

NSL Initial Application

Received: 03/02/2020

PO# 6SFM5-200302-NSL000

Revised March 23, 2017

RECEIVED: 3/2/2020	REVIEWER: JAG	TYPE: NSL-8012	APP NO: pJAG2006328627
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Franklin Mountain Energy LLC **OGRID Number:** 373910
Well Name: Ouray Fed Com 703H **API:** Pending
Pool: WC025 G09 S253502D; UPR WOLFCAMP **Pool Code:** WC-98187

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
2) NOTIFICATION REQUIRED TO: Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**
☐ Notice Complete
☐ Application
 Content
 Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Deana M. Bennett

Print or Type Name

Signature

March 2, 2020

Date

505-848-1834

Phone Number

deana.bennett@modrall.com

e-mail Address



MODRALL SPERLING

L A W Y E R S

March 2, 2020

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Deana M. Bennett
Tel: 505.848.1834
Fax: 505.848.9710
deana.bennett@modrall.com

Re: Application of Franklin Mountain Energy, LLC for administrative approval of unorthodox well location for its Ouray Fed Com 703H well, located in the W/2 of Sections 4 and 9, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

Dear Director Sandoval:

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, is seeking administrative approval of an unorthodox well location ("NSL") for the **Ouray Fed Com 703H well** (the "Well") to be completed within the WC-025 G-09 S253502D Upper Wolfcamp Pool (98187) underlying the W/2 of Sections 4 and 9, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico. A C-102 for the Well is attached as Exhibit A. This is a horizontal well that will be drilled as follows:

- Surface Hole Location: 325' from the South line and 1325' from the West line of Section 9;
- First Take Point: 958' from the South line and 2014' from the West line of Section 9;
- Last Take Point: 150' from the North line and 2126' from the West line of Section 4.
- Bottom Hole Location: 150' from the North line and 2426' from the West line of Section 4.

FME has included as Exhibit B a letter explaining why this application is needed. This well will produce from the WC-025 G-09 S253502D Upper Wolfcamp Pool (98187). This pool follows statewide pool rules, which establish 100' setbacks for first and last take points and 330' setbacks for completed laterals. **The bottom hole location for the proposed well is closer than 330' from the boundary of the spacing unit.**

Due to the location of the bottom hole, the well's location will encroach towards the SE/4 SW/4 of Section 33, Township 23 South, Range 35 East.

Modrall Sperling
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

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FME is providing notice to the working interest owners in the SE/4 SW/4 of Section 33, Township 23 South, Range 35 East. FME is also providing notice to the Bureau of Land Management and the State Land Office as owners of mineral estates with respect to offsetting areas. FME also provides a midland map of this area, attached as Exhibit C, and an annotated midland map showing the horizontal spacing unit and the affected tract. Proof of mailing notice and the application to affected persons entitled to notice is attached hereto as Exhibit D.

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett

***Attorneys for Franklin Mountain
Energy, LLC***

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98187	³ Pool Name WC-025 G-09 S253502D;UPR WOLFCAMP
⁴ Property Code	⁵ Property Name OURAY FED COM	⁶ Well Number 703H
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	⁹ Elevation 3393.1'

