	130	MUD & CHEMICALS	\$180,000
225	140	OPENHOLE LOGGING	\$0
225	141	CASED HOLE LOGGING	\$0
225	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$160,000
225	155	RIG MOVE & RACKING COSTS	\$130,000
225	160	RIG UP TEAR OUT & STANDBY	\$0
225	163	SITE RESTORATION	\$10,000
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$71,400
225	175	SUPERVISION - GEOLOGICAL	\$39,000
225	180	TRANSPORTATION/TRUCKING	\$20,000
225	178	TAXES	\$125,131
225	35	CONTINGENCY COSTS 5%	\$113,755
Total Intangible Drilling Costs:			\$2,513,986

Intangible Completion Costs

Major	Minor	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	\$8,200
240	10	CASED HOLE LOGS & SURVEYS	\$6,635
240	15	CASING CREW & EOQT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$194,313
240	25	COMMUNICATIONS	\$1,896
240	30	COMPANY DIRECT LABOR	\$0
240	35	COMPLETION/WORKOVER RIG	\$75,000
240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
240	50	DAMAGES/RECLAMATION	\$1,896
240	55	DISPOSAL SOLIDS	\$2,844
240	60	ELECTRICAL POWER/GENERATION	\$0
240	62	ENGINEERING	\$5,687
240	65	ENVIRONMENTAL/CLEANUP	\$0
240	70	FISHING TOOLS / SERVICES	\$0
240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
240	72	FRAC WATER/COMPLETION FLUID	\$470,000
240	75	FUEL, POWER/DIESEL	\$550,000
240	80	HEALTH & SAFETY	\$4,700
240	85	HOUSING AND SUPPORT SERVICES	\$14,000
240	90	MATERIALS & SUPPLIES	\$0
240	95	MISCELLANEOUS	\$0
240	100	MUD & CHEMICALS	\$10,000
240	110	P&A/TA COSTS	\$0
240	115	PERFORATING/WIRELINE SERVICE	\$265,403
240	120	PIPE INSPECTION	\$0
240	125	ROAD, LOCATIONS REPAIRS	\$2,000
240	130	STIMULATION	\$2,616,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
240	140	SUPERVISION	\$90,047
240	145	SURFACE EQUIP RENTAL	\$189,573
240	150	TRANSPORTATION/TRUCKING	\$2,844
240	155	WATER TRANSFER	\$56,872
240	160	WELDING SERVICES	\$0
240	165	WELL TESTING/FLOWBACK	\$165,000
240	148	TAXES	\$273,599
240	40	CONTINGENCY COSTS 5%	\$248,726
Total Intangible Completion Costs:			\$5,496,846

Tangible Completion Costs

Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$175,000
245	15	FLOWLINES	\$20,000
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$150,000
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$50,000
245	75	WELLHEAD EQUIPMENT	\$125,000
245	70	TAXES	\$28,600
Total Tangible Completion Costs:			\$548,600

Tangible Drilling Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,034,380
230	35	SURFACE CASING & ATTACHMENTS	\$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$83,263
Total Tangible Drilling Costs:			\$1,597,141

Intangible Facility Costs

Major	Minor	Description	Amount
265	5	CONSULTING	\$18,100
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
265	22	PAD/ROAD CONSTRUCTION	\$50,000
265	25	ENGINEERING / SCIENCE	\$22,000
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$3,000
265	80	SURVEY / PLATS / STAKINGS	\$1,500
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$6,523
265	10	CONTINGENCY COSTS 5%	\$5,930
Total Intangible Facility Costs:			\$131,053

Tangible Facility Costs

Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0
270	30	PRIMARY POWER MATERIALS	\$56,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000
270	60	H2S TREATING EQUIPMENT	\$0
270	65	SEPARATION EQUIPMENT	\$125,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0
270	75	PRE-FABRICATED SKIDS	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$137,000
270	90	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000
270	110	TANKS & WALKWAYS	\$90,000
270	130	MECHANICAL BATTERY BUILD	\$154,000
270	132	EI&C BATTERY BUILD	\$45,000
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000
270	136	PRIMARY POWER BUILD	\$56,000
270	138	FLOWLINE INSTALLATION	\$27,000
270	140	SIGNAGE	\$250
270	125	TAXES	\$55,674
Total Tangible Facility Costs:			\$1,067,924

Office Use Only:

Total Drill:	\$4,111,126.79
Total Completion:	\$6,045,445.54
Total Facility:	\$1,198,976.75
Total DC Intangible:	\$8,010,831.04
Total DC Tangible:	\$2,145,741.29
Total AFE:	\$11,355,549.08

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

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

Date: 11/6/2023

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 FME3

JON RUTLEDGE

Denver, CO 80202 | 303-709-7007 | jon.rutledge08@gmail.com

Summary

Diligent Landman with over 14 years of experience specializing in title research for oil and gas development, lease/mineral acquisition, and contract negotiation. Strategic-thinking Project Manager with over 5 years of experience. Observant and resourceful professional dedicated to delivering project objectives within stipulated time, resource and budget constraints. Outstanding collaborator comfortable working with others in executing projects to achieve company objectives.

Skills

- Title Research and Evaluation
- Project Management
- Contract Negotiation
- Project Planning and Development
- Team Development and Training
- Lease and Document Analysis
- Problem Solving
- Database Management

Relevant Experience

In-House Landman **08/2023 to Current**
Franklin Mountain Energy, LLC **Denver, CO**

- Conduct research and analysis on land and mineral rights issues
- Negotiate and acquire land rights, including leases, easements, and mineral rights, for company operations.
- Manage lease agreements, ensuring compliance with terms, making rental payments, and resolving disputes.
- Ensure all land-related activities comply with relevant laws, regulations, and industry standards.
- Assist in planning land use strategies, identifying areas for exploration, development, and production activities
- Maintain relationships with landowners, government officials, and partners, representing company interests and addressing concerns.
- Maintain accurate records of land ownership, lease agreements, permits, and other relevant documents.
- Preparation of JOAs, Well Proposals, Communitization Agreements, Pooling Exhibits, JIB decks, leases, and other administrative land-related documentation.

