



Before the Oil Conservation Division  
Examiner Hearing October 10th, 2024  
Compulsory Pooling

**Case No. 24861:** Gold State Com 303H  
Gold State Com 503H  
Gold State Com 603H

**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. 24861**

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

<b>Case: 24861</b>	<b>APPLICANT'S RESPONSE</b>
<b>Hearing Date</b>	<b>October 10, 2024</b>
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID No. 331595
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling, and, for the Extent Necessary Approval of an Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Gold State Com
<b>Formation/Pool</b>	
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 (Only if NSP is requested):	N/A
Well Location Setback Rules (Only if NSP is Requested):	N/A
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	360-acres
Building Blocks:	40-acres (Note: OCD Pool Code Spreadsheet states that the Airstrip; Bone Spring Pool (Code 960) is an oil pool with 40-acre building blocks, and the Airstrip; Bone Spring, North Pool (Code 962) is an oil pool that has 80-acre building blocks, which is likely superceded by statewide rules.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	W/2 E/2 of Section 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
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
<b>Other Situations</b>	
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	Exhibit A-4
<b>Well(s)</b>	
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: Gold State Com 303H	API No. 30-025-52507 SHL: 1091' FNL & 2475' FEL, (Unit B), Section 35, T18S, R34E FTP: 701' FNL & 2176' FEL, (Unit B), Section 35, T18S, R34E BHL: 130' FNL & 2155' FEL, (Unit B) Section 23, T18S, R34E Completion Target: First Bone Spring (Approx. 9,150' TVD) Orientation: North/South

Well #2: Gold State Com 503H	API No. 30-025-52509 SHL: 1131' FNL & 1095' FEL, (Unit A), Section 35, T18S, R34E FTP: 699' FNL & 1678' FEL, (Unit B), Section 35, T18S, R34E BHL: 130' FNL & 1680' FEL, (Unit B) Section 23, T18S, R34E Completion Target: Second Bone Spring (Approx. 9,789' TVD) Orientation: North/South
Well #2: Gold State Com 603H	API No. 30-025-52511 SHL: 1091' FNL & 2445' FEL, (Unit B), Section 35, T18S, R34E FTP: 700' FNL & 2148' FEL, (Unit B), Section 35, T18S, R34E BHL: 130' FNL & 2155' FEL, (Unit B) Section 23, T18S, R34E Completion Target: Third Bone Spring (Approx. 10,469' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit A-3
Completion Target (Formation, TVD and MD)	Exhibit A-6
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit A-1 Paragraph 21
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibits A-1; C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2 and C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
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 A-5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
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Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
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Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B, Paragraph 19
Target Formation	Tab B
HSU Cross Section	Exhibits B-5; B-9; B-13

Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-4
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3; B-7; B-11
Cross Section Location Map (including wells)	Exhibits B-4; B-8; B-12
Cross Section (including Landing Zone)	Exhibits B-5; B-9; B-13
<b>Additional Information</b>	
Special Provisions/Stipulations	<b>None.</b>
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Deana M. Bennett
<b>Date:</b>	10/3/2024

**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 NECESSARYM APPROVAL  
OF AN OVERLAPPING SPCING UNIT,  
LEA COUNTY, NEW MEXICO.**

CASE NO. 24861

**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 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. 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 following wells:
  - a. **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

**Franklin Mountain Energy 3, LLC  
Case No. 24861  
Exhibit A-1**



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 October 10, 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 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;

B. Approving, to the extent necessary, the proposed overlapping spacing unit.

C. Designating Franklin as operator of this unit and the wells to be drilled thereon;

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

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
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Deana M. Bennett  
Yarithza Peña  
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*Attorneys for Franklin Mountain Energy 3, LLC*

**CASE NO. 24861 : 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 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.

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**CASE NO. 24861**

**SELF-AFFIRMED DECLARATION OF DON JOHNSON**

Don Johnson hereby states and declares as follows:

1. I am over the age of 18, I am a landman for Franklin Mountain Energy 3, LLC (“Franklin”), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum landman 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, which is attached as **Exhibit A.1**.
4. I am familiar with the status of the lands that are subject to the application.
5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
6. 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.

**Franklin Mountain Energy 3, LLC  
Case No. 24861  
Exhibit A-2**

7. 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.

8. In this case, Franklin 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.

9. This spacing unit will be dedicated to 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.

10. Attached as **Exhibit A.3** are the proposed C-102s for the wells.

11. The C-102s identify the proposed surface hole location and the bottom hole location, and the first take point. The C-102s also identify the pool and pool code.

12. These wells will develop the Airstrip; Bone Spring Pool (Pool Code 960) in sections 26 and 35, and the W/2SE/4 of section 23, and the Airstrip; Bone Spring, North Pool (Pool Code 962) in the W/2NE/4 of Section 23.

13. The Airstrip; Bone Spring Pool (Pool Code 960) is an oil pool with 40-acre building blocks. The Airstrip; Bone Spring, North Pool (Pool Code 962) is an oil pool with 80-acre building blocks.

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

15. The unit is standard whether the building blocks are 40-acre tracts or 80-acre tracts.
16. The producing area for the wells are expected to be unorthodox.
17. There are no depth severances within the proposed spacing unit.
18. **Exhibit A.4** includes a lease tract map outlining the unit being pooled. Exhibit A.4 also includes the parties being pooled, the nature, and the percent of their interests.
19. **Exhibit A.5** is the list of working interest owners and overriding royalty interest owners Franklin is seeking to pool.
20. **Exhibit A.6** contains a sample well proposal letter and Authorizations for Expenditure (“AFEs”) sent to all working interest owners. The estimated cost of the wells set forth in the AFEs are fair and reasonable and comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.
21. 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.
22. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
23. 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.
24. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of the uncommitted mineral interest owners in the proposed well.

25. **Exhibit A.7** is a summary of my contacts with the working interest owners.
26. Franklin requests that it be designated operator of the well.
27. The parties Franklin is seeking to pool were notified of this hearing.
28. Franklin seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.
29. Franklin also seeks, to the extent, necessary, approval of an overlapping spacing unit.
30. This proposed horizontal spacing unit will partially overlap with the following existing spacing units:
  - a. 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);
  - b. 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
  - c. 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.
31. Notice of this application was provided to the operator and working interest owners in the overlapping spacing units.

33. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

9/30/2024  
Date

  
Don Johnson

<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024
		Submittal Type: <input type="checkbox"/> Initial Submittal <input checked="" type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

**WELL LOCATION INFORMATION**

API Number 30-025-52507	Pool Code 962	Pool Name [962] AIRSTRIP; BONESPRING, NORTH
Property Code 334169	Property Name GOLD STATE COM	Well Number 303H
OGRID No. 331595	Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	Ground Level Elevation 3982.1'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		1,091 NORTH	2,475 EAST	32.708489°	-103.530425°	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	23	18S	34E		130 NORTH	2,155 EAST	32.740175°	-103.529422°	LEA

Dedicated Acres 80	Infill or Defining Well Defining	Defining Well API 30-025-52507	Overlapping Spacing Unit (Y/N) Y	Consolidation Code P
Order Numbers.		Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		1,271 NORTH	2,236 EAST	32.707994°	-103.529649°	LEA

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		701 NORTH	2,176 EAST	32.709560°	-103.529453°	LEA

Last Take Point (LTP)

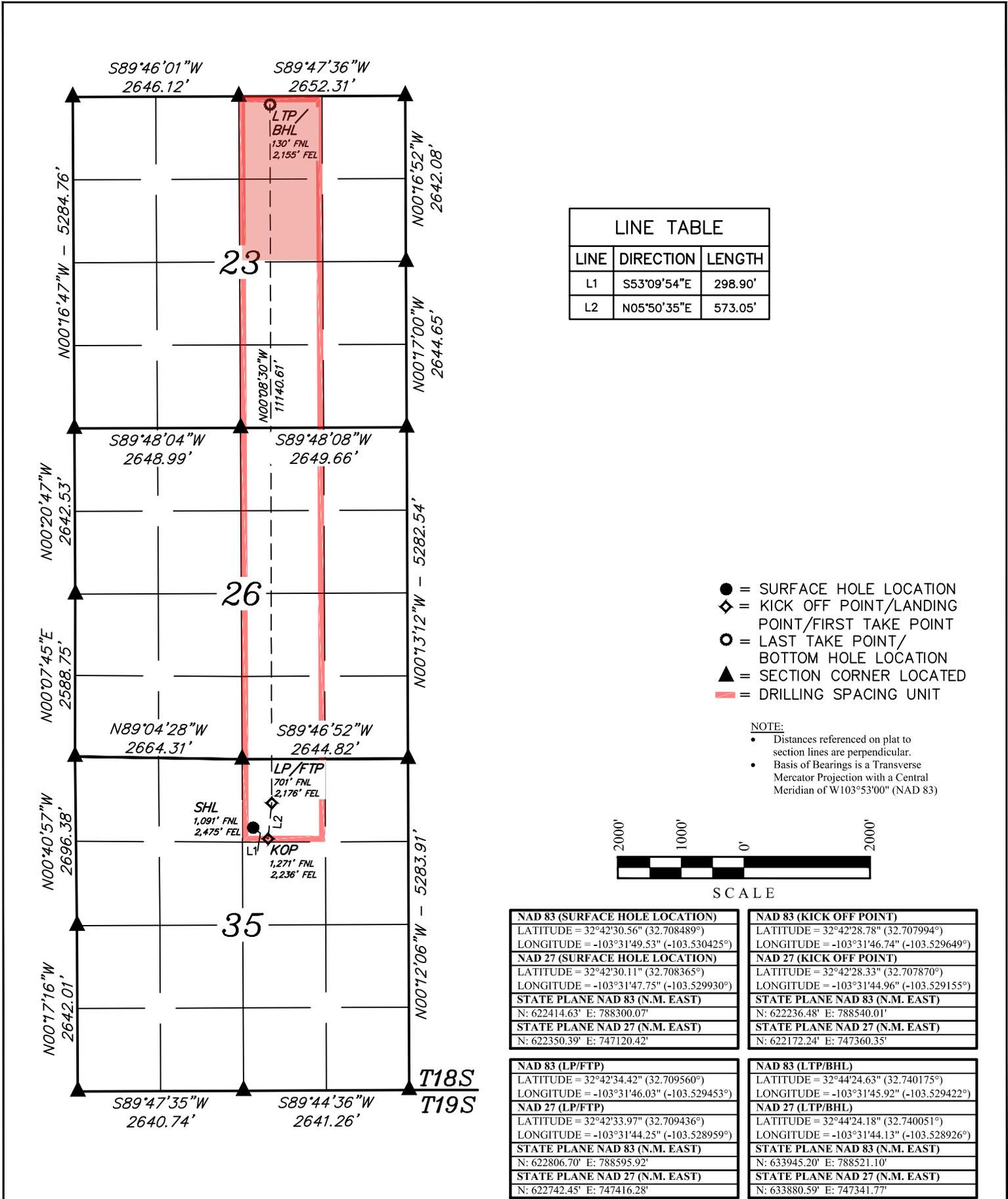
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	23	18S	34E		130 NORTH	2,155 EAST	32.740175°	-103.529422°	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p style="text-align: right;">                   9/3/2024             </p> <p>Signature _____ Date _____</p> <p>Rachael Overbey</p> <p>Printed Name _____</p> <p>roverbey@fmelle.com</p> <p>Email Address _____</p>	<p><b>SURVEYOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from the 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.</i></p> <div style="text-align: right;">  </div> <p style="text-align: right;">                 Signature and Seal of Professional Surveyor                  23782                      September 29, 2023             </p> <p>Certificate Number _____ Date of Survey _____</p>
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*Note: No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.*

Property Name GOLD STATE COM	Well Number 303H	Drawn By D.J.S. 10-05-23	Revised By REV. 1 C.S.C. 08-27-24 (ADD KOP & LP/FTP, UPDATE TEMPLATE)
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LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S53°09'54"E	298.90'
L2	N05°50'35"E	573.05'

- = SURFACE HOLE LOCATION
- ◇ = KICK OFF POINT/LANDING POINT/FIRST TAKE POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = 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)



SCALE

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.56" (32.708489°)
LONGITUDE = -103°31'49.53" (-103.530425°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.11" (32.708365°)
LONGITUDE = -103°31'47.75" (-103.529930°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622414.63' E: 788300.07'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622350.39' E: 747120.42'

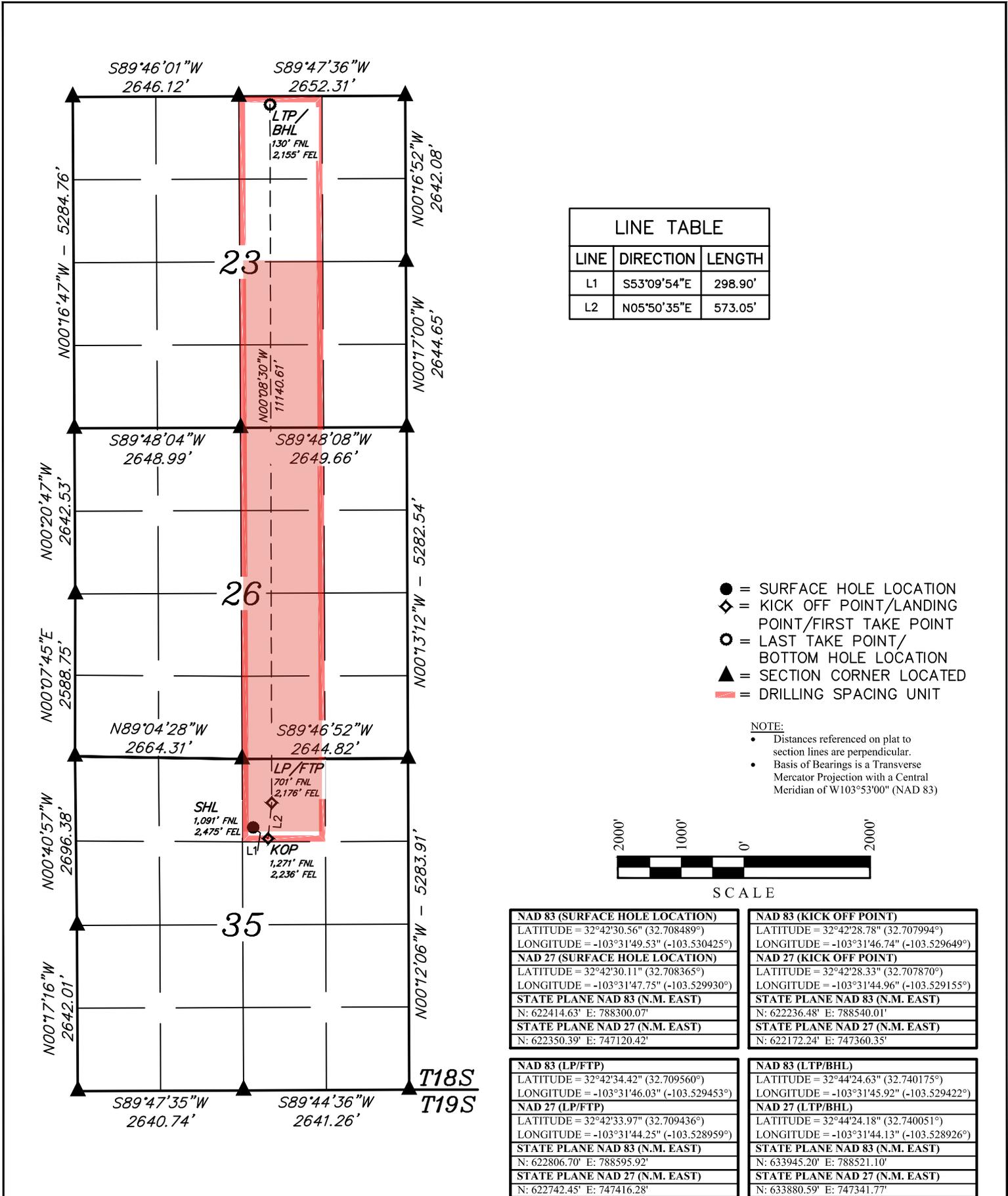
<b>NAD 83 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.78" (32.707994°)
LONGITUDE = -103°31'46.74" (-103.529649°)
<b>NAD 27 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.33" (32.707870°)
LONGITUDE = -103°31'44.96" (-103.529155°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622236.48' E: 788540.01'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622172.24' E: 747360.35'