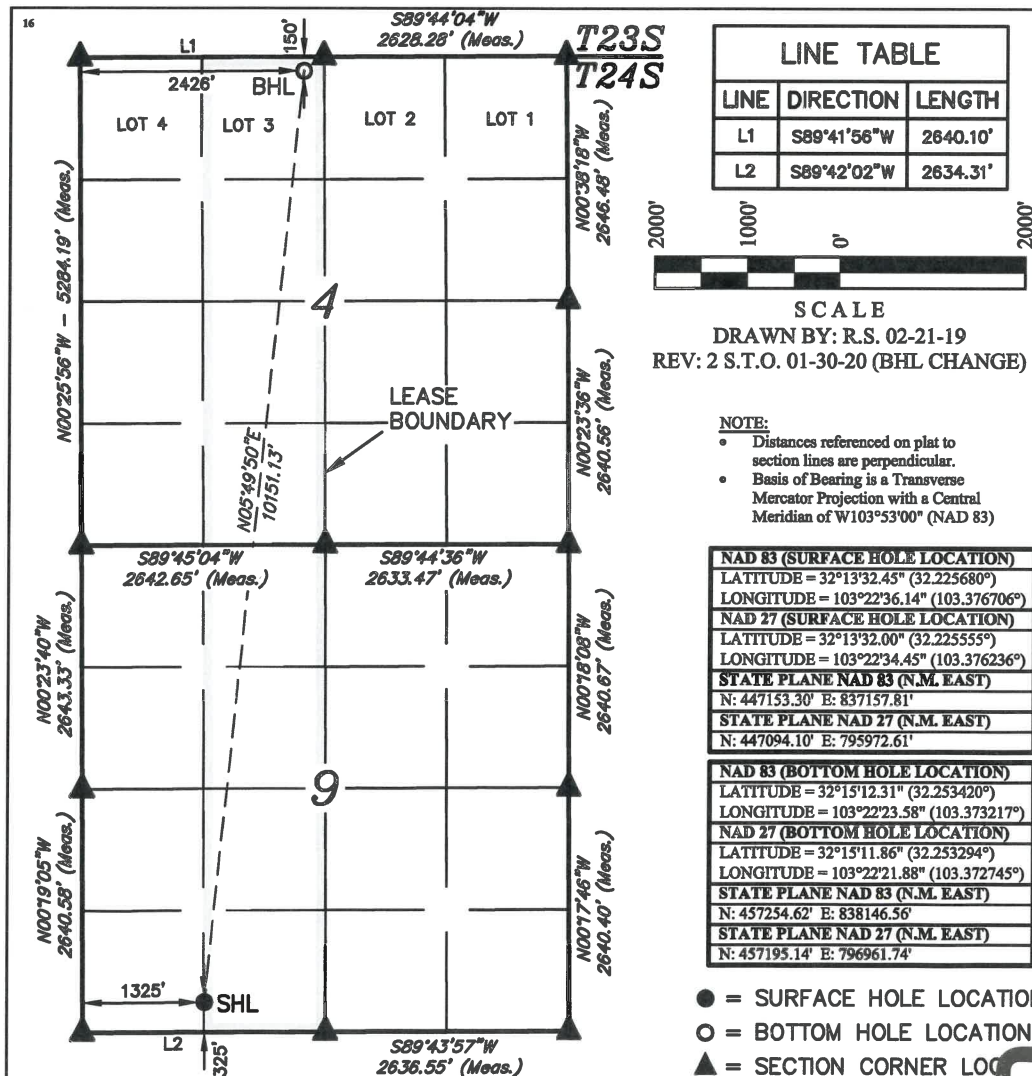
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	24S	35E		325	SOUTH	1325	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	4	24S	35E		150	NORTH	2426	WEST	LEA
¹² Dedicated Acres 320.14	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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



17 OPERATOR CERTIFICATION

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

Signature: *Shelly Albrecht* Date: 2/2/2020

Printed Name: Shelly Albrecht

E-mail Address: salbrecht@fmellc.com

18 SURVEYOR CERTIFICATION

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

MAY 08, 2019

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

EXHIBIT

A



February 3, 2020

Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
Attn: Adrienne Sandoval, Director
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87050

Re: Ouray Fed Com 703H
Non-Standard Location Application
Lea County, New Mexico

Dear Ms. Sandoval,

Franklin Mountain Energy, LLC kindly requests the administrative approval of the non-standard location for the Ouray Fed Com 703H well, to be drilled in the WC-025 G-09 S253502D Wildcat; Upper Wolfcamp (Oil) pool (WC-98187). Franklin Mountain Energy plans for this well to have a first take point at approximately 958' FSL and 2,014' FWL of Section 9 and a last take point at least 150' FNL and approximately 2,126' FWL of Section 4, which is closer to the unit line than allowed under the subject field rules. Franklin Mountain Energy, LLC requests this non-standard location because such placement relative to offset planned wellbores optimizes the geometric configuration and subsequent resource recovery under the current development plan.

Thank you for your consideration. If you have any questions, please contact me at (970) 629-0668.