Project Manager/Landman **01/2015 to 08/2023**
TCO Land Services **Denver, CO**

- Responsible for managing projects involving mineral leasing, traditional oil and gas development, surface acquisitions, ROW, and mineral acquisitions.
- Provide detailed leasehold and mineral schedules on a weekly/bi-weekly basis to communicate to client current and past progress of a project
- Communicate, organize, and assign title personnel and land-tech's to tasks and tract progress
- Prepare Unit Ownership breakdowns or Division of interest breakdowns from title reports
- Prepare exhibits for Fed and State CA's and Federal Exploratory Units
- Review title reports for accuracy, thoroughness, and identify any gaps/clouds in title and formulate a solution
- Keep project's physical and digital files organized

Landman **04/2010 to 01/2015**
TCO Land Services **Denver, CO**

- Research historic records to acquire necessary documentation and information to prepare detailed reports of land ownership from records searches such as mineral ownership, leasehold, surface, ROW, working interests, and net revenue interests for fee, federal, and state lands
- Curative for title requirements
- Due Diligence
- Acquire mineral leases and negotiate surface use agreements

Education and Training

Bachelor of Science: Economics **05/2008**
 University of Colorado at Boulder **Boulder, CO**

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. 24470

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

AFFIDAVIT OF BEN KESSEL

Ben Kessel, being duly sworn, deposes and states as follows:

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

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

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

4. Exhibit C.1 is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.

5. Exhibit C.2 is a wellbore schematic showing Franklin's development plan.

6. Exhibit C.3 through Exhibit C.6 are the geology study I prepared for the Nexus Fed Com 503H well, which will target the Second Bone Spring formation.

7. Exhibit C.3 is a structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a pink box. The Nexus Fed Com 503H well proposed in this case is

Franklin Mountain Energy 3, LLC
Case 24470
Exhibit C

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

8. **Exhibit C.4** is a cross-section reference map that identifies four wells in the vicinity of the proposed Nexus Fed Com 503H well, shown by a line of cross-section running from A to A'.

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

10. **Exhibit C.6** an Isochore map of the Second Bone Spring formation. The gross interval thickness increases slightly to the southeast.

11. I conclude from the geology studies referenced above that:

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

12. **Exhibit C.7** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

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

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

15. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

Dated: May 9th, 2024

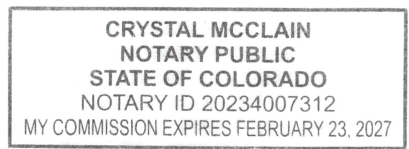
[Signature]
Ben Kessel

State of Colorado

County of Denver

This record was acknowledged before me on May 9, 2024, by Ben Kessel.

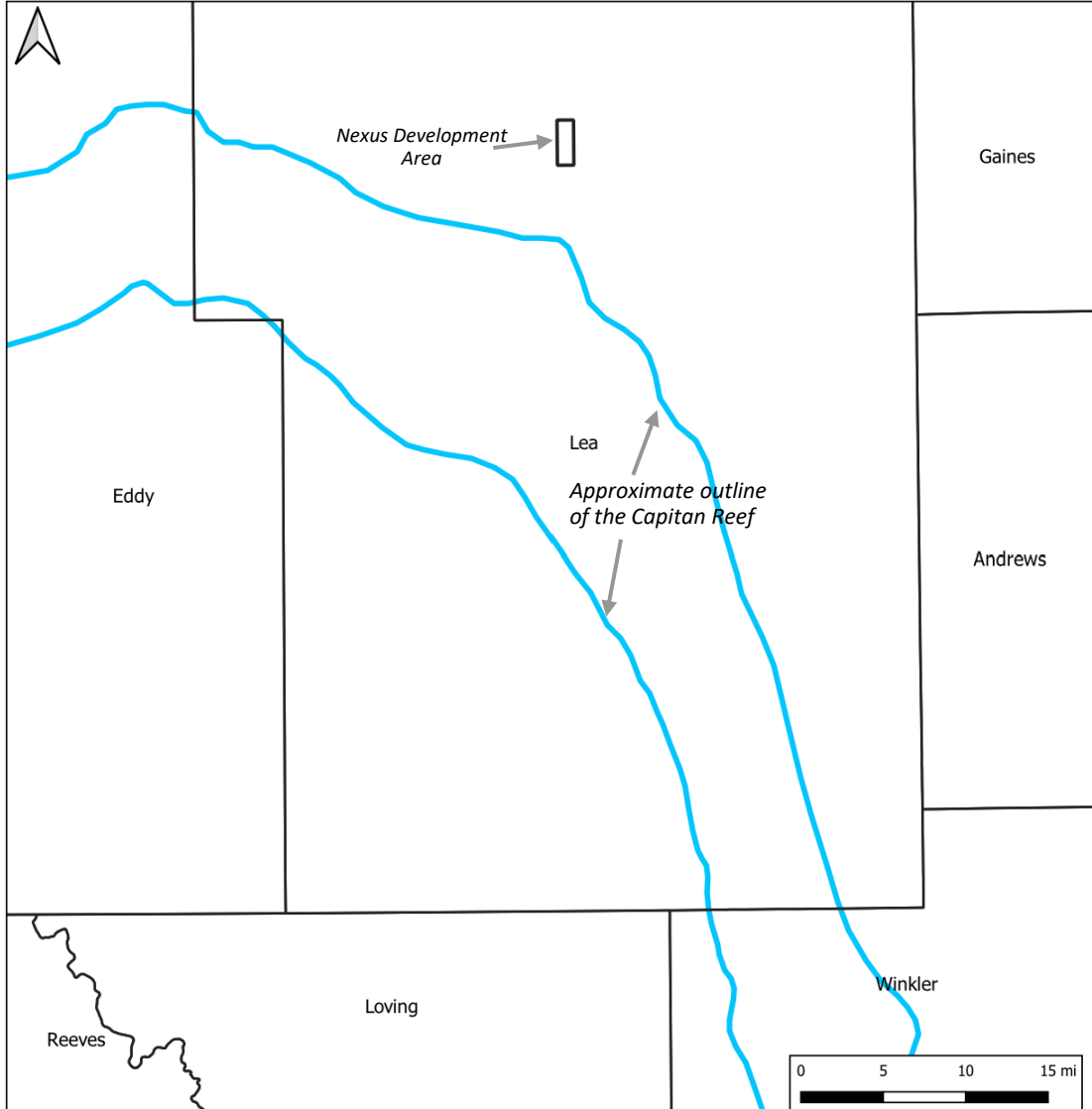
[Stamp]