<b>NAD 83 (LP/FTP)</b>
LATITUDE = 32°42'34.42" (32.709560°)
LONGITUDE = -103°31'46.03" (-103.529453°)
<b>NAD 27 (LP/FTP)</b>
LATITUDE = 32°42'33.97" (32.709436°)
LONGITUDE = -103°31'44.25" (-103.528959°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622806.70' E: 788595.92'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622742.45' E: 747416.28'

<b>NAD 83 (LTP/BHL)</b>
LATITUDE = 32°44'24.63" (32.740175°)
LONGITUDE = -103°31'45.92" (-103.529422°)
<b>NAD 27 (LTP/BHL)</b>
LATITUDE = 32°44'24.18" (32.740051°)
LONGITUDE = -103°31'44.13" (-103.528926°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 633945.20' E: 788521.10'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 633880.59' E: 747341.77'



Property Name GOLD STATE COM	Well Number 303H	Drawn By D.J.S. 10-05-23	Revised By REV. 1 C.S.C. 08-27-24 (ADD KOP & LP/FTP, UPDATE TEMPLATE)
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LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S53°09'54"E	298.90'
L2	N05°50'35"E	573.05'

- = SURFACE HOLE LOCATION
- ◇ = KICK OFF POINT/LANDING POINT/FIRST TAKE POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = 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)



SCALE

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.56" (32.708489°)
LONGITUDE = -103°31'49.53" (-103.530425°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.11" (32.708365°)
LONGITUDE = -103°31'47.75" (-103.529930°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622414.63' E: 788300.07'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622350.39' E: 747120.42'

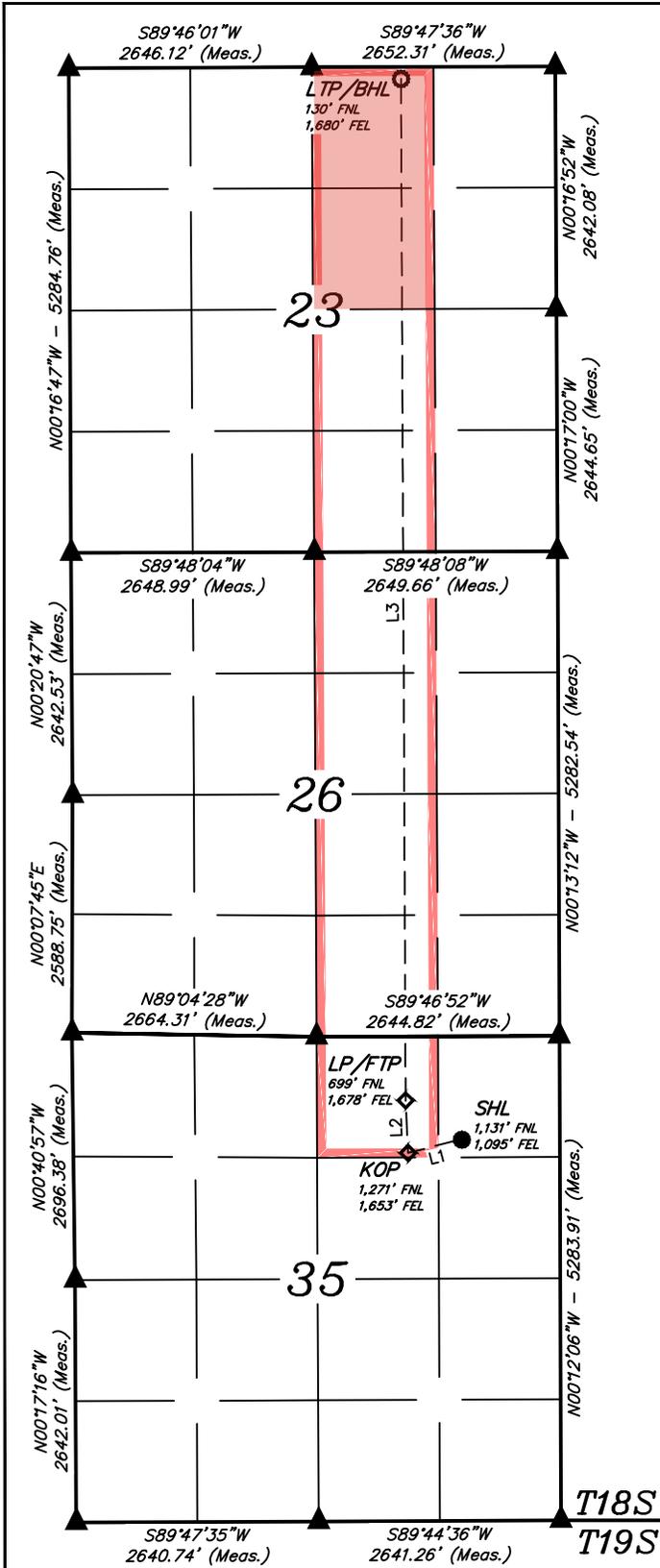
<b>NAD 83 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.78" (32.707994°)
LONGITUDE = -103°31'46.74" (-103.529649°)
<b>NAD 27 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.33" (32.707870°)
LONGITUDE = -103°31'44.96" (-103.529155°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622236.48' E: 788540.01'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622172.24' E: 747360.35'

<b>NAD 83 (LP/FTP)</b>
LATITUDE = 32°42'34.42" (32.709560°)
LONGITUDE = -103°31'46.03" (-103.529453°)
<b>NAD 27 (LP/FTP)</b>
LATITUDE = 32°42'33.97" (32.709436°)
LONGITUDE = -103°31'44.25" (-103.528959°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622806.70' E: 788595.92'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622742.45' E: 747416.28'

<b>NAD 83 (LTP/BHL)</b>
LATITUDE = 32°44'24.63" (32.740175°)
LONGITUDE = -103°31'45.92" (-103.529422°)
<b>NAD 27 (LTP/BHL)</b>
LATITUDE = 32°44'24.18" (32.740051°)
LONGITUDE = -103°31'44.13" (-103.528926°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 633945.20' E: 788521.10'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 633880.59' E: 747341.77'



Property Name GOLD STATE COM	Well Number 503H	Drawn By Z.L. 10-17-23	Revised By REV. 1 D.M.C. 08-26-24 (UPDATE WELLBORE & FORMAT)
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LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S75°39'10"W	575.62'
L2	N02°39'25"W	573.05'
L3	N00°15'34"W	11138.58'

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.17" (32.708380°)
LONGITUDE = -103°31'33.39" (-103.525941°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'29.72" (32.708256°)
LONGITUDE = -103°31'31.61" (-103.525446°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622385.40' E: 789679.67'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622321.14' E: 748500.01'

<b>NAD 83 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.77" (32.707993°)
LONGITUDE = -103°31'39.92" (-103.527755°)
<b>NAD 27 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.33" (32.707869°)
LONGITUDE = -103°31'38.14" (-103.527260°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622240.42' E: 789122.71'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622176.18' E: 747943.05'

<b>NAD 83 (LP/FTP)</b>
LATITUDE = 32°42'34.44" (32.709566°)
LONGITUDE = -103°31'40.21" (-103.527835°)
<b>NAD 27 (LP/FTP)</b>
LATITUDE = 32°42'33.99" (32.709442°)
LONGITUDE = -103°31'38.43" (-103.527340°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622812.64' E: 789093.72'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622748.38' E: 747914.07'

<b>NAD 83 (LTP/BHL)</b>
LATITUDE = 32°44'24.63" (32.740175°)
LONGITUDE = -103°31'40.36" (-103.527878°)
<b>NAD 27 (LTP/BHL)</b>
LATITUDE = 32°44'24.18" (32.740051°)
LONGITUDE = -103°31'38.57" (-103.527382°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 633948.93' E: 788996.00'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 633884.31' E: 747816.67'

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/LANDING POINT/FIRST TAKE POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
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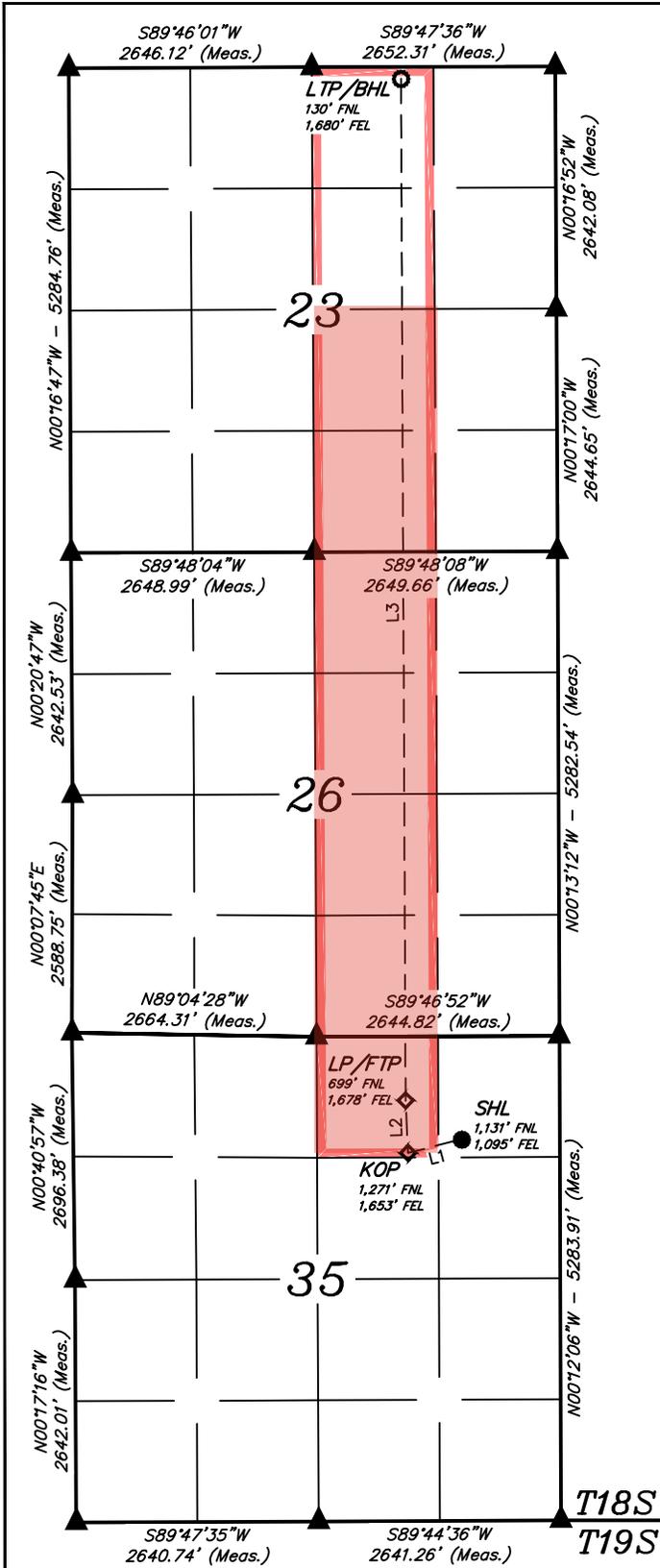
**NOTE:**

- 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)





Property Name GOLD STATE COM	Well Number 503H	Drawn By Z.L. 10-17-23	Revised By REV. 1 D.M.C. 08-26-24 (UPDATE WELLBORE & FORMAT)
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LINE TABLE		
LINE	DIRECTION	LENGTH
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L2	N02°39'25"W	573.05'
L3	N00°15'34"W	11138.58'

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LONGITUDE = -103°31'33.39" (-103.525941°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'29.72" (32.708256°)
LONGITUDE = -103°31'31.61" (-103.525446°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622385.40' E: 789679.67'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622321.14' E: 748500.01'

<b>NAD 83 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.77" (32.707993°)
LONGITUDE = -103°31'39.92" (-103.527755°)
<b>NAD 27 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.33" (32.707869°)
LONGITUDE = -103°31'38.14" (-103.527260°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622240.42' E: 789122.71'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622176.18' E: 747943.05'

<b>NAD 83 (LP/FTP)</b>
LATITUDE = 32°42'34.44" (32.709566°)
LONGITUDE = -103°31'40.21" (-103.527835°)
<b>NAD 27 (LP/FTP)</b>
LATITUDE = 32°42'33.99" (32.709442°)
LONGITUDE = -103°31'38.43" (-103.527340°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622812.64' E: 789093.72'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622748.38' E: 747914.07'

<b>NAD 83 (LTP/BHL)</b>
LATITUDE = 32°44'24.63" (32.740175°)
LONGITUDE = -103°31'40.36" (-103.527878°)
<b>NAD 27 (LTP/BHL)</b>
LATITUDE = 32°44'24.18" (32.740051°)
LONGITUDE = -103°31'38.57" (-103.527382°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 633948.93' E: 788996.00'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 633884.31' E: 747816.67'

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/LANDING POINT/FIRST TAKE POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = 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)



SCALE

<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024  Submittal Type: <input type="checkbox"/> Initial Submittal <input checked="" type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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**WELL LOCATION INFORMATION**

API Number 30-025-52511	Pool Code 962	Pool Name [962] AIRSTRIP; BONESPRING, NORTH
Property Code 334169	Property Name GOLD STATE COM	Well Number 603H
OGRID No. 331595	Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	Ground Level Elevation 3982.0'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		1,091 NORTH	2,445 EAST	32.708487°	-103.530327°	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	23	18S	34E		130 NORTH	2,155 EAST	32.740175°	-103.529422°	LEA

Dedicated Acres 80	Infill or Defining Well Infill	Defining Well API 30-025-52508	Overlapping Spacing Unit (Y/N) Y	Consolidation Code P
Order Numbers.		Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		1,272 NORTH	2,109 EAST	32.707992°	-103.529236°	LEA

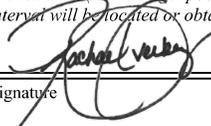
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		700 NORTH	2,148 EAST	32.709563°	-103.529365°	LEA

Last Take Point (LTP)