Best,

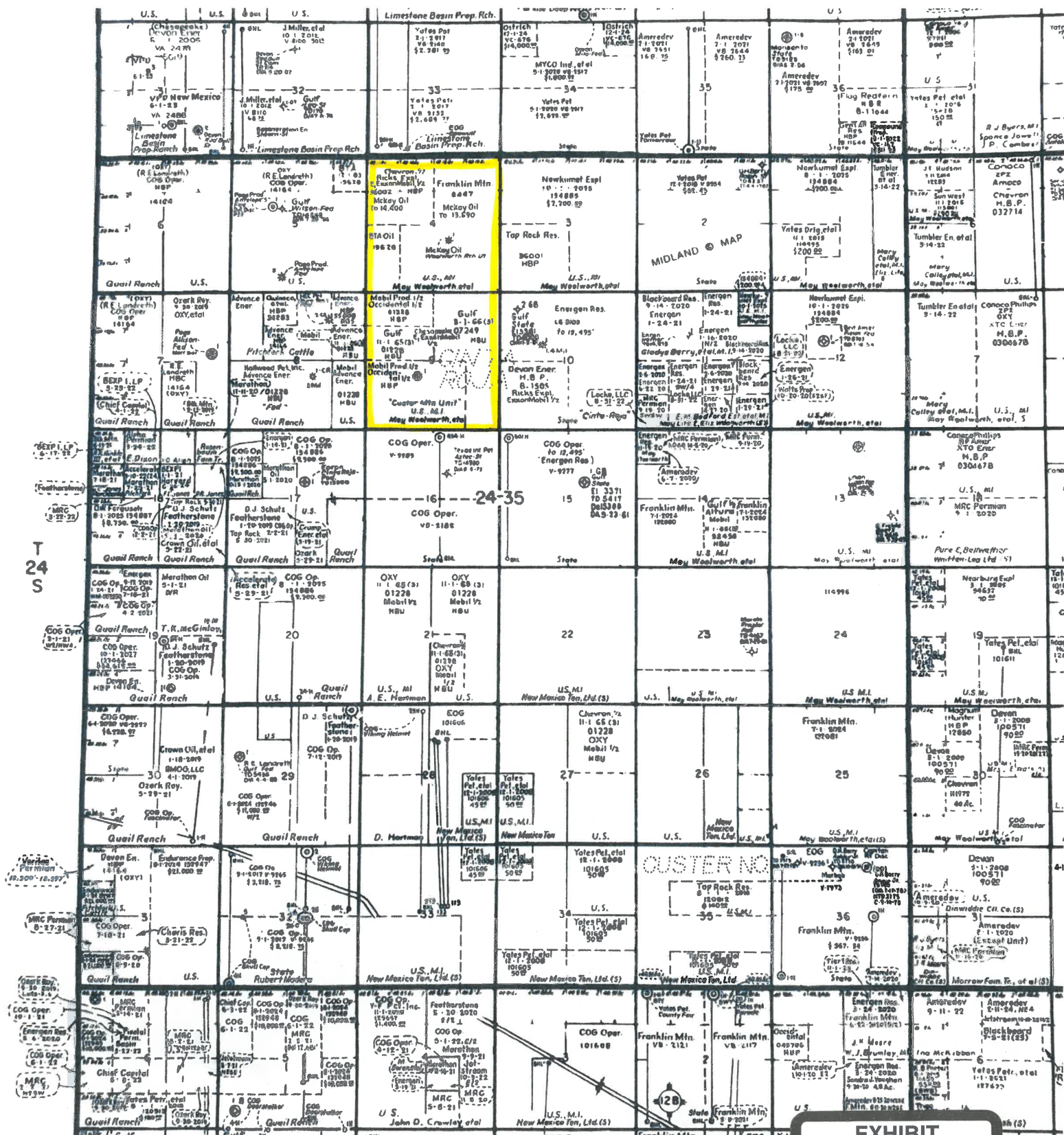


Mark Hinaman, P.E.
Director of Engineering
Franklin Mountain Energy, LLC

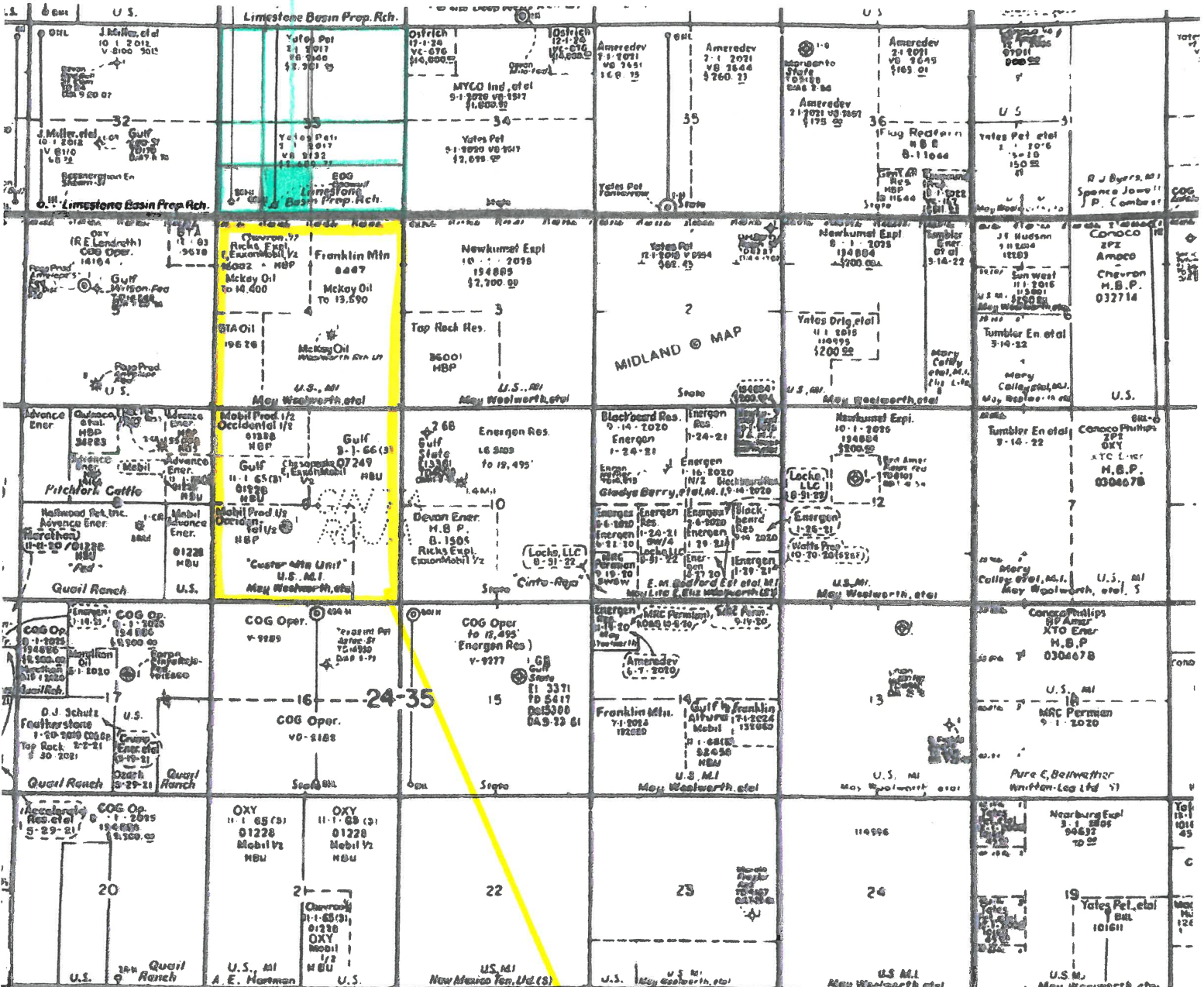


EXHIBIT

C



24S 35E



#54



1 mile



MODRALL SPERLING

L A W Y E R S

March 2, 2020

VIA CERTIFIED MAIL

RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Franklin Mountain Energy, LLC for administrative approval of unorthodox well location for its Ouray Fed Com 703H well, located in the W/2 of Sections 4 and 9, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

Deana M. Bennett
505.848.1834
dmb@modrall.com

Ladies and Gentlemen:

Enclosed in the notice is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application or it may be administratively approved by the Division.

If you have any questions concerning this application, please contact:

Shelly Albrecht
Land Professional
Franklin Mountain Energy, LLC
(720) 414-7855
salbrecht@fme LLC.com

If you have no objection to this application, please sign the waiver as indicated below and return the original. Your assistance and cooperation in this matter are appreciated.

Sincerely,

Deana M. Bennett
*Attorney for Franklin Mountain
Energy LLC*

Modrall Sperling
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



WAIVER

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the **Ouray Fed Com 703H well**, located in the W/2 of Sections 4 and 9, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico.

Dated: _____