[Signature]
Notary Public in and for the
State of Colorado
Commission Number: 20234007312

My Commission Expires: 2/23/27

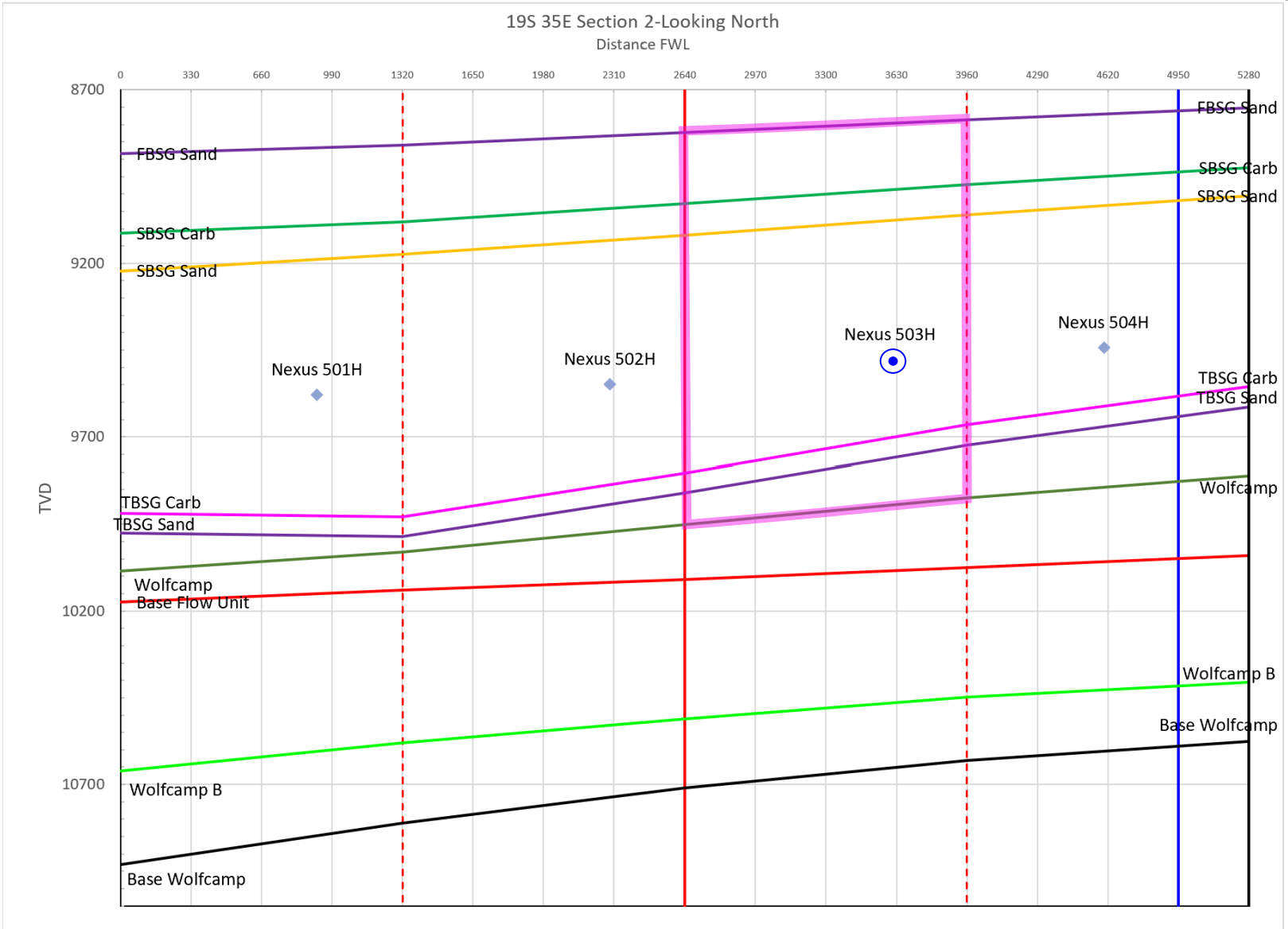
Locator Map



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

Franklin Mountain Energy 3, LLC
Case 24470
Exhibit C-1

Wellbore Schematic



Franklin Mountain Energy 3, LLC
Case 24470
Exhibit C-2

OCD Examiner Hearing

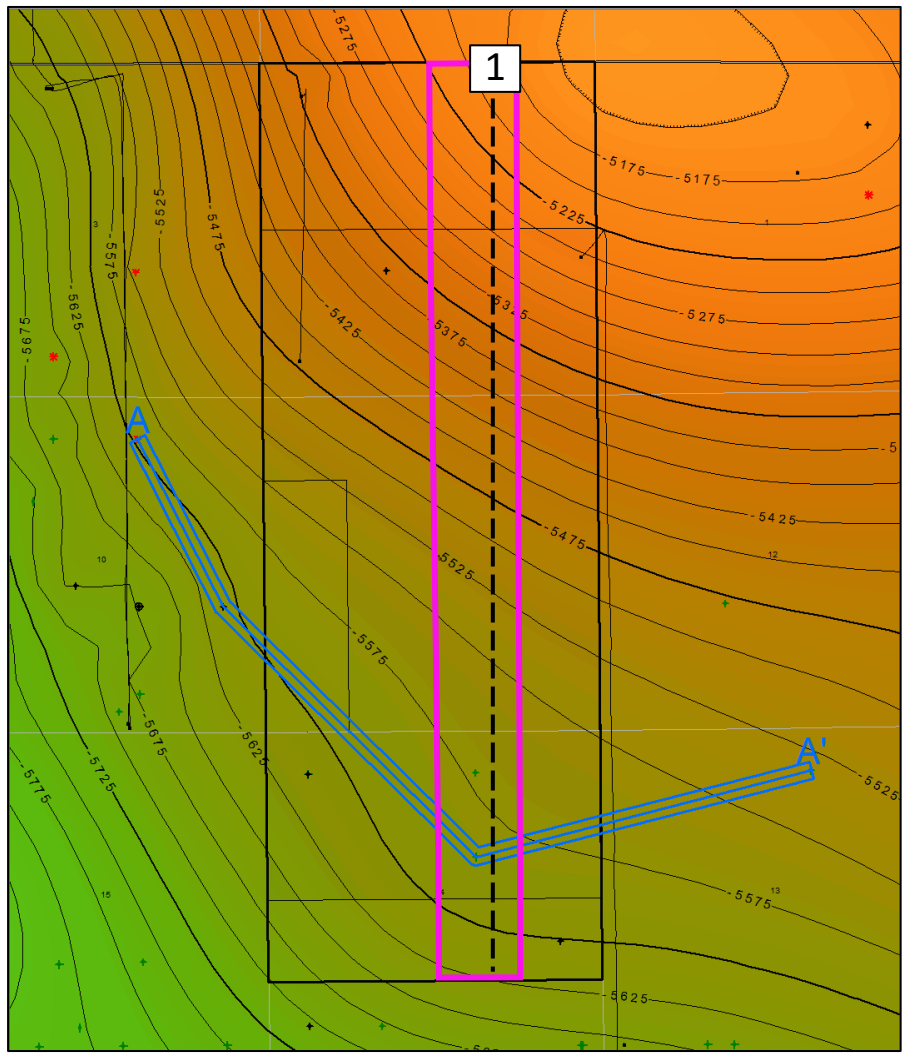
No. 24470