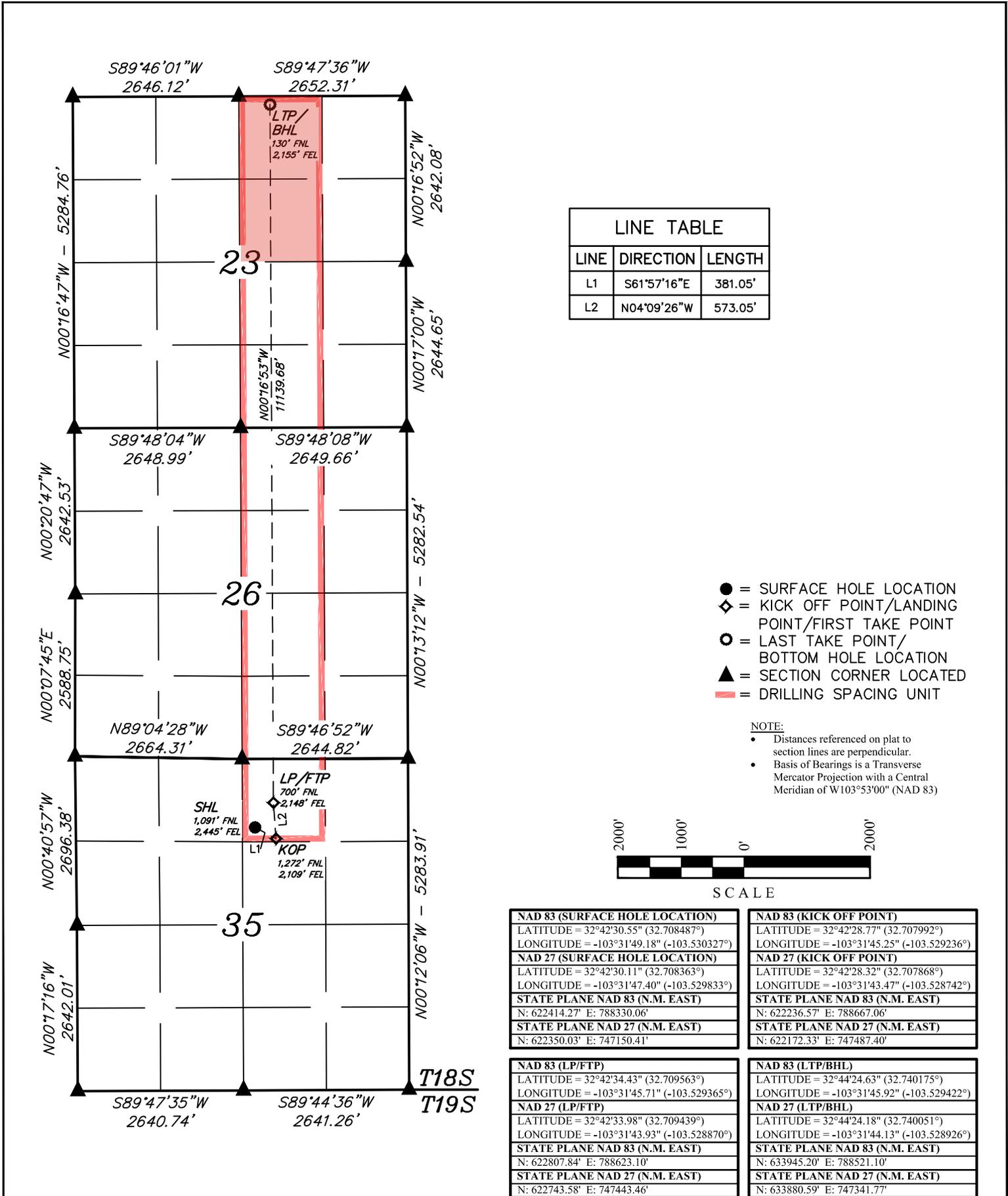
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	23	18S	34E		130 NORTH	2,155 EAST	32.740175°	-103.529422°	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p style="text-align: right;"> 9/3/2024</p>	<p><b>SURVEYOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from the 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.</i></p> <div style="text-align: right;">  </div>
Signature _____ Date _____	Signature and Seal of Professional Surveyor _____
Rachael Overbey	23782                      September 29, 2023
Printed Name _____	Certificate Number                      Date of Survey
roverbey@fmelle.com	
Email Address _____	

*Note: No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.*

Property Name GOLD STATE COM	Well Number 603H	Drawn By D.J.S. 10-05-23	Revised By REV. 1 C.S.C. 08-27-24 (ADD KOP & LP/FTP, UPDATE TEMPLATE)
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LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S61°57'16"E	381.05'
L2	N04°09'26"W	573.05'

- = SURFACE HOLE LOCATION
- ◇ = KICK OFF POINT/LANDING POINT/FIRST TAKE POINT
- = LAST TAKE POINT/BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = 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)



SCALE

<b>NAD 83 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.55" (32.708487°)
LONGITUDE = -103°31'49.18" (-103.530327°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.11" (32.708363°)
LONGITUDE = -103°31'47.40" (-103.529833°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622414.27' E: 788330.06'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622350.03' E: 747150.41'

<b>NAD 83 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.77" (32.707992°)
LONGITUDE = -103°31'45.25" (-103.529236°)
<b>NAD 27 (KICK OFF POINT)</b>
LATITUDE = 32°42'28.32" (32.707868°)
LONGITUDE = -103°31'43.47" (-103.528742°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622236.57' E: 788667.06'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622172.33' E: 747487.40'

<b>NAD 83 (LP/FTP)</b>
LATITUDE = 32°42'34.43" (32.709563°)
LONGITUDE = -103°31'45.71" (-103.529365°)
<b>NAD 27 (LP/FTP)</b>
LATITUDE = 32°42'33.98" (32.709439°)
LONGITUDE = -103°31'43.93" (-103.528870°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622807.84' E: 788623.10'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622743.58' E: 747443.46'

<b>NAD 83 (LTP/BHL)</b>
LATITUDE = 32°44'24.63" (32.740175°)
LONGITUDE = -103°31'45.92" (-103.529422°)
<b>NAD 27 (LTP/BHL)</b>
LATITUDE = 32°44'24.18" (32.740051°)
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<b>STATE PLANE NAD 27 (N.M. EAST)</b>
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<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024
		Submittal Type: <input type="checkbox"/> Initial Submittal <input checked="" type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

**WELL LOCATION INFORMATION**

API Number 30-025-52511	Pool Code 960	Pool Name [960] AIRSTRIP; BONESPRING
Property Code 334169	Property Name GOLD STATE COM	Well Number 603H
OGRID No. 331595	Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	Ground Level Elevation 3982.0'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		1,091 NORTH	2,445 EAST	32.708487°	-103.530327°	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	23	18S	34E		130 NORTH	2,155 EAST	32.740175°	-103.529422°	LEA

Dedicated Acres 280	Infill or Defining Well Infill	Defining Well API 30-025-52508	Overlapping Spacing Unit (Y/N) Y	Consolidation Code P
Order Numbers.		Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		1,272 NORTH	2,109 EAST	32.707992°	-103.529236°	LEA

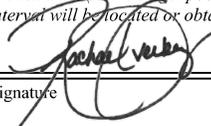
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD 83)	Longitude (NAD 83)	County
B	35	18S	34E		700 NORTH	2,148 EAST	32.709563°	-103.529365°	LEA

Last Take Point (LTP)

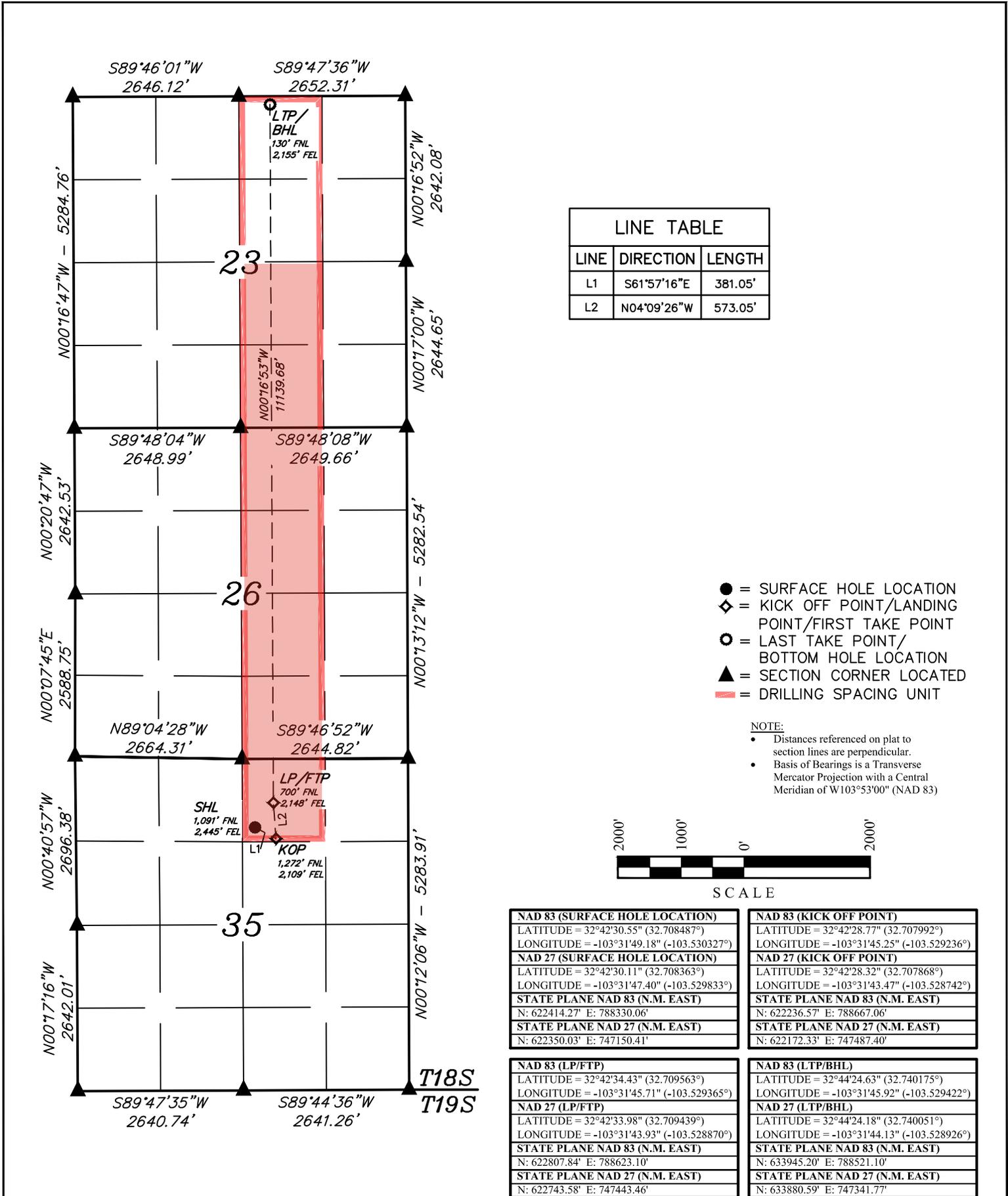
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Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p style="text-align: right;">                   9/3/2024             </p> <p>Signature _____ Date _____</p> <p>Rachael Overbey</p> <p>Printed Name _____</p> <p>roverbey@fmelle.com</p> <p>Email Address _____</p>	<p><b>SURVEYOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from the 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.</i></p> <div style="text-align: right;">  </div> <p style="text-align: right;">                 Signature and Seal of Professional Surveyor                  23782                      September 29, 2023             </p> <p>Certificate Number                      Date of Survey</p>
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*Note: No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.*

Property Name GOLD STATE COM	Well Number 603H	Drawn By D.J.S. 10-05-23	Revised By REV. 1 C.S.C. 08-27-24 (ADD KOP & LP/FTP, UPDATE TEMPLATE)
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LINE TABLE		
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**NOTE:**

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SCALE

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LONGITUDE = -103°31'49.18" (-103.530327°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b>
LATITUDE = 32°42'30.11" (32.708363°)
LONGITUDE = -103°31'47.40" (-103.529833°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622414.27' E: 788330.06'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622350.03' E: 747150.41'

<b>NAD 83 (KICK OFF POINT)</b>
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LATITUDE = 32°42'28.32" (32.707868°)
LONGITUDE = -103°31'43.47" (-103.528742°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622236.57' E: 788667.06'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622172.33' E: 747487.40'

<b>NAD 83 (LP/FTP)</b>
LATITUDE = 32°42'34.43" (32.709563°)
LONGITUDE = -103°31'45.71" (-103.529365°)
<b>NAD 27 (LP/FTP)</b>
LATITUDE = 32°42'33.98" (32.709439°)
LONGITUDE = -103°31'43.93" (-103.528870°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 622807.84' E: 788623.10'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 622743.58' E: 747443.46'

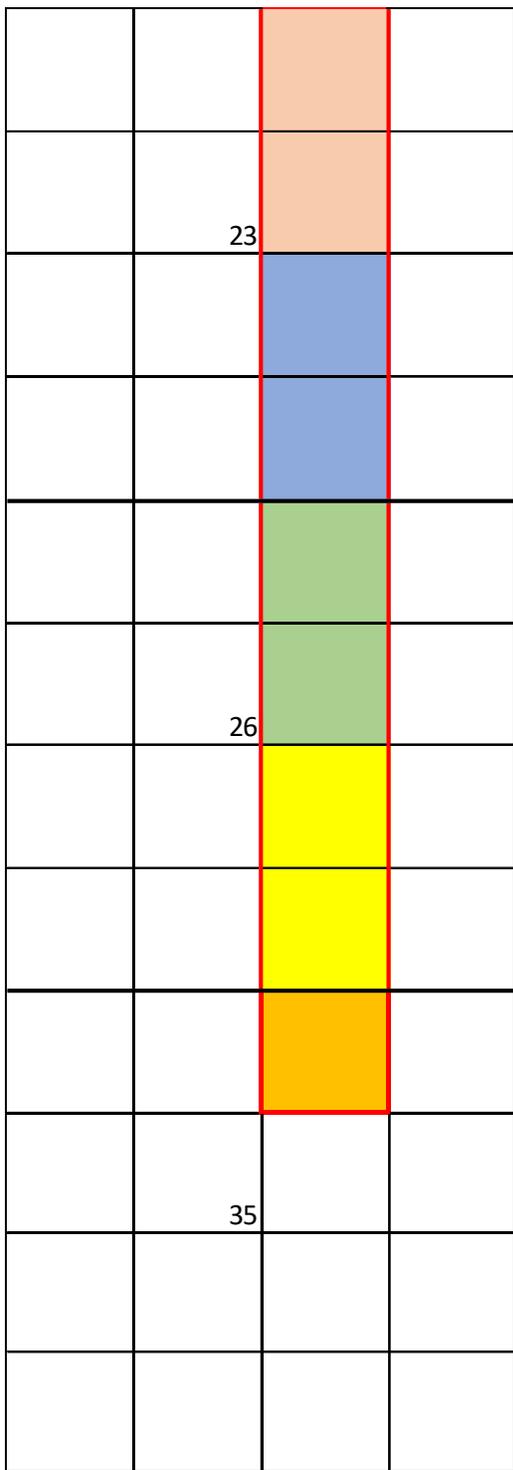
<b>NAD 83 (LTP/BHL)</b>
LATITUDE = 32°44'24.63" (32.740175°)
LONGITUDE = -103°31'45.92" (-103.529422°)
<b>NAD 27 (LTP/BHL)</b>
LATITUDE = 32°44'24.18" (32.740051°)
LONGITUDE = -103°31'44.13" (-103.528926°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 633945.20' E: 788521.10'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 633880.59' E: 747341.77'

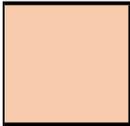
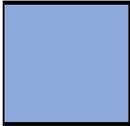
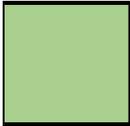
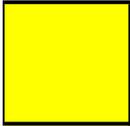
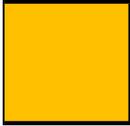
# Development Overview

Case Nos. 24861



**Lease Tract Map**  
**Case No. 24861**  
**W2E2 of Sections 23 & 26 & NWNE of**  
**Section 35-T18S-R34E, 360 Acres**  
**Gold State Com 303H**  
**Gold State Com 503H**  
**Gold State Com 603H**



-  Proposed Bone Spring Unit
-  Tract 1 (80 Acres)
-  Tract 2 (80 Acres)
-  Tract 3 (80 Acres)
-  Tract 4 (80 Acres)
-  Tract 5 (40 Acres)



**Franklin Mountain Energy 3,**  
**LLC**  
**Case No. 24861**  
**Exhibit A-4**

**Summary of Interests**  
**Case No. 24861**  
**W2E2 of Sections 23 & 26 & NWNE of**  
**Section 35-T18S-R34E, 360 Acres**  
**Gold State Com 303H**  
**Gold State Com 503H**  
**Gold State Com 603H**

Committed Working Interest	
Franklin Mountain Energy 3, LLC	28.1055%
MRC Permian Company	34.4444%
Marathon Oil Permian LLC	17.7777%
Otter Creek	11.1111%
<b>Total Committed Interest</b>	<b>91.4387000%</b>
Uncommitted Working Interest	
Allar Development, LLC	4.1665%
Slash Exploration Limited Partnership	3.0070%
EG3 Development, LLC	1.3878%
<b>Total Uncommitted Working Interest</b>	<b>8.5613000%</b>
<b>Total:</b>	<b>100.000000%</b>



**Unit Recapitulation  
Case No. 24861  
W2E2 of Sections 23 & 26 & NWNE of  
Section 35-T18S-R34E, 360 Acres  
Gold State Com 303H  
Gold State Com 503H  
Gold State Com 603H**

	23		
	26		
	35		

Committed Working Interest	
Franklin Mountain Energy 3, LLC	28.1055%
MRC Permian Company	34.4444%
Marathon Oil Permian LLC	17.7777%
Otter Creek	11.1111%
Total Committed Interest	91.4387000%
Uncommitted Working Interest	
Allar Development, LLC	4.1665%
Slash Exploration Limited Partnership	3.0070%
EG3 Development, LLC	1.3878%
Total Uncommitted Working Interest	8.5613000%
Total:	100.000000%

Tract	Lease
1	VB-2276
2	E0-5014
3	VB-1406
4	LO-3674
5	VB-1210



**Franklin Mountain Energy 3,  
LLC  
Case No. 24861  
Exhibit A-4**

Case No. 24861 W/2E/2 Bone Spring Case

**Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled**

Slash Exploration LP  
EG3 Development, LLC  
Allar Development, LLC  
Otter Creek

**ORRI to Be Pooled**

Armstrong Energy Corporation  
Blue Ridge Royalties, LLC  
Chimney Rock Oil & Gas, LLC  
Collins and Jones Investments, LLC  
Crown Partners II, LLC  
David Cromwell  
EG3, Inc.  
GMT New Mexico Royalty Company, LLC  
Good News Minerals, LLC  
H. Jason Wacker  
John Lawrence Thoma, Trustee of the Cornerstone Family Trust  
MCT Energy, Ltd.  
Oak Valley Mineral and Land, LP  
Post Oak Crown IV, LLC  
Post Oak Mavros II, LLC  
Sortida Resources, LLC  
The Allar Company  
Crown Oil Partners, LP  
SHG Energy, LLC  
Sitka Consulting, LLC  
Ridge Runner Holdings, LLC  
CrownRock Minerals, L.P.