Signature _____

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
03/02/2020

Firm Mailing Book ID: 185715

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0069 4082 92	EOG Y Resources, Inc. PO Box 4362 Houston TX 77210	\$2.40	\$3.55	\$1.70	\$0.00	10154.0001 Ouray Notice
2	9314 8699 0430 0069 4083 08	EOG Resources, Inc. PO Box 4362 Houston TX 77210	\$2.40	\$3.55	\$1.70	\$0.00	10154.0001 Ouray Notice
3	9314 8699 0430 0069 4083 15	EOG A Resources, Inc. PO Box 4362 Houston TX 77210	\$2.40	\$3.55	\$1.70	\$0.00	10154.0001 Ouray Notice
4	9314 8699 0430 0069 4083 22	EOG M Resources, Inc. PO Box 4362 Houston TX 77210	\$2.40	\$3.55	\$1.70	\$0.00	10154.0001 Ouray Notice
5	9314 8699 0430 0069 4083 39	Devon Energy Production Company, L.P. 333 West Sheridan Ave Oklahoma City OK 73102	\$2.40	\$3.55	\$1.70	\$0.00	10154.0001 Ouray Notice
Totals:			\$12.00	\$17.75	\$8.50	\$0.00	
Grand Total:						\$38.25	

List Number of Pieces
Listed by Sender

Total Number of Pieces
Received at Post Office

Postmaster:
Name of receiving employee

Dated:

OFFSETTING OWNERSHIP INFORMATION

SE/4 SW/4 Section 33, Township 23 South, Range 35 East

EOG Y Resources, Inc.
P.O. Box 4362
Houston, TX 77210-4362

EOG Resources, Inc.
P.O. Box 4362
Houston, TX 77210-4362

EOG A Resources, Inc.
P.O. Box 4362
Houston, TX 77210-4362

EOG M Resources, Inc.
P.O. Box 4362
Houston, TX 77210-4362

Devon Energy Production Company, L.P.
333 West Sheridan Ave
Oklahoma City, OK 73102-5015