31

Proposed Lateral

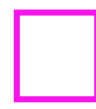


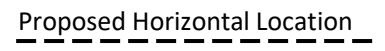
Bone Spring Spacing Unit

Second Bone Spring Structure Map



 Franklin Mountain Acreage

 Bone Spring Spacing Unit

 Proposed Horizontal Location

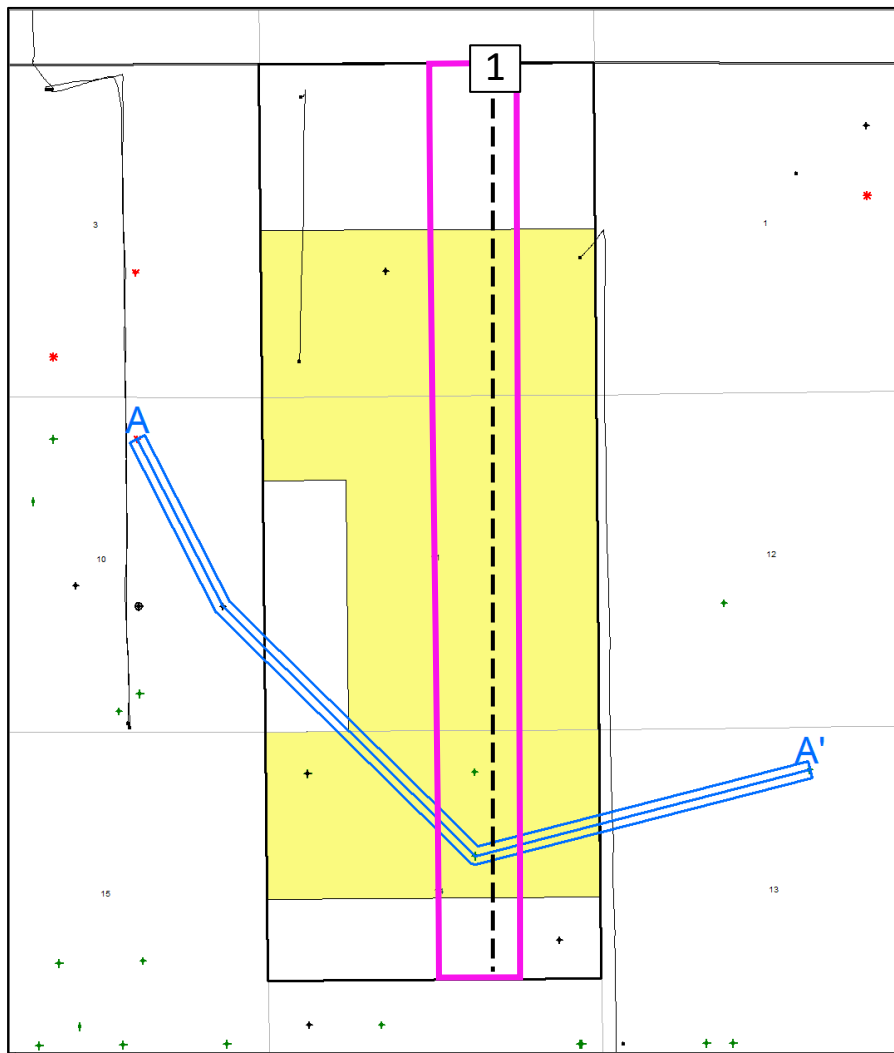
 Nexus Fed Com 503H


All wells shown

1 mile

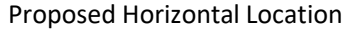
Franklin Mountain Energy 3, LLC
Case 24470
Exhibit C-3