The State of New Mexico has a Royalty interest and surface ownership



Sent via USPS: 9405536105536462925350

July 11, 2024

MRC Permian Company  
 5400 LBJ Freeway, Suite 1500  
 Dallas  
 Attn: Land Dept, Permian Basin

RE: **Well Proposals**  
 Township 18 South, Range 34 East:  
 Section 23: W2E2, Section 26: W2E2, & Section 35: NWNE  
 Lea County, New Mexico  
 360.00 acres, more or less

Dear Working Interest Owner:

Franklin Mountain Energy 3, LLC (“FME3”), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Gold State Com 303H	1BS	9150	19,150'	Sec 35-T18S-R34E 1062 FNL 2485 FEL	Sec 23-T18S-R34E 130 FNL 2155 FEL	\$11,355,549.08	N/A
Gold State Com 503H	2BS	9789	19,789'	Sec 35-T18S-R34E 1062 FNL 1083 FEL	Sec 23-T18S-R34E 130 FNL 1680 FEL	\$11,355,549.08	N/A
Gold State Com 603H	3BS	10469	20,469'	Sec 35-T18S-R34E 1062 FNL 2460 FEL	Sec 23-T18S-R34E 130 FNL 2155 FEL	\$11,650,592.43	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:

**Franklin Mountain Energy**  
**Case No. 24861**  
**Exhibit A-6**



- 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 Don Johnson at [djohnson@fmellc.com](mailto:djohnson@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 (720) 414-7863.

Respectfully,

Franklin Mountain Energy 3, LLC



Don Johnson  
Landman



**Gold State Com 303H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 303H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 303H** well.

**Gold State Com 503H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 503H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 503H** well.

**Gold State Com 603H:**

\_\_\_\_\_ I/We hereby elect to participate in the **Gold State Com 603H** well.  
 \_\_\_\_\_ I/We hereby elect **NOT** to participate in the **Gold State Com 603H** well.

Owner: MRC Permian Company

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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

**AUTHORITY FOR EXPENDITURE**

**Well Name:** Gold State Com 303H **Well #:** 303H  
**Location:** SHL: Sec 35-T18S-R34E 1062 FNL 2485 FEL **County/State:** Lea Co., NM  
 BHL: Sec 23-T18S-R34E 130 FNL 2155 FEL  
**Operator:** Franklin Mountain Energy 3, LLC **Date Prepared:** 6/21/2023  
**Purpose:** Drill and complete a 10,000' 1BS well. **AFE #:** DCE230614  
 TVD 9,150', MD 19,150'.

**Intangible Drilling Costs**

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,000
225	10	CASING CREW & EQPT	\$45,000
225	15	CEMENTING INTERMEDIATE CASING	\$40,000
225	16	CEMENTING PRODUCTION CASING	\$80,000
225	20	CEMENTING SURFACE 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
<b>Total Intangible Drilling Costs:</b>			<b>\$2,513,986</b>

**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
<b>Total Tangible Drilling Costs:</b>			<b>\$1,597,141</b>

**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
<b>Total Tangible Facility Costs:</b>			<b>\$1,067,924</b>

**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 & EQPT	\$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
<b>Total Intangible Completion Costs:</b>			<b>\$5,496,846</b>

**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
<b>Total Tangible Completion Costs:</b>			<b>\$548,600</b>

**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
<b>Total Intangible Facility Costs:</b>			<b>\$131,053</b>

**Office Use Only:**

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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 PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

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

Date: 6/21/2023

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



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

**FRANKLIN MOUNTAIN ENERGY**  
**AUTHORITY FOR EXPENDITURE**

<b>Well Name:</b> Gold State Com 503H	<b>Well #:</b> 503H
<b>Location:</b> SHL- Sec 35-T18S-R34E 1062 FNL 1083 FEL BHL- Sec 23-T18S-R34E 130 FNL 1680 FEL	<b>County/State:</b> Lea Co., NM
<b>Operator:</b> Franklin Mountain Energy 3, LLC	<b>Date Prepared:</b> 6/21/2023
<b>Purpose:</b> Drill and complete a 10,000' 2BS well. TVD 9,789', MD 19,789'	<b>AFE #:</b> DCE230618

**Intangible Drilling Costs**

Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,000
225	10	CASING CREW & EQPT	\$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
<b>Total Intangible Drilling Costs:</b>			<b>\$2,513,986</b>

**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 & EQPT	\$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 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
<b>Total Intangible Completion Costs:</b>			<b>\$5,496,846</b>

**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
<b>Total Tangible Completion Costs:</b>			<b>\$548,600</b>

**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
<b>Total Tangible Drilling Costs:</b>			<b>\$1,597,141</b>

**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
<b>Total Intangible Facility Costs:</b>			<b>\$131,053</b>

**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
<b>Total Tangible Facility Costs:</b>			<b>\$1,067,924</b>

**Office Use Only:**

Total Drill:	\$4,111,126.79
Total Completion:	\$6,043,445.54
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 PROPORTRINATE SHARE OF THE ACTUAL INVOICE COSTS.

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

Date: 6/21/2023

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



## Summary of Contacts (Gold Units)

- 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 July 11, 2024.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters.
- 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 uncommitted 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 working 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.

<b>Name</b>	<b>Ownership Type</b>	<b>Date Proposal Letter Sent</b>	<b>Proposal Letter Received</b>	<b>Follow Up</b>
Allar Development, LLC	WIO	7/11/2024	7/15/2024	Phone call with Jack Graham, reviewing JOA
MRC Permian Company	WIO			Signed JOA and are voluntarily being pooled, will send elections under JOA prior to drilling.
EG3 Development, LLC	WIO	7/11/2024	7/15/2024	Phone call with Jack Graham, reviewing JOA
Marathon Oil Permian, LLC	WIO	7/11/2024	7/16/2024	Signed JOA
Otter Creek, LLC	WIO	7/11/2024	7/15/2024	Signed JOA letter agreement and sent in election to participate
Slash Exploration LP	WIO	7/11/2024	7/15/2024	Exchanged multiple emails involving these wells and other wells in the area, JOA sent

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 SPCING UNIT,  
LEA COUNTY, NEW MEXICO.

CASE NO. 24861

SELF-AFFIRMED DECLARATION OF BEN METZ

Ben Metz hereby states and declares 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 B.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
5. **Exhibit B.2** is a wellbore schematic showing Franklin’s development plan.
6. **Exhibit B.3** is a structure map of the First Bone Spring formation. The general formation structure is dipping to the south. The proposed spacing unit is identified by a pink box. The Gold State Com 303H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet.

Franklin Mountain Energy 3, LLC  
Case No. 24861  
Exhibit B

7. **Exhibit B.4** is a cross-section reference map that identifies 7 wells in the vicinity of the proposed Gold State Com 303H well, shown by a line of cross-section running from A to A'.

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

9. **Exhibit B.6** is an Isopach map of the First Bone Spring formation. The contour interval used in this exhibit is 25 feet and shows the First Bone Spring Sand isopach thickness to range from 75'-125' thick.

10. **Exhibit B.7** is a structure map of the Second Bone Spring formation. The general formation structure is dipping to the south. The proposed spacing unit is identified by a pink box. The Gold State Com 503H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet.

11. **Exhibit B.8** is a cross-section reference map that identifies 7 wells in the vicinity of the proposed Gold State Com 503H well, shown by a line of cross-section running from A to A'.

12. **Exhibit B.9** 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.

13. **Exhibit B.10** is an Isopach map of the Second Bone Spring formation. The contour interval used in this exhibit is 25 feet and shows the Second Bone Spring Sand isopach thickness to range from 325'-900' thick.

14.

15. **Exhibit B.11** is a structure map of the Third Bone Spring formation. The general formation structure is dipping to the south. The proposed spacing unit is identified by a pink box. The Gold State Com 603H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet.

16. **Exhibit B.12** is a cross-section reference map that identifies 7 wells in the vicinity of the proposed Gold State Com 603H well, shown by a line of cross-section running from A to A'.

17. **Exhibit B.13** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Third 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.

18. **Exhibit B.14** is an Isopach map of the Third Bone Spring formation. The contour interval used in this exhibit is 25 feet and shows the First Bone Spring Sand isopach thickness to range from 175'-225' thick.

19. 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.

20. The preferred well orientation in this area is North South due to the  $S_{Hmax}$  direction trending ENE 75 degrees AZI (WSW 255 degrees AZI). The Gold State Com wells are planned to drill N-S, nearly orthogonal to  $S_{Hmax}$ , optimal for induced fracture propagation.

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

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

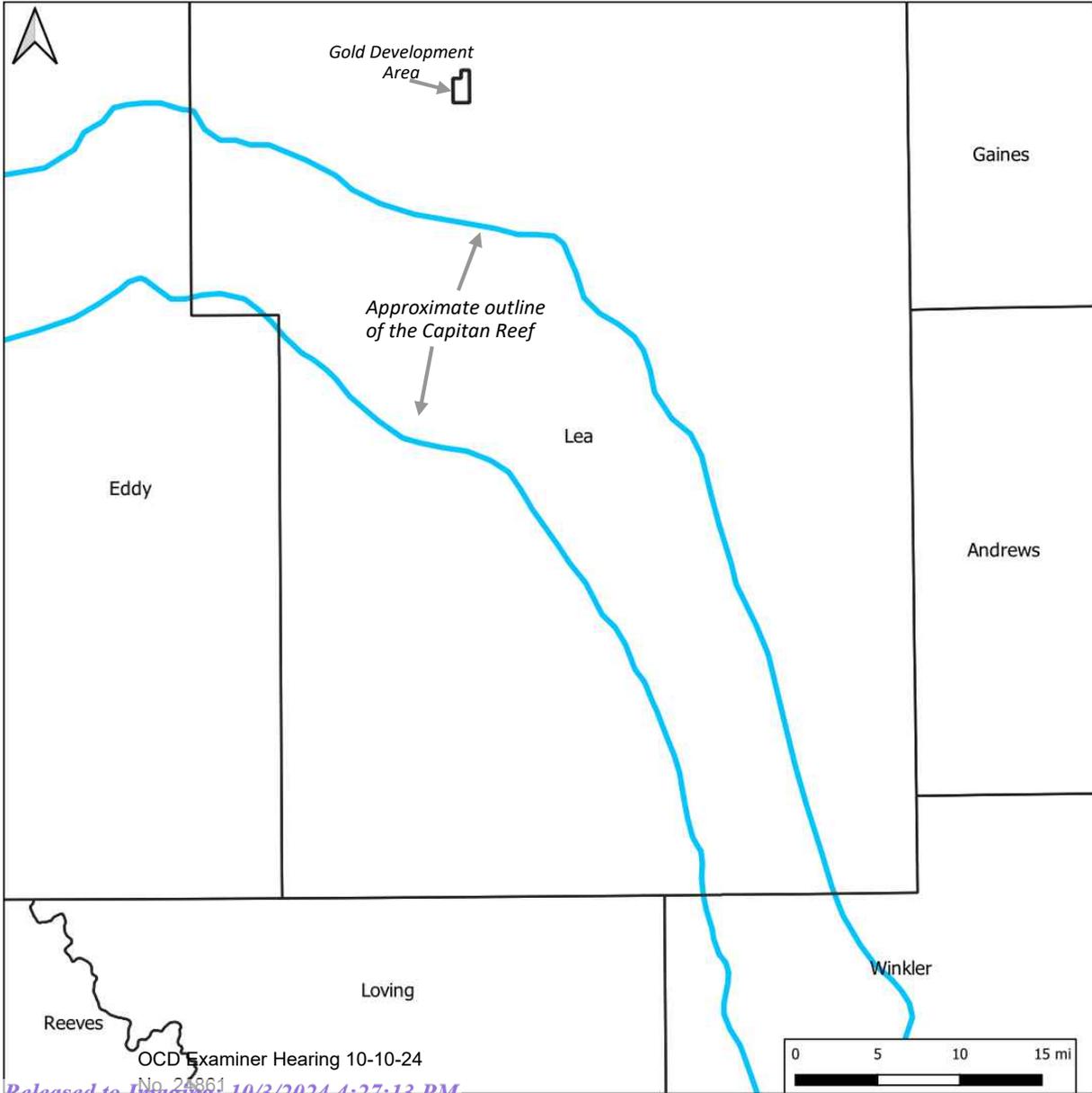
23. I attest under penalty of perjury the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief and I will adopt this testimony at the hearing in this matter.

Dated: October 2, 2024

  
Ben Metz

# Gold Development

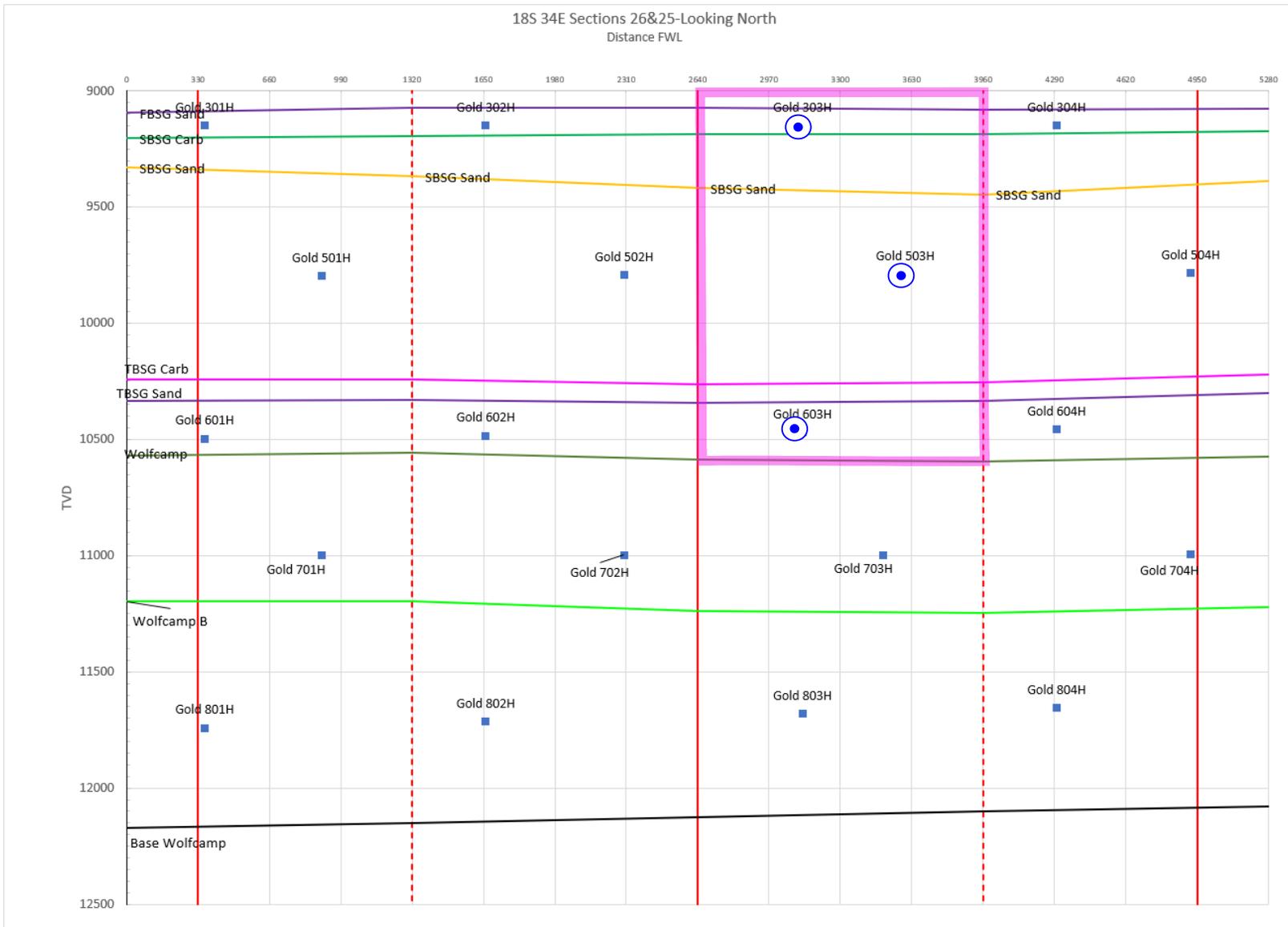
## Locator Map



- Black box shows the location of the Gold development area
- Planned wells are located outside the known boundary of the Capitan Reef

