

**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. 24859

**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. 24861

CONSOLIDATED PRE-HEARING STATEMENT

Franklin Mountain Energy 3, LLC (“Franklin”) submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

FRANKLIN MOUNTAIN ENERGY 3, LLC

ATTORNEY

Deana M. Bennett
Earl E. DeBrine
Yarithza Peña
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OTHER PARTIES

None.

ATTORNEY

STATEMENT OF CASES

APPLICANT:

In **Case No. 24859**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Sections 23 and 26, and the NE/4 NE/4 of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. Franklin seeks to dedicate the spacing unit to the **Gold State Com 304H**, **Gold State Com 504H**, and **Gold State Com 604H** wells to be horizontally drilled from a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 35, to a proposed bottom hole location in the NE/4 NE/4 (Unit A) of Section 23. The producing area for the wells is expected to be orthodox. This proposed horizontal spacing unit will partially overlap with the following existing spacing units: a 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 23 dedicated to Matador Production Company's Kingfisher State Com #001H well (API 30-025-41835); a 160-acre horizontal spacing unit comprised of the S/2 N/2 of Section 26 dedicated to Franklin Mountain Energy 3, LLC's Magpie State #001H well (API 30-025-40426); and a 320-acre horizontal spacing unit comprised of the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, dedicate to Franklin Mountain Energy 3, LLC's Parallel State Com 304H (API 30-025-52530) and Parallel State Com 504H (API 30-025-52534) wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

In **Case No. 24861**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Sections 23 and 26, and the NW/4 NE/4 of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. Franklin seeks to dedicate the spacing unit to the following wells: the **Gold State Com 303H** and **Gold State Com 603H** wells to be horizontally drilled from a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 35, to a proposed bottom hole location in the NW/4 NE/4 (Unit B) of Section 23; and the **Gold State Com 503H** well to be horizontally drilled from a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 35, to a proposed bottom hole location in the NW/4 NE/4 (Unit B) of Section 23. The producing area for the wells is expected to be orthodox. This proposed horizontal spacing unit will partially overlap with the following existing spacing units: a 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 23 dedicated to Matador Production Company's Kingfisher State Com #002H well (API 30-025-41836); a 160-acre horizontal spacing unit

comprised of the S/2 N/2 of Section 26 dedicated to Franklin Mountain Energy 3, LLC’s Magpie State #001H well (API 30-025-40426), and a 320-acre horizontal spacing unit comprised of the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, dedicate to Franklin Mountain Energy 3, LLC’s Parallel State Com 303H (API 30-025-52529) and Parallel State Com 503H (API 30-025-52533) wells. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Don Johnson	Approx. 10 minutes	Approx. 10
Geologist: Ben Metz	Approx. 10 minutes	Approx. 15

PROCEDURAL ISSUES

If there are no objections to these matters, Franklin intends to present these cases by affidavit.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 389721

QUESTIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 389721
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	<i>Not answered.</i>