Cross Section Reference Map



 Franklin Mountain Acreage

 Bone Spring Spacing Unit

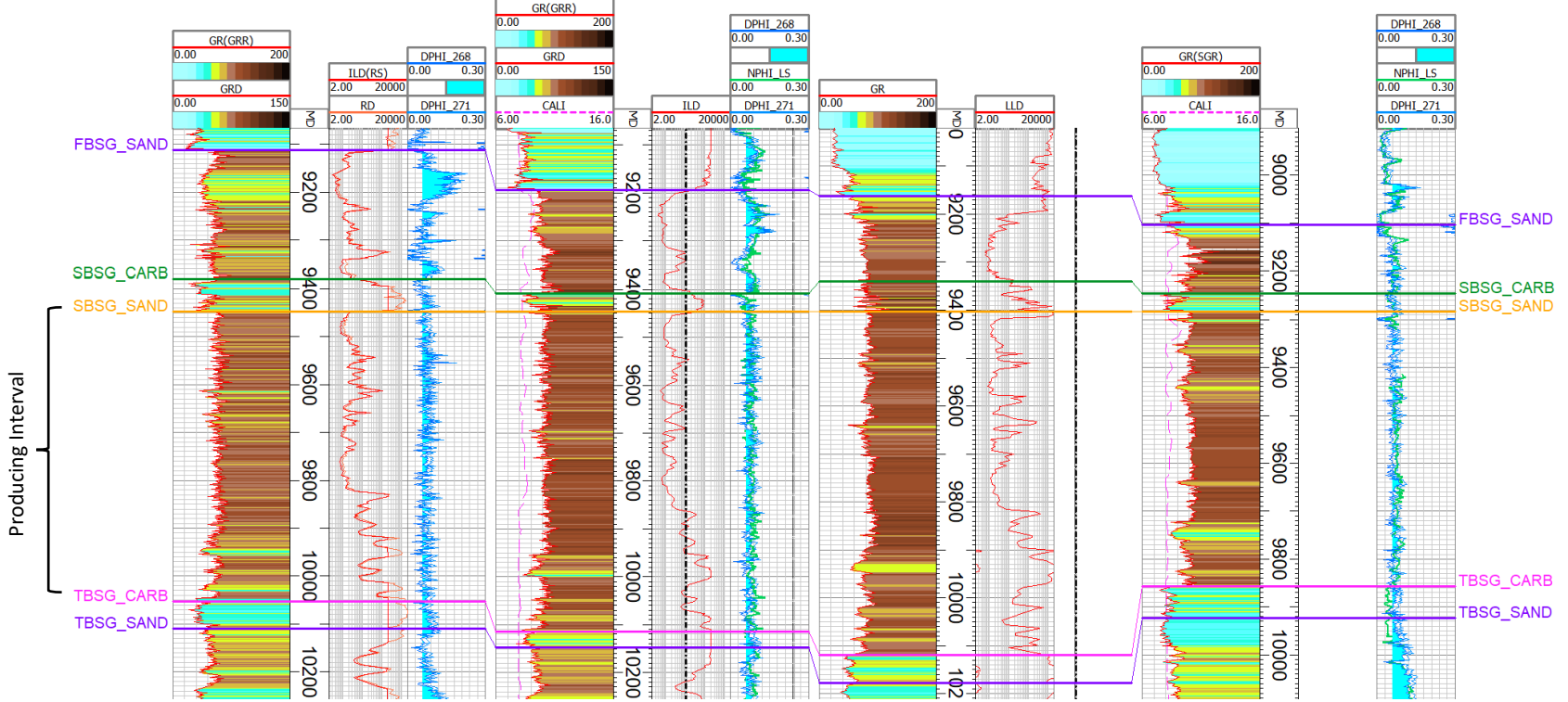
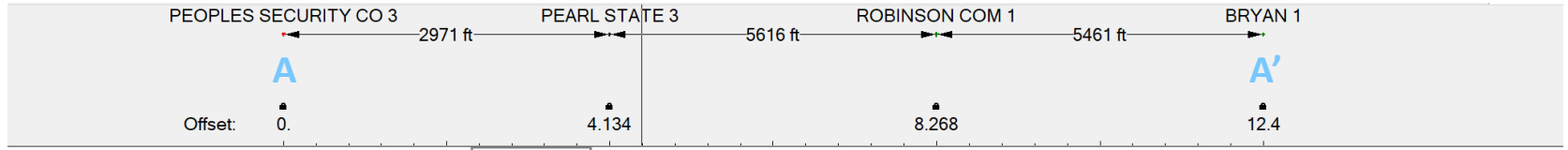
 Proposed Horizontal Location

 Nexus Fed Com 503H

All wells shown

1 mile

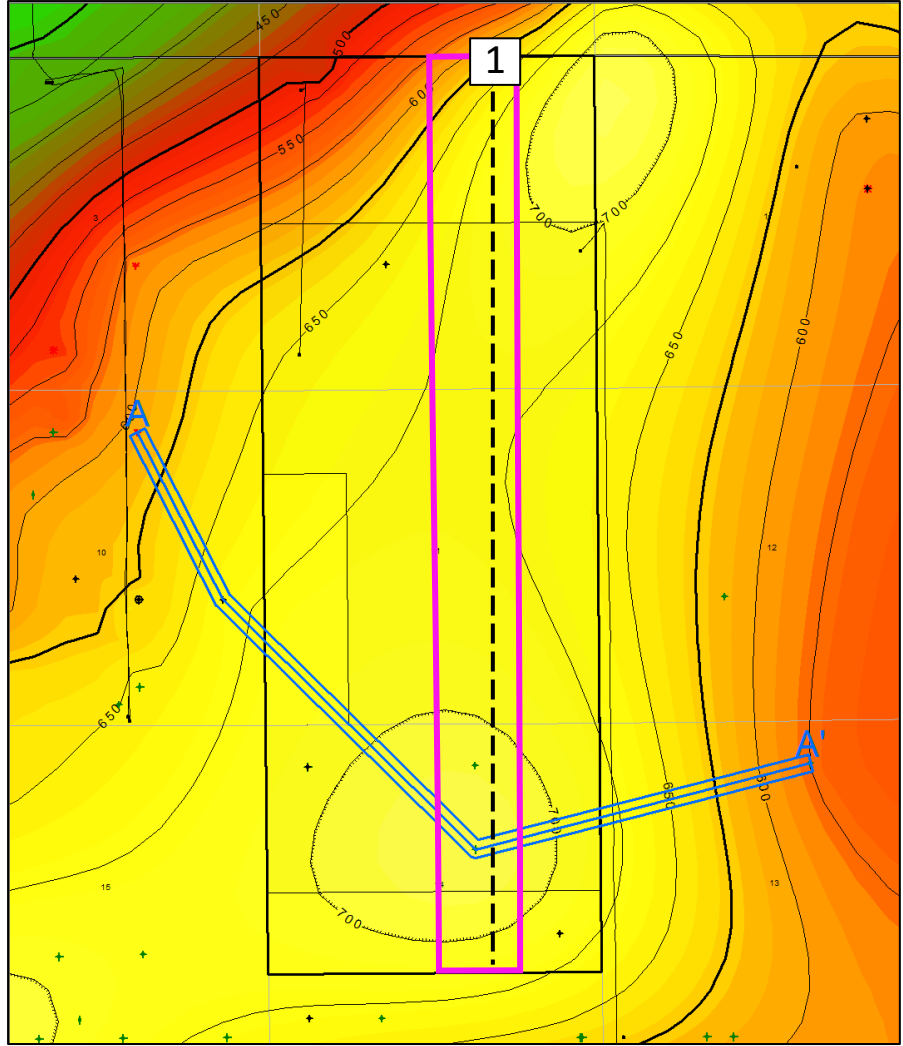
Second Bone Spring Cross Section





↑
503H

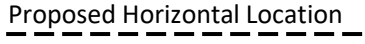
Franklin Mountain Energy 3, LLC
Case 24470
Exhibit C-5