**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-1**

# Wellbore Schematic W2E2

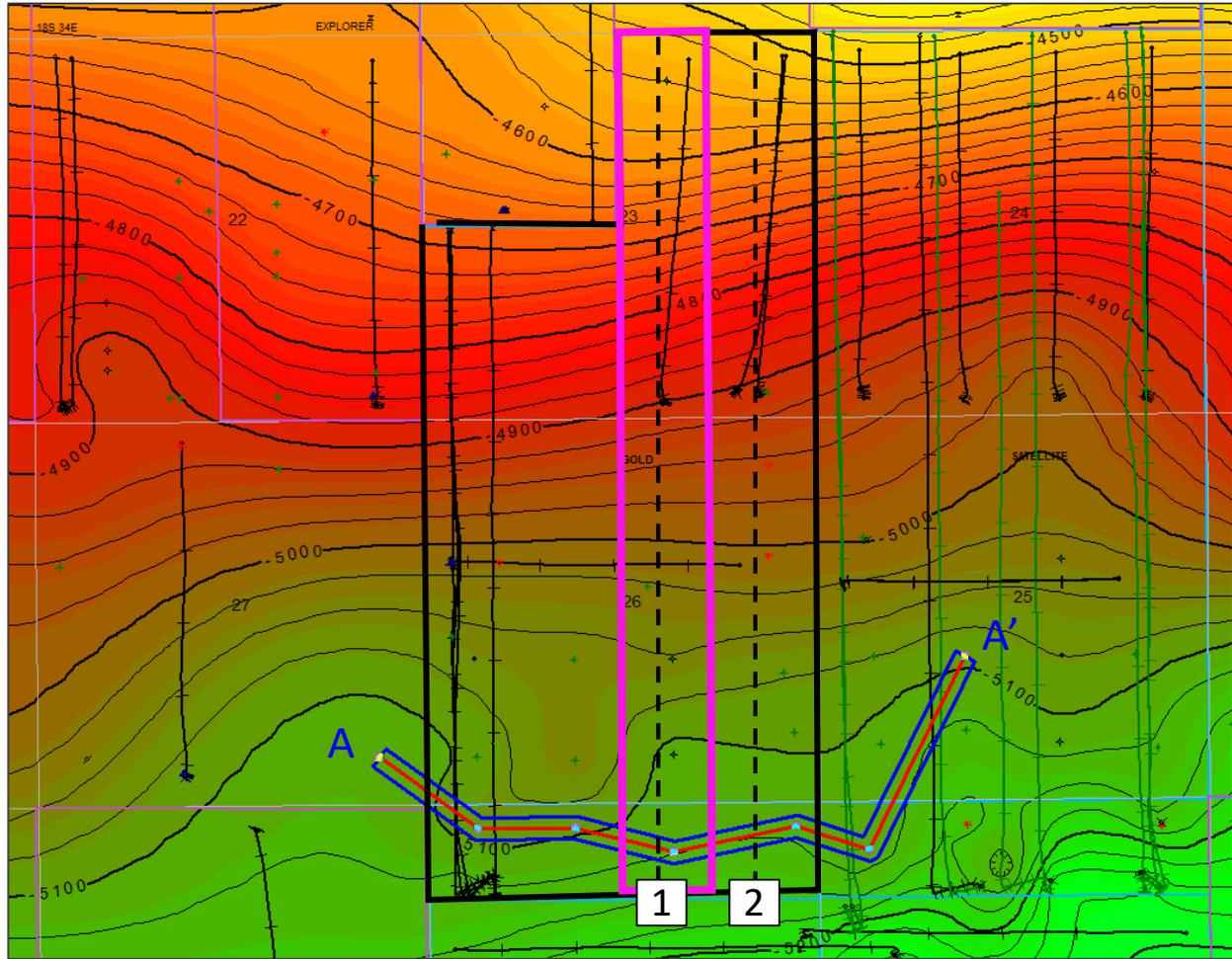


OCD Examiner Hearing 10-10-24

Proposed Lateral

Bone Spring Spacing Unit

# First Bone Spring Structure Map



 Bone Spring Spacing Unit

Proposed Horizontal Location - - - - -

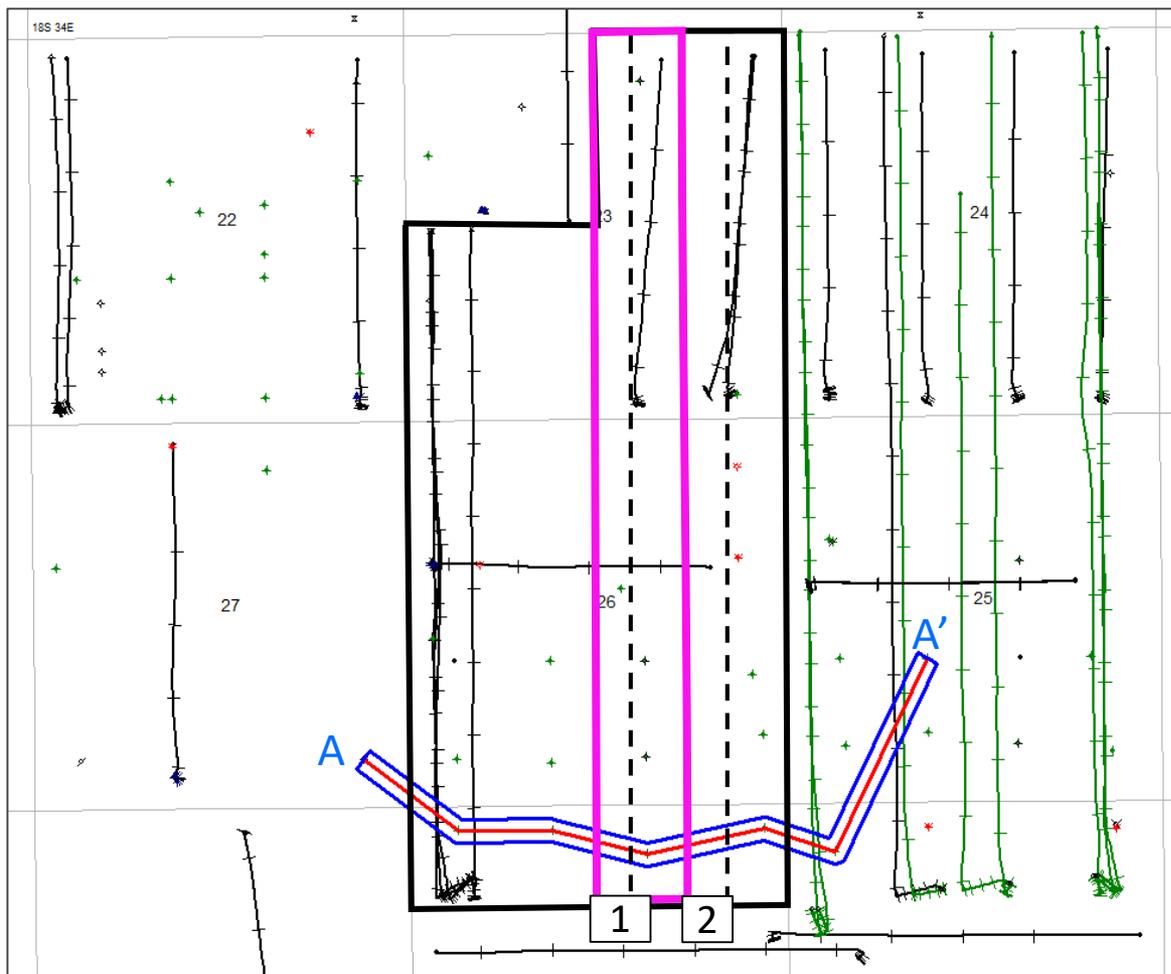
- 1** Gold State Com 303H
- 2** Gold State Com 304H

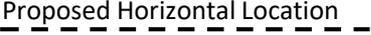
All wells shown

1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-3**

# Cross Section Reference Map

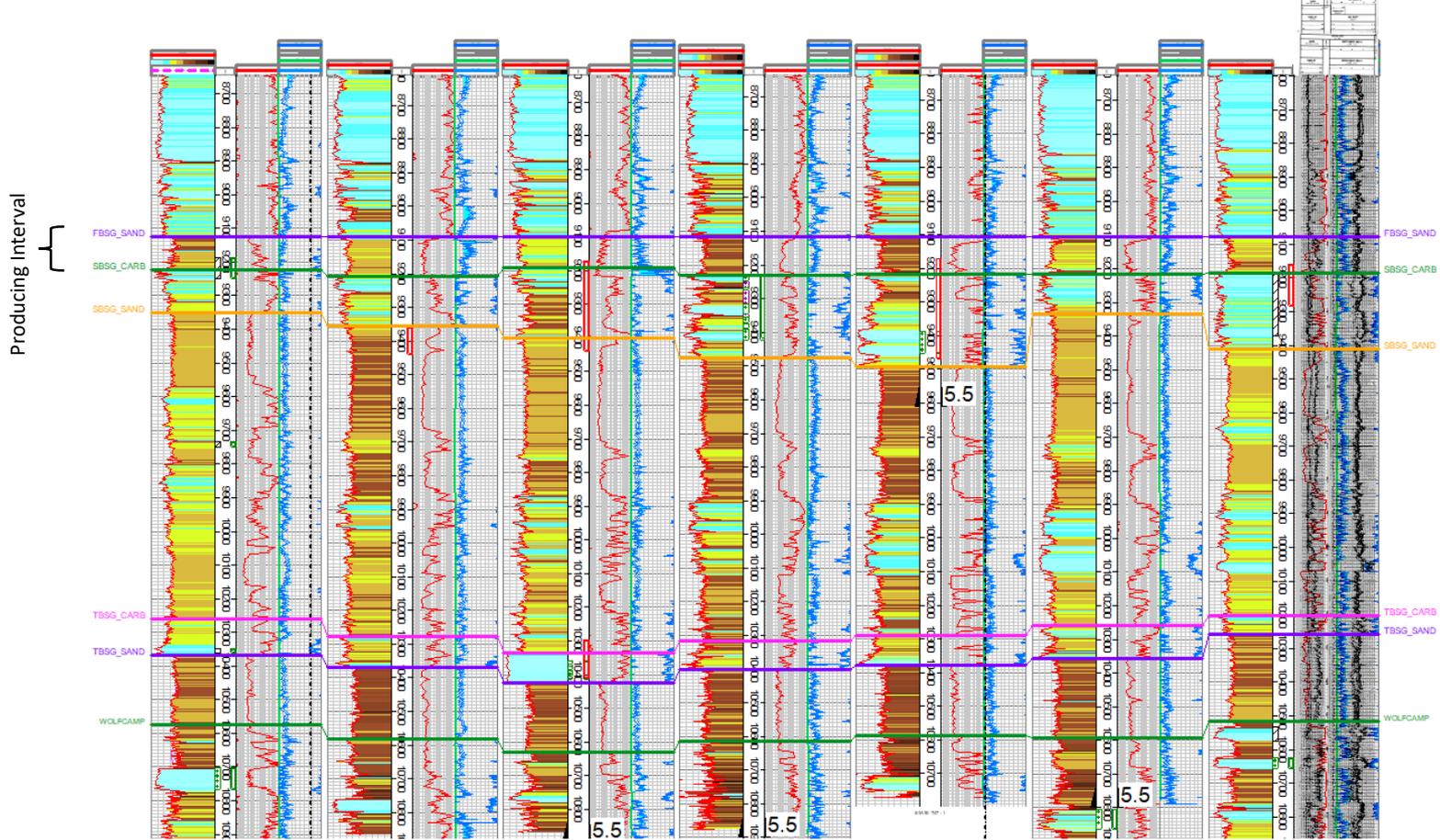
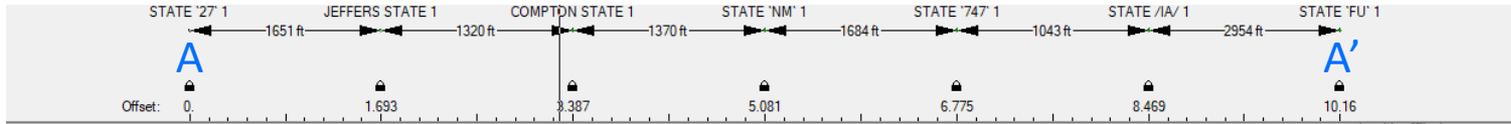


-  Bone Spring Spacing Unit
-  Proposed Horizontal Location
- 1** Gold State Com 303H
- 2** Gold State Com 304H

All wells shown

1 mile

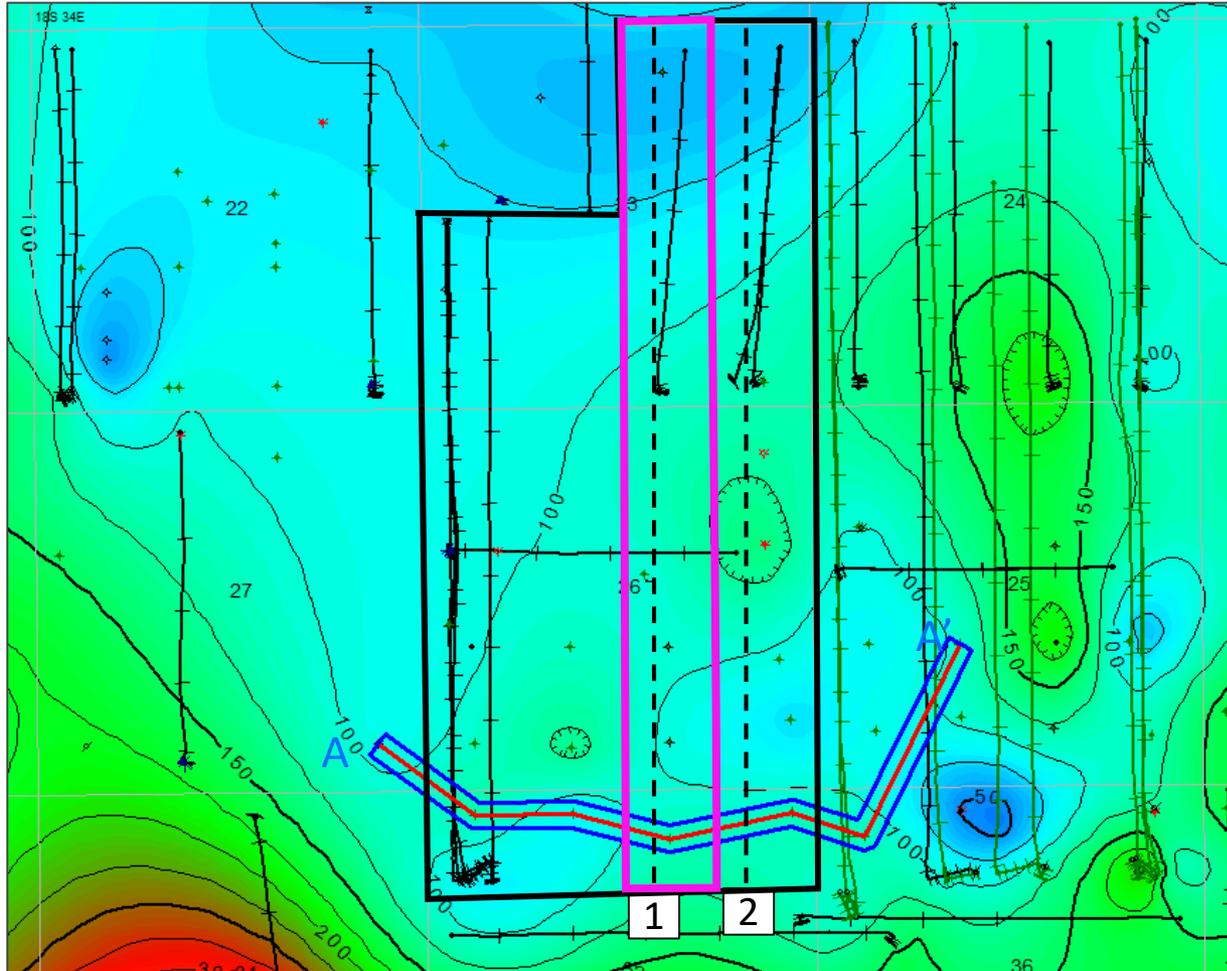
**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-4**