Second Bone Spring Isochore Map



 Franklin Mountain Acreage

 Bone Spring Spacing Unit

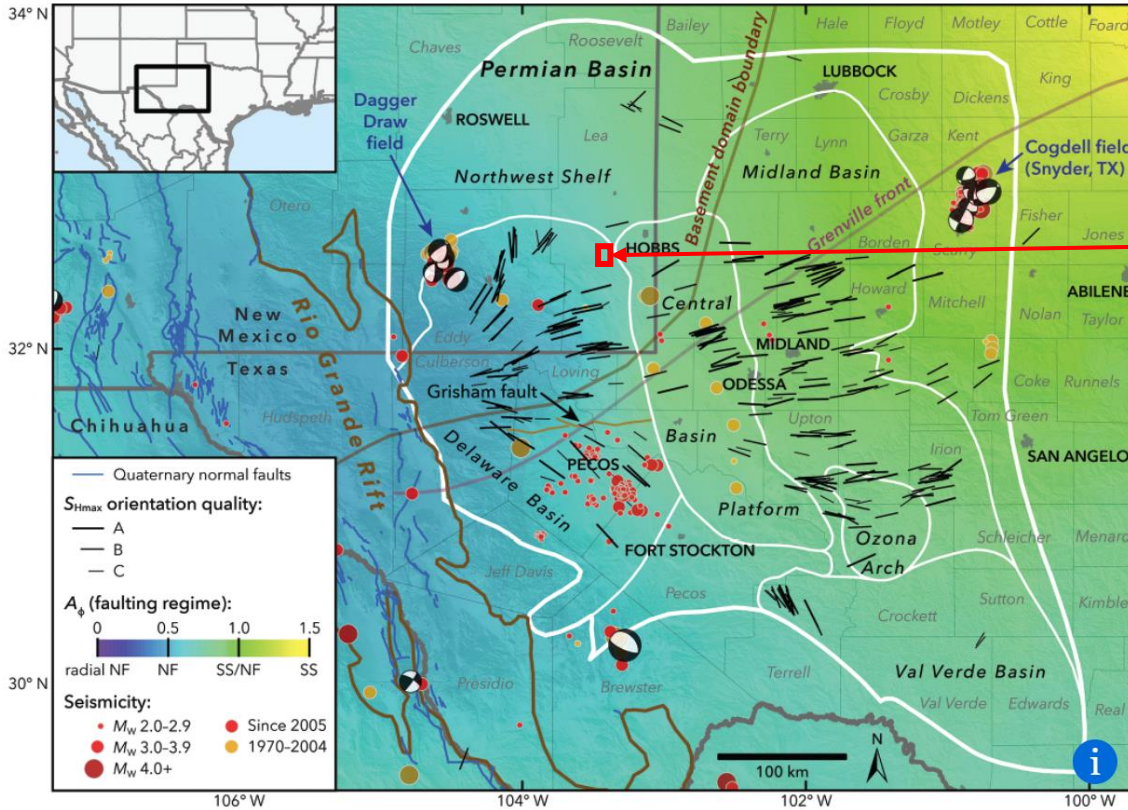
 Proposed Horizontal Location

 Nexus Fed Com 503H

All wells shown

1 mile

Regional Stress



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

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

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

**Franklin Mountain Energy 3, LLC
Case 24470
Exhibit C-7**

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

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

**CASE 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

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 April 22, 2024, and attached hereto, as Exhibit D.1.
- 2) Exhibit D.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on April 22, 2024.
- 3) Exhibit D.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 D.4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the May 16, 2024 hearing was published on April 26, 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 1, 2024

**Franklin Mountain Energy 3, LLC
Case 24470
Exhibit D**

Deana M. Bennett

Deana M. Bennett



MODRALL SPERLING
LAWYERS

April 22, 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. 24467

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

CASE NO. 24468

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

CASE NO. 24469

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

CASE NO. 24470

TO: AFFECTED PARTIES

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

In Case No. 24467, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 439.38-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 504H** well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom

Modrall Sperling
Roehl Harris & Sisk P.A.
500 Fourth Street NW
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Albuquerque,
New Mexico 87102

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**Franklin Mountain Energy 3, LLC
Case 24470
Exhibit D-1**

Page 2

hole location in the NE/4 SE/4 (Unit I) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.

In Case No. 24468, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 439.50-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 4, SW/4 NW/4, and the W/2 SW/4 of irregular Section 2 (W/2 W/2 equivalent), the W/2 W/2 of Section 11, and the W/2 NW/4 and NW/4 SW/4 of Section 14, Township 19 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 **Nexus Fed Com 501H** well, to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Lot 4) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14. The producing area for the well is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Bone Spring spacing unit dedicated to a 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 2, dedicated to Caza Operating LLC's Gateway 2 State Com #002H well (API 30-025-41096). Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.

In Case No. 24469, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 439.46-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 3, SE/4 NW/4, and the E/2 SW/4 of irregular Section 2 (E/2 W/2 equivalent), the E/2 W/2 of Section 11, and the E/2 NW/4 and NE/4 SW/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 502H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.

Page 3

In Case No. 24470, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 439.42-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 503H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.

The hearing is set for May 16, 2024 beginning at 8:15 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

As a party who may be affected by these applications, we are notifying you of your right to appear at the hearing and participate in these cases, including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Deana M. Bennett
Attorney for Applicant

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

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

CASE NO. 24467

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 439.38-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 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 **Nexus Fed Com 504H** well to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 14.
3. The producing area for the well is expected to be orthodox.
4. 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 well or to otherwise commit their interests to the well.

5. The pooling of all interests in the Bone Spring 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 May 2, 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 Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

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

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

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. 24467 : 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 439.38-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 504H** well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 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. 24468

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 439.50-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 4, SW/4 NW/4, and the W/2 SW/4 of irregular Section 2 (W/2 W/2 equivalent), the W/2 W/2 of Section 11, and the W/2 NW/4 and NW/4 SW/4 of Section 14, Township 19 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 **Nexus Fed Com 501H** well to be horizontally drilled from a surface hole location in NW/4 NW/4 (Lot 4) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14.
3. The producing area for the well is expected to be orthodox.