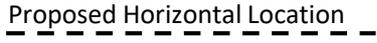
303H      304H

**Franklin Mountain Energy 3, LLC  
 Case No. 24861  
 Exhibit B-5**

OCD Examiner Hearing 10-10-24



 Bone Spring Spacing Unit

 Proposed Horizontal Location

 Gold State Com 303H

 Gold State Com 304H

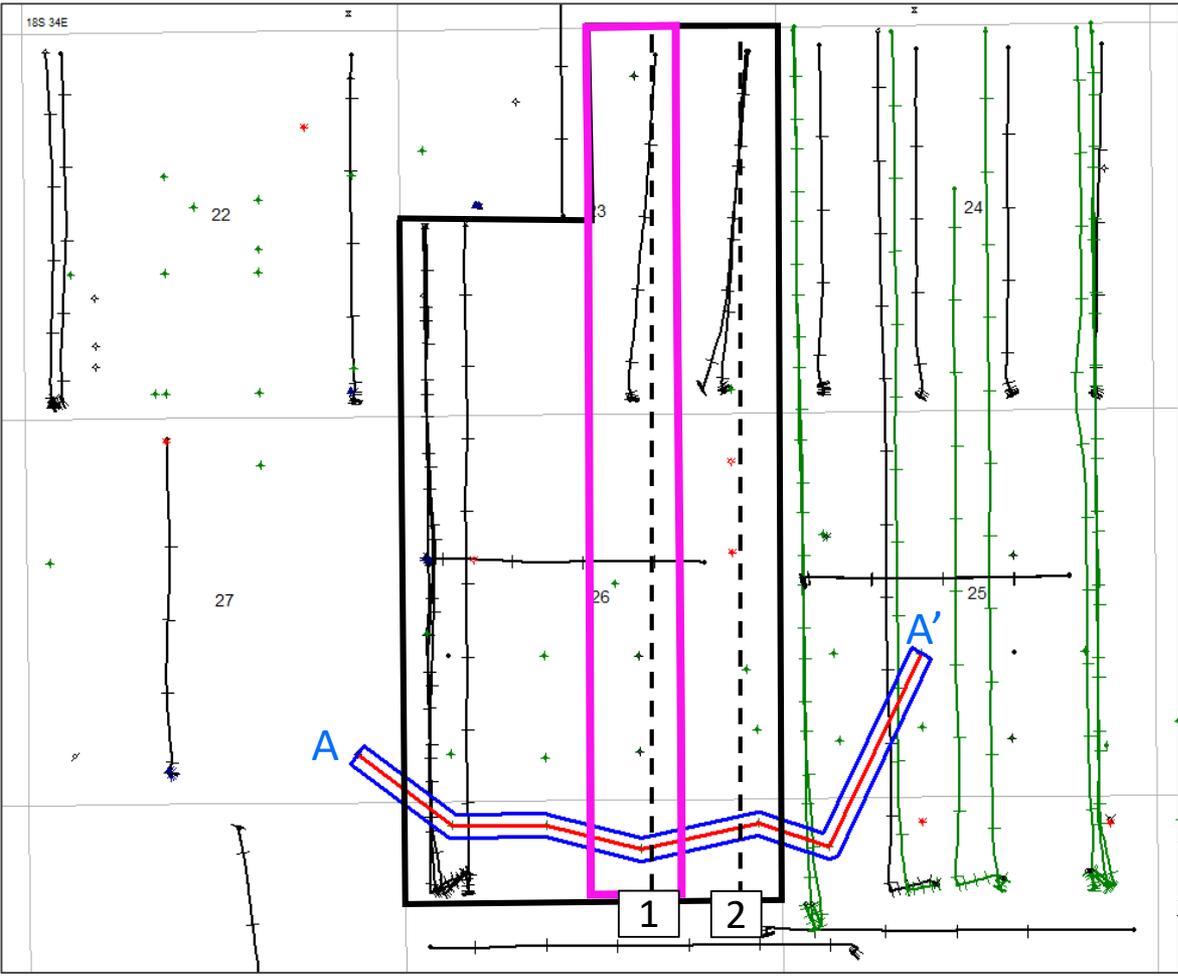
All wells shown

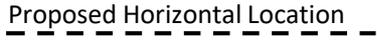
1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-6**



# Cross Section Reference Map

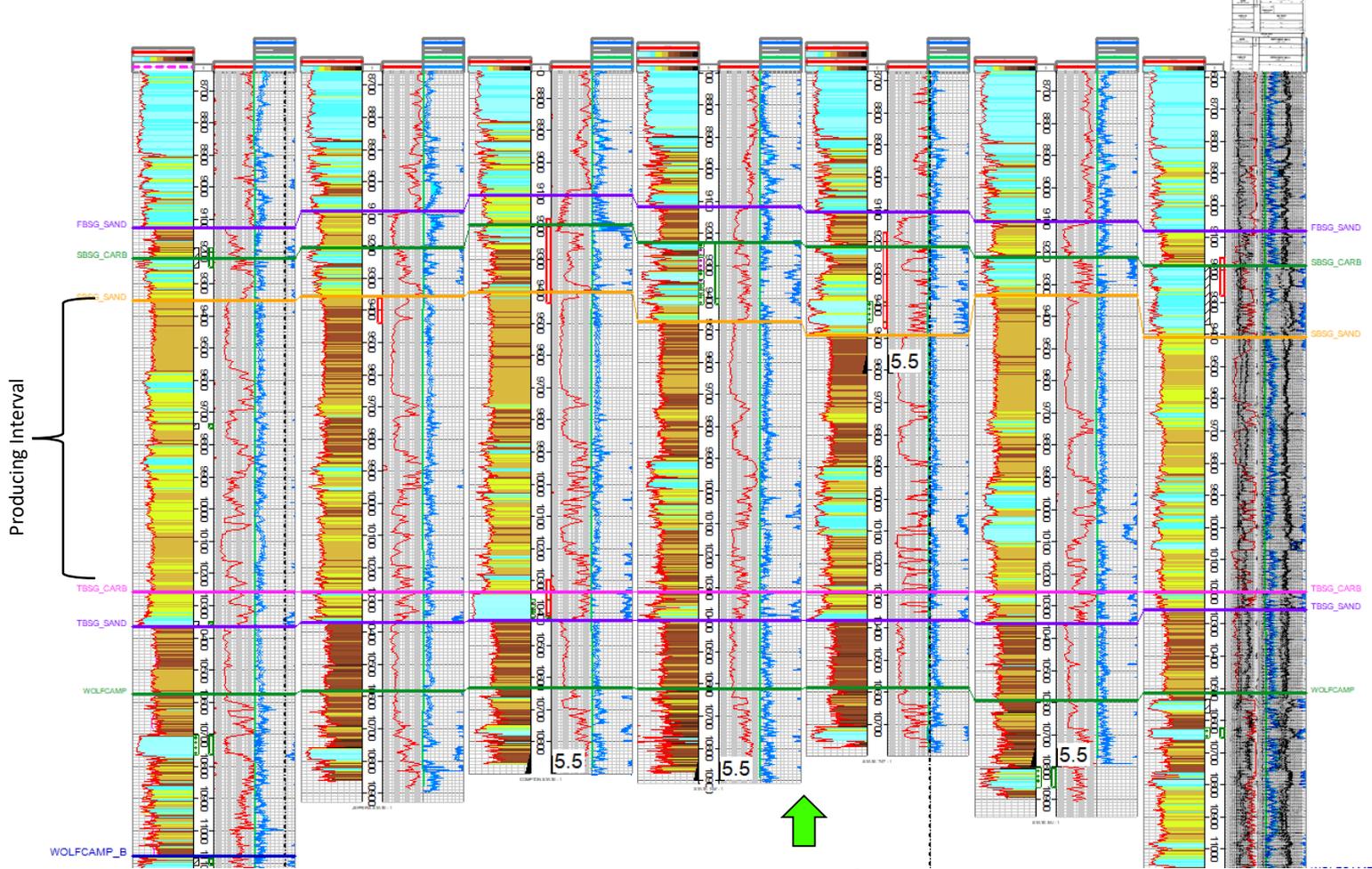
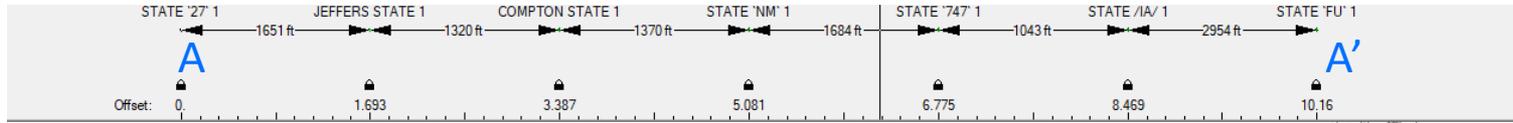


-  Bone Spring Spacing Unit
-  Proposed Horizontal Location
-  1 Gold State Com 503H
-  2 Gold State Com 504H

All wells shown

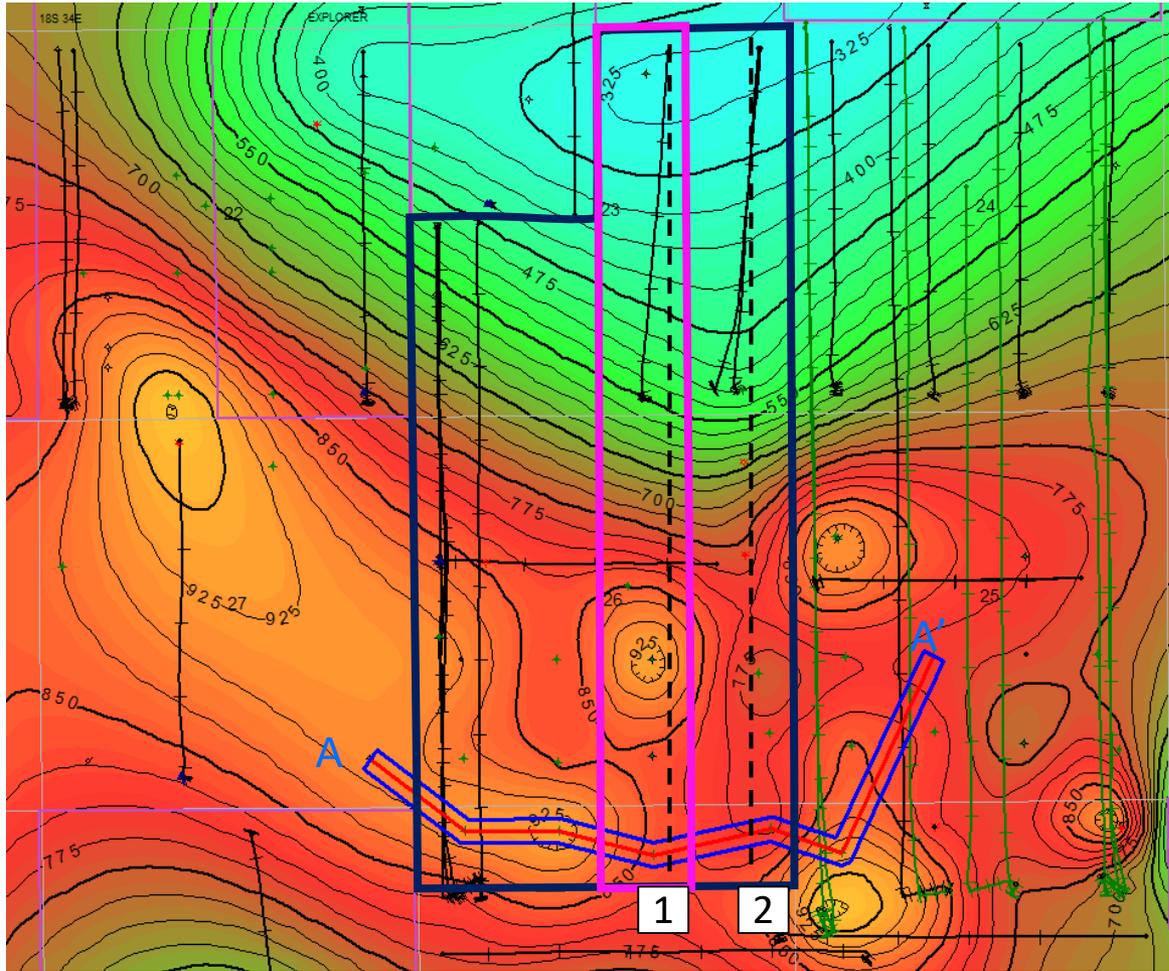
1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-8**

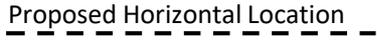


503H &  
504H

Franklin Mountain Energy 3, LLC  
Case No. 24861  
Exhibit B-9



 Bone Spring Spacing Unit

 Proposed Horizontal Location

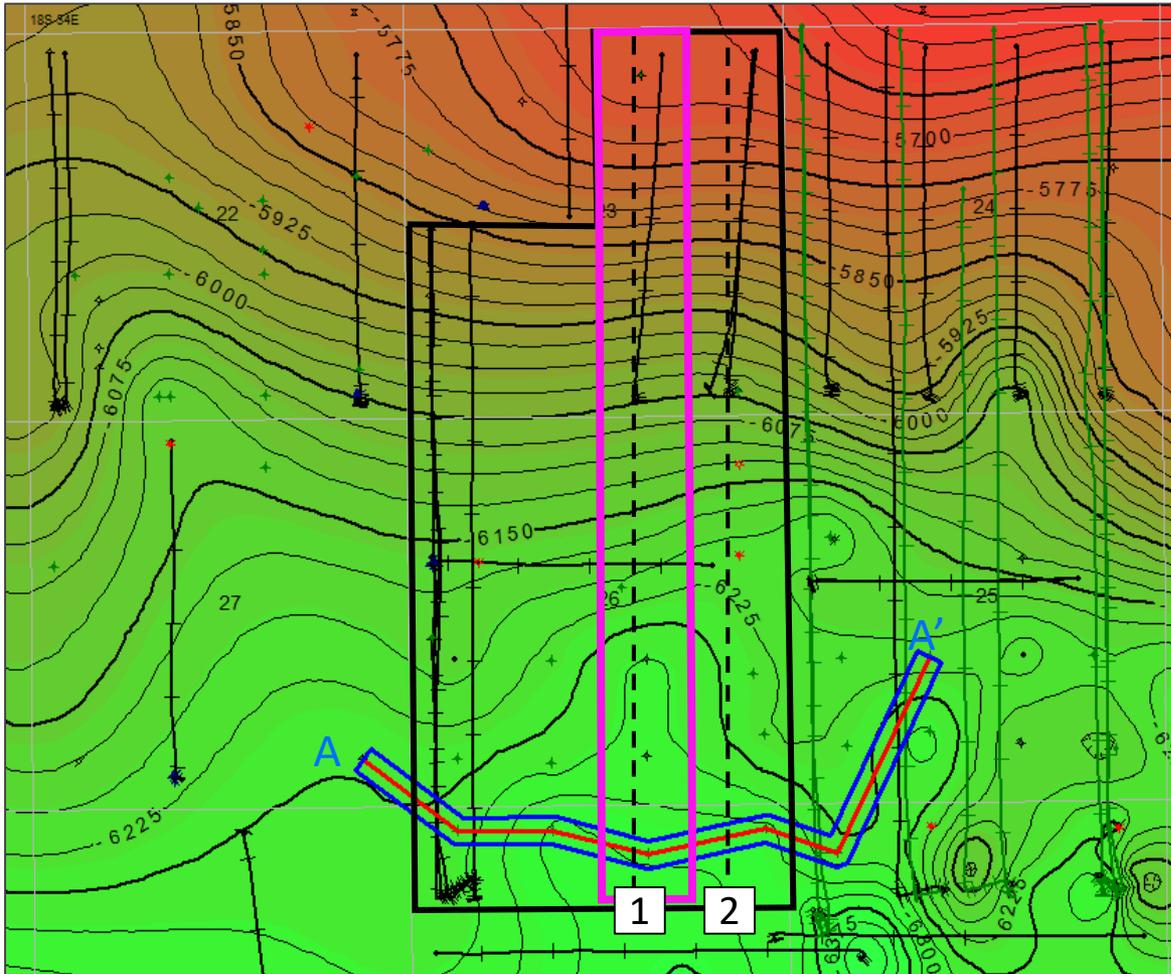
 Gold State Com 503H

 Gold State Com 504H

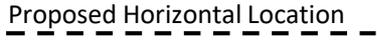
All wells shown

1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-10**



 Bone Spring Spacing Unit

 Proposed Horizontal Location

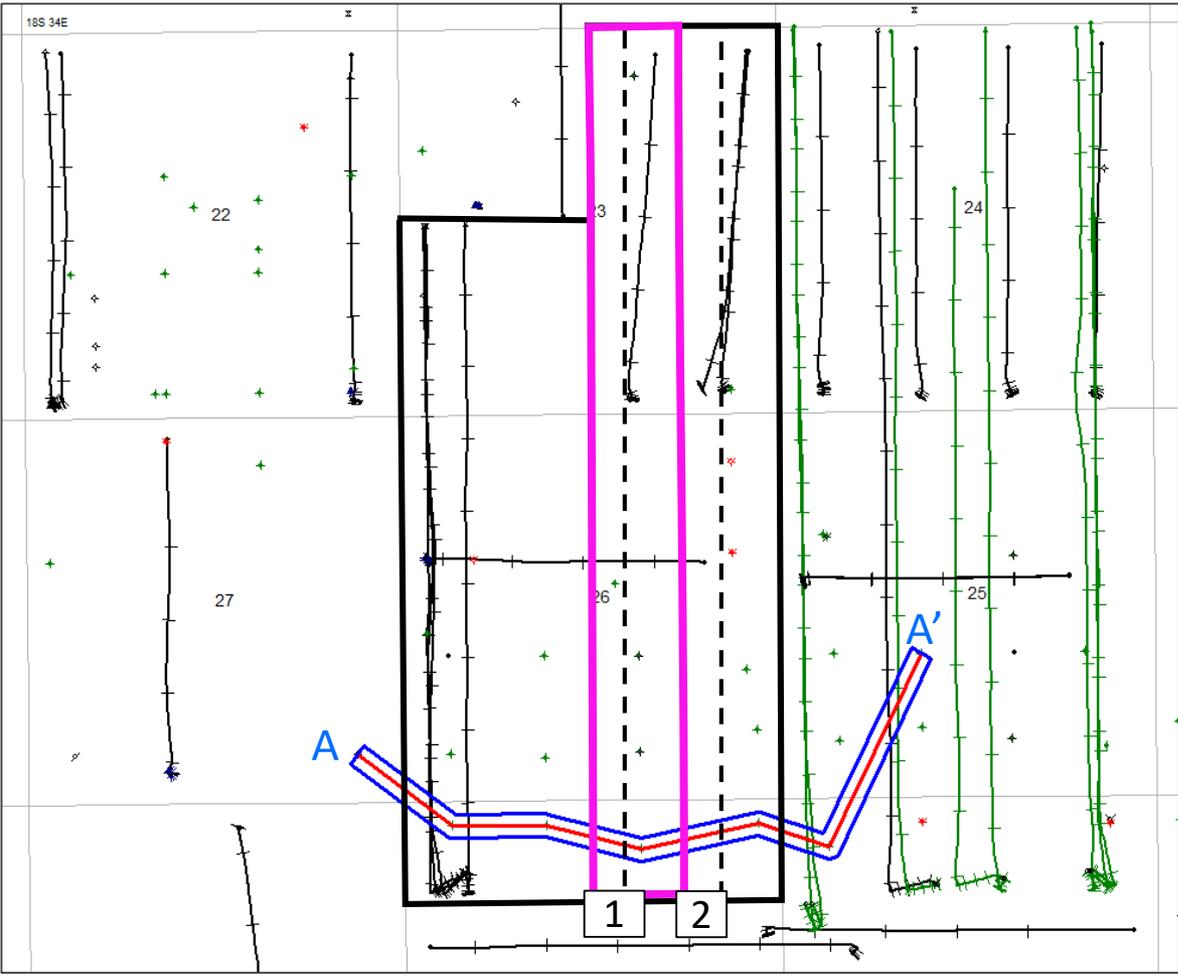
-  Gold State Com 603H
-  Gold State Com 604H

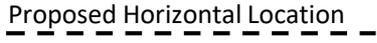
All wells shown

 1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-11**

# Cross Section Reference Map

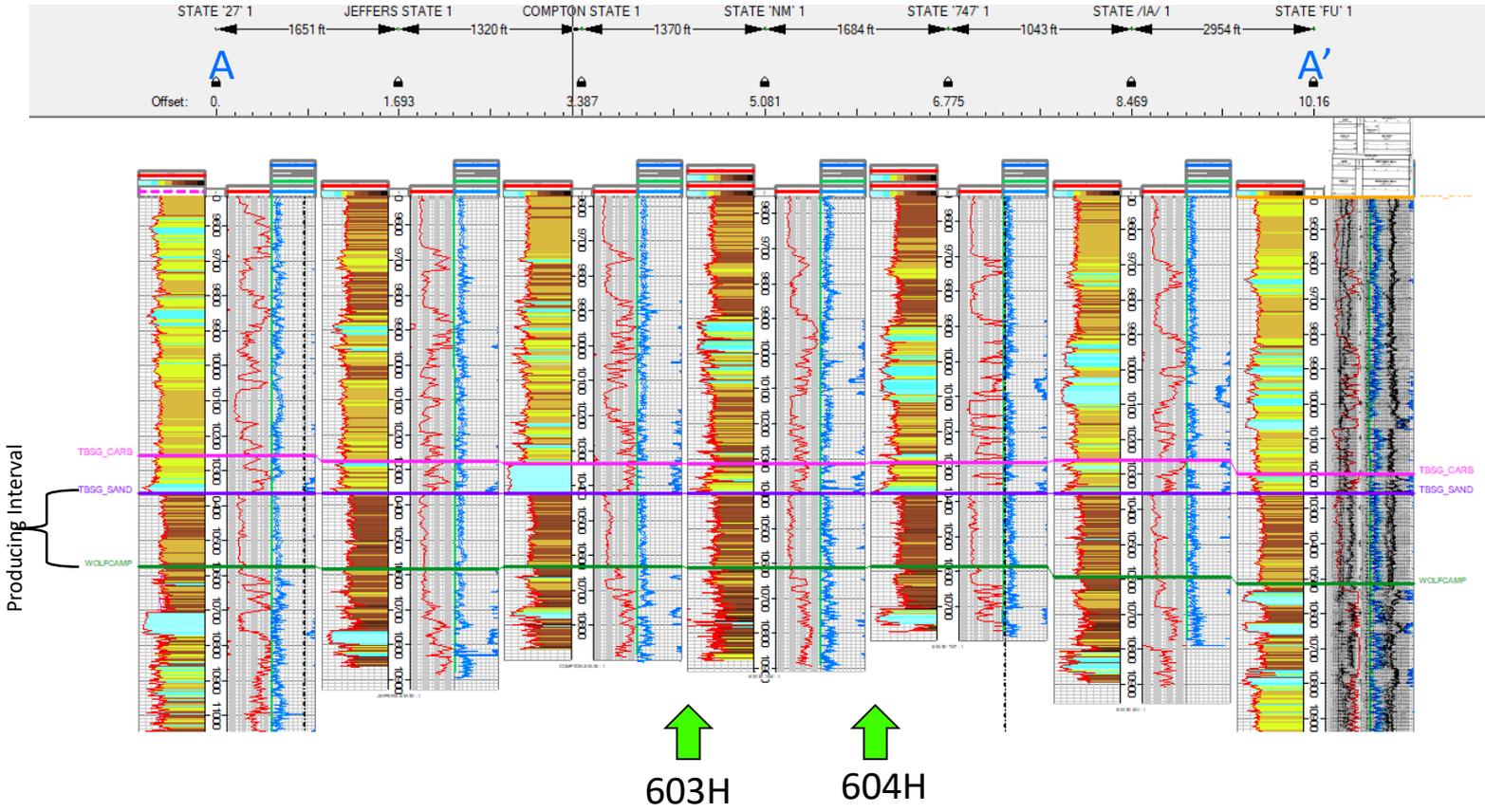


-  Bone Spring Spacing Unit
-  Proposed Horizontal Location
- 1 Gold State Com 603H
- 2 Gold State Com 604H

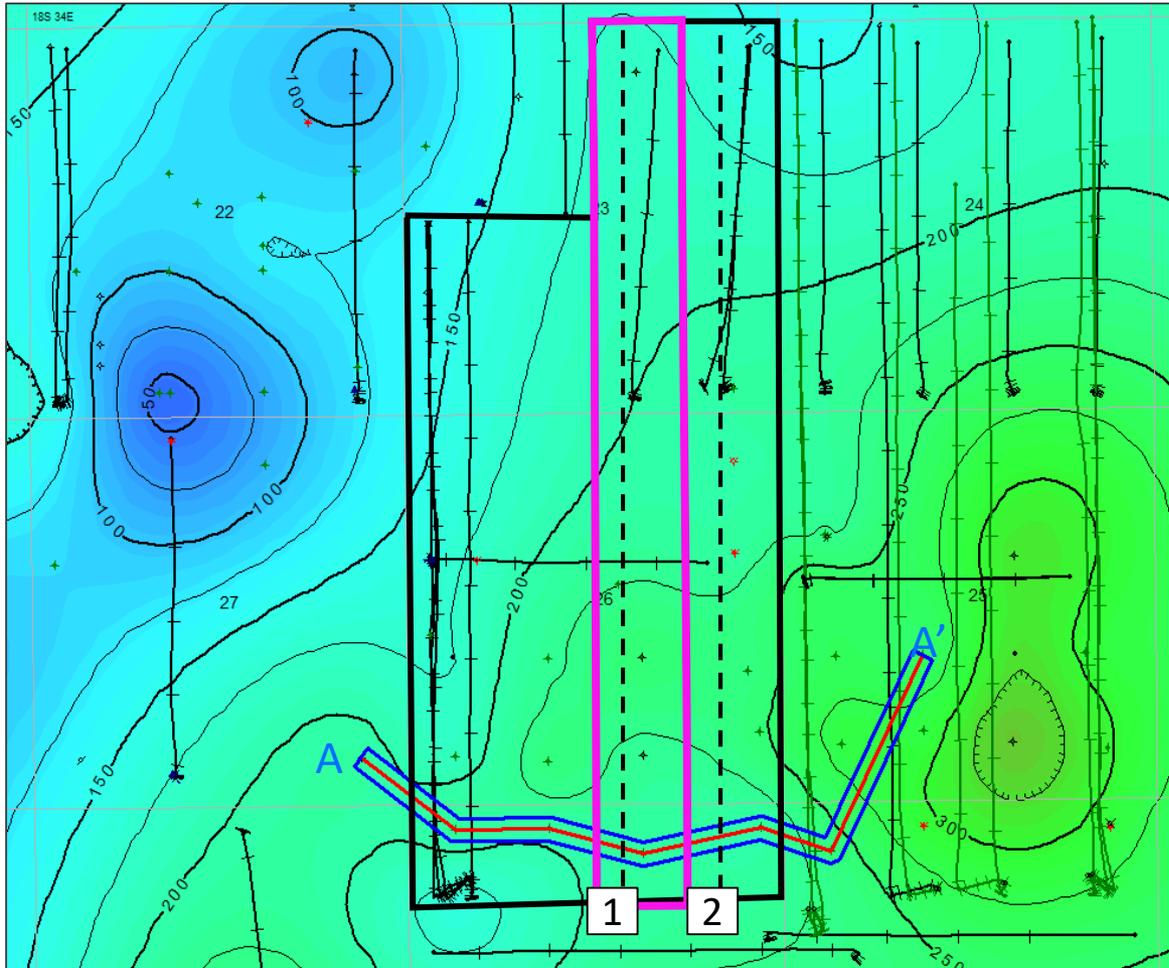
All wells shown

1 mile

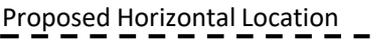
**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-12**



**Franklin Mountain Energy 3, LLC  
Case No. 24861  
Exhibit B-13**



 Bone Spring Spacing Unit

 Proposed Horizontal Location

 Gold State Com 603H

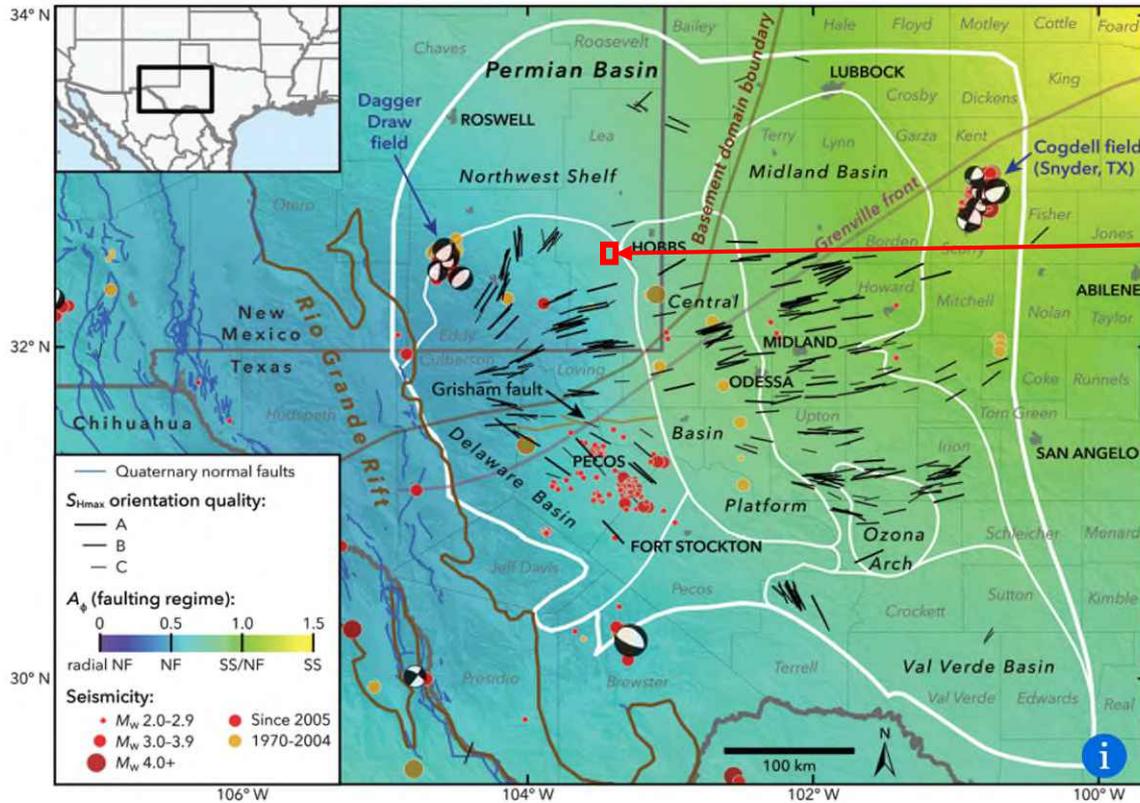
 Gold State Com 604H

All wells shown

1 mile

**Franklin Mountain Energy 3, LLC**  
**Case No. 24861**  
**Exhibit B-14**

# Regional Stress



- Red box shows the approximate location of the Gold development
- Reported local S<sub>Hmax</sub> (Snee and Zoback, 2018) direction is ENE, around 255°
- The Gold State wells are planned to drill N-S, nearly orthogonal to S<sub>Hmax</sub>, 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](http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArticle.action?articleId=1331603#articleId1331603)

OCD Examiner Hearing 10-10-24

**Franklin Mountain Energy 3, LLC  
Case No. 24861  
Exhibit B-15**

**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 NOS. 24859, 24861**

**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 September 18, 2024, and attached hereto, as Exhibit C.1.
- 2) Exhibit C.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on September 18, 2024.
- 3) Exhibit C.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 C.4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the October 10, 2024 hearing was published on September 22, 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: October 2, 2024

*Deana M. Bennett*

\_\_\_\_\_  
Deana M. Bennett

**EXHIBIT C**



MODRALL SPERLING  
LAWYERS

September 18, 2024

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**Re: 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**

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. 24859, Franklin Mountain Energy 3 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

Modrall Spierling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com

**EXHIBIT C.1**

Page 2

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 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.