4. This proposed horizontal spacing unit will partially overlap with a Bone Spring spacing unit dedicated to a 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 2, dedicated to Caza Operating LLC's Gateway 2 State Com #002H well (API 30-025-41096).

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 well or to otherwise commit their interests to the well.

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 May 2, 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 Lot 4, SW/4 NW/4, and the W/2 SW/4 of irregular Section 2 (W/2 W/2 equivalent), the W/2 W/2 of Section 11, and the W/2 NW/4 and NW/4 SW/4 of Section 14, Township 19 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 well to be drilled thereon;

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

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

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. 24468 : 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 439.50-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 4, SW/4 NW/4, and the W/2 SW/4 of irregular Section 2 (W/2 W/2 equivalent), the W/2 W/2 of Section 11, and the W/2 NW/4 and NW/4 SW/4 of Section 14, Township 19 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 **Nexus Fed Com 501H** well, to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Lot 4) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14. The producing area for the well is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Bone Spring spacing unit dedicated to a 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 2, dedicated to Caza Operating LLC's Gateway 2 State Com #002H well (API 30-025-41096). Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 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. 24469

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 439.46-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 3, SE/4 NW/4, and the E/2 SW/4 of irregular Section 2 (E/2 W/2 equivalent), the E/2 W/2 of Section 11, and the E/2 NW/4 and NE/4 SW/4 of Section 14, Township 19 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 **Nexus Fed Com 502H** well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 14.
3. The producing area for the well is expected to be orthodox.
4. 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 well or to otherwise commit their interests to the well.

5. The pooling of all interests in the Bone Spring 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 May 2, 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 Lot 3, SE/4 NW/4, and the E/2 SW/4 of irregular Section 2 (E/2 W/2 equivalent), the E/2 W/2 of Section 11, and the E/2 NW/4 and NE/4 SW/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

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

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

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. 24469 : 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 439.46-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 3, SE/4 NW/4, and the E/2 SW/4 of irregular Section 2 (E/2 W/2 equivalent), the E/2 W/2 of Section 11, and the E/2 NW/4 and NE/4 SW/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 502H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 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. 24470

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 439.42-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 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 **Nexus Fed Com 503H** well to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 14.
3. The producing area for the well is expected to be orthodox.
4. 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 well or to otherwise commit their interests to the well.

5. The pooling of all interests in the Bone Spring 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 May 2, 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 Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

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

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

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

Respectfully submitted,

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

By: /s/ Deana M. Bennett
Earl E. DeBrine, Jr.
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deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24470 : 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 439.42-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 503H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.

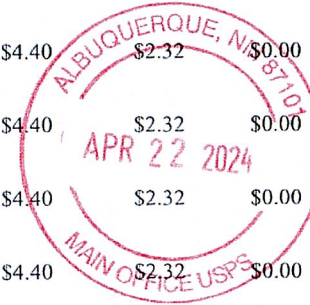
Karlene Schuman
 Modrall Sperling Roehl Harris & Sisk P.A.
 500 Fourth Street, Suite 1000
 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
 04/22/2024

Firm Mailing Book ID: 264836

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0120 2479 69	Caza Petroleum, LLC 16945 Northchase Dr., Ste 1430 Houston TX 77060	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
2	9314 8699 0430 0120 2479 76	LeaCo New Mexico Exploration and Production, LLC 2000 Post Oak Blvd., Ste 100 Houston TX 77056	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
3	9314 8699 0430 0120 2479 83	Northern Oil & Gas, Inc. 4350 Baker Road, Ste 400 Minnetonka MN 55305	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
4	9314 8699 0430 0120 2479 90	XTO Holdings, LLC 22777 Springwoods Village Parkway Spring TX 77389	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
5	9314 8699 0430 0120 2480 03	Margaret L. Scott 48 Royal Elk Trail Durango CO 81301	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
6	9314 8699 0430 0120 2480 10	Carol Jacobs Comey 1901 Genevieve Ct. Flower Mound TX 75022	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
7	9314 8699 0430 0120 2480 27	Laurie Lynn Jacobs 15796 I and GN Road College Station TX 77845	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
8	9314 8699 0430 0120 2480 34	Franklin Resources LP 4880 S. Franklin St Englewood CO 80113	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
9	9314 8699 0430 0120 2480 41	Susan Marie Thoma PO Box 17655 Golden CO 80402	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
10	9314 8699 0430 0120 2480 58	Camarie Oil and Gas, LLC 2502 CAMARIE MIDLAND TX 79705	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
11	9314 8699 0430 0120 2480 65	Panhandle Properties, LLC PO BOX 647 ARTESIA NM 88211	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
12	9314 8699 0430 0120 2480 72	Prospector, LLC PO BOX 429 ROSWELL NM 88202	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
13	9314 8699 0430 0120 2480 89	Big Three Energy Group, LLC PO BOX 429 ROSWELL NM 88202	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
14	9314 8699 0430 0120 2480 96	Featherstone Development Corporation PO BOX 429 ROSWELL NM 88201	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
15	9314 8699 0430 0120 2481 02	United States of America Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice



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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
04/22/2024

Firm Mailing Book ID: 264836

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0120 2481 19	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87501	\$1.87	\$4.40	\$2.32	\$0.00	10154.0001Nexus Notice
Totals:			<u>\$29.92</u>	<u>\$70.40</u>	<u>\$37.12</u>	<u>\$0.00</u>	
Grand Total:						\$137.44	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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16



Transaction Report Details - CertifiedPro.net
 Firm Mail Book ID= 264836
 Generated: 5/13/2024 10:03:33 AM

USPS Article Number	Date Created	Reference Number	Name 1	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
9314869904300120248119	2024-04-22 1:03 PM	10154.0001Nexus	State of New Mexico	Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 12:55 PM
9314869904300120248102	2024-04-22 1:03 PM	10154.0001Nexus	United States of America Bureau of Land Management	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-24 9:56 AM
9314869904300120248096	2024-04-22 1:03 PM	10154.0001Nexus	Featherstone Development Corporation	ROSWELL	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 11:24 AM
9314869904300120248089	2024-04-22 1:03 PM	10154.0001Nexus	Big Three Energy Group, LLC	ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 11:24 AM
9314869904300120248072	2024-04-22 1:03 PM	10154.0001Nexus	Prospector, LLC	ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 11:24 AM
9314869904300120248065	2024-04-22 1:03 PM	10154.0001Nexus	Panhandle Properties, LLC	ARTESIA	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 10:37 AM
9314869904300120248058	2024-04-22 1:03 PM	10154.0001Nexus	Camarie Oil and Gas, LLC	MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300120248041	2024-04-22 1:03 PM	10154.0001Nexus	Susan Marie Thoma	Golden	CO	80402	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300120248034	2024-04-22 1:03 PM	10154.0001Nexus	Franklin Resources LP	Englewood	CO	80113	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300120248027	2024-04-22 1:03 PM	10154.0001Nexus	Laurie Lynn Jacobs	College Station	TX	77845	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300120248010	2024-04-22 1:03 PM	10154.0001Nexus	Carol Jacobs Comey	Flower Mound	TX	75022	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 11:39 AM
9314869904300120248003	2024-04-22 1:03 PM	10154.0001Nexus	Margaret L. Scott	Durango	CO	81301	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-25 1:13 PM
9314869904300120247990	2024-04-22 1:03 PM	10154.0001Nexus	XTO Holdings, LLC	Spring	TX	77389	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-26 8:20 AM
9314869904300120247983	2024-04-22 1:03 PM	10154.0001Nexus	Northern Oil & Gas, Inc.	Minnetonka	MN	55305	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300120247976	2024-04-22 1:03 PM	10154.0001Nexus	LeaCo New Mexico Exploration and Production, LLC	Houston	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-04-29 3:04 PM
9314869904300120247969	2024-04-22 1:03 PM	10154.0001Nexus	Caza Petroleum, LLC	Houston	TX	77060	Delivered	Return Receipt - Electronic, Certified Mail	

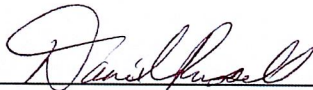
LEGAL NOTICE
April 26, 2024

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

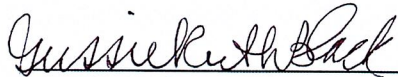
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
April 26, 2024
and ending with the issue dated
April 26, 2024.



Publisher

Sworn and subscribed to before me this
26th day of April 2024.



Business Manager

My commission expires
January 29, 2027

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

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

CASE NO. 24467: Notice to all affected parties, as well as heirs and devisees of: Caza Petroleum, LLC; LeaCo New Mexico Exploration and Production, LLC; Northern Oil & Gas, Inc.; XTO Holdings, LLC; Margaret L. Scott; Carol Jacobs Comey; Laurie Lynn Jacobs; Franklin Resources LP; Susan Marie Thoma; Camarie Oil and Gas, LLC; Panhandle Properties, LLC; Prospector, LLC; Big Three Energy Group, LLC; Featherstone Development Corporation; United States of America Bureau of Land Management; 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 May 16, 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 439.38-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), the E/2 E/2 of Section 11, and the E/2 NE/4 and NE/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 504H** well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.

CASE NO. 24468: Notice to all affected parties, as well as heirs and devisees of: Caza Petroleum, LLC; LeaCo New Mexico Exploration and Production, LLC; Northern Oil & Gas, Inc.; XTO Holdings, LLC; Margaret L. Scott; Carol Jacobs Comey; Laurie Lynn Jacobs; Franklin Resources LP; Susan Marie Thoma; Camarie Oil and Gas, LLC; Panhandle Properties, LLC; Prospector, LLC; Big Three Energy Group, LLC; Featherstone Development Corporation; United States of America Bureau of Land Management; 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 May 16, 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 439.50-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 4, SW/4 NW/4, and the W/2 SW/4 of irregular Section 2 (W/2 W/2 equivalent), the W/2 W/2 of Section 11, and the W/2 NW/4 and NW/4 SW/4 of Section 14, Township 19 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 **Nexus Fed Com 501H** well, to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Lot 4) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14. The producing area for the well is expected to be orthodox. The proposed horizontal spacing unit will partially overlap with a Bone Spring spacing unit dedicated to a 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 2, dedicated to Caza Operating LLC's Gateway 2 State Com #002H well (API 30-025-41096). Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.

CASE NO. 24469: Notice to all affected parties, as well as heirs and devisees of: Caza Petroleum, LLC; LeaCo New Mexico Exploration and Production, LLC; Northern Oil & Gas, Inc.; XTO Holdings, LLC; Margaret L. Scott; Carol Jacobs Comey; Laurie Lynn Jacobs; Franklin Resources LP; Susan Marie Thoma; Camarie Oil and Gas, LLC; Panhandle Properties, LLC; Prospector, LLC; Big Three Energy Group, LLC; Featherstone Development Corporation; United States of America Bureau of Land Management; 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 May 16, 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 439.46-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 3, SE/4 NW/4, and the E/2 SW/4 of irregular Section 2 (E/2 W/2 equivalent), the E/2 W/2 of Section 11, and the E/2 NW/4 and NE/4 SW/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 502H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico.

CASE NO. 24470: Notice to all affected parties, as well as heirs and devisees of: Caza Petroleum, LLC; LeaCo New Mexico Exploration and Production, LLC; Northern Oil & Gas, Inc.; XTO Holdings, LLC; Margaret L. Scott; Carol Jacobs Comey; Laurie Lynn Jacobs; Franklin Resources LP; Susan Marie Thoma; Camarie Oil and Gas, LLC; Panhandle Properties, LLC; Prospector, LLC; Big Three Energy Group, LLC; Featherstone Development Corporation; United States of America Bureau of Land Management; 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 May 16, 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 439.42-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 2, SW/4 NE/4, and the W/2 SE/4 of irregular Section 2 (W/2 E/2 equivalent), the W/2 E/2 of Section 11, and the W/2 NE/4 and NW/4 SE/4 of Section 14, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Nexus Fed Com 503H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 2 to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 14. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 14 miles west of Hobbs, New Mexico. #0289565

**Franklin Mountain Energy 3, LLC
Case 24470
Exhibit D-4**

OCD Examiner Hearing

No. 24470