**The hearing is set for October 10, 2024 beginning at 8:30 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino**

Page 3

**Building, Pecos Hall, 1220 South St. Francis Drive, 1<sup>st</sup> Floor, Santa Fe, NM 87505 and via a 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,  
AND, TO THE EXTENT NECESSARYM APPROVAL  
OF AN OVERLAPPING SPCING UNIT,  
LEA COUNTY, NEW MEXICO.

CASE NO. 24859

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 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. 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 **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.
3. The producing area for the wells is expected to be orthodox.
4. This proposed horizontal spacing unit will partially overlap with the following existing spacing units:

- a. 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);
- b. 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);
- c. 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.

5. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 10, 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 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;
- B. Approving, to the extent necessary, the proposed overlapping spacing unit.
- C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

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 Attorneys for Franklin Mountain Energy 3, LLC

**CASE NO. 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. Applicant 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.

**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. 24861

**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 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. 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 following wells:
  - a. **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



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 October 10, 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 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;

B. Approving, to the extent necessary, the proposed overlapping spacing unit.

C. Designating Franklin as operator of this unit and the wells to be drilled thereon;

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

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By: /s/ Deana M. Bennett  
Earl E. DeBrine, Jr.  
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*Attorneys for Franklin Mountain Energy 3, LLC*

**CASE NO. 24861** : **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 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.

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
 09/18/2024

Firm Mailing Book ID: 272923

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0126 1324 36	COG Operating, LLC 600 West Illinois Ave Midland TX 76450	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
2	9314 8699 0430 0126 1324 43	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
3	9314 8699 0430 0126 1324 50	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
4	9314 8699 0430 0126 1324 67	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
5	9314 8699 0430 0126 1324 74	Slash Exploration LP 500 North Main Street, Suite 200 Roswell NM 88201	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
6	9314 8699 0430 0126 1324 81	TH McElvain Oil & Gas, LLLP 1819 Denver West Dr, Ste 260 Lakewood CO 80401	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
7	9314 8699 0430 0126 1324 98	Otter Creek, LLC PO Box 1557 Sealy TX 77474	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
8	9314 8699 0430 0126 1325 04	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87508	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
9	9314 8699 0430 0126 1325 11	Good News Minerals, LLC PO BOX 50820 MIDLAND TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
10	9314 8699 0430 0126 1325 28	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE SUITE 210 HOUSTON TX 77056	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
11	9314 8699 0430 0126 1325 35	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE SUITE 210 HOUSTON TX 77056	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
12	9314 8699 0430 0126 1325 42	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
13	9314 8699 0430 0126 1325 59	Oak Valley Mineral and Land, LP 4000 NORTH BIG SPRING SUITE 310 MIDLAND TX 79705	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
14	9314 8699 0430 0126 1325 66	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
15	9314 8699 0430 0126 1325 73	Collins & Jones Investments, LLC 508 WEST WALL STREET SUITE 1200 MIDLAND TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice

**EXHIBIT C.2**

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
 09/18/2024

Firm Mailing Book ID: 272923

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0126 1325 80	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
17	9314 8699 0430 0126 1325 97	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
18	9314 8699 0430 0126 1326 03	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
19	9314 8699 0430 0126 1326 10	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
20	9314 8699 0430 0126 1326 27	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
21	9314 8699 0430 0126 1326 34	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
22	9314 8699 0430 0126 1326 41	John Lawrence Thomas, Trustee of Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
23	9314 8699 0430 0126 1326 58	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
24	9314 8699 0430 0126 1326 65	The Allar Company PO Box 1567 Graham TX 76450	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
25	9314 8699 0430 0126 1326 72	EG3, Inc. PO Box 1567 Graham TX 76450	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
26	9314 8699 0430 0126 1326 89	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
27	9314 8699 0430 0126 1326 96	Armstrong Energy Corporation PO BOX 1973 ROSWELL NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
28	9314 8699 0430 0126 1327 02	Blue Ridge Royalties, LLC PO BOX 1973 ROSWELL NM 88202	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
29	9314 8699 0430 0126 1327 19	Chimney Rock Oil & Gas, LLC 500 NORTH MAIN STREET SUITE 1000 ROSWELL NM 88201	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
30	9314 8699 0430 0126 1327 26	Crump Energy Partners LLC PO Box 50820 Midland TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice



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

PS Form 3877

Type of Mailing: **CERTIFIED MAIL**  
 09/18/2024

Firm Mailing Book ID: 272923

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
31	9314 8699 0430 0126 1327 33	Buckhorn Energy 407 N Big Spring Street, Suite 240 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
32	9314 8699 0430 0126 1327 40	Charles D. Ray PO Box 51608 Midland TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
33	9314 8699 0430 0126 1327 57	Crump Family Partnership PO Box 50820 Midland TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
34	9314 8699 0430 0126 1327 64	H6 Holdings LLC PO Box 1212 Midland TX 79702	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
35	9314 8699 0430 0126 1327 71	Hanley Petroleum Inc. 415 West Wall Street Suite 1500 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
36	9314 8699 0430 0126 1327 88	Hanley Petroleum LLC 415 West Wall Street Suite 1500 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
37	9314 8699 0430 0126 1327 95	LHAH Properties LLC 415 West Wall Street Suite 1500 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
38	9314 8699 0430 0126 1328 01	Sharktooth Resources 407 N. Big Spring Street, Suite 240 Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
39	9314 8699 0430 0126 1328 25	Tarpon Industries Corp PO Box 52002 Midland TX 79710	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
40	9314 8699 0430 0126 1328 32	TBO Oil & Gas LLC 4505 Mockingbird Lane Midland TX 79707	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
41	9314 8699 0430 0126 1328 49	TSF WI LP PO Box 222 Midland TX 79702	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
42	9314 8699 0430 0126 1328 56	Warren Ventures LTD 808 West Wall Street Midland TX 79701	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
43	9314 8699 0430 0126 1328 63	Matador Production Company One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas TX 75240	\$1.77	\$4.85	\$2.62	\$0.00	10154.0010.gold Notice
<b>Totals:</b>			<b>\$76.11</b>	<b>\$208.55</b>	<b>\$112.66</b>	<b>\$0.00</b>	
<b>Grand Total:</b>						<b>\$397.32</b>	

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

43      OCD Examiner Hearing 10-10-24

Transaction Report Details - CertifiedPro.net												
Firm Mail Book ID= 272923												
Generated: 10/2/2024 7:06:19 AM												
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date		
9314869904300126132863	2024-09-18 1:13 PM	10154.0010.gold	Matador Production Company	One Lincoln Centre	Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 11:16 AM		
9314869904300126132856	2024-09-18 1:13 PM	10154.0010.gold	Warren Ventures LTD		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 12:07 PM		
9314869904300126132849	2024-09-18 1:13 PM	10154.0010.gold	TSF WI LP		Midland	TX	79702	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132832	2024-09-18 1:13 PM	10154.0010.gold	TBO Oil & Gas LLC		Midland	TX	79707	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132825	2024-09-18 1:13 PM	10154.0010.gold	Tarpon Industries Corp		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 11:38 AM		
9314869904300126132801	2024-09-18 1:13 PM	10154.0010.gold	Sharktooth Resources		Midland	TX	79701	To be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300126132795	2024-09-18 1:13 PM	10154.0010.gold	LHAH Properties LLC		Midland	TX	79701	To be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300126132788	2024-09-18 1:13 PM	10154.0010.gold	Hanley Petroleum LLC		Midland	TX	79701	To be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300126132771	2024-09-18 1:13 PM	10154.0010.gold	Hanley Petroleum Inc.		Midland	TX	79701	To be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300126132764	2024-09-18 1:13 PM	10154.0010.gold	H6 Holdings LLC		Midland	TX	79702	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132757	2024-09-18 1:13 PM	10154.0010.gold	Crump Family Partnership		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 11:25 AM		
9314869904300126132740	2024-09-18 1:13 PM	10154.0010.gold	Charles D. Ray		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-25 8:43 AM		
9314869904300126132733	2024-09-18 1:13 PM	10154.0010.gold	Buckhorn Energy		Midland	TX	79701	To be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300126132726	2024-09-18 1:13 PM	10154.0010.gold	Crump Energy Partners LLC		Midland	TX	79710	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132719	2024-09-18 1:13 PM	10154.0010.gold	Chimney Rock Oil & Gas, LLC		ROSWELL	NM	88201	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300126132702	2024-09-18 1:13 PM	10154.0010.gold	Blue Ridge Royalties, LLC		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 10:15 AM		
9314869904300126132696	2024-09-18 1:13 PM	10154.0010.gold	Armstrong Energy Corporation		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-24 10:16 AM		
9314869904300126132689	2024-09-18 1:13 PM	10154.0010.gold	GMT New Mexico Royalty Company LLC		DENVER	CO	80202	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132672	2024-09-18 1:13 PM	10154.0010.gold	EG3, Inc.		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 10:03 AM		
9314869904300126132665	2024-09-18 1:13 PM	10154.0010.gold	The Allar Company		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 10:03 AM		
9314869904300126132658	2024-09-18 1:13 PM	10154.0010.gold	CrownRock Minerals, L.P.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 11:37 AM		
9314869904300126132641	2024-09-18 1:13 PM	10154.0010.gold	John Lawrence Thomas, Trustee of	Cornerstone Family Trust	PEYTON	CO	80813	Delivered	Return Receipt - Electronic, Certified Mail	2024-10-01 12:30 PM		
9314869904300126132634	2024-09-18 1:13 PM	10154.0010.gold	Ridge Runner Holdings, LLC		MIDLAND	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-24 10:54 AM		
9314869904300126132627	2024-09-18 1:13 PM	10154.0010.gold	Sitka Consulting, LLC		SPRING	TX	77386	To be Returned	Return Receipt - Electronic, Certified Mail			
9314869904300126132610	2024-09-18 1:13 PM	10154.0010.gold	SHG Energy, LLC		MIDLAND	TX	79707	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132603	2024-09-18 1:13 PM	10154.0010.gold	David W. Cromwell		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-26 10:45 AM		
9314869904300126132597	2024-09-18 1:13 PM	10154.0010.gold	H. Jason Wacker		MIDLAND	TX	79707	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132580	2024-09-18 1:13 PM	10154.0010.gold	MCT Energy Ltd.		FORT WORTH	TX	76107	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 1:43 PM		
9314869904300126132573	2024-09-18 1:13 PM	10154.0010.gold	Collins & Jones Investments, LLC		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-26 3:36 PM		
9314869904300126132566	2024-09-18 1:13 PM	10154.0010.gold	Crown Oil Partners, LP		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 11:25 AM		
9314869904300126132559	2024-09-18 1:13 PM	10154.0010.gold	Oak Valley Mineral and Land, LP		MIDLAND	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 2:38 PM		
9314869904300126132542	2024-09-18 1:13 PM	10154.0010.gold	Sortida Resources, LLC		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 11:25 AM		
9314869904300126132535	2024-09-18 1:13 PM	10154.0010.gold	Post Oak Mavros II, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-27 11:54 AM		
9314869904300126132528	2024-09-18 1:13 PM	10154.0010.gold	Post Oak Crown IV, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-27 11:54 AM		
9314869904300126132511	2024-09-18 1:13 PM	10154.0010.gold	Good News Minerals, LLC		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 11:25 AM		
9314869904300126132504	2024-09-18 1:13 PM	10154.0010.gold	State of New Mexico		Santa Fe	NM	87508	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132498	2024-09-18 1:13 PM	10154.0010.gold	Otter Creek, LLC		Sealy	TX	77474	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132481	2024-09-18 1:13 PM	10154.0010.gold	TH McElvain Oil & Gas, LLLP		Lakewood	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-24 12:46 PM		
9314869904300126132474	2024-09-18 1:13 PM	10154.0010.gold	Slash Exploration LP		Roswell	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 2:18 PM		
9314869904300126132467	2024-09-18 1:13 PM	10154.0010.gold	Allar Development, LLC		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 10:03 AM		
9314869904300126132450	2024-09-18 1:13 PM	10154.0010.gold	EG3 Development, LLC		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-23 10:03 AM		
9314869904300126132443	2024-09-18 1:13 PM	10154.0010.gold	Marathon Oil Permian, LLC		Houston	TX	77024	Mailed	Return Receipt - Electronic, Certified Mail			
9314869904300126132436	2024-09-18 1:13 PM	10154.0010.gold	COG Operating, LLC		Midland	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-09-24 7:47 AM		

EXHIBIT C.3

# 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  
September 22, 2024  
and ending with the issue dated  
September 22, 2024.



Publisher

Sworn and subscribed to before me this  
22nd day of September 2024.



Business Manager

My commission expires  
January 29, 2027

**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 of 1937 and payment of fees for said publication has been made.

**CASE NO. 24859: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Marathon Oil Permian, LLC; EG3 Development, LLC; Allar Development, LLC; Slash Exploration LP; TH McElvain Oil & Gas, LLLP; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thomas, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Armstrong Energy Corporation; Blue Ridge Royalties, LLC; Chimney Rock Oil & Gas, LLC; Crump Energy Partners, LLC; Buckhorn Energy LLC; Charles D. Ray; Crump Family Partnership LTD; H6 Holdings LLC; Hanley Petroleum Inc.; Hanley Petroleum LLC; LHAH Properties LLC; Sharktooth Resources LTD; Tarpon Industries Corp; TBO Oil & Gas LLC; TSF WI LP; Warren Ventures LTD; Matador Production Company 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 8:30 a.m. on **October 10, 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 a 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 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.

**CASE NO. 24861: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Marathon Oil Permian, LLC; EG3 Development, LLC; Allar Development, LLC; Slash Exploration LP; TH McElvain Oil & Gas, LLLP; Otter Creek, LLC; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros II, LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; H. Jason Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thomas, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Armstrong Energy Corporation; Blue Ridge Royalties, LLC; Chimney Rock Oil & Gas, LLC; Crump Energy Partners, LLC; Buckhorn Energy LLC; Charles D. Ray; Crump Family Partnership LTD; H6 Holdings LLC; Hanley Petroleum Inc.; Hanley Petroleum LLC; LHAH Properties LLC; Sharktooth Resources LTD; Tarpon Industries Corp; TBO Oil & Gas LLC; TSF WI LP; Warren Ventures LTD; Matador Production Company 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 8:30 a.m. on **October 10, 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 a 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 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.  
#00294276

MODRALL, SPERLING, ROEHL, HARRIS &  
P. O. BOX 2168  
ALBUQUERQUE, NM 87103-2168

**EXHIBIT C